



**Equitable Economy**



**Thriving Community**



**Healthier Planet**

# Equitable Economy Thriving Community Healthier Planet

Since early 2020, Axis Bank has been at the forefront of the nation's collective battle against the COVID-19 pandemic, working together with our employees for our customers, communities, and frontline COVID warriors in hospitals, police departments, municipal corporations and government agencies. Through our Foundation, we continue to support India's grassroots population in helping gain access to healthcare and other pandemic-linked essential services, accomplish food and livelihood security and support the rural economy in getting back on its feet.

*As an essential financial services provider, thousands of our employees located at our branches and offices spanning across the country continued to work tirelessly to help meet the myriad requirements of our customers as well as the communities we work with.*

The pandemic has demonstrated unequivocally that economic prosperity is incomplete if it cannot help strengthen the community or protect the environment. Therefore, the call for building a more equitable and inclusive society, which is harmonious with the needs of the community and health of our planet is rising worldwide. Even as society works together to overcome the present challenges, we believe we have an opportunity to rewrite the fundamentals of economic decision-making and move towards adopting long-termism in our outlook.

*Guided by the spirit of 'One Axis', Axis Bank strives to play a larger role in meeting the diverse and multitudinous aspirations of India.*

With millions of women in rural and urban India as participants in our microfinance programmes, we have helped bring economic empowerment in some of the most remote regions of India's hinterlands. Our efforts in the digital banking space, in addition to making banking more secure and convenient for our customers. We have also helped bring many unbanked and under-banked Indians into the formal economy.

Our community interventions across India, directly and through the Axis Bank Foundation, support socio-economic growth and help build community resilience.

We remain committed to the success and wellbeing of our employees, the bedrock of our organisation, who have bravely responded to the pandemic.

We are committed to scaling up our banking activities that support a low-carbon transition of the economy, reducing the environmental impact of our business operations, and supporting community interventions to conserve our natural environment.

The Report's theme – 'Equitable Economy, Thriving Community, Healthier Planet' conveys our belief that we shall be truest to our role as a financial institution when our actions support our customers, employees, communities and the environment we live in building resilience economically, socially and materially. We remain committed as ever to delivering on this pathway.



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# Highlights for the Year

## Financial Capital

Funds available for use in the production of goods/provision of services and obtained through financing or generated through operations or investments.

**₹6,588 Crores**

Net profit up by 305% y-o-y

**₹9,96,118 Crores**

Total Assets up by 9% y-o-y

**₹6,23,720 Crores**

Advances up by 9% y-o-y

**₹7,07,306 Crores**

Total Deposits up by 10% y-o-y

**₹29,239 Crores**

Net Interest Income up by 16% y-o-y

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## Manufactured Capital

Manufactured objects available for use in the production of goods/provision of services, such as buildings, equipment and infrastructure.

**4,594**

Branches in 38 states and Union Territories (UTs)

**1,577**

Branches in rural and semi-urban locations

**17,043**

ATMs and cash deposits/withdrawal machines

**13,600**

Common service centres in rural and semi-urban markets

**6 Lakhs+**

POS machines

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## Intellectual Capital

Knowledge-based intangibles such as IPR, patents, copyrights, trademarks, rights and licenses, and 'organisational capital' such as tacit knowledge, systems, procedures and protocols.

**17%**

Market share in UPI in India by volume

**16%**

Market share in mobile banking in India by volume

**57%**

Personal loans sourced digitally in FY 2020-21, up from 44% in FY 2019-20

**7.1 Million**

Credit cards in force as on 31 March 2021

**74%**

Digitally active customers in Q4 FY21

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All figures reported above are for FY 2020-21 or as on 31 March 2021



## Human Capital

People's competencies, capabilities and experience, and their motivation to innovate.

**78,307**

Employees with over 95% having 'Work from Home' enablement

**75,000+**

Employees with WFH enablement (Largest in the BFSI segment in India)

**83**

Candidates hired under GIG-A programme

**400+**

Strong team of data scientists, engineers and analysts

**110**

Members in the full service in-house digital team

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## Social and Relationship Capital

Shared norms, common values and behaviour, key stakeholder relationships and trust building, and intangibles associated with brand and reputation.

**150 districts**

in 20 states where the Bank directly supported frontline workers

**0.92 Million**

Households covered under Axis Bank Foundation's Mission 2 Million

**0.7 Million**

Rural women participants in financial literacy and health awareness programmes

**300+ students**

supported at Lyzon Friendship School, Manipur under Axis DilSe

**10 scholarships**

awarded to female students at Ashoka University under Axis Bank Scholarship Programme

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## Natural Capital

Renewable and non-renewable environmental resources and processes that provide goods and services such as air, water, land, minerals, forests and biodiversity.

**4,975 Mwh**

Green energy procured through power purchase agreements

**7.05 MW**

Solar installations across 248 locations

**3,498 Mwh**


Green energy produced from solar installations

**10,058 Mwh**

Energy saved through CEMS initiative at our branches

**2.57 tCO<sub>2</sub>e/FTE**

Scope 1 and 2 emissions per employee and 15,359.83 MT GHG emissions avoided through internal initiatives

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# About the Report

'Equitable Economy, Thriving Community, Healthier Planet' is our seventh Sustainability Report from April 2020 to March 2021. The Report is based on the Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC) (Now the Value Reporting 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 make the best effort to address all the qualitative requirements of the GRI and Integrated Reporting frameworks.

## Reporting Scope and 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 in-house and includes data and information from our Annual Report 2020-21 as well as that shared by various business verticals and reviewed by the leadership and Board members.

There are no significant restatements to be made from the previous year. In the previous year, the Bank released its sixth Sustainability Report for FY 2019-20.

The Report includes certain activities initiated during the reporting period that materialised or concluded post-March 2021. In line with the GRI Reporting Principles of Completeness and Timeliness, such activities have been highlighted in the Report.

 [Sustainability Report for FY 2019-20](https://www.axisbank.com/csr/csr-reports-and-disclosures)  
[axisbank.com/csr/csr-reports-and-disclosures](https://www.axisbank.com/csr/csr-reports-and-disclosures)

## Reporting Guidelines and Principles

This Report has been prepared in accordance with the GRI Standards: comprehensive option. 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 disclosures made under them in the Report, has been provided on our website and can be accessed at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

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

## Approach to Materiality and Stakeholder Engagement

Our sustainability focus is guided to a large extent by the material topics that are identified in the engagements with our stakeholders, in addition to being influenced and guided by

external aspects such as the regulatory environment, and other macro-level indicators. The Bank's key material issues identified through its various stakeholder engagements form the basis of what we are communicating in this Report.

## Independent Assurance

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

 [Complete Assurance Statement by EY](https://www.axisbank.com/csr/csr-reports-and-disclosures)  
[axisbank.com/csr/csr-reports-and-disclosures](https://www.axisbank.com/csr/csr-reports-and-disclosures)

## Feedback

We welcome all feedback and comments from our stakeholders, which may be addressed to [sustainability@axisbank.com](mailto:sustainability@axisbank.com).

 This Report can also be accessed online on our website at [www.axisbank.com/csr/csr-reports-and-disclosures](https://www.axisbank.com/csr/csr-reports-and-disclosures).

## SAFE HARBOUR

Except for the historical information contained herein, statements in this Annual 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.

# Recognitions that Empower and Inspire



## **Payments & Fintech Awards: Best Banking Technology**

IAMAI Digital Awards



## **Best Digital Bank**

Asiamoney Banking Awards



## **Best Retail Bank**

Asian Banker Awards



## **Best Branded Content**

ET Brand Equity Shark Awards



## **Best Branded Content**

BrandWagon Ace Awards



## **Best Engagement & Loyalty Scheme of the Year**

Payments & Cards Awards



## **India's Top 30 Emerging Tech Leaders (Awarded to Ratan Kesh, EVP – Retail Operations)**

BICON India's Top 30 Emerging Tech Leaders



## **Transformational Leader (Awarded to Rajesh Dahiya, Executive Director (CC))**

BrandWagon Ace Awards



## **Best Digital Bank**

Financial Express Best Banks Awards



## **Best Cyber Security Project**

The Asset Digital Awards



## **Best Financial AI Project**

The Asset Digital Awards



## **Best Risk Management Project**

The Asset Digital Awards



## **Best Use of IT in Risk Management/Fraud Prevention**

Dun & Bradstreet Bank Tech Awards



## **Best Bank for Innovation**

Finnoviti Awards



## **Private Sector Bank - Silver Shield**

ICAI Awards for Excellence in Financial Reporting



## **Most Helpful Bank during COVID-19**

Asian Banker Awards





## Who We Are

*Axis Bank, India's third largest private sector bank, offers a wide spectrum of products and services to corporates, government and retail customers through a variety of online and physical delivery channels. Established in 1993 and commencing operations in 1994, the Bank has emerged as one of India's leading financial conglomerates with presence across diverse economic sectors and activities.*

Axis Bank has presence across 38 states and Union Territories in India, operating 4,594 branches in 2,596 centres in 677 districts as on 31 March 2021. The Bank has one overseas subsidiary in the UK, Branch in Singapore, and Representative Offices in Abu Dhabi, Dubai, Sharjah and Dhaka.

The Bank is publicly listed on the BSE (532215) and NSE (AXISBANK). The Bank's ownership structure, shareholding pattern, list of subsidiaries and other material information

have been provided in the Bank's Annual Report 2020-21 within the 'Directors Report' on pages 64-80.

Axis Bank's business performance for FY 2020-21, and details on its various products and services, and departments, has been provided in the 'Business Overview' section of the 'Management's Discussion and Analysis' in the Bank's Annual Report 2020-21 on pages 81-101.

 [Online Annual Report 2020-21](#)

## Our Ethos

### Our Purpose

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

### Our Core Values



Customer Centricity



Ethics



Transparency



Teamwork



Ownership

## Our ESG Performance



FTSE4Good

**Axis Bank has been included in the prestigious FTSE4Good Emerging Index series for the fourth consecutive year in 2020.** Created by FTSE Russell, the FTSE4Good Index series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practice globally.

The Bank's inclusion continues to affirm its progress in meeting the expectations of its stakeholders, while staying true to its core values of Customer Centricity, Ethics, Transparency, Teamwork and Ownership.



DISCLOSURE INSIGHT ACTION

The CDP is the world's largest disclosure system for investors, corporate sector, cities, states and regions to manage their environmental impact. Axis Bank has been communicating its environmental performance to the CDP since 2015. **In its latest response to CDP, for 2020, the Bank has improved its score from C to B.**



MSCI ESG Rating is a global rating platform that rates organisations towards measuring their resilience to long-term material ESG risks. **Axis Bank's latest rating by MSCI ESG Rating, for 2020, has been upgraded from BBB to A.**



Dow Jones Sustainability Indexes

Axis Bank has been participating in the corporate sustainability assessment towards inclusion in the DJSI since 2015. **In its latest assessment, for 2020, the Bank improved its score from 50 to 51, placing it in the 70<sup>th</sup> percentile in the Banking sector globally.**

# Committed to Ethical Business Standards



*Axis Bank is committed to achieving and adhering to the highest standards of corporate governance and it constantly benchmarks itself with best practices worldwide.*

## **Our Policy on Corporate Governance**

To enhance the long-term interest of its shareholders, provide good management, adopt prudent risk-management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interests of its stakeholders such as shareholders, depositors, creditors, customers, suppliers and employees.

To institutionalise accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

The Report on Corporate Governance for FY 2020-21 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 2020-21. The Report on Corporate Governance can be accessed from page 111 onwards of the Bank's Annual Report 2020-21 at [www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf](http://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf).



## Code of Conduct

Axis Bank's Code of Conduct and Ethics is a statement of its commitment to integrity and the highest standards of ethical practices, bolstered by the Bank's 5 Core Values. The Code 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. The Code is intended to serve as a charter to enable employees to make the right decisions, that underline the fundamental commitment to compliance with regulatory guidelines, set forth basic parameters of ethical and acceptable social behaviour and establish a system for detection and reporting of known or suspected ethical or regulatory violations. Each new employee at the Bank must mandatorily affirm to the Code; the Bank requires all employees to re-affirm to the Code at least once annually. The Code of Conduct can be accessed online at [www.axisbank.com/docs/default-source/quarterlyreports/03code-of-conduct-and-ethics-senior-mgt.pdf](http://www.axisbank.com/docs/default-source/quarterlyreports/03code-of-conduct-and-ethics-senior-mgt.pdf).

## Whistle Blower Policy and Vigil Mechanism

The Bank has in place the Whistle Blower Policy and Vigil Mechanism to encourage reporting of suspected or occurrence of illegal, unethical or inappropriate actions, behaviour or practices by the Bank's employees, without fear of retribution. Stakeholders may choose to report anonymously on an independently managed web-based application – [axisbank.whistleblownetwork.net](http://axisbank.whistleblownetwork.net). In addition, the Bank provides for reporting of concerns directly to the Chairman of the Audit Committee of the Board in case reporting is on senior management of the Bank. In FY 2020-21, 329 incidents were reported under the Whistle Blower Policy, of which, 4 were categorised as potential cases of corruption/bribery. Of the total reported incidents, 44 were reported by the Bank's external stakeholders. 74 incidents are pending as on 31 March 2021.

## Vigilance

The Bank has in place a Board-approved Internal Vigilance Policy, which outlines the Internal Vigilance Framework and the roles and responsibilities of the Vigilance Function. The Chief of Internal Vigilance (CIV), reports to the Executive Director. The roles and responsibilities of CIV include creating awareness about vigilance and implementation of a preventive culture in the Bank and arrange for submission of necessary reports to the Audit Committee of the Board/Board.

The Bank has taken several measures for creating a preventive vigilance culture. All employees are required to execute a Vigilance Declaration on joining and thereafter, annually. The Declaration clearly articulates the relevant acts and policies constituting the Vigilance angle, and any violations may be reported through the Bank's Whistle Blower mechanism of the Bank as part of the declaration.

## Anti-Bribery and Anti-Corruption Policy

The Bank has in place an Anti-Bribery and Anti-Corruption Policy that reiterates the Bank's zero tolerance to bribery and corruption at the Bank. As a governance best practice, the Bank's Anti-Bribery and Anti-Corruption Policy has been made accessible on its website at [www.axisbank.com/docs/default-source/quarterly-reports/anti-bribery-and-anti-corruption-policy.pdf](http://www.axisbank.com/docs/default-source/quarterly-reports/anti-bribery-and-anti-corruption-policy.pdf).

Anti-bribery and Anti-corruption are integral parts of the Bank's training and awareness modules and feature in-training as well as e-learning sessions for employees to sensitise them in vigilance practices. In addition, all employees are communicated with regularly through electronic mailers on pertinent bribery and corruption related topics to reinforce the vigilance culture. Notably, Anti-Bribery and Anti-Corruption requirements are also advised and incorporated in agreements executed by the Bank with service providers.

The Bank observes the Vigilance Awareness week annually as per CVC guidelines wherein all stakeholders are encouraged to take the integrity pledge after strengthening their understanding of the bribery and corruption risks. Quizzes are also organised for employees to raise awareness.

In FY 2020-21, 171 cases were handled under the Bank's Vigilance Framework, of which a vigilance angle was established in 134 cases and other violations of the Bank's Code of Conduct were established in 23 cases. 206 officials were examined during investigations of cases and disciplinary action was initiated against 176 officials, resulting in punitive action.

Of the Vigilance cases handled in FY 2020-21, 122 cases were handled in the category of corruption and bribery. Of these, allegations in 95 cases were found to be true, resulting in stringent disciplinary action against 106 officials. Out of above cases, Suo moto investigation was initiated in 33 cases as part of preventive vigilance measures, resulting in disciplinary action against 52 officials.

## Tax Strategy

Axis Bank is committed to acting responsibly at all times in relation to its tax affairs and maintaining its reputation as a responsible taxpayer. The Bank has in place a Tax Policy that seeks to address the management of tax risks arising for the Bank and its various operations and is also guided by relevant global standards such as the OECD guidelines. The Policy also addresses disclosures related to tax payments

made in each country that the Bank operates in (known as Country by Country Reporting).

As a governance best practice, the Bank has placed its Tax Policy on its website and can be accessed at [www.axisbank.com/docs/default-source/quarterly-reports/tax-policy-of-the-bank.pdf](http://www.axisbank.com/docs/default-source/quarterly-reports/tax-policy-of-the-bank.pdf).

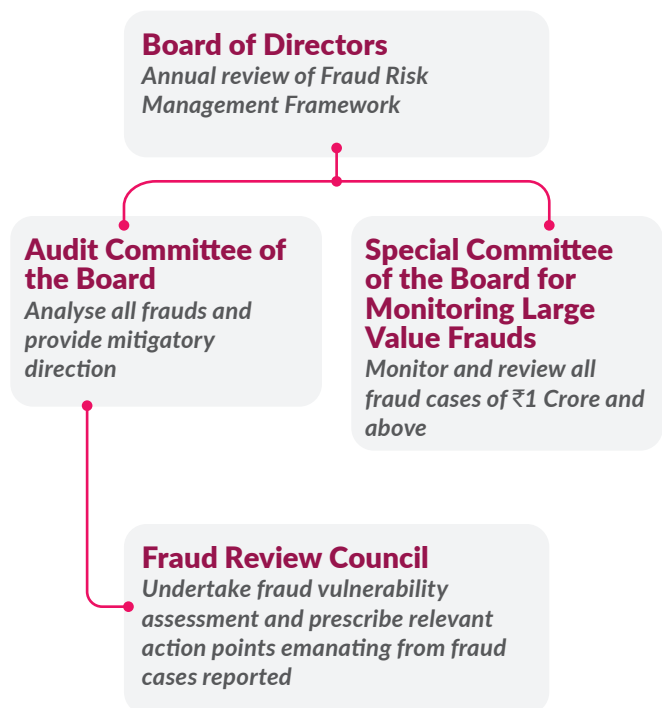
## Fraud Detection and Mitigation

The Bank has expanded in geographical reach, systems, products and human resources. The introduction of anywhere banking and digital channels has led to the creation of a complex banking transaction scenario. While it is the Bank's endeavour to ensure that there is no fraud vulnerability within its domain, customers must be vigilant while using their own devices to complete online transactions and not fall prey to fraudsters who use various techniques to deceive the customers. Additionally, the Bank has set up a process to monitor customer transactions through a combination of value thresholds and velocity checks to help mitigate the fraud risk.

The Bank, on an ongoing basis, takes measures to prevent, detect and respond to incidents to protect and minimise frauds, by sharpening detection through learnings from incidents, initiating proactive control measures and other early detection systems. Fraud has an independent oversight within the operational framework. Our Risk Department, which directly reports to the Managing Director and has complete independence in its functioning, also has the overall responsibility of identifying and mitigating fraud risks.

As a financial institution, fraud detection and mitigation are an organisational priority at Axis Bank and we make every effort to maintain a secure, 'least vulnerable to fraud' environment, driven from the highest level by our Board of Directors.

The Bank's Policy on Fraud Management & Reporting serves as a reference document and guidance for the internal oversight and detection framework. The policy focuses on pillars including deterrence, prevention, detection, investigation, staff accountability, recovery and reporting. We have an end-to-end fraud risk management system for fraud detection and prevention in our cards, accounts and loan businesses.



The Bank has a sustained Safe Banking strategy aimed at creating an environment of banking-without-fear, for the customers in particular and public in general, to empower them with greater degree of awareness creation to create a safer environment for their banking transactions.

## Artificial Intelligence & Machine Learning

The Bank uses advanced technologies including Artificial Intelligence & Machine Learning, which is extremely effective in fraud detection and prevention, as it deploys automated techniques to reveal fraudulent patterns across large volume of transactions. They further aid in proactive identification of suspicious activities that may result in fraudulence and thus prevent its occurrence.

To create awareness among employees, theme-based Electronic Digital Mailers (EDMs) were sent to all the employees of the Bank highlighting:

- Recent fraudulent cases
- Key learnings
- Best practices which would empower them to educate customers for cultivating safe banking habits

These initiatives were great confidence-building measures among the customers of the Bank in collectively fighting fraudulence in the banking and financial services industry. The positive feedback received from the customers/ participants across sections sums up the effectiveness of this multi-faceted initiative undertaken by the Bank.

## Customer Engagement Programme

- Let's Talk - The Bank held conversations with ~2010 customers spanning across its branches. In these sessions, the customers were informed about cultivating safe banking habits while transacting through digital channels
- As a matter of routine practice, the Bank makes continuous efforts to create awareness among its customers and public through various channels such as WhatsApp video clips, among others
- Safe banking contents displayed on LED Screens at branches, SMS, emails, webinar and safe banking banners on our website, and so on





## Information and Cyber Security

Axis Bank pursues a holistic information and cyber security programme with a comprehensive Information Security Policy, Cyber Security Policy and standards based on the best industry practices, with compliance to regulatory guidelines and in alignment to regulatory directives on Information and Cyber security.

### Governance

At the executive level, as part of the Information & Cyber Security governance framework, the Bank has in place the Information System Security Committee constituting key business functions that meet at least once in a quarter to assess the threat landscape and validate the controls enforced by the Bank commensurate with the cyber risks. The Bank has invested in strong technical and administrative controls to proactively prevent, detect, and timely contain and respond to any suspicious activity. The Bank is compliant to ISO 27001 standard and PCI DSS standards.

The Bank conducts various assessments to identify and remediate risks before any application and/or IT infrastructure component is deployed, including application security, vulnerability assessment, penetration testing, security architecture review and data security assessment. The Bank also has adopted the defence-in-depth methodology to protect its crown jewels from intrusion by malicious actors. The Bank has a 24 x 7 Security Operation Centre (SOC) to keep vigil on its digital assets and coordinates with RBI, CERT-IN, NCIIPC and NPCI, among

others, for the implementation of their recommendations to strengthen its defense against cyber attacks.

Axis Bank has enabled its teams for work-from-home by provisioning them with laptops and secure remote applications to connect to the Bank's Network during the pandemic-related restrictions and regulations. It took cognisance of heightened levels of cyber security risks and enforced technical and administrative controls (based on the changing scenario of remote access for a sizable number of teams) to ensure protection against the potential cyber risks emanating from the work-from-home arrangement.

Details of the Bank's 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 and Analysis on pages 102-13 in the Annual Report 2020-21, accessible at [www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf](http://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf).

## Customer Privacy & Data Security

The Bank remains committed to adopting the highest standards for customer privacy and data security, and is guided by its Customer Privacy Policy, accessible at [www.axisbank.com/privacy-policy](http://www.axisbank.com/privacy-policy).

The Bank has also rolled out the Digital Cookie Policy that gives information to the visitors and customers about the safe usage of their information through cookies to assist in providing better services.

Axis Bank has also rolled out a feature on curating consents from existing customers for Internet Banking. Through such consents from customers, their choices of processing data for various purposes like marketing, service and support are recorded and this information may be used further in alignment with customers' preferences.

Axis Bank is committed to always updating its privacy policy on its website that provides more information on the importance the Bank enforces on ensuring customer privacy and private data protection. As the new update is available, all the customers will be notified on the same, along with access to an online portal to manage their preferences.

### Protecting Customer Data from Breaches

Axis Bank's control environment for privacy is supported by strong information security systems to maintain poise in managing alerts related to data breaches. All private data, that internal data consumers consume, is masked to ensure that customer identity is not revealed for general processing purposes.

From the reporting year onwards, Axis Bank has initiated entering into data sharing contracts with all vendors processing its customer data towards further protecting customers' interests.

In alignment with EU's GDPR regulation, the Bank maintains records of personal data processing activities for businesses conducted, where personal data of non-residents is in scope, helping the Bank implement the privacy and protection controls across data operations and further changes to operational processes that include personal data. Additionally, the Bank also performs a legitimate interest assessment – a balancing activity that assesses if

personal data of customers being processed, that is not consented, does not override rights of customers over the Bank's interests. This includes detecting and stopping fraudulent transactions.

Under Internet Banking, the Bank has also introduced a consent notice to inform consumers about storage, processing and transfer of their personal information. Notably, all changes to processes and Information Technology systems within the Bank are monitored within the control environment of a framework known as Privacy-by-Design, wherein a data governance team assesses, monitors and directs changes to put in controls that protect personal data of customers.

## Product Responsibility

Axis Bank's products and services cater to a wide spectrum of the Indian economy and society, and are designed to best meet their needs and requirements. The Bank has the necessary checks and balances in place to ensure that its product offerings meet the stringent norms put in place by the Reserve Bank of India, and that its representatives, especially those dealing directly with customers, whether in person, on the phone, or online, are adequately trained on critical 'Know Your Customer' policies, and equipped with the relevant product information. In this regard, the Bank's key codes, policies and commitments towards customers, such as the Code of Commitment, Citizen's Charter and Customer Rights Policy, among others, are accessible on the Bank's website at [www.axisbank.com/webforms/code-of-commitment](http://www.axisbank.com/webforms/code-of-commitment).

The Bank is cognisant of its responsibility to adequately cater to people with disabilities, and has in place branches, ATMs, offices and digital services that enable easier physical and digital access to avail Bank's products and services. The Bank has also made its corporate website more user-friendly. Additional, details on the Bank's services for customers with disabilities is provided on its website at [www.axisbank.com/services-for-customers-with-disabilities](http://www.axisbank.com/services-for-customers-with-disabilities).

## Human Rights

We remain committed to respecting and imbibing internationally recognised human rights principles and standards and putting in place the systems and processes to ensure no human rights violations occur across the range of our operations. In the reporting year, the Bank's Human Rights Policy, which was so far an internal policy at the Bank, was revised and expanded in its scope and commitments, and put in the public domain. The Policy has been framed referencing the key global human rights frameworks and principles including the OECD Guidelines for Multinational Enterprise, ILO Declaration on Fundamental Principles and Rights at Work and United Nations Guiding Principles on Business and Human Rights, among others. The Policy is accessible at [www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf](http://www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf).

## Ensuring Business Continuity

The criticality of having agile business continuity management in place has been amply demonstrated by the COVID-19 pandemic. Since January 2020, when the COVID-19 pandemic first began spreading across India, the Bank proactively began to take the necessary measures to put in place adequate policies and systems to ensure the continuity of its business activities, the safety of its employees, customers and other stakeholders, and the integrity of its systems.

The Bank's Business Continuity Plan (BCP) is an integral component of its overall risk governance framework and managed by BCP & Crisis Management Committee (BCPMC) under the Board of Directors. The BCP was tested well in advance prior to the pandemic and continues to be managed by the Central Emergency Response Team (CERT), led by the Board members. Training on the BCP is mandatory for all employees. The Policy is accessible at [www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf](http://www.axisbank.com/docs/default-source/default-document-library/human-rights-policy.pdf).

# Enabling and Empowering our Stakeholders



*"Under our GPS strategy, we were already in the midst of strengthening our organisational core and enhancing our capabilities in technology and customer centricity. The hard work we put in initially not only helped us respond to the pandemic more effectively but also helped us deliver strong organisational performance."*

**Amitabh Chaudhry**  
MD & CEO

## Dear Stakeholders,

I am pleased to share with you Axis Bank's seventh Sustainability Report, for FY 2020-21.

The theme for this year's report is 'Equitable Economy, Thriving Community, Healthier Planet', which aims to convey our continued resolve to be an institution that supports our customers, employees, communities, natural environment, and indeed all our stakeholders to become resilient economically, socially and materially.

The COVID-19 pandemic continues to impact us all, and throughout the year, we continued to place utmost emphasis on doing whatever we could as an institution to help the country weather this crisis. I am filled with immense pride at the fortitude and resolve that each and every member of the Axis family has displayed throughout this period, often going beyond their mandates and exemplifying our institutional commitment to remain 'Dil Se Open' to all our stakeholders. Indeed, they have been our truest heroes and I thank them and their brave and supportive families.

I would also like to convey my gratitude to our country's COVID warriors, the brave men and women who have been tirelessly working in the toughest of conditions to bring the pandemic under control. Since early 2020, when

the COVID-19 cases first began to rise rapidly in India, Axis Bank has been providing direct support to our police departments, municipal authorities, civil hospitals and other such government entities in helping meet their requirements for medical support, safety and any other equipment that they may need to fulfil their duties. Our direct support to our frontline warriors reached close to 150 districts in 20 states in FY 2020-21. Through the Axis Bank Foundation, we continued our support to vulnerable communities, particularly in rural India, in helping cope with the socio-economic shocks of the pandemic and being able to restart their livelihoods.

Throughout the ongoing pandemic, close to 99% of our branches have remained functional, thanks to the hard work and dedication of all Axis Bank's employees as well as the systems and processes we put in place that enabled us to function effectively while following all safety norms and regulatory guidelines. I would like to highlight that this year, Axis Bank implemented one of the largest Work-From-Home programmes in the banking sector, with over 20,000 users able to concurrently and seamlessly access all the bank systems and use all the collaborative tools at their disposal to remain connected with each other and with their customers and other stakeholders.



Even as the nation-wide vaccination camp that rolled out in January this year offered hope that the worst may be behind us, the pandemic's second wave from March 2021 onwards proved that we, as individuals and as a nation, simply cannot and must not let our guards down. I am confident we shall come out stronger together from this experience.

Even prior to the onset of the pandemic, under our GPS strategy, we were already in the midst of strengthening our organisational core and enhancing our capabilities in technology and customer centricity. The hard work we put in initially not only helped us respond to the pandemic more effectively but also helped us deliver strong organisational performance.

In a sign of the strong investor confidence in the Axis Bank franchise, we successfully raised ₹10,000 Crores of capital this fiscal, which has not only further strengthened the Bank's capital adequacy ratios, but it shall also help address risks emanating from the COVID-19 pandemic and provide us adequate growth capital to leverage the opportunities that lie ahead.

Innovation has been a cornerstone of our strategy to transform ourselves into a more agile and future-ready institution. Innovation, applied across our human capital, our products and services, and our technological core, has enabled us to achieve a much higher degree of productivity, accountability and efficiency across the organisation. I believe that the pandemic has only catalysed this transformation journey, and we saw the current challenges as the ideal opportunity to accelerate our strategic investments into innovation and transformation. Today, we are seeing a much deeper and dynamic collaboration between our business and technology, with cross-functional squads active on over 220 transformation projects spreading across the Bank, each of them contributing to bolstering our efficiency and productivity.

Our digital banking journey continued to take rapid strides during the year and is enabling us to completely reimagine customer journeys and deliver market-leading products and services. Notably, the Bank has over 800 people committed fully to our digital transformation agenda, including an in-house team of 110 people covering all aspects from product design to development to quality assurance.

***"We remain committed to helping India transition to a low-carbon economy by channelising investments towards low-carbon sectors such as renewable energy, mass transport, electric mobility and green infrastructure. As on 31 March 2021, our total outstanding 'green' portfolio was little over ₹9,750 Crores."***

Our customers too, continue to go digital at a rapid pace. 88% of all financial transactions by our customers were digital in FY 2020-21 and 74% of our customers were digitally active in the last quarter of the fiscal.

We continue to grow in the UPI space as a Payer PSP (Payment Service Provider) to some of the most marquee brands in the country. With a registered VPA base of 168 Million, the Bank had a market share of 17% as on 31 March 2021. Our mobile banking platform garnered a market share of 16% in the fiscal and remains among the highest-rated banking platforms on both Google Play Store and Apple App Store, demonstrating strong customer delight.

We remain committed to helping India transition to a low-carbon economy by channelising investments towards low-carbon sectors such as renewable energy, mass transport, electric mobility and green infrastructure. As on 31 March 2021, our total outstanding 'green' portfolio was little over ₹9,750 Crores, up from ₹6,447 Crores in the previous fiscal and we shall continue to strive to scale this further.

Towards deepening our presence in rural and semi-urban India, we initiated the Deep Geo initiative in FY 2019-20. The Deep Geo strategy aims to combine our physical reach into the rural markets with our strong technology capabilities to offer a comprehensive bouquet of products and services to the rural customers. The Initiative now covers 1,577 branches and has enrolled over 13,600 Common Service Centres, supporting the growth in our Rural loan book by 17% year on year.

Our employees have been our role models in this pandemic, displaying great ownership to power through what has been a challenging year. We are now moving beyond simply working from home and are actively identifying hybrid models where such flexibility and agility could perhaps be offered permanently. We have initiated what we call the 'Future of Work', putting in motion a strategy that significantly expands our human capital knowledge base, deliver on our diversity and inclusion imperatives and at the same time offering our employees greater flexibility in their roles. In the first phase, 1,200 employees from 18 different departments moved to a 100% virtual format while an additional 15,000 employees are following a hybrid model.

GIG-A opportunities, a new platform for alternate work models introduced this year embraces the 'work from anywhere' model and promises to boost our talent acquisition from smaller towns. We are aspiring to achieve 15% in incremental hiring over the next three years in such alternate work models.

Our investment into the growth and learning of our employees achieved a significant boost by way of the flexibility of a hybrid working model, and a large percentage of our employees undertook various e-learning modules and sessions to augment their skills and knowledge base. Notably, we launched a certification and talent development programme, called The Leadership Collective, focused on building the leadership capabilities of our middle management.

The community continues to be our key stakeholder, more so in these challenging times. In the past year, in addition to the nation-wide support towards COVID-19-focused response and relief, our CSR interventions touched some of the remotest corners of the country, spanning themes including education, sustainable livelihoods, skill development and financial inclusion and literacy.

Axis DilSe, our flagship programme in education, after its successful engagement in Ladakh in FY 2019-20, launched its second phase in the southernmost tip of Manipur in the North-East, where we are working with a children's school in the predominantly rural and tribal region over the next three years. In the first year, the intervention supported the creation of new physical infrastructure at the school,

***"Axis Bank Foundation continues to make steady progress towards its target of reaching 2 Million households by 2025 under its Sustainable Livelihoods programme, covering over 2 Lakhs households. Since the commencement of the initiative in early 2018, over 0.92 Million households have been cumulatively impacted across 198 districts in 25 states, as on 31 March 2021."***

invested in the training of its teachers and upgrading of the school's educational curriculum. With the pandemic-related lockdowns and restrictions forcing the children to remain home for many months, we augmented our support by providing tablets to support digital learning for the students.

We have also initiated the 'Axis Bank Scholarship' programme at Ashoka University in Haryana. The programme aims to provide financial aid to female students for weaker economic backgrounds pursuing 'Science, Technology, Engineering, Mathematics' (STEM) degree programmes at the University. We are also supporting the creation of a unique museum for children, the Museum of Solutions, currently under construction in the heart of Mumbai. The Museum aims to be a dynamic, inclusive and experiential learning space for all children.

Our financial literacy and financial inclusion programme, led by our microfinance vertical, reached over 9 Lakhs primarily rural women participants in 22 states and 1 union territory during the year. This year, the programme added a new module, Axis Sachetana, towards raising COVID-19-focused health and hygiene awareness among community participants.

Axis Bank Foundation continues to make steady progress towards its target of reaching 2 Million households by 2025 under its Sustainable Livelihoods programme, covering over 2 Lakhs households. Since the commencement of the initiative in early 2018, over 0.92 Million households have been cumulatively impacted across 198 districts in 25 states, as on 31 March 2021.

***"We are taking measured steps to deepen the integration of ESG-aligned principles and performance across the Bank, from the Board level to our operations. ESG is now formally a part of Board-level discussion and has been included into the agendas of pertinent Board-level committees."***

Our focus on making our business operations greener continued through the year, as we scaled up existing interventions and launched new initiatives aimed at improving energy and resource efficiency and reducing our environmental footprint. The COVID-19 pandemic, that has prompted the shift towards virtual communications and hybrid work models, has also led to reduced energy and resource consumption in our physical operations. Going forward, we have now committed to adopting green principles for all our new infrastructure and are actively exploring greening of our existing offices and branches.

Globally, ESG has emerged as the definitive driver of organisational value creation as well as measure of performance and resilience. We believe a deeper ESG alignment into our governance and decision making shall strengthen our ability to recognise emerging opportunities and mitigate emerging risks.

We are taking measured steps to deepen the integration of ESG-aligned principles and performance across the Bank, from the Board level to our operations. ESG is now formally a part of Board-level discussion and has been included into the agendas of pertinent Board-level committees. We have established an ESG Steering Committee at the management level that comprises senior leaders of the Bank and is acting as the eyes and ears of the Board to ideate and drive ESG priorities across the organisation. At the business level, we are actively exploring ESG-aligned targets in various business and control verticals.

I am pleased to share that through the year, we improved our performance on key global ESG assessment platforms, such as the S&P Dow Jones Sustainability Indices, MSCI ESG Ratings and CDP, and continued to be a member of the prestigious FTSE4Good Emerging Markets Index for the fourth consecutive year in 2020.

In conclusion, I would once again like to convey my deepest gratitude to our Axis Bravehearts for their fortitude and commitment to their stakeholders, and we thank all of you for continuing to repose your faith in the Axis franchise. We remain committed as ever to meeting your expectations.

Warm Regards,

**Amitabh Chaudhry**  
MD & CEO

# Making our Business more Sustainable and Efficient



*"With thousands of employees working from home since the past one year, we are cognisant of how important it is to ensure all our employees remain safe, stay positive, and stay connected to the Bank as well as to each other."*

**Rajesh Dahiya**  
Executive Director (Corporate Centre)

Dear Stakeholders,

This is our seventh sustainability report, for FY 2020-21. The Report has been prepared and is being presented to you by applying our collective minds towards ensuring its integrity, upheld by our leadership.

I am grateful to each and every individual of the Axis family – our employees, our contractual employees, their respective families, our vendors and business partners, and indeed, every individual and entity who has played a role in ensuring we remain 'Dil Se Open' to our stakeholders even in the most challenging of times.

The fortitude displayed by Team Axis, guided by our collective focus to remain agile to any emerging challenges and supported by our investments in strengthening our organisational core, ensured we were able to function with minimal disruptions at any point in time during the ongoing pandemic.

With thousands of employees working from home since the past one year, we are cognisant of how important it is to ensure all our employees remain safe, stay positive, and stay connected to the Bank as well as to each other. During the year, through our virtual reach-outs, we covered over 50,000 employees across the country through our employee engagement activities with a special focus on their personal wellbeing, including offering 24x7 counselling, telemedicine and vaccine support, and other such services.

As I write to you, India is cautiously emerging from the devastating second wave of the COVID-19 pandemic, and while the focus has shifted back to ensuring that the maximum number of citizens are vaccinated as quickly as possible, we must remain vigilant. I pray for a quick recovery of all Axis Bank employees who are currently tested positive and offer my deepest condolences to the families and loved ones of those whom we lost in this pandemic.

The ongoing pandemic has fundamentally reshaped the traditional work model globally. Since early last year, while we were adopting the work-from-home model and investing in the necessary technologies and capabilities to be able to do so, we were also assessing our longer-term pathways. Our experience so far with the work-from-home model showed that employees could be just as productive, if not more, while working from their homes, with the additional advantages of being safer, saving on their commutes and more in control of their time. This has been the basis of our Future of Work strategy and the launch of GIG-A opportunities that allows us to access talent for a wide variety of roles from across the country and offer them flexible work formats.

Our five core values – Customer Centricity, Ethics, Transparency, Teamwork and Ownership, have remained the North Star guiding our progress. Under the Axis Values Realizers programme launched in October, we have now



created a Values Scorecard that is integrated into the goals of every employee and aims to align their actions with the Bank's values at all times. During the year, we also worked to reinforce the culture of Compliance and Ethics across the Bank, strengthening our governance and systems to ensure all our employees conform to the Bank's Basic Responsibility Framework'. We have significantly scaled up our e-learning capabilities, enabling us to create a longer-term, better-measured learning journeys for our employees.

Our CSR programmes, led directly by the Bank and through the Axis Bank Foundation, touched over a million participants across diverse regions and communities in India. Through the year, we maintained our focus on providing direct COVID-19 relief and support to frontline warriors such as police departments, district authorities and municipal corporations, and to vulnerable communities such as migrant workers and rural women in various parts of the country. We remain fully committed to augmenting our scale of support if the need arises.

Axis Bank Foundation's flagship Sustainable Livelihoods program continued its steady advance towards achieving its Mission 2 Million target, wherein the Foundation has committed to benefiting 2 Million households from 2018 up till 2025. As on 31 March 2021, the Foundation had cumulatively reached 0.92 Million households in close to 200 districts across 25 states in India and is currently working with 23 implementation partners on 28 projects.

This year, we significantly boosted our CSR focus on education. We launched our flagship program in education, Axis DilSe, in the southernmost corner of Manipur, supporting education for the predominantly rural and tribal children of the region, over the next three years. At the other end of the country, we are supporting the development of the unique Museum of Solutions for children in Mumbai. We have also launched the 'Axis Bank Scholars' scholarship program at Ashoka University in Haryana, supporting women from economically weaker backgrounds pursuing STEM degrees at the university.

Our Financial Literacy program for rural women touched over 9 Lakhs participants in the year, augmented by a new, specialised health and sanitation awareness intervention, Axis Sachetana, aimed at supporting participants' preparedness against the COVID-19 pandemic. Project Akshar, our digital financial literacy platform, has reached over 12 Lakhs participants since its launch in 2017.

During the year, we continued to invest in and scale up initiatives that can make our business operations more sustainable and efficient and have also taken up

***"During the year, we continued to invest in and scale up initiatives that can make our business operations more sustainable and efficient and have also taken up pertinent targets around our carbon emissions, resource consumption and greening of our physical infrastructure."***

pertinent targets around our carbon emissions, resource consumption and greening of our physical infrastructure. We are committed to ensuring that the Bank's future physical infrastructure development conforms to the best sustainability practices and we are crystallising our commitments in this space.

I am especially pleased to share with you the progress we made during the year towards establishing and scaling our ESG-aligned strategy and pathway. Environmental, Social and Governance (ESG) imperatives are now being integrated from the Board to the management right down to the departmental and individual levels. The ESG Steering Committee that comprises senior leaders from the Bank is actively championing pertinent ESG deliverables across the Bank.

I am happy to share with you that during the year, we improved our standing across global ESG assessment platforms and benchmarks. We continued to be included in the prestigious FTSE4Good Emerging Markets Index for the fourth consecutive year in 2020, we have also improved our performance on other prominent platforms including the CDP, MSCI ESG Ratings and S&P Dow Jones Sustainability Indices. We aspire to be ESG leaders in our sector and in India and look forward to communicating our journey with you as we progress on our ESG aspirations.

The theme of this report – 'Equitable Economy, Thriving Community, Healthier Planet' is derived from the purpose that we have proposed for ourselves as an organisation, and holds even truer today as we, as individuals, communities, businesses and governments, work together to overcome our challenges.

I am convinced we shall emerge stronger than ever, together. I once again express my gratitude to all my colleagues and partners for keeping the Axis flag flying high.

Regards,

**Rajesh Dahiya**  
ED (Corporate Centre)

# Fostering Relationships of Trust



*"The 'One Axis' ethos has remained a key differentiator for the Bank, and the efforts that we are putting into realising it has enabled us to deliver possibly the widest range of products and services to our customers. Our sizeable bouquet of products and services combined with unmatched customer service and deep digital competencies have enabled us to not just cement our existing banking relationships but forge new ones."*

**Rajiv Anand**  
Executive Director (Wholesale Banking)

## Dear Stakeholders,

One of the most remarkable features in what has been a challenging year for all has been the agility demonstrated by the corporate sector in managing the many uncertainties and steering its entire value chain forward.

At Axis Bank, we have remained alert and responsive to the needs and requirements of our wide stakeholder spectrum. Our branches and offices have continued to remain 'Dil Se Open' to our customers, and I am thankful to each and every Axis Bank representative for delivering the customer delight that we are known for.

The 'One Axis' ethos has remained a key differentiator for the Bank, and the efforts that we are putting into realising it has enabled us to deliver possibly the widest range of products and services to our customers. Our sizeable bouquet of products and services combined with unmatched customer service and deep digital competencies have enabled us to not just cement our existing banking relationships but forge new ones.

Since FY 2018-19, we have been working towards re-orienting the Wholesale Banking vertical to improve client coverage, supporting it with the appropriate solutions and infrastructure. Our efforts towards strengthening the risk culture in the Wholesale Bank have not only helped reduce stress in our book currently but also proactively recognise any emerging stress.

The MSME sector, considered the backbone of the Indian economy, has remained a strategic priority for Axis Bank. Advances of the Commercial Banking Group (CBG), that serves this sector, grew 13% y-o-y backed by an integrated strategy and tech-driven transformation. In FY 2019-20, we had launched the project 'Sankalp' to transform our ability to not only cater to this segment but tap its immense potential for growth. Under Sankalp, we are not just simplifying processes and improving efficiencies, but completely reimagining customer journeys. Under the project, the teamwork between relevant departments has also improved significantly, enabling us to be cover more MSME participants and forge new relationships.

Axis Evolve, which has been our flagship MSME-focused CSR intervention aimed at capacity building and knowledge-driven growth of the sector could not be held during the year because of the prevalent pandemic-related lockdowns and restrictions in various states. We hope we shall be able to bring the popular program back in future.

In the reporting year, we further strengthened our capabilities and deepened our presence in the Government business segment, and thus have been able to offer among the widest range of solutions to the sector. Our solutions have enabled government entities to deliver good governance to citizens from the local to the national level. Notably, we are at the forefront of providing digital solutions to smart cities and urban local bodies in India, and are actively supporting national-level projects such as Aadhar Enabled Payment Services (AePS), Government e-Marketplace and Direct Benefit Transfer (DBT) for our government sector clients across the country.

Through our CSR efforts, we have been supporting diverse entities including police departments, urban local bodies, civil hospitals and various other government departments and agencies in fighting the COVID-19 pandemic, helping them meet their immediate needs for protective or medical equipment, personal safety and hygiene kits, or any other localised requirements.

With the second wave having subsided and India's vaccination drive accelerating, I am hopeful that we shall soon overcome our current challenges. I thank all our stakeholders for continuing to place their trust in us and being a part of our success.

Warm Regards,

**Rajiv Anand**  
ED (Wholesale Banking)

*"Our solutions have enabled government entities to deliver good governance to citizens from the local to the national level. Notably, we are at the forefront of providing digital solutions to smart cities and urban local bodies in India, and are actively supporting national-level projects such as Aadhar Enabled Payment Services (AePS), Government e-Marketplace and Direct Benefit Transfer (DBT) for our government sector clients across the country."*



# Our Approach to Creating Enduring Value



## **An Integrated Approach**

*Our purpose - Banking for an equitable and inclusive economy, thriving community and a healthier planet, best underscores our role as an institution. As an integral component of the economy, we help meet the diverse and manifold banking needs of Millions of Indians.*

*These requirements range from individuals in urban and rural India, small businesses, corporations, civil society organisations and government institutions, in addition to being the channel for their savings and investments.*

We play an integral role in driving investments into critical aspects of the economy such as creation of crucial social and economic infrastructure, ranging from schools and hospitals to roads, bridges, and urban mass transportation systems.

We also drive financial inclusion of the unbanked and underbanked population in the country, helping them enter the financial mainstream with microfinance schemes, basic bank accounts and other such facilities that make them financially secure.

We strive to deliver on the wellbeing and professional advancement of our employees, the social and economic progress of the community, and maintaining the trust of our partners and overall value chain.

The Bank's value creation process has been derived from the Integrated Reporting framework and covers its strategy, governance, systems and processes, and outcomes related to its diverse business and non-business activities. A pictorial depiction of the Bank's value creation model can be accessed on page 12 of the Bank's Sustainability Report for FY 2018-19, accessible on our website.



## Alignment with Global Sustainable Development Agenda

*The principles of equitable and sustainable development are the most prominent tenets guiding global economic activity today. As large organisations move from 'profit' to 'purpose' and investors, regulators and civil society rapidly adopting the principles of E, S and G, Axis Bank remains cognisant of its responsibility to actively participate and contribute to driving forward India's equitable and sustainable economic transition.*



Pertinent business and non-business activities of the Bank are aligned to the pertinent Sustainable Development Goals, as well as to India's commitments under the Paris Agreement. We shall continue to actively align our organisational activities with the Sustainable Development Goals and the global climate action agenda, and commit ourselves to scaling the activities that can deliver greater social and environmental impact.

## GPS Progress

Through these unprecedented times, we remain committed to delivering on our medium-term strategic goals under the vectors of Growth, Profitability and Sustainability. During the year, we continued to invest in several initiatives and strategic projects in line with our GPS strategy.



### Growth

- Led by our focus on building granularity across businesses and strong focus on execution, we have delivered strong growth across our focused segments
- Our CBG loan growth stood at 13% y-o-y
- Retail disbursements touched all-time highs during the fourth quarter



### Profitability

- Net profit grew by 305% y-o-y
- Operating profits grew by 10% with NIMs improving to 3.53%
- Our cost to assets has moderated during the year to 1.96% from 2.09% and we continued to focus on building cost consciousness across the Bank




















### Sustainability

- In the last two years, we have taken concrete actions towards strengthening the core around policies, processes, controls, and operations
- We have progressively strengthened our risk management framework and our credit underwriting processes

[Read more in Axis Bank Annual Report 2020-21](#)

# Aligning ourselves to the Global Developmental Agenda

UN SDGs	Axis Bank Programmes	Output and Outcomes*		Read More
	Coverage of national social security schemes under Axis Sahyog programme	<b>9.06 Lakhs</b> savings accounts under PMJDY	<b>8 Lakhs</b> borrowers under MUDRA Scheme	 41-42
		<b>7.15 Lakhs</b> Atal Pension Yojana customers		
	Building rural resilience under ABF's Sustainable Livelihoods Programme	<b>0.92 Million</b> households reached under ABF's Mission 2 Million	<b>198 Districts</b> in 25 states where ABF is active	 70-73
	Axis DilSe Programme in Manipur	<b>300+</b> students		 74
	Axis Bank Scholarship Program at Ashoka University	<b>10 Women</b> Axis Bank Scholars		 75
	Museum of Solutions for children at Mumbai	<i>Under construction, scheduled in FY 2021-22</i>		 76
	CSR programme in Financial Literacy and Financial Inclusion under Axis Sahyog	<b>9 Lakhs+</b> participants reached		 76-77
	Retail Loans in Education sector	<b>~ 22,900</b> customers		 45
	Women-led SHGs under Axis Sahyog Microfinance Program	<b>16 Lakhs+</b> women borrowers		 41-42
	Diversity, Equity, and Inclusion at Axis Bank	- Axis Women in Motion programme - We Lead initiative - D, E & I Policy launched		 55-56
	POSH Policy and governance mechanisms	<b>24 POSH</b> workshops conducted pan-India		 56
	Solar power generation and renewable energy procurement at branches and offices	<b>7.05 MW</b> in-house solar capacity		 83
	Wholesale Lending and financing Portfolio in renewable energy	<b>~ ₹9,753 Crores</b> green corporate lending portfolio		 79
	Internal energy efficiency initiatives	<b>~ 15,360 tCO<sub>2</sub>e</b> emissions avoided		 83-84

	<b>Skill development interventions under Sustainable Livelihoods Program by ABF</b>	<b>~ 48,400</b> <i>beneficiaries under Skilling</i>	73
	<b>Lending and financing to Greener infrastructure, including mass transport and green buildings</b>	<b>~ ₹9,753 Crores</b> <i>green corporate lending portfolio</i>	79
	<b>Lending and financing to MSME Sector</b>	<b>₹69,850 Crores</b> <i>of SME advances</i>	44
	<b>Axis Sahyog Microfinance programme</b>	<b>6.38 Lakhs</b> <b>₹2,027 Crores</b> <i>accounts opened</i> <i>disbursed</i>	41
	<b>SHG creation and capacity building in rural India by ABF</b>	<i>- Nurturing rural entrepreneurs</i> <i>- Promoting collective bargaining</i>	73-74
	<b>Lending to the Affordable housing sector by Axis Bank</b>	<b>83,000+</b> <i>customers, with outstanding portfolio of ~ ₹9,580 Crores</i>	45
	<b>Urban Development partnerships under Government Coverage</b>	<i>Pan-India mandates under Aadhar enabled services, Smart Cities Mission, Government e-Marketplace, FDMS</i>	52-53
	<b>Lending to Mass Rapid Transport and green buildings under sustainable portfolio</b>	<b>~ ₹9,753 Crores</b> <i>green corporate lending portfolio</i>	79
	<b>Promoting sustainable agricultural practices, watershed development and soil conservation under ABF's Sustainable livelihoods programme</b>	<i>Management of natural resources among rural communities</i>	72-73
	<b>Waste management initiatives in Axis Bank offices</b>	<b>~21.4 Tonnes</b> <b>12.6 Tonnes</b> <i>of wet and dry waste from Mumbai offices processed</i> <i>of e-waste responsibly disposed</i>	83
	<b>Lending and financing to Renewable energy sectors under sustainable finance portfolio</b>	<b>~ ₹9,753 Crores</b> <i>green corporate lending portfolio</i>	79
	<b>Climate resilience interventions under Sustainable Livelihoods programme by ABF</b>	<i>- Watershed management</i> <i>- Conservation and regeneration of natural resources</i>	71-72

Axis Bank's Programmes

Output and Outcome\*


\* As on 31 March 2021 or in FY 2020-21, as applicable

# Identifying Matters Material to Value Creation

*Axis Bank's stakeholders play an important role in helping shape our organisational strategy and pathways. Through our activities, people, relations, and communications, we are connected to our myriad of stakeholders. Our credo of 'Open' aptly conveys our commitment to remain open to the ideas, suggestions and feedback from our stakeholders and maintaining the highest levels of trust, transparency, and credibility in our relations with them.*

Our engagements with our stakeholders take place throughout the year in a variety of ways. Each engagement is an opportunity to better understand and respond to our environment, learn or unlearn, and be better equipped to act for the interests of all stakeholders. Our engagements with our stakeholders enable us to better manage our material issues and help us remain agile and responsive.

We engage with our stakeholders in a variety of ways. In 2018, we had conducted a detailed stakeholder engagement and materiality assessment exercise that gave us an opportunity to identify our key stakeholders, in terms of their ability to influence us as an organisation and our ability to influence them as a stakeholder. A detailed list of our top stakeholders, the modes of our engagement with them, and the frequency, have been elaborated on pages 25-26 in our Sustainability Report 2019-20.

 **Sustainability Report 2019-20**  
[www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainability-report-fy-2019-20.pdf](http://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainability-report-fy-2019-20.pdf)

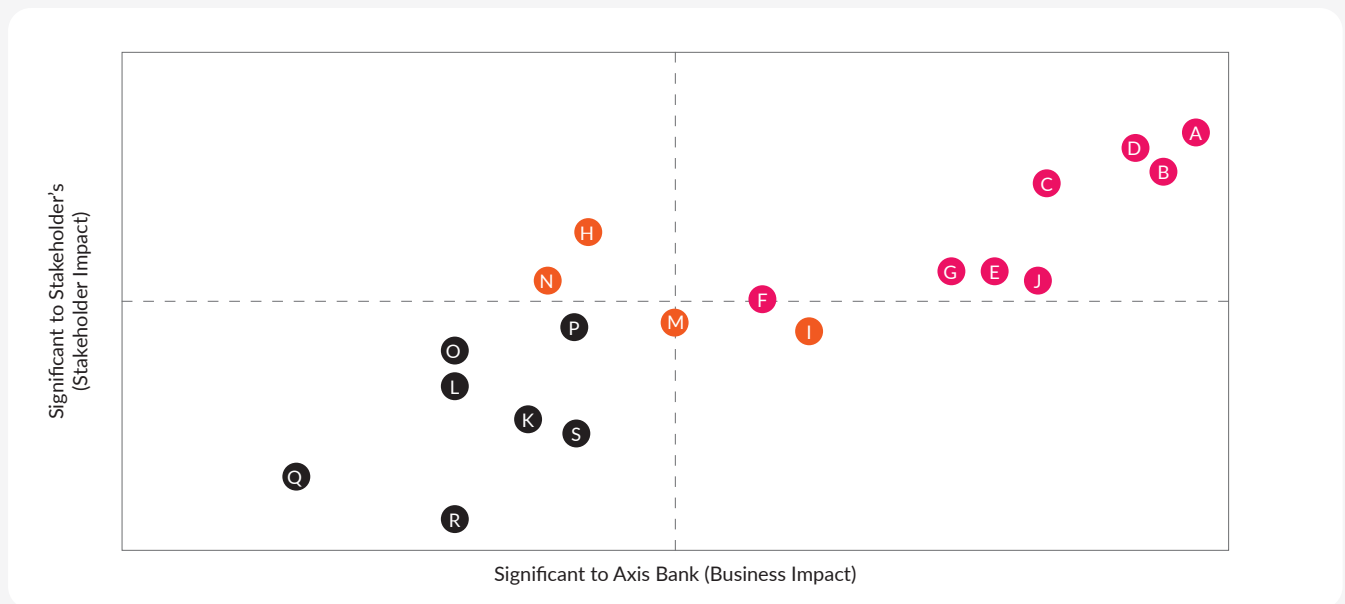
## Our Material Issues

While the Bank's regular engagements, as highlighted in the previous chapter, feed into the Bank's identification and prioritisation of its material issues, we also believe that a periodic, and structured stakeholder engagement and materiality assessment exercise is valuable in providing more focused inputs into the materiality assessment process. The Bank conducted a strategic stakeholder dialogue in 2018 for our internal and external stakeholders – employees, customers, vendors and community to formally compile and prioritised what our stakeholders consider to be the material issues for the Bank.

The COVID-19 pandemic continues to impact countries globally, and governments and societies continue to remain on high alert, with continued restrictions or advisories on mobility and physical interaction still enforced in many places, including India. Due to such restrictions, and as the focus currently among all stakeholders is managing and emerging from the pandemic, the Bank has had to postpone its next materiality assessment exercise.



## Materiality Matrix



<b>A</b> Risk control measures for fraud and money laundering	<b>H</b> Integrating E&S risk factors in investment and lending decisions	<b>O</b> Community development
<b>B</b> Compliance to applicable regulations and standards	<b>I</b> Committing to Human Rights principles	<b>P</b> Brand enhancement as environmentally and socially responsible organisation
<b>C</b> Transparent information and fair advice to customers	<b>J</b> Leadership development and succession planning	<b>Q</b> Extending ESG policies to supply chain
<b>D</b> Customer privacy and data security	<b>K</b> Enhancing employee diversity	<b>R</b> Waste management
<b>E</b> Employee safety and security	<b>L</b> Optimising resource efficiency	<b>S</b> Managing our carbon footprint
<b>F</b> Creating right competencies across levels	<b>M</b> Create innovative products to improve financial access for marginalised sections	
<b>G</b> Healthy and non-discriminatory workplace	<b>N</b> Financial literacy	

A brief discussion on the top twelve material topics, their relevance to the Bank and our response to those topics has been discussed on pages 28-30 of the Bank's Sustainability Report 2019-20 at [www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainability-report-fy-2019-20.pdf](http://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainability-report-fy-2019-20.pdf).

# Ramping up Pandemic Response



*The COVID-19 pandemic continues to impact societies and economies globally, with some green shoots visible, as towns and cities open up cautiously and vaccination programmes get underway across the world. The second wave of the pandemic in India, from March 2021 onwards, was a harsh reminder that the world must remain on high alert.*

The Bank had in place its Central Emergency Response Team (CERT) since the onset of the pandemic. It was monitoring key aspects of the Bank's operations in real time. To know more about the overall measures undertaken please refer to the 'Measures taken to counter COVID-19 Pandemic' in the Directors Report on page 79 of the Annual Report FY 2020-21.

*The Bank was recognised by the Asian Banker Awards as the 'Most helpful Bank during the pandemic'.*

## Stakeholder support

### Employees

→ Page 43, 58, 64-67

### Community

→ Page 29, 74, 76-77

### Customers

→ Page 35, 36-37, 44, 52

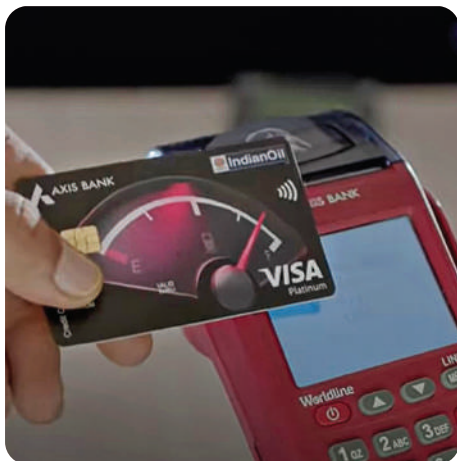
### Frontline Warriors

→ Page 44, 51, 77

## Campaign to spread awareness

### #ReverseTheKhata

The campaign articulated a compelling message to pay our domestic help through safer ways such as internet and mobile banking. With rising COVID cases, we encouraged everyone to make digital payments, enabling the safe transfer of money to those dependent on our customers in a cashless and secured manner.

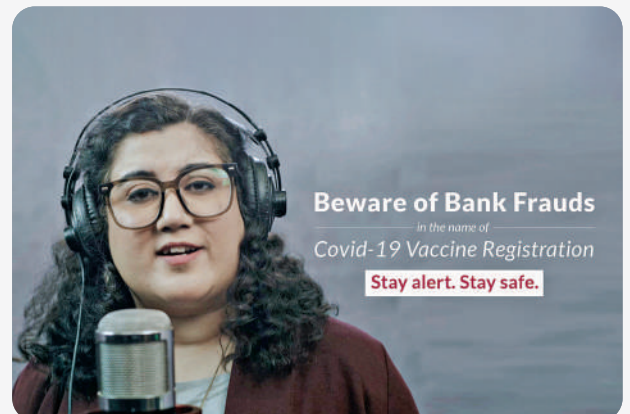


### #TapKeLiyeClap

We reinforced the focus on hygiene to get consumers to shift to contactless card payments. The key idea we tried to communicate is that there is no need to swipe and enter PIN when payments under 2K can be simply done through a tap of one's card.

### Messaging on COVID Vaccine Fraud

Launched the COVID-19 safe banking campaign with a COVID Caller Tune (by Jasleen Kaur), highlighting the latest vaccine registration-related financial scams.



# Embedding ESG in Everything We Do

*Creating shared value has always been the overriding focus at Axis Bank. Our credo of 'Open' aptly portrays our ethos as we open our doors even wider to support our customers, employees, and the community during these trying times.*

We believe our ability to deliver to our stakeholders, especially when it mattered the most, was also strengthened because of our focus on transforming ourselves into a more agile and future-ready organisation, in which ESG is going to play a central role.

A strong ESG integration with the organisational strategy and action can not only amplify value creation, mitigate risks, enhance reputation, and deliver profitability but also help shape the pathway for future growth and success. The ongoing pandemic has severely tested the well-entrenched strategies, norms, and processes of India's corporate sector. We are now observing an even speedier shift to integrating ESG imperatives into India's business landscape and driving corporate action. Various market studies are highlighting that companies with strong ESG-aligned strategies and performance have shown greater resilience to market shocks brought on by the pandemic.

In the reporting period, Axis Bank has been giving shape to a comprehensive ESG strategy and action plan from its integration at the Board level to integrating ESG-aligned deliverables in individual, employee-level goal sheets.

## The Rise of ESG

ESG as a concept, in its various names and forms, has existed for at least two decades as an investor-led approach that assesses value creation by an organisation through the lens of their governance practices and their impact on society and the environment.

The socio-economic upheaval that the COVID-19 pandemic unleashed globally also impacted the financial markets, and various studies revealed that organisations with a strong ESG performance demonstrated stronger resilience to negative earnings and market impact from the pandemic. In this time span, data reveals that the investment inflows into ESG-aligned funds rose exponentially higher, indicating that investors saw stronger ESG performance as a more resilient investment choice.

**Notably, we are also seeing ESG increasingly becoming a larger component of corporate assessments and ratings. Globally renowned ratings agencies have explicitly begun integrating ESG parameters into their ratings considerations and even frameworks, considering ESG-aligned performance to be a material factor in determining business competitiveness, ability to manage risks and the overall strength of governance and management systems.**

Similarly, we are seeing market regulators are increasingly integrating ESG-aligned imperatives into current regulations, or even coming out with new ESG-focused regulations. In India, the RBI has been vocal in speaking on topics of ESG, green finance, and endorsed the view that the pandemic has offered the world an opportunity to accelerate a transition to an environmentally sustainable economy.<sup>1</sup>

**Similarly, SEBI too has actively promoted enhanced disclosures on ESG-aligned material aspects for the corporate sector. The Business Responsibility Report (BRR) was made mandatory for the top 500 listed companies in India in 2015, and for the next 500 listed companies in 2019. In early 2021, SEBI came out with the Business Responsibility and Sustainability Report (BRSR) as the next mandatory reporting framework for the top 1,000 listed companies in India.**

In the Bank's interactions with the investor community through the year, ESG had remained a recurring theme, highlighting its prominence in their decision-making. As highlighted in the Bank's Governance section of this Report, it has been actively scaling up its ESG-aligned strategy, governance and action, guided by its Board and the Leadership Team, also taking into consideration the inputs gathered from our engagements with our stakeholders.



## ESG Governance

### Board of Directors

ESG is now a Board-level agenda at the Bank. Since December 2020, the CSR Committee of the Bank has been providing direct oversight on its ESG strategy and direction. Additionally, the Board of Directors of the Bank, while reviewing the Bank's ESG strategy at its meeting in July 2021, recommended and approved the formation of a standalone ESG Committee of the Board, which was duly formed and held its first meeting on 20 August 2021.

In addition, delivering on the Bank's ESG strategy has also been included in the Balanced Score Cards of the pertinent Board members. Towards enhancing the understanding on ESG of the Bank's Board 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.

### Department Level

At the Department-level, the Bank is in various stages of discussion and integration of pertinent ESG-related commitments and projects as part of their operational plans and into the goal sheets of key leaders.

### Key Policies Introduced and Updated

As part of its ESG Action plan for the year, we introduced, revised or released in the public domain key ESG-aligned policies to serve as our guiding principles for driving action, as well as convey our commitment and positioning to our external stakeholders. These policies have been elaborated and linked to in respective sections of this Report.

Revised or new policies that are now available in the public domain include – Policy on Environmental Management, Human Rights Policy, Diversity Equity and Inclusion Policy, Sustainable Lending Policy & Procedures, Tax Policy and Anti-Corruption and Anti-Bribery Policy.

### Management Level

At the management level, the Bank has established an ESG Steering Committee comprising the heads from key verticals at the Bank. The Steering Committee, endorsed and supported by the Executive Director (Corporate Centre), is expected to support as well as guide the Bank's Board and management on material ESG issues, as well as catalyse ESG-related initiatives and commitments across the Bank.



*Standing L to R:* Prashant Joshi (President, Wholesale Credit), Rudrapriyo Ray (President & Head - Corporate Affairs), Amit Talgeri (EVP & Chief Risk Officer)

*Sitting L to R:* Sameer Shetty (President & Head - Digital Banking), Rajkamal Vempati (President & Head - HR)

*In Absentia:* Abhijit Majumdar (SVP and Head - Investor Relations)

## Managing Climate-related Risks and Opportunities

*The Bank continues to focus on strengthening its risk-management capabilities and has in place a Comprehensive Risk Management Framework. The Bank has been leveraging advanced analytics and frameworks and is continually refining its risk measurement systems including automation of processes, to drive risk management.*

The Board of the Bank is the apex governance body on all matters of risk management, driven by an independent Risk function led by the Chief Risk Officer. The Risk Governance structure of the Bank can be accessed on page 103 – Risk Governance, in its Annual Report 2020-21.

The Bank takes a precautionary approach to the impact of our organisational activities wherever applicable.

### Integrating Climate Risk into Risk Architecture

The Bank's overall risk appetite and philosophy is codified in its Risk Appetite framework that also serves as a guidance for the Bank on the desired levels of risk across various kinds of risk in the long term, helping steer critical portfolio decisions. In addition, the Internal Capital Adequacy Assessment Process (ICAAP) assesses all the significant risks associated with various businesses.

As a part of Axis Bank's organisation-wide ESG Strategy and Action plan that it initiated during the year, we are working to design and implement structures and processes to help manage and govern climate risks across the bank, as well as enhance disclosure to ensure transparency for clients, shareholders and regulators. Led by the Risk Department and overseen directly by the Chief Risk Officer, the multi-

year action plan envisages putting in place ESG risk-related governance structures to integrating it into transactional and portfolio-level decision making.

During the reporting year, as the first priority, the Bank initiated the exercise to begin integrating pertinent climate and other ESG-related risks into its ICAAP document. Currently, the exercise includes disclosures on pertinent environmental and social risks within the document and linking it with the Bank's business and non-business practices that are aligned to positive environmental and social outcomes.

The Bank is also working its focusing on strengthening its governance layers in line with best practices as well as IFC guidelines.

Over the next two reporting years, the Bank shall be working towards achieving the priorities it has set for itself, including, but not limited to, building and deploying appropriate risk assessment toolkits that also cover ESG stress testing and scenario analysis, building a climate risk dashboard, embedding ESG into its credit discussions and decision, and continual improvement of its overall risk frameworks.

Across the organisation, the Bank has also focused on integrating ESG imperatives into its key policies and governance systems such as in human capital management, business operations, relevant products and services, enhanced transparency and disclosures, and thought leadership and advocacy.

We are aware of the opportunities presented by positive climate action and alignment with the global sustainable development agenda, and are committed to steering our business and non-business activities on an ESG-aligned pathway. With the guidance and oversight of the ESG Committee of the Board, we are actively crystalising our commitments that shall be announced in FY 2021-22.



## ESG Policy for Lending

*Since 2016, the Bank has had in place the Sustainable Lending Policy and Procedures (SLPP) that integrates environmental and social risk assessment into our corporate credit appraisal mechanism. The Policy applies to all new funding projects (excluding the sanction of cost overruns or additional funding for existing projects), subject to the specified threshold criteria for qualifying projects as defined in the SLPP.*

The Policy continues to be managed by an in-house team of subject matter experts, called the Environmental and Social Monitoring Group (ESMG), with the corporate credit vertical. It also takes into account the criteria and processes adopted by global standards such as The IFC Performance Standards Framework and The World Bank Group General Environment, Health & Safety (EHS) Guidelines.

As part of the Environmental and Social Due Diligence (ESDD) process under the Policy, ESGM also actively engages with the Bank's clients and potential clients on adopting environmental and social best practices and strengthening compliance.

In August 2021, the Bank revised and updated the Policy, and has renamed it as the ESG Policy for Lending. In addition, the Bank has widened the scope of the Policy to cover a broader threshold of eligibility, in addition to specifically scrutinising proposals related to carbon-intensive sectors.

To enhance transparency, a Summary of the Policy has been placed on its website. The Summary covers the Policy's objectives, processes for ESDD and project monitoring and the Exclusion list of sectors that the Bank refrains from lending to. The Policy can be accessed at [www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf](http://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf).

The ESG Policy for Lending has also been covered in the Natural Capital section in this Report, where two case studies on the Environmental and Social Due Diligence process followed under the Policy have been highlighted.



# Customer Centricity at the Core



## Scaling the Saksham Customer Relationship Platform

*Saksham is the self-developed, robust and simplified enterprise-wide platform used by the Branch banking vertical for processing financial transactions, non-financial service requests, customer servicing, and converting pre-approved sales offers.*

*As a unified platform, Saksham can gather information from different utilities and provide a 360-degree view of customers' relationship on a single screen.*

Saksham's capability and design incorporates digital authentication, which reduces transaction times and makes processes paperless. Saksham is linked to UIDAI for customer authentication using Aadhar, including obtaining customer details using biometric-based e-KYC service of UIDAI.

During the reporting year, new Straight Through Processes (STP) were added to Saksham to further reduce TATs, achieve greater efficiency, and enhance customer satisfaction. STPs included key service requirements including demographic details update, 15G/H processing, Account activation, Re-KYC processing, accounts transfers, chequebook requests, statement requests, and interest and TDS certificate generation.

With inbuilt system-based controls, the STPs also ensure error free processing and eliminate the need for additional, manual scrutiny.

During FY 2020-21, Saksham's Straight Through mechanism processed 26.30 Lakhs requests, a significant 197% increase over the previous year, which is estimated to have resulted in paper savings of close to 50 Lakhs sheets, as the requests were processed through digital authentication and avoided the need for physical customer request forms.



## Automating Branch Services

*The Bank continues to scale up automation-led branch efficiencies and improving self-service capabilities through self-service kiosks including ATMs, cash recyclers, cheque deposit machines, and passbook printers.*

The self-service kiosks for walk-in customers at branches continued to attract strong migration of customer transactions, even though the overall branch walk-ins remained curtailed due to the COVID-19 related restrictions and precautions. As customers increasingly adopted internet and mobile banking services and the Bank scaled up the number of services offered online and, on its app, the growth in number of branches offering the self-service kiosks was minimal. As on 31 March 2021, there were 570 passbook printing kiosks and 286 cheque deposit kiosks in service, with both servicing 37.7 Lakhs and 41.5 Lakhs transactions respectively, lower than the previous year's transactions of 47.7 Lakhs and 67 Lakhs transactions respectively.

Some of the key services introduced during the year to enhance customer convenience included:

- **Introducing display of denomination facility at ATMs**  
Introducing display of denomination facility at ATMs and Recyclers for cash withdrawals by customers. The functionality enables the display of the available currency denominations available in the machine to a customer prior to a transaction.
- **Transfer cheque functionality on Cheque Deposit Kiosk**  
Transfer cheque functionality on Cheque Deposit Kiosk (CDK) enabling the acceptance of outward clearing cheques (Axis Bank's customers' cheques made to other banks), with same day processing along with SMS and email confirmations

## Project Sankalp

*India's SME sector is a critical growth engine for its economy and remains a strategic business focus for the Bank. The Bank continues to focus on strengthening its business and operational processes as well as risk frameworks to spur growth in this segment and deliver greater value to SME participants.*

Project Sankalp is the Bank's tech-driven, transformation project to re-imagine the end-to-end customer journeys, simplification of processes and improvement in sales productivity within its Commercial Banking Group (CBG) business. Interventions under the Project helped deliver data-driven credit decisions, minimised documentation, simplified products, digitised operations and unlocked value using data for effective customer interactions.

The implementation of this digitisation initiative helped the Bank reduce an average loan approval time by nearly 75% while pushing the productivity by nearly 3 times of its Relationship Managers (RM). Project Sankalp has played a significant role in delivering an over 100% increase in new relationships for the Bank in the SME segment. Key impacts include:

### Customer 360° view

*with customer tiers and effective meeting rhythm-based on analytics*

### Enhanced synergy

*with Branch Banking equipped with automated dashboards for improved lead management*

### 60%+

*Reduction in documents required*

### 30 minutes

*for pre-screening versus 1 day*

### 3x increase

*in number of client interactions by RMs*

## Safer Retail Banking Through Digital

The ability of the Bank to provide to maintain its high benchmarks of customer-centricity was tested by the challenges presented by the COVID-19 pandemic. During the year, the Bank's Digital Banking vertical launched two key initiatives towards providing customers a safer, sustainable, and more convenient retail banking experience.

### Anytime Anywhere Banking with Axis Digital Savings Account

During the year, the Bank launched the Axis Digital Savings Account with VCIP (Video-based Customer Identification Process) that allows for opening of a New to Bank (NTB) account remotely from any device with a camera and internet access, with an applicant's identity and identification documents are verified by the Bank's representatives on pre-scheduled video calls (Video-KYC).

The Digital Savings Account has been well suited to the restrictions and precautions under the COVID-19 pandemic, as it negates the requirement for travel by both customers or Bank's representatives and for any face-to-face interaction. Additionally, it being an entirely virtual process, there is no exchange of paper in the process.



### Branch of the Future Initiative

The Branch of the Future (BOF) initiative by the Bank is the provision of a virtual branch to a Bank's customer with access to the internet and enable them to remotely raise requests and queries across all of the bank's provided services.

In FY 2020-21, the first three phases of the initiative led by the Digital Banking vertical, were launched, and covered 15 service requests across the bank's products, as new phases and journeys are concurrently being added. The initiative has helped the Bank offer added convenience to its customers considering the pandemic-related restrictions and precautions and has also helped reduce the use of paper in processing of the requests.

The Bank estimates that the Branch of the Future initiative helps a branch save over 0.57 Million sheets of paper monthly, in addition to helping save thousands of litres of

fuel by negating the need for customers to travel to a branch and reducing the pressure on resource use at the branches.

Notably, the BOF initiative has demonstrated a reduction in process risk and lower NFTR as the implementation of system-level checks replacing manual scrutiny by Bank staff had made the processes more robust and less vulnerable to errors and/or frauds.

Secondly, the initiative has enhanced traceability by ensuring end-to-end maintenance of logs across all touchpoints and system critical checks. This provides a more long-serving approach to documentation and record management against erstwhile methods of physical interaction that may have presented gaps or challenges while recording.

## Customer Experience and Satisfaction

Axis Bank is committed to delivering the highest levels of customer experience and satisfaction to its customer base and has put in place the requisite frameworks and measurements to gauge customer satisfaction across key journeys, touch points and business lines.

**The Bank calls its measurement framework the Customer Experience Index (CX Index), which captures feedback across the following aspects:**

- Onboarding process
- Time taken by the Bank to connect after placing a request
- Application and documentation process
- Awareness about key charges, features, and benefits
- Experience with the time taken to open an account/get a card or loan
- Loan sanctions and disbursements (Applicable for asset products)
- Time taken by the Bank to provide sanction
- Verification and documentation process
- Communication from the Bank on loan status
- Experience on the first transaction - Getting the card activated/PIN setting
- Transaction experience at ATMs, branches, loan centres, and digital channels
- Ongoing usage experience
- Service interaction experience at physical, digital, branch and RM channels

➔ Going forward, the Bank shall share details of the CX Index for the Wholesale Banking vertical.

For more details on Customer Experience and Transformation at the Bank, please refer to the 'Customer Experience and Transformation (CXT)' section in the Management Discussion & Analysis on page 101 of the Annual Report 2020-21.

## #ChupHoJao

*As thought leaders in communicating safe banking, we create a campaign to create awareness among all account holders on online banking scams. We used a song from a famous OTT show to participate in pop culture and stay current and contextual to the digital audience. Our employees featured from their homes in the song to increase brand trust and ensure that we are there to help customers bank safely.*

The Bank collects feedback from customers via online surveys and telephonic interviews for select segments, wherein surveys are sent through SMS and emails to customers.

In FY 2020-21, the Bank expanded the Retail BankCX coverage by 65 % to include key business lines. For the year, the Bank obtained Customer Satisfaction Scores (CX Index) for the following business lines:

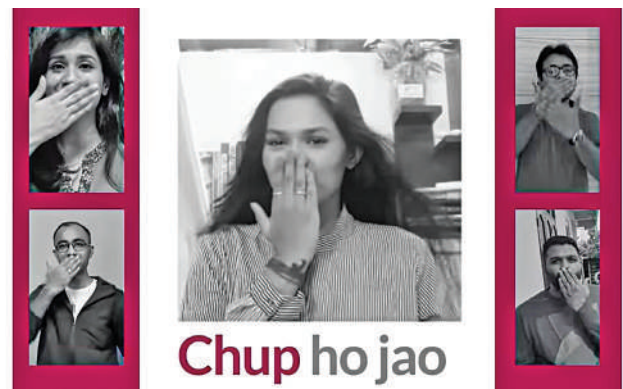
### Retail Bank

- Savings (Scores are tracked across segment including domestic & NRI)
- Credit cards
- Retail Assets (Home /Auto /Personal)

For the above business lines under Retail Bank, the overall CX Index for FY 2020-21 stood at 72 and met the Bank's satisfaction target.

**During the year, the Bank also began measuring CX Index Score for the Wholesale Banking vertical, covering the following segments:**

- Strategic Client Group (SCG)
- Large Corporates (LC)
- Multinational Corporates (MNC)
- Mid Corporates (MC)
- Financial Institution Group (FIG)
- Commercial Banking Group (CBG)







## Financial Capital

> P. 40



## Manufactured Capital

> P. 46



## Intellectual Capital

> P. 48





## Human Capital

 P. 54



## Social and Relationship Capital

 P. 68



## Natural Capital

 P. 78





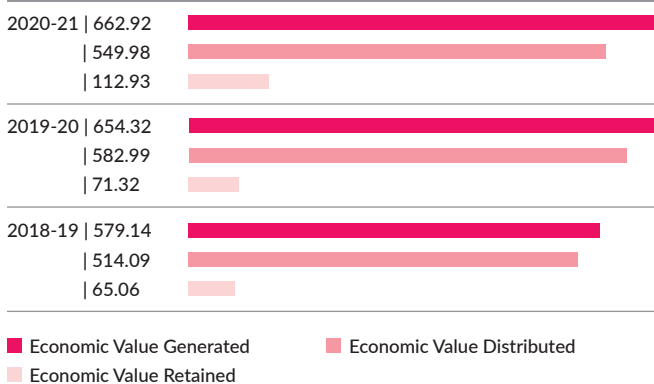
## **Financial Capital**

*Financial capital, or the value of financial resources we obtain from our shareholders and providers of capital, is essential to fuel our ability to create sustainable, long-term value for our stakeholders. Financial capital also helps us contribute to the sustainable and equitable growth of the Indian economy.*

## Economic Value Added

As India's third largest private sector bank, Axis Bank's banking and financial activities span diverse economic segments and cover myriad sectors of the Indian economy. The Bank has been guided by the three vectors – Growth, Profitability and Sustainability (GPS) in its business strategy and approach to deliver positive economic value for its providers of capital, customers, employees, business partners, and for itself as a business. A detailed analysis of the Bank's financial performance is included in the Management's Discussion and Analysis in the Annual Report 2020-21 on pages 81-90. Axis Bank's shareholding pattern has been provided in the Bank's Annual Report 2020-21 on page 65.

### Direct Economic Contribution\*\*\* (₹ Billion)



\*\* The values reported above have been calculated by the Bank as per the GRI Standards – Disclosure 201 requirements basis its financial results reported in its Annual Report 2020-21.

## Indirect Economic Contribution

Axis Bank's business activities percolate across diverse economic sectors, social and economic groups, and regions in India. Through its banking and financing activities, the Bank supports the creation of critical infrastructure in the country, supports the expansion of commerce and industry, enables entrepreneurs and small enterprises access finances critical to their business requirements, offers a channel for investments and savings for individuals. It also connects the unbanked and underbanked population of the country to the formal economy.

Its business activities, such as its services to the Government sector, help strengthen the State's ability to function more transparently and efficiently and be able to deliver services to the citizens more effectively. Similarly, its business activities in the microfinance space help enable Millions of women from financially weaker backgrounds and primarily from rural India achieve financial freedom and a stronger social standing within their families and communities.

As an organisation, the Bank requires products and services for its own consumption and to enable it to run effectively, it requires to meet its regulatory and societal obligations, and it strives to contribute positively as a responsible corporate citizen. Its diverse range of activities connect it to a wide spectrum of stakeholders including its business partners, regulators, its peers, and the communities within which it operates.

## Impact of Financial Capital

As a Bank, we cater to a wide spectrum of customers ranging from farmers and women-led Self Help Groups to global corporations, all of whom are integral to our relationship capital. The business relationships highlighted in this section primarily focus on the customer segments wherein we believe such a relation is helping contribute towards a deeper socio-economic impact.

## Including the Unbanked and the Under-banked

Axis Bank's retail Microfinance programme, 'Axis Sahyog', aims to provide inclusive financial solutions, helping bring Millions of families in underbanked geographies across India under the umbrella of formal financial avenues.

Driven directly as well as through its Business Correspondent partnerships, the Axis Sahyog programme provides collateral-free, small ticket size loans ranging from ₹12,000 to ₹50,000 to economically active women belonging to households that have an annual income of less than ₹1,60,000, with an objective to facilitate new business opportunities and move up the socio-economic ladder.

Axis Sahyog adopts an integrated approach of combining optimum customer touch points with technology-enabled back-end support functions towards enhancing the programme's efficiency, and has gradually evolved from physical to a physical+digital or phygital, delivery to the last mile. A deeper integration of technology has delivered the following benefits:

## 16.3 Lakhs

Active customers of Axis Sahyog programme in 22 states and union territories, as on 31 March 2021.

- E-KYC-based onboarding process to avoid identity frauds
- Instant credit bureau check to verify members' credit history
- Seamless loan disbursement and recovery with holistic reporting
- Geolocation tagging and tracking at every loan process
- Paperless operations

In FY 2020-21, under Axis Sahyog, the Bank disbursed ₹2,027 Crores and opened 6.38 Lakhs accounts. The Bank currently partners with four proven and established NBFCs as its Business Correspondents to reach all four corners of the country. Additionally, the Program has supported the creation of employment opportunities for youth in Axis Sahyog's catchment areas who function as Business Correspondent Agents for the Program. Axis Sahyog deployed 13,564 CSC BCs (under Bank's partnership with CSC) and 214 rural lending BC for various mandates under the programme.

## Social Security and Other Benefits

One of the key deliverables of the programme is the delivery of various social security, savings, insurance or any other pertinent schemes of the Government of India, a segment that has witnessed strong growth, highlighting the latent demand for financial inclusion in rural India.

### 9.06 Lakhs

*Savings Accounts opened under Pradhan Mantri Jan Dhan Yojana as on 31 March 2021 (~71,000 a/c opened in FY 2020-21)*

### 7.15 Lakhs

*Atal Pension Yojana customers as on 31 March 2021*

## Deepening Rural Reach Through Deep Geo Initiative

Axis Bank had initiated the Deep Geo initiative in FY 2019-20 to deepen its presence in rural and semi-urban India and provide holistic banking services to customers in these regions. From 387 branches in its first year of launch, In FY 2020-21, the initiative expanded to cover 500+ districts through 1,577 RUSU (Rural and Semi-Urban) branches. Through the year, Deep Geo

## Priority Sector Lending

The Bank's Priority Sector Lending is closely aligned to its Deep Geo Strategy, aimed at increasing the Bank's presence in specific rural and semi urban geographies across India, that offer high potential for growth in rural advances and MSME lending. During the year, the Bank continued to focus on augmenting the small ticket size loans, crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households. Additionally, the Bank enhanced its digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers.

Axis Bank offers a wide range of products fulfilling the features of the Pradhan Mantri Mudra Yojana (MUDRA), classified and reported under the three categories of Shishu, Kishor and Tarun schemes. The Bank had over 21 Lakhs customers under the MUDRA scheme as on 31 March 2021, with new sanctions to over 8 Lakhs borrowers amounting to ₹4,000 Crores in FY 2020-21 alone.

Since its launch, Axis Sahyog has achieved significant growth, demonstrating the latent demand for such a financial programme among India's rural communities.

The COVID-19 pandemic significantly impacted the socio-economic security of Millions of individuals, particularly women, from economically weaker sections in both rural and urban India. Daily wage workers, street vendors, milk producers, were among the many occupations that were impacted, and without adequate accumulated savings, which were further exhausted from long periods of lockdowns and restrictions, ensuring availability of food and even shelter became a significant challenge.

A significant portion of the Bank's microfinance customers fall into the income and occupation categories most significantly impacted by the pandemic. During the ongoing pandemic, the Bank's Retail Microfinance Team went beyond its business mandates to support over 2.2 Lakhs customers in reviving their livelihoods.

actively identified and targeted relevant consumer categories, increased the Bank's lending reach and customised its product offerings to suit regional requirements, supported by focused customer outreach programmes and leveraging digital marketing solutions. Aligned to the Bank's core philosophy of 'One Axis', the programme offers a wide range of retail and business loans to the rural consumer.





## Axis Bank Expands its Presence in Rural and Semi-urban India Through CSC

During the year, Axis Bank activated its partnership with Common Service Centre (CSC), a Special Purpose Vehicle (SPV) set up in 2009 by the Ministry of Electronics & Information Technology to expand its presence in identified rural and semi-urban geographies. CSC serves as access points for delivery of various G2C, B2C, Agriculture, Education, Health and Financial Inclusion related services, delivered through Village Level Entrepreneurs (VLEs). Under the partnership, the Bank has onboarded over 13,000 VLEs in RUSU locations wherein CSC acts as a BC for the Bank and the VLEs act as its customer service points (CSPs).

The VLEs are aligned to Deep Geo branches and serve as an extension arm for these branches, acting as crucial influencers at the grass root level and facilitating incremental sourcing for our branches. Amidst the COVID-19 pandemic, the VLEs played a leading role in facilitating cash disbursements at the CSCs, including providing doorstep banking services to aged citizens.

## Axis Bank joins Bayer's Better Life Farming Initiative in India

During the year, Axis Bank became one of the first Indian banks to join the 'Better Life Farming', a global multi-stakeholder partnership to support smallholder farmers in developing economies to earn sustainable farm incomes. In India, the partnership includes Bayer, IFC, Netafim, Yara Fertilisers, DeHaat, AgriBazaar, Big Basket, Tata Trusts and now Axis Bank.

As a partner, the Bank will offer holistic and cost-effective financial solutions to smallholder farmers and rural farming communities such as affordably priced loans, deposits, withdrawals and payments, with the convenience of digital banking and doorstep delivery of services. The Bank's offerings shall be through Bayer's Better Life Farming Centres across multiple states in India. These Centres are entirely owned and operated either by a Farmer Producer Organisation (FPO), Federation, an Agri-graduate or a local farmer/entrepreneur. The Initiative aims to create 5,000 Agri-entrepreneurs and empower 2.5 Million smallholder farmers in India by 2025.



## Ensuring Safety of 'Feet on Ground' Amid the Pandemic

In the true 'Dil Se' spirit, the Banks Business Correspondent network continued to serve rural customers amid the COVID-19 related restrictions and precautions, providing critical services such as cash withdrawal facilities for Direct Benefit Transfer beneficiaries under Pradhan Mantri Garib Kalyan Yojana, and doorstep services to those unable to visit the BC Centres.

All BC Agents and BC Centres continue to maintain strong COVID-19 safety protocols, and in many locations, have switched to retina-based biometrics instead of fingerprint-based biometrics to facilitate social distancing.

The Bank also took several measures to support the BC Agents amidst the pandemic to ensure they could operate efficiently and safely. These included ensuring cash availability at remote locations given the high demand for cash withdrawals by rural citizens, providing a sanitation allowance to BC agenda, and providing COVID-19-specific medical insurance coverage to the agents.

## Banking for India's MSME Sector

Progress of the SME sector is critical to the progress of the Indian economy. The SME sector served by the Bank's Commercial Banking Group (CBG) is of strategic importance to the Bank and it lays strong emphasis on building and deepening banking relations with small and medium businesses across India.

The Bank supported SME businesses during the COVID-19 pandemic in a variety of ways during the financial year, ranging from quick deployment and implementation of all pertinent government and RBI relief schemes for the sector and ensuring seamless and hassle-free customer service. 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 98 of the Annual Report 2020-21.

## Digital transformation

The Bank has an ongoing programme, Project Sankalp, focusing on digital transformation to bring in efficiency in processes and improving customer experience and deliver growth. Project Sankalp has been elaborated in the 'Doing Business Sustainably' section of this Report.

During the reporting year, the Bank partnered with Mastercard and Worldline to launch Soft POS, which is the country's first financial payments service to transform a smartphone into a merchant point of sales terminal. The solution, developed in India, is the first such payment acceptance globally and offers a simpler and more secure way to manage transactions especially to merchants moving to digital modes of payments for the first time. The solution is especially targeted at micro-merchants and small SMEs in India who do not need to invest in a POS device.

## Supporting Retail Liabilities Products Customers During the Pandemic

During the ongoing pandemic, the Bank has augmented its product offerings with additional benefits and interventions that were especially suited to meet and support the requirements of its customer base.

- An industry-first bundled health insurance proposition along with savings account launched
- Complimentary Hospicash cover covering COVID-19, offered to eligible customers from select product groups
- Introduced Nil premature penalty feature for retail Term Deposits of tenures of 2 years or more, to support customers with sudden liquidity requirements
- Emergency Savings Planner tool introduced that enables customers to plan their emergency corpus, with guidance on preparing savings goals. Over 34,000 customers utilised the tool during the year
- Digital renewal of certain products and services thus providing safety and convenience

## Serving our Forces with Pride

Axis Bank is a trusted banking partner to India's defence forces, the paramilitary, and police departments across various states, offering a range of products and services that are especially curated to the requirements of the personnel and their families. This includes offering complimentary personal accident cover to all Defence and Police personnel, and during the pandemic, added COVID-Cover and Hospicash as additional services to the bouquet of services, backed by efficient and effortless claim settlements.

Over and above the banking solutions, the Bank partners closely with its clients from the Defence and Police sectors to host virtual sessions on health and wellness as well as on financial planning and career counselling for the families of the personnel, in partnership with our banking partners. During the year, the Bank also introduced VCIP-based virtual accounting opening as a seamless, paperless, and contactless journey.



## Affordable Housing

Axis Bank is a significant lender in the affordable housing space, with its product offering, Asha Home Loans, targeted at first-time home buyers from the economically weaker sections. Asha Home Loans offers certain benefits that offer greater convenience and flexibility to its customers. The loan book size of Asha Home Loans has grown over 70% in the last two years alone, with over 83,000 customers, demonstrating the strong demand for such a product in the target segments.

### Asha Home Loans

#### Book Value (in Crores)

2020-21	9,578.31
2019-20	7,844.22
2018-19	5,573

#### Customer base

2020-21	83,029
2019-20	69,645
2018-19	51,667

## Educational Loans

The Bank has a robust Educational Loan portfolio serving a wide variety of educational requirements of the student community. Notably, close to 1/3 of the Bank's Educational Loan customers are female.

### Educational Loans

#### Book Value (in Crores)

2020-21	1,425.64
2019-20	1,419.84
2018-19	1,141.75

#### Customer base

2020-21	22,888
2019-20	23,060
2018-19	19,471

## Owning a Dream Home through Asha Home Loans

*Abhay Kamble is a 29-year-old fruit vendor and supplier from Pune, and this is his story.*

"Everyone has their own dream of buying a house. Even I had one to own a house in Pune. I had finalised a property since the last 9 months but due to shortage of own contributions and limited income documents, I was finding it very difficult to avail a home loan. I then approached Axis Bank where I met the Sales Manager, Chetan Borade. He understood my requirements and introduced me to the Asha Home Loans, a product specially designed for customers like me. I applied for the loan and was approved. He also informed me about the Government CLSS scheme which made my home loan even cheaper.

I am thankful to Axis Bank and the Sales Manager, Chetan, for offering me a home loan. I now own my dream home in Pune and am living a happy life with my family."







## ***Manufactured Capital***

*We have, over the years, developed a deep nation-wide presence and supported by our value chain partners deliver diverse products and services to a wide variety of customers. We also support the needs and priorities of the communities we serve.*



## Physical Footprint

As India's third-largest private sector Bank, we are present in 2,596 centres and 677 districts in India through our network of 4,594 branches (including extension counters) and 17,000+ ATMs (including recyclers).

As an essential service provider, a majority of our branches have remained open during the pandemic, serving 'Dil Se' Millions of our customers as well as non-customers with their diverse banking needs.

During the year, we added 66 branches to our network to reach 4,594 branches (including extension counters) as on 31 March 2021. Around 16% of our branches are in rural areas of which 75% are in unbanked locations. In addition to its branch and ATM network, the Bank also operates 121 SME Centres catering exclusively to the SME business. The overseas operations of the Bank include a wholly-owned subsidiary in the UK, a branch in Singapore, and Representative Offices

**121**  
SME Centres

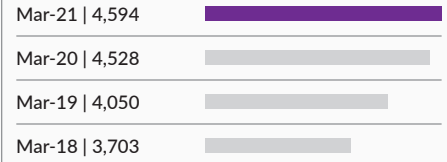
in Dubai, Sharjah, Abu Dhabi and Dhaka, as on 31 March 2021.

To overcome the restrictions and precautions in physical movement due to the COVID-19 pandemic, the Bank developed an alternate channel called the Axis Virtual Centre to reach out to increased customer base. The Axis Virtual Centre (AVC) uses omni channel to reach out to its customer base, leveraging technology and a solution-centric approach to customer conversations. As on 31 March 2021, the AVC was operating from 6 locations with a team of over 5,000 members that include 1,500 virtual relationship managers, managing over 3 Lakhs conversations a month.

[Read more in the Annual Report 2020-21](#)

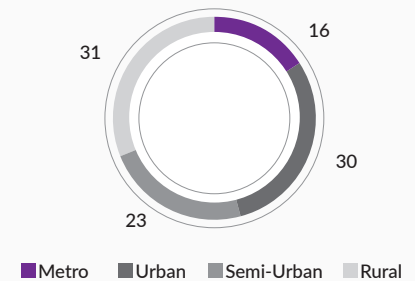
### Domestic Branch Network\*

**4,594**



\* includes extension counters

### Branch Presence Across Categories



## Supply Chain

We have a diverse network of value chain partners and service providers, who help us deliver our products and services to our stakeholders.

Our supply chain includes providers of technology, human capital services, utilities and equipment, and office supplies, among others, and can range from multinational corporations to hyperlocal mom-and-pop stores.

Our supply chain partners played a leading role in ensuring the operational continuity of our branches and other locations during the COVID-19 pandemic-related restrictions and regulations imposed in various states.

We aspire to nurture strong and long-term partnerships with our vendors and business partners and are committed to ethical and transparent business conduct. During the year, the Bank took a number of initiatives to further strengthen its governance systems to make them more efficient and secure.

## Vendor Management Framework

Under the Bank's Vendor Management Framework, in FY 2020-21, we further strengthened the contract compliance and improvement of TAT in supplier onboarding:

### Contract Management

- Under the Contract Management platform, vendor contracts for all centralised departments of the Bank handling bulk procurement of goods and services made available in a central Repository
- System level controls built at various stages of vendor engagement such as Purchase Order issuance, contract creation and payments

### Supplier Onboarding

- Bank's existing Supplier onboarding process in Procure to Pay (P2P) is a ticket-based system where a business user raises requisition for new supplier onboarding. This has

been enhanced by introducing an alternate option for Vendors to self-register through supplier portal

- Business users and Vendors now have complete visibility on their requisition status and can ensure better TAT

The Bank's procurement practices shall play an important role in helping achieve its overall ESG-aligned commitments and ambitions. Central Procurement Team has pledged to actively seek and work with partners with strong environmental and social credentials and align its procurement practices to the bank's own environmental commitments. The Bank aims to strengthen the scope and reach of the Vendor Code of Conduct that includes pertinent environmental and social (including Human Rights) clauses and requires vendor sign-off.



## **Intellectual Capital**

*As one of India's leading financial institutions, we have nurtured a thriving intellectual ecosystem in the country, focusing on best-in-class banking technology and digital innovation. This has not only enabled us to provide industry-first solutions to our customers, but also helped move the banking sector forward. Through dialogue and engagement, we move the needle on diverse subjects, which are material to the Bank and its stakeholders.*

## Partnerships and Collaborations

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

### Key Memberships

Axis Bank Representative	Committee	Organising Body
Amitabh Chaudhry	Banking Committee (Chair)	FICCI
Ganesh Sankaran	India Green Bonds Counsel	Climate Bonds Initiative
Neeraj Gambhir	Global Debt Market Initiatives	ICMA
Neeraj Gambhir	Board	FIMMDA
Neeraj Gambhir	Committee on Treasury & Global Markets - Compliance, Supervision and Information Sharing	RBI
Deepak Maheshwari	Committee on WCG - Compliance, Supervision and Information Sharing	RBI
Sanjeev Moghe	Committee on Cards - Compliance, Supervision and Information Sharing	RBI
Satheesh Krishnamurthy	Board	FIAI
Rajkamal Vempati	HR Committee	FICCI
Sameer Shetty	Digital Banking Committee	NASSCOM
Sameer Shetty	Digital Banking Committee	IBA
Raul Rebello	National Council on Agriculture	CII
Arindam Sarkar	Managing Committee	FEDAI
Prashant Joshi	Working Group on Corporate Credit	IBA

\* For FY 2020-21

The Bank also played host to conferences, webinars and other such gatherings on pertinent topics. Notably, on June 25, 2020, Axis Bank co-hosted the first joint government and industry event organised after the announcement of the landmark agri-ordinances by the Government of India, which aim to create 'One India, One Agriculture Market.' The event, with participation from senior government functionaries as well as global leaders from industry and private equity community, was an opportunity for stakeholders across the agricultural value chain to align themselves with the ordinances and understand its impact on the sector.

During the year, the Bank's Treasury vertical hosted a series of online sessions, titled #TreasuryMarketTalks, on pertinent topics with notable Indian and international personalities from the field of finance and economics.

### Thought Leadership in ESG

During the year, the Bank consciously strived to scale its contribution to advancing its ESG priorities in India, participating in pertinent multi-disciplinary groups hosted by national and global entities focusing on specific aspects of ESG.

Committee/Council/Group	Organising Body	Axis Representative
SES ESG Advisory Board	Stakeholder Empowerment Services	Rajesh Dahiya, Executive Director (Corporate Centre)
CII Climate Change Council 2020-21	Confederation of Indian Industry	Rajesh Dahiya, Executive Director (Corporate Centre)





## Digital Banking

We continue to make steady progress in our digital banking journey, which has been a significant contributor to scaling growth and productivity. We have reimagined end-to-end customer journeys and are delivering market-leading and industry-first products and services.

We have adopted the OPEN approach towards reimagining our customers' digital journeys, which stand for 'Zero' operations orientation using 'Proprietary' in-house capabilities to deliver solutions that are 'Ecosystem' capable and 'Number'-led, i.e. metrics driven.

The Bank has 800+ people wholly dedicated to its digital transformation agenda, including a 110-member full stack technology team across design to development to quality assurance to marketing. We are among the pioneers in data analytics in the Indian banking sector and have a dedicated team of 400+ members comprising data scientists, data engineers and business analysts with strong techno-functional skillsets.

## Digital Banking Footprint

**13.3 Million**

Unique mobile banking users added

**9.8 Million**

Unique internet banking users added

**250+ DIY services**

offered on Axis Mobile app

**88%**

of all financial transactions were digital

**4.6**

Rating of Axis Mobile app



## Digital Usage During the Year<sup>1</sup>

**284.4 Million**

Unique mobile banking transactions

**83 Million**

Unique internet banking transactions

**8.5 Lakhs**

Merchants transacting per day on Axis UPI Stack

**186 Million**

UPI VPA base cumulative

**17%**

Market share in UPI space

**72%**

Credit cards sourced digitally

**57%**

Personal loans disbursed digitally

**71%**

Fixed Deposits sourced digitally

**40%**

Mutual funds sourced digitally

**71%**

New Savings Accounts opened digitally in FY 2020-21, up from 62% in FY 2019-20

<sup>1</sup> All figures above for FY 2020-21, or as on 31 March 2021, as applicable

## Bring your Own Device

Through the pandemic, the Bank has actively encouraged a large-scale Work-From-Home mandate for its employees and striven to provide all enablers necessary to support them to perform their duties effectively. This included providing pertinent frontline employees the convenience of using their personal devices for sales and servicing activities, wherein the Bank created a Bring-Your-Own-Device (BYOD) environment and rolled out compatible applications across products and businesses. In the year, ~60,000 employees were shifted

**60,000**

Employees on Bring-Your-Own-Device (BYOD) environment

to the BYOD environment and enabled access to critical systems such as CRM on their mobile devices, helping them remain active during the pandemic and serving customer needs seamlessly.

A discussion on the performance of the Digital Banking vertical can be accessed in the 'Digital Banking' section of the Management Discussion and Analysis on pages 96-97 of our Annual Report 2020-21 at [www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf](http://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf)

## Business Intelligence Unit

The Bank's Business Intelligence Unit is a team of 400+ professionals with strong techno-functional expertise in data science, artificial intelligence, new-age programming and deep learning frameworks. The Team has successfully delivered cutting-edge solutions in areas such as risk management and operational optimisation.

The Bank's successful navigation of the COVID-19 pandemic was in large part due to the Unit's work on the moratorium strategy, creation of new risk models and scenario analysis, among others.

Details of BIU's work during the year are also provided in the 'Business Intelligence Unit' section of the Management Discussion and Analysis on pages 101-102 in the Annual Report 2020-21.

## Catalysing India's Government Sector

Axis Bank's Government Coverage Group (GCG) covers both liability and asset businesses of a broad range of departments, entities, bodies and PSUs of the Government of India and state governments across India.

Led by the GCG, the Bank is accredited by the Ministry of Finance and RBI for collection of various direct taxes, banking transactions of key Ministries and statutory bodies, disbursement of central pensions, and is empanelled as the sole trustee banker for PFRDA for NPS collections. The Bank offers trade and forex services, and a broad range of digital solutions to the government sector and is a strong partner in national initiatives such as the Smart Cities Mission, Swachh Bharat Mission and Digital India. The Bank is a leading banker for national entities such as the National Highway Authority of India (NHAI).

The key mandates for the Bank are:

### Aadhaar Enabled Payment Services (AePS)

AePS (Aadhaar Enabled Payment Services) is a bank-led model that allows online, interoperable financial transactions at PoS (Point of Sale/Micro ATM) through Business Correspondents (BC)/Bank Mitras of any Bank using Aadhaar authentication. The AePS through BC model has greatly facilitated disbursements of various pension and other government schemes, especially in the rural and far-flung regions.

GCG is in an arrangement with the Bhubaneswar Municipal Corporation in Odisha for enabling pension disbursement using AePS on a pilot basis in select wards of Bhubaneswar, benefiting 20,000+ senior citizens in the city. The Bank plans to replicate this model across the country.

### FDMS - Fund Disbursement and Management System

Under the Government's Digital India initiative, the Ministry of Finance has been directing state governments to follow the Single Nodal Account (SNA) concept for implementing any centrally sponsored schemes towards improving controls and transparency. The Bank's FDMS product operates on the SNA concept wherein all payments for any centrally sponsored scheme made on the portal are deducted from the SNA, and the portal provides virtual (child) accounts for the purpose of tracking and monitoring of such funds.

During the year, the Bank developed and went live with the FDMS solution for two large government departments - the Chhattisgarh Minor Forest Department, which deals with close to 10 Lakhs beneficiaries, and the Andhra Pradesh Sericulture Department, with close to 10,000 beneficiaries.

### PM - CARES Fund

The 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) is a public charitable trust that has been set up as a dedicated national fund for providing relief to citizens during emergency or distress situation, such as the pandemic presently. The Prime Minister is the ex-officio Chairman of the Fund with the Ministers of Defence, Home Affairs and Finance, Government of India as ex-officio Trustees.

During the year, Axis Bank received the Government's mandate to collect donations for the PM CARES Fund and contributions from individuals, corporates and other entities can be made to the account opened by the Bank through a variety of digital options. Notably, the Bank provides daily customised MIS as required by the Government.

### Supporting Government Agencies during COVID-19

Many of the Government Coverage Group's government clients, including Urban Local Bodies, district authorities, panchayat institutions, and various other state and central departments have been among the country's frontline warriors during the pandemic. Amid these uncertain circumstances, GCG, on the Bank's behalf extended its support to the frontline warriors in every part of the country, helping meet their urgent requirements for health and sanitation materials, medical equipment, and other needs.

### Supporting Urban Local Bodies and Smart Cities

The Bank works with Urban Local Bodies (ULB) and Smart Cities missions across India, offering a wide range of digital and financial solutions benefiting Millions of urban citizens in India.

Notable mandates include:

#### Prayagraj Nagar Nigam and Prayagraj Smart City

Axis Bank successfully implemented the 'One Prayagraj' mobile app in the city of Prayagraj, Uttar Pradesh, offering a range of digital solutions and services to the city's citizens. The 'One Prayagraj' mobile app was awarded the Best Innovative App at the Finnoviti Awards 2021.

#### Faridabad Municipal Corporation

Axis Bank has partnered with Faridabad Municipal Corporation to provide a citizen-centric mobile app.

#### Punjab Municipal Infrastructure Development Company (PMIDC)

Axis Bank has onboarded all ULBs in the Punjab state on the BBPS platform through its integration with PMIDC.

## Aadhaar Sewa Kendra, Leh

Axis Bank has become the first private sector Bank in Leh, UT of Ladakh, to set up an Aadhaar Sewa Kendra at its own branch, facilitating citizens of the Union Territory to avail hassle-free and secure Aadhaar related services.



## eGRAS – Government of Assam

The Government of Assam launched GRAS (Government Receipt Accounting System) as a single window, tax and non-tax revenue collection portal for Assam to route all future collections digitally. The Bank has successfully integrated itself with the eGRAS system for the collection and settlement of various receivables on behalf of the state government.

## Chhattisgarh Minor Forest Produce Federation Limited

The Chhattisgarh Minor Forest Produce Federation Limited is a cooperative organisation created to promote the trade and development of minor forest produce in Chhattisgarh. Axis Bank has partnered with the Federation to implement a complete process automation solution that helps its payments as well as internal management processes.

## Improving Citizen Services

The Bank collaborates with several ULBs and other state bodies to offer a range of digital front-end and back-end solutions. These solutions aimed at improving the delivery of services to citizens, while improving transparency and efficiency.

Key mandates include:

### Digital Collection of Spot Fines

Axis Bank is partnering with cities in India to introduce and implement digital collection of spot fines for traffic and civic violations using GPRS-enabled POS machines. During the year, the Bank partnered with Chhattisgarh Traffic Police for providing 50 POS machines to collect SPOT fines across 12 districts in the state.

## Online Collection of Municipal Taxes

### Port Blair, Andaman and Nicobar Islands

Axis Bank has associated with Port Blair Municipal Council to launch the e-challan system for digital collection of payments and dues.

### Udhampur, Jammu & Kashmir

Axis Bank has enabled android-powered mobile POS terminals for the Udhampur Municipal Council for the collection of taxes and fines.

### Barasat, West Bengal

Axis Bank has partnered with the Barasat Municipality to build an internet payment gateway with integrated POS for digital collection of taxes and dues.

### Patan, Gujarat

The Bank has integrated its collection solutions with the Patan Nagarpalika's Jan Seva portal to enable digital payments of taxes and dues.

## Government e-Marketplace (GeM)

GeM is a one-stop online procurement portal for the Government of India, its various departments and organisations, and for PSUs. The Bank works with several entities in India on their GeM mandates. During the year, the Bank opened the GeM pool and tax collection accounts for the Cantt Board of Mussoorie, Uttarakhand.

## Digitising Fee Collection for Higher Education

As institutions for higher education in India increasingly adopted online modes for teaching, it became equally important for them to equip themselves for digital management of fees and other dues. Axis Bank works with various educational institutions across India on a range of innovative, smart solutions for their fee and overall financial management.

During the year, the key mandates for the Bank included Saurashtra University, Gujarat and the Potti Sreemulu Telegu University, Hyderabad where the University's admissions portal has been integrated with the Bank's Payment Gateway Solution.

## Direct Benefit Transfer

The Bank has entered into an agreement with the Panchayat Samiti of Purusottampur, Odisha for transforming the distribution of old-age pension from cash handouts to direct transfer into a beneficiary's account.





## **Human Capital**

*Talent and teamwork have always played a very big role in our evolution since inception. At Axis Bank, we focus on building a fair, diverse, and performance-driven culture, guided by our Core Values and aligned with the Bank's vision and strategic priorities.*

*The emphasis is on attracting and managing talent, strengthening our commitments and action on diversity, equity, and inclusion, and ensuring the safety of our employees and their families.*



## Diversity, Equity, and Inclusion

We are focused on strategies to attract diverse talents, imbibe an inclusive culture and work towards ensuring equity not just through our policies, but also in our daily practice. Our culture allows individual talent to bloom and empowers people at all levels. The DE&I commitment was formalised in FY 2020-21 with the launch of the Diversity, Equity and Inclusion Policy and creation of a dedicated team. In FY 2021-22, we remain committed to going beyond. In doing so, we ensure that we are guided by the principle,

*“The onus of inclusion lies on those who are included, not on those who are excluded”.*

### Axis Bank’s Focus

#### Beyond the Binary

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

#### Beyond Biases

The Bank created its signature DE&I awareness programme ‘Pause for Bias’ that helps our employees rise beyond their inherent unconscious biases.

In keeping with the vision of “nothing about us, without us” we are setting up inclusion circles with gender-diverse members, people with varied abilities, people with varied cognitive and sexual orientations and people from diverse functions to ensure that we get a wider perspective for an inclusive vision.

#### Beyond Abilities

We recognise that disability is not a monolith and are identifying roles for persons with different abilities.

We have initiated the creation of signages for inclusive restrooms in our large offices, which are accessible to persons with physical disabilities. The signage has a braille script for easy navigation for persons with visual impairment.

#### Beyond Stereotypes

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

**Key programmes initiated by the Bank under its DE&I commitment included:**

### Axis Women in Motion (WiM)

The Bank notes that there has been a decline in the participation of women in India’s labour workforce over the last several years, with the country consistently falling in labour participation rates according to indicators provided by the World Bank.

Axis Bank launched the Axis Women in Motion (WiM) programme in FY 2020-21 as an outreach initiative to women students across the country towards building awareness to stay engaged in society as economic entities.

Under WiM, women leaders from the Axis Group engage with students and faculty members and share their life stories with an intent to leave threads of thoughts on the importance of being economically and emotionally independent entities.



## Women @Work

The Bank endeavours to have a gender balanced workforce and through hiring and various other initiatives strives to increase representation ratios systematically.

### Key Highlights

## 23 women

*hired under the 'We Lead' initiative, with 5 women in senior positions, from the SP Jain's Post Graduate Management Programme for Women, a specific leadership-focused programme for women who restart from a career break*

## 26%

*of non-sales employees are women as on 31 March 2021*

## 50.5% women

*binary gender balance in the Bank's Cadre programme intake*

*During promotions, the Bank ensured an equitable process through regular nudges and affirmative actions*

## Prevention of Sexual Harassment at the Workplace

We remain committed to a work environment of respect and dignity for all individuals and continue to maintain zero tolerance towards any kind of discrimination at the workplace. The Policy on the Prevention of Sexual Harassment (POSH) remains applicable to all employees at the Bank and is in consonance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

The Bank's Internal Complaints Committee on the Prevention of Sexual Harassment (POSH) continues to deliver on its mandate of making the Bank a safe and secure environment for its female employees, working on various aspects related to awareness, training and redressal. Through the year, the Bank regularly communicates the various provisions under the POSH available and accessible

to all female employees to reinforce them and to make them readily accessible.

### Some of the Key Initiatives Taken:

- Awareness posters are displayed at every branch and office of the Bank. The posters are deliberately designed with strong visuals to draw attention to them, and clearly convey the Bank's zero tolerance towards sexual misconduct in addition to sharing the names and contact details of Committee members for respective regions
- Screen Savers on every laptop or other such asset at the Bank display a strong visual message and contact details of the POSH Committees
- Ethical Times - A periodic internal email communication to all employees, designed to draw employees attention to them and communicate various redressal channels

## POSH Awareness Sessions

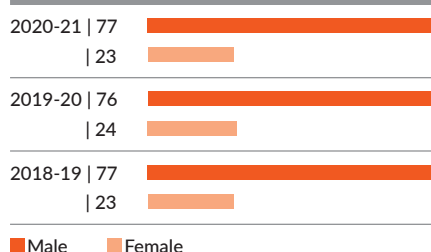
Despite COVID-induced restrictions, the Bank conducted its POSH Awareness sessions, which are conducted in person across all the Circles online. During the year, sessions were conducted by members of the Internal Complaints Committee across four regions i.e. North, South, East and West, spanning mid- and senior management employees from all business verticals from that region, who cascade the training down to their reportees. Thirty-four workshops were conducted during the year.

During FY 2020-21, the Internal Complaints Committee received 39 complaints, of which 35 complaints were closed as on 31 March 2021.

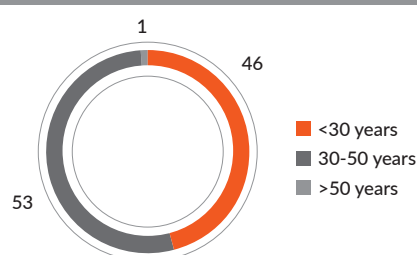


## Workforce by Diversity

### Gender Diversity (%)



### Workforce by Age (%)



## Age and Gender Distribution of Workforce

Male	2018-19	2019-20	2020-21
<30 years	26,359	30,667	25,260
30-50 years	20,753	25,564	34,096
>50 years	409	422	639
Female	2018-19	2019-20	2020-21
<30 years	9,875	12,105	10,840
30-50 years	4,516	5,354	7,419
>50 years	28	28	53

## Workforce Diversity - Employee Gender and Category-wise

Male	2018-19	2019-20	2020-21
Top Management	6	7	7
Senior Management	150	168	187
Middle Management	4,894	5,526	6,443
Junior Management	29,362	35,008	38,729
Sales Channel	13,109	15,944	14,629
Female	2018-19	2019-20	2020-21
Top Management	0	0	0
Senior Management	9	13	15
Middle Management	893	988	1,160
Junior Management	12,080	14,322	14,800
Sales Channel	1,437	21,64	2,337

## Workforce Diversity - Region-wise

Male	As on 31.3.2021	As on 31.3.2020
Central Office	3,643	3,412
**Regional Offices (Navi Mumbai + Hyderabad)	4,378	3,879
North	21,064	20,241
East	13,820	13,015
West	17,381	16,393
South	17,860	17,046
Overseas	161	154
<b>TOTAL</b>	<b>78,307</b>	<b>74,150</b>

## Future of Work

### GIG-A Opportunities

The Future of Work is an initiative launched towards transforming our operating model and gaining the ability to attract and retain best-in-class talent. A key initiative under this strategy is the GIG-A-Opportunities, launched as a 50-role pilot in August 2020 to recruit specialists on short-term contracts and candidates outside the firm's base corporate location in full-time virtual positions. The pilot received an overwhelming response with 60,000+ applications received, with the hired candidates having 45% diversity in gender and age, 54% not having worked in the Banking sector before and 44% being outside metro locations. The pilot's success prompted an expansion of the programme and we hired 83 candidates in the financial year.

### Hybrid Work Model

Under the theme of reshaped work and the workplace, the Bank has launched a hybrid work model in large offices, wherein senior and middle management at the grade of AVP and above have been attending office two days a week. This was facilitated through online, real time booking of available seats in the offices that were integrated into the Bank's HR app for employees.

### Work From Anywhere

The Bank utilised a risk and productivity-linked framework to identify roles that could be made permanently virtual, delivering the same level of productivity and responsiveness while physically being in an office. In FY 2020-21, approximately 1,200 employees across 18 departments moved to a 100% virtual format.

Over the next 12-18 months, the Bank envisions that 30% of non-customer facing roles would be in alternate formats including hybrid work, work from anywhere and skilled contractor models.

### Gauging Employee Satisfaction

It is our constant endeavour that the Bank remains a place of pride for all our employees. Through the year, we conduct confidential surveys among employees to gauge their perception on whether the organisation's culture and actions were aligned with its five Core Values of Customer Centricity, Teamwork, Ethics, Transparency and Ownership.





## Our Employee Engagement Scores

Core Value	FY 2020-21	FY 2019-20
Customer Centricity	89%	86%
Ethics	68%	67%
Transparency	87%	83%
Teamwork	87%	83%
Ownership	87%	84%

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

### Pride in Axis

# 88%

↑2%

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

# 92%

↑2%

*believed the Bank is well positioned to win in the future*

### Advocacy

# 86%

↑2%

*would recommend Axis as a great place to work to friends*

# 90%

↑2%

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

# 94%

↑2%

*are proud to represent the brand Axis in conversations with customers*

## Our Workforce

As on 31 March 2021, our total workforce stood at 78,307, of which 23% were women. Approximately 26% of our non-sales workforce comprises women and we aim to increase this ratio further. We are committed to increasing the representation of women in our workforce to 30% by 2027, up from 23% as on 31 March 2021.

The Bank has a standalone Equal Employment Opportunity Policy that guides and reinforces the Bank's focus on merit as the role criterion for employment and advancement.

The Bank does not have any employee trade union and not in any collective bargaining agreement, although it allows

all employees to exercise the lawful right to 'freedom of association'.

📄 **The Policy can be accessed at**  
[www.axisbank.com/docs/default-source/default-document-library/Equal\\_opportunity\\_policy.pdf](http://www.axisbank.com/docs/default-source/default-document-library/Equal_opportunity_policy.pdf).

In addition, the Bank deploys contractual workforce indirectly through outsourced agencies. This number stood at 9,753 as on 31 March 2021.

## New Hires

### New Hires - Age and Gender-wise

Male	2018-19	2019-20	2020-21
<30 years	9,463	15,734	8,245
30-50 years	2,055	6,953	5,892
>50 years	2	4	17
Female	2018-19	2019-20	2020-21
<30 years	3,686	5,955	3,473
30-50 years	358	1,063	1,005
>50 years	0	3	2

## New Hires - Employee Category-wise

	2018-19	2019-20	2020-21
Top Management	3	2	1
Senior Management	4	33	29
Middle Management	232	732	792
Junior Management	9,506	18,270	11,433
Sales Channel	5,819	10,675	6,379

## New Hires Turnover - Age and Gender wise

Male	2018-19	2019-20	2020-21
<30 years	4,330	5,120	2,401
30-50 years	137	727	727
>50 years	0	1	1
Female	2018-19	2019-20	2020-21
<30 years	1,072	1,617	736
30-50 years	24	121	110
>50 years	0	1	0

## New Hires Turnover\* - Employee category wise

	2018-19	2019-20	2020-21
Top Management	1	0	0
Senior Management	0	0	1
Middle Management	12	14	24
Junior Management	1,044	2,509	1,242
Sales Channel	4,506	5,064	2,708

## Attrition

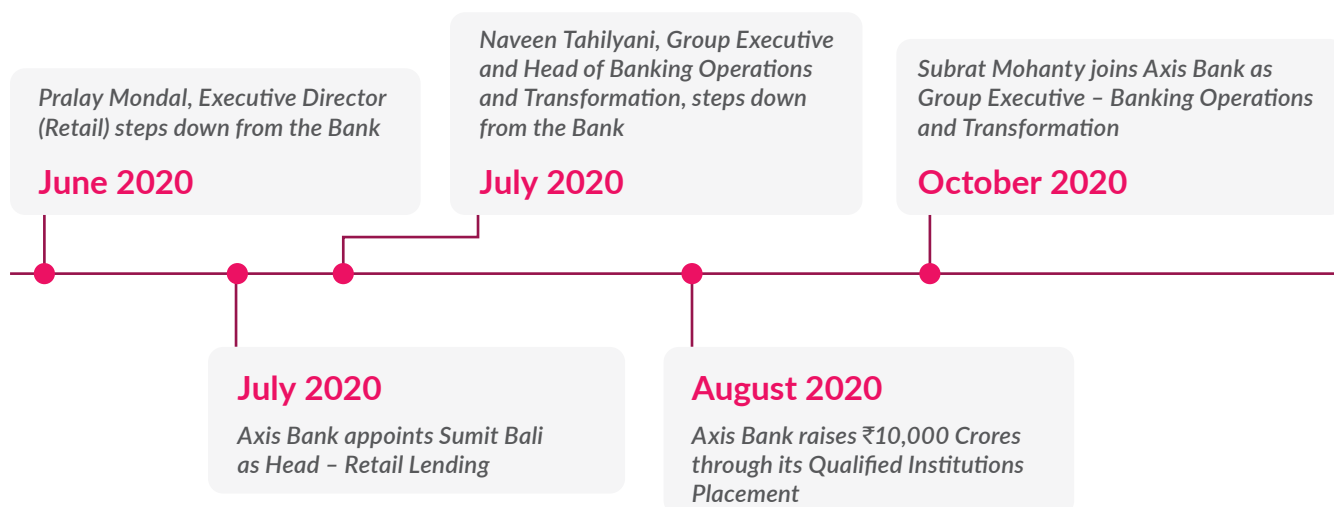
### Workforce Turnover - Age and Gender-wise

Male	2018-19	2019-20	2020-21
<30 years	11,488	14,054	8,640
30-50 years	3,014	5,127	5,008
>50 years	33	104	80
Female	2018-19	2019-20	2020-21
<30 years	3,559	4,722	3,421
30-50 years	550	904	1,010
>50 years	3	9	8

### Workforce Turnover - Employee category wise

	2018-19	2019-20	2020-21
Top Management	4	1	2
Senior Management	16	37	27
Middle Management	427	653	421
Junior Management	8,655	12,938	9,007
Sales Channel	9,545	11,291	8,710

## Key Organisational Developments During the Year\*



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

## Employee Performance Feedback

The Bank deploys a performance management system which is focused on building a performance-driven culture led by the Bank's growing talent pool. The Bank's performance appraisal processes follow industry-best practices with a focus on merit and providing opportunities for employees for not only leading in their roles, but also for redeeming themselves for lower-than-expected performance.

### Performance Feedback-Employee category wise\*

Received	2018-19	2019-20	2020-21
Top Management	5	6	7
Senior Management	157	159	186
Middle Management	5,534	5,999	6,937
Junior Management	34,678	38,678	44,385

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

The Bank's remuneration is overseen at the highest level by the Nomination and Remuneration Committee of the Board and guided by its Remuneration Policy.

📄 **Bank's Remuneration Policy can be accessed at**  
[www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf](http://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf)

As part of its overall ESG strategy, the Bank is working towards integrating ESG imperatives and commitments into the goal sheets and KRAs of pertinent leaders and departments. The Balanced Score Card of leaders such as the Executive Director (Corporate Centre) includes ESG performance as well.



## Learning and Development

The Bank has consciously moved from episodic learning interventions to integrated journeys with milestones on employee learning and development.



### Key training and competency assessment programmes conducted by the Bank:

#### Headstart – Induction Programme

Headstart is the Bank's comprehensive induction programme for all new people up to the level of DVPs, who are invited to the programme within 7 days of their joining.

The online programme, conducted by in-house trainers features live, 90-120 minute sessions that are conducted over 6/7 working days and comprise, overview of Axis Bank – its formation, growth, its businesses and subsidiaries and their products and services, its top management, financial performance, its Core Values, HR Policies, Code of Conduct, whistle-blower mechanism, Risk and Compliance, among others. Additionally, the programme also includes segments on employee wellness.

The programme includes specialised content for the induction of employees from the grade of Vice President and above, with a more strategic and leadership-focused intent. In FY 2020-21, 21,900+ employees were invited to and completed the Headstart programme.

#### Mandatory Compliance Certifications

The Bank has in place mandatory learning and certification programmes that focus on key aspects of compliance and corporate governance and must be taken by all employees annually. The content of these programmes enable employees to function efficiently and in a compliant manner in a secure and conducive work environment.

#### Developments in FY 2020-21:

- 100% certification of designated employees on KYC and AML
- 86% employees completed five mandatory Compliance course, Cyber Security awareness for senior management and Board members and assessments on Code of Conduct and Ethics and other governance areas

In FY 2021-22, the Bank will continue its mandatory certifications in KYC/AML, information security awareness and other areas, aiming to cover approximately 3 Lakhs learning hours.

## Axis Competency Profiler

Axis Competency Profiler is an assessment engine to evaluate the functional competency of our employees, linked to their respective job roles covering five areas – Products & Services, Processes, Risk & Compliance, Systems and Organisation. The Profiler, an online, multiple-choice assessment, spanned close to 53,000 employees across 1,600+ roles in FY 2020-21, with 99% completion rate. There were 368 profilers and 80,000+ questions spanning three difficulty levels, and assessment is directly linked with promotions and role transitions.

## Redefine Programme

Redefine is a first-of-its-kind tie-up with Coursera to provide our top talent access to world-class faculty and best-in-class content from the top universities in the world. In FY 2020-21, Redefine was customised to cater to the needs of leadership, domain, interactive and functional skills. The programme was also extended to all subsidiaries. The programme saw 9,841 enrolments during the year (including subsidiaries), of which 6,940 completed their programmes (up 265% from the previous year).

## Behavioural Skills

The Bank's flagship behavioural programme, the Leadership Collective, is an intervention created for identified leaders in the Bank to develop a leadership mindset, enhance capabilities and enable their synergies to outperform. In addition, behavioural inputs are also provided as part of the Learning Journeys developed for various business lines.

## Compliance

Training on Compliance is a critical element of our approach to learning and the importance of compliance and making it a part of every employee's day-to-day operations is a key part of our training programmes. The Bank carries out certifications on various dimensions of compliance such as KYC/AML and Information Security annually. The Bank is currently leading a Compliance Culture Project that focuses on building a strong culture of compliance through special interventions.

## Data Privacy & Security

Data privacy and information safety and security is an integral part of all induction programmes at the Bank and it also conducts an annual online training and assessment

exercise on information security. In addition, the Bank's Board members, CXOs and Senior Management also undergo regular training on Cyber Security.

For 2020-21, average person-hours of training was 46.94 for males, 49.20 for females, and 48.07 person-hours for all employees overall. Out of all training given to employees, 76% of trainings were conducted online in the form of e-learning modules and remaining 24% were classroom-based training.

### Employee Training - Employee category and Gender wise

Male	2018-19	2019-20	2020-21
Top Management	186	0	22
Senior Management	1,690	49	1,908
Middle Management	69,205	13,409	3,14,730
Junior Management	7,76,938	5,02,864	15,11,332
Sales Channel	4,58,842	81,671	9,88,352
Female	2018-19	2019-20	2020-21
Top Management	0	8	0
Senior Management	190	1,158	268
Middle Management	13,626	77,069	59,609
Junior Management	3,90,508	9,05,591	6,54,060
Sales Channel	72,567	5,11,149	1,87,044

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

## Employee Health and Wellbeing

Throughout the pandemic, our employees have displayed remarkable commitment and fortitude to remain open 'Dil Se' to our customers and communities. In addition to physically and financially securing our employees, we have also focused on helping our employees and their families manage through the pandemic better and stronger, through our key initiatives.

### Wellness Talks

The Bank conducted sessions by medical professionals on the following topics:

#### Learning to Live with COVID (conducted Pan-India and Zone-wise)

Conducted by the Bank's in-house Chief Medical Advisor. Sessions covered essentials on protecting oneself and how to deal with symptoms over time.

#### Healthy You on Women's Health

Pertinent topics related to women's physical and mental health and interactions with specialist doctors and dieticians.

#### COVID Vaccination

Hosted by the Bank's Head of HR, this was a live discussion format with the Bank's Chief Medical Advisor on the importance of vaccination and busting the various suspicions and myths around it.

#### Pre and Post COVID

Video hosted at all branches, of the Bank's Chief Medical Advisor on the dos and don'ts of pre-, present- and post-COVID stages, including precautions post - COVID-recovery.

### Wellness Sessions

#### Zumba

Online session for employees across India, with ~9,000 employees participating

#### Hear to Heal Yoga

Online yoga session of yoga with ~5,000 participants

#### Consultations for Women Employees/ Expecting Mothers

One-to-One consultations by Gynecologists, covering over 250 employees across India over one month

We continue to provide a comprehensive range of retiral and other benefits for our employees, which are also verified independently from time-to-time.

### Employee Benefits (₹ Million)

Gratuity benefit plan expenses*	Compensated absences expenses*	Contribution to employees' superannuation plan for the year*	Provident Fund benefit plan expenses*
2020-21   352.9	2020-21   NA#	2020-21   154.2	2020-21   1,353.9
2019-20   571.1	2019-20   573.5	2019-20   154.2	2019-20   1,099.2
2018-19   570.7	2018-19   466.2	2018-19   162.9	2018-19   986.0

\* Section 2.2.12 – Employee Benefits, as part of 'Notes Forming Part of the Financial Statements' on pages 245-249 of the Annual Report 2020-21.

# Axis Bank has discontinued PL encashment from the last financial year

## Employees Availing Parental Leave

Axis Bank provides a wide mix of parental leaves to its employees, including leaves for single parents and for parents who are adopting.

	2018-19	2019-20	2020-21
Paternal	2,003	2,448	2,318
Maternal	693	787	448
<b>Employees returning to work after availing Parental leave as on 31 March 2021</b>			
Paternal	1,895	2,443	2,178
Maternal	344	369	352

Employee who availed parental leave in FY 2019-20, returned to work and are still on company rolls as on 31 March 2021 are Male: 1,280 and Female: 456.

## Employee Grievance Redressal

H-Response is the Bank's 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 1,10,207 queries within various categories during the reporting year, of which 1,09,794 queries were resolved as on 31 March 2021. Employee query categories include retiral benefits, salary, tax exemption, investments, attendance, resignation, leaves, medi-claims & insurance, and performance management.

## Health and Safety of Employees at Workplace

*Protecting the health and physical safety of our employees at the workplace remains a priority for the Bank. Towards minimising the COVID-19 pandemic on our employees, we have focused on strengthening our existing frameworks and processes, such as Business Continuity Planning, and all obligations therein.*

### Fire Safety and Fire Prevention

As a service-oriented organisation with approximately 80,000 employees and close to 5,000 branches spread across India, fire safety and fire prevention remain a crucial focus.

The Bank has a dedicated safety and security team focusing on all aspects of fire safety and fire prevention at workplace to ensure mitigation of threats, risks and vulnerability emanating from tangible acts of unlawful interference including fire related incidences.

The Bank's basic policy framework is based on - Prevention, Saving lives, Mitigation of Risk Threat and

Vulnerability, Prevent damage to Banks assets, Quick reaction, Constant Vigilance and awareness, Alert-based responses and mitigation measures and Electronics Security Surveillance System.

The Bank continues to conduct fire/life safety drills and checks at all branches through empanelled third-party security vendors and maintains a high standard of physical security cover at all locations. All personnel providing physical security at the Bank's branches and offices are annually trained and certified on fire safety and security.

Fire evacuation drills and fire system checks are conducted for all branches, and fire marshals nominated at each location. At the drills, employees are demonstrated the use of fire extinguishers and instructed on essential emergency protocols to be followed.

Beyond fire safety, the Bank's BCP plan requires the Bank to be prepared and cover all safety and security aspects in the event of the BCP Plan being activated for any reason in any Bank location in part of the country. In such scenarios, the capabilities and responses of the Bank's personnel is tested in near-real life scenarios, which could include severe weather, natural disasters, and civil disturbances. During the COVID-19 pandemic, the Bank's Safety vertical is ensuring all branches follow pertinent safety and regulatory protocols.



## Central Command Centre for Risk-based Security Surveillance



Axis Bank has a 'state-of-the-art' Central Command Centre established at Airoli in Navi Mumbai, Maharashtra that provides risk-based security surveillance, remotely, to 3,614 branches, 74 offices, and 35 currency chests as on 31 March 2021, including 100 branches that were integrated with the Centre within FY 2020-21 itself.

The Centre has played a critical role in ensuring the safety of employees and averting the loss of critical assets and infrastructure, including ensuring uninterrupted safety and security of personnel, branches, ATMs and currency chests amidst the ongoing COVID-19 pandemic.

In situations warranting a security intervention, these security devices alert the Central Command Centre where the Operations Team, that works 24 x 7, analyses, responds and mitigates the situation based on a Standard Operating Procedure. Additionally, branch-wise 'Quick Response Teams' are mapped to each branch integrated with the Centre to extend 'on-field' support to branch staff or asset post-operation hours.

The Bank aims to connect all its offices and branches with the Command Centre over a period of time, and all new branches and other set-ups are connected to the Centre from the very beginning.

We are committed to scaling up digital surveillance and alert systems at the Bank's Command and Control Centre from covering the 4,000+ Branches as on 31 March 2021 to cover the balance branches by 2023, and that all upcoming Branches shall be covered under digital surveillance.

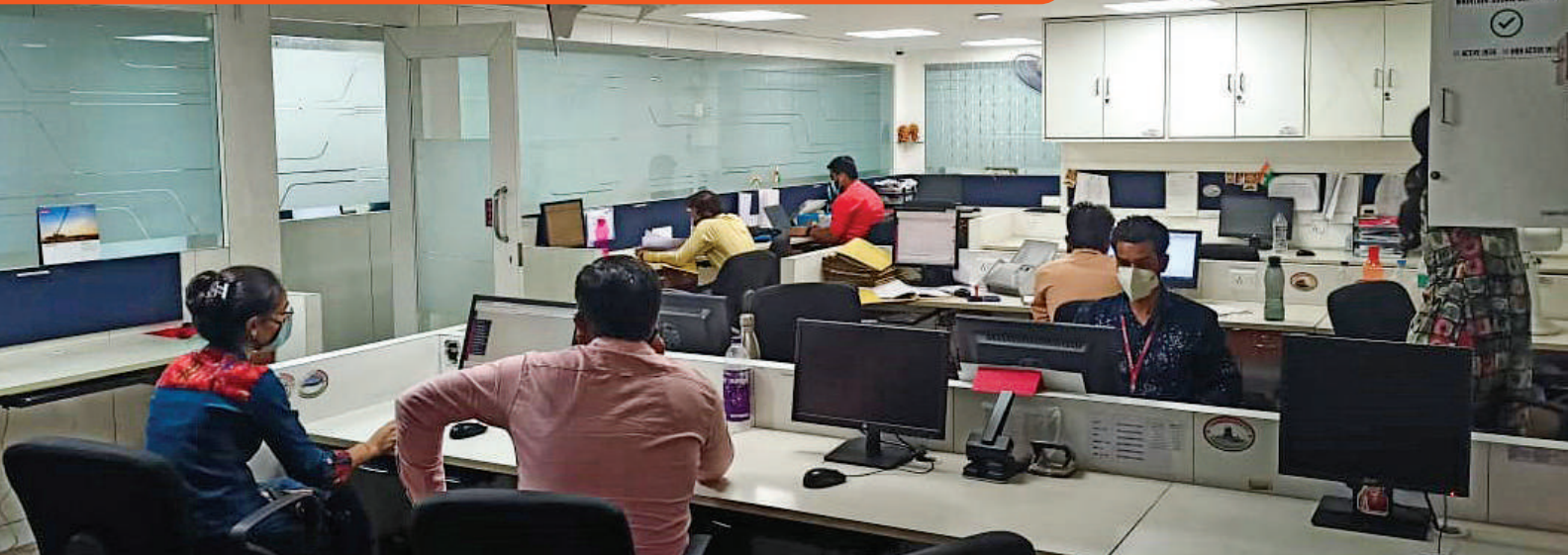
*IP-based surveillance solutions and technologies have enabled the Bank to ensure 24x7, real-time and centralised electronic security surveillance, enhance Security Management System with capability to facilitate efficient security incident response management. The Command Centre averted potential fire incidents at over 160 branches during the year.*

### Compliance Culture Project

The Bank launched the Compliance Culture Project in FY 2020-21 with a focus on building a strong culture of compliance among branches through a host of micro-projects that address key compliance and audit issues. The Project focused on understanding the key compliance issues at the frontline and challenges thereof as well as addressing the most critical issues through 36 micro-projects driven by regional teams across the country. The Project has achieved substantial success in addressing critical compliance issues in each region and promoting a culture of compliance.

In Phase 2 of the Project, in FY 2021-22, the Bank proposes to step up and move towards making Compliance a Way of Life at the Bank. To provide a sharper and sustained behavioral outcome, three categories of projects ranging from the Strategic to Sharper Incorporation to Execution at the ground level, shall be conducted, covering the entire branch banking network.

# Securing our Workforce from COVID-19



*Together with measures towards continuity of banking services and business operations, the Bank continued to take conscious and sustained measures towards employees' health and safety, and their overall confidence and wellbeing.*

The second wave of the pandemic has had a much larger impact on our employees and their families, and we scaled up our responses appropriately.

- Term life policies offer multiple years of compensation to deceased employees at levels that are best-in-class in the Indian banking sector
- Employee welfare trust created to the extent of ₹10 Crores to ensure all deceased employees receive a one-time pay-out of ₹2 Lakhs to tide over immediate obligations and ensured 6 months of pay continuity. In addition, the Bank covers all related medical expenses in case of an unfortunate demise
- Medi-claim coverage has extended to home care and non-medical expenses incurred during COVID care
- Mobilised our in-house experts to provide financial counselling to all affected employees
- Partnership with Medi Assist to facilitate the full spectrum of health services for all employees

- All employees have access to confidential counselling, proactive tele-medicine, and vaccination support from a variety of other partners.
- Ensuring focus on mental well-being by empanelling licensed therapists and facilitating counselling where employees are in need
- Facilitating vaccinations for employees spread across the country through tie-ups with hospital and local municipalities

In light of the increased need for hospitalisation and oxygen support amidst the second wave, a taskforce comprising senior leaders and regional representatives from the corporate, commercial and government coverage verticals was formed which mobilised our business relationships for enabling access hospital beds, oxygen support and other medication as needed.

Throughout the pandemic, we have ensured our employees remain connected to the organisation through regular communication, engagement, and outreach and all employee processes remained active even during any lockdowns or restrictions. During this period, the Bank conducted virtual reach-outs that covered over 50,000 employees, checking in on their health and safety, and hosted diverse employee engagement activities including online art therapy workshops, exercise, and wellness programs, including hosting a virtual family day that saw over 45,000 people attend.





## ***Social and Relationship Capital***

*Enabling communities to thrive has been a key focus area of our organisational approach. As an institution that is active among diverse socio-economic communities across rural and urban India, we are equipped to play a leading role in helping the society progress and become resilient.*

Axis Bank’s Corporate Social Responsibility (CSR) philosophy is to make meaningful and measurable contributions to the progress of communities by creating timely and pertinent opportunities around livelihoods, education, health, and financial inclusion.

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

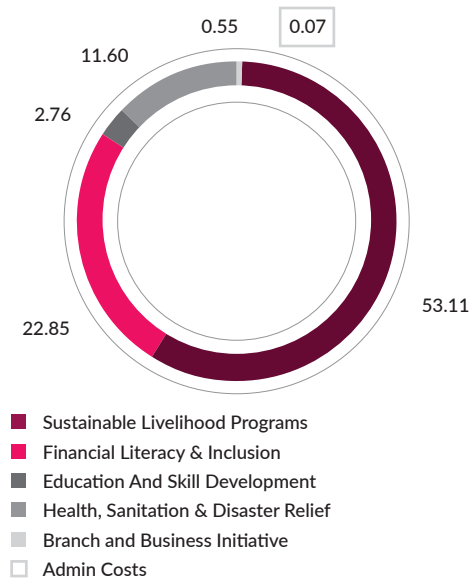
Axis Bank’s CSR interventions spanned sustainable livelihoods, education and skill development, financial inclusion, and supporting India’s fight against the COVID-19 pandemic in FY 2020-21, reaching 28 states and 5 Union Territories in India. The Bank’s CSR interventions are led directly, through the Axis Bank Foundation (ABF) or its implementation partners.

The Bank publishes the Annual Report on CSR as part of its Annual Report that provides in greater detail the Bank’s CSR governance, activities, and investments. The Annual Report on CSR can be accessed on pages 154-157 of the Annual Report 2020-21.

 [Annual Report 2020-21](#)

[www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf](http://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2020-2021.pdf)

### CSR Expenditure 2020-21 (in ₹ Crores)



## Axis Bank Foundation

Registered as a charitable trust in 2006, ABF has since been working towards CSR efforts of the bank.

### Message from ABF Chairman

*“In addition to battling the current COVID 19 pandemic, rural India is faced with an increasing number of challenges, such as climate change, erratic weather patterns, depleting natural resources, deforestation and pollution, all of which are severely impacting their lives and livelihoods.*

*Axis Bank Foundation, through its Sustainable Livelihoods*

*programme, provides rural communities with alternate avenues of income and helps them conserve and sustainably manage existing natural resources. Through our ‘Mission2Million’ program, we aim to positively impact two Million households by 2025.”*

**S Ramadorai**  
Chairperson, Axis Bank Foundation





## Sustainable Livelihoods Programme

Our aim is to make rural communities self-reliant and resilient through our Sustainable Livelihoods programme since 2011. It has a two-fold focus:

- Bolstering rural livelihoods
- Developing skills for youth and People with Disabilities (PwDs) in rural and peri-urban areas to increase their employability

### Bolstering Rural Livelihoods

The Programme provides rural communities with equitable access to stressed natural resources, chief among them being water, given that the communities are heavily water dependent, as they earn their livelihoods from agriculture and agriculture-allied activities. Additionally, adequate water availability through the year for drinking, hygiene, sanitation and livelihood practices is also a key sustainability indicator.

Over the preceding decades, climate change, deforestation, pollution, exploitation of groundwater and a variety of factors have left India's rural communities in severe water stress, which has far-reaching effects on agricultural outputs and consequently their livelihoods. They also face considerable uncertainty surrounding the availability of potable water for their daily needs, and without strategic intervention, their future generations will be faced with even more acute water shortages.

To improve rural livelihoods, ABF and its partner NGOs focus on solving challenges related to farm productivity and access to affordable credit and market linkages. At the same time, they equip volunteers (Community Resource Persons) from communities by organising communities into groups, with relevant knowledge and skills.

To mitigate such scenarios from occurring, ABF has partnered with leading NGOs nationally to facilitate solutions, designed with active participation and ownership of the communities themselves, for the various hurdles faced by Indian rural communities to stabilise their lives and livelihoods.

The Foundation is progressing towards its Mission 2 Million target it took in FY 2017-18 to reach 2 Million households by 2025 under the Sustainable Livelihoods Programme. The Programme reached 0.92 Million households (including trainees) and the Foundation was active in 198 districts as on 31 March 2021.

 **Axis Bank Foundation's work**  
[www.axisbankfoundation.org/](http://www.axisbankfoundation.org/)



## Facilitating the Continuous Flow of Resources

Under the Sustainable Livelihoods programme, ABF supports diverse interventions focused on the management of natural resources – land, soil, biodiversity, and water – in rural communities. Land use management entails the identification of common land for livestock grazing and the collection of Non Timber Forest Produce (NTFP) and biomass fuel, and engaging the community to create rules around the equitable use of the resources in a way that ensures conservation and regeneration of their productive value. Additionally, practices around soil aim to prevent erosion, retaining moisture, and sequestering carbon.

Water management is an extensive part of the Programme to ensure perennial water security for rural communities, and it has facilitated watershed management, repairs of existing structures, construction of groundwater recharge wells, plantation of trees and water usage planning for local water bodies. Many activities have been implemented under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and applied across both traditional systems such as 'doha' and 'phad' in Maharashtra or tanks in Tamil Nadu and newer lift, drip and solar-based irrigation systems.

## Watershed Project for Sustainable Livelihood

*Kendla Balkha of Parewa village in Chhattisgarh cultivated just enough maize and wheat and reared livestock to meet his household needs.*



However, becoming a part of the ABF-supported, High Impact Mega Watershed project, conducted in partnership with Bharat Rural Livelihood Foundation (BRLF), turned out to be a very prudent decision for him. The project aimed to facilitate access to irrigation through the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREG). A few weeks later, Kendla and a few other villagers enrolled for the construction of a farm pond under MGNREGS for which they also earned wages.

### Training support

In the following monsoon the pond was filled with rainwater. Kendla was soon planning what crops he could grow, with the pond now reducing water stress during the dry spells, and he also attended trainings on improved agricultural methods such as vegetable cultivation and organic farming. Kendla chose to

cultivate vegetables and pulses on the boundaries of their newly constructed farm pond to prevent the soil from sliding back into the pond during the monsoons.

### Inspiring others

The project helped Kendla to cultivate various crops for his own consumption and also sell the surplus in the market to bolster his cash earnings. Kendla is now cultivating chillies, tomatoes, bottle gourds, bitter gourds, pigeon pea in pulses and wheat and has also started cultivating fish to supplement his income.

One farm pond has significantly diversified and secured the livelihoods of a household, in addition to providing a shield to protect the household from external shocks such as price fluctuations or crop failure. Kendla's experience has inspired his neighbours who are keen to be a part of this project.



## Enhancing water storage capacity of existing water bodies

The Mahasivanendhal Kanmoi, a traditional water body (also called a natural tank), is situated in Mahasivanendhal village in Tamil Nadu. About 40 farmers from the village were using the tank's water for cultivation on their farmlands as well as for household purposes. There are two additional tanks in the village used for the same purpose. The tank had not been renovated for three decades, thus weakening its boundaries, and reducing its carrying capacity due to silt deposits and unwanted vegetation.

## Coming together to build a strong movement

ABF's project in partnership with Dhan Vayalagam Tank Federation (DVTF) brought the farmers together into a tank management association which proposed to desilt the tanks to increase its water-holding capacity and strengthen its boundaries in order to reduce water loss.

The villagers were aligned with the importance of strengthening tanks and the need for the association, which chalked out a detailed plan of physical works, identified compatible machineries, and finalised wages and prepared the labour roster.

The tanks were renovated as planned before the onset of monsoons and were soon filled up with rainwater, which benefited the villagers immediately in their cultivation and household requirements. Due to improved water availability, the village could expand the area under cultivation. After the monsoons, the farmers purchased 5,000 fish fingerlings to grow in the tanks, which, once grown, were sold for profit that was utilised for village development activities. Farmers reaped a good harvest of both paddy and pulses and also secured adequate fodder for their livestock from their crops.

Inspired by Mahasivanendhal village's success, neighbouring villages approached the project team to help renovate tanks in their villages, thereby bringing more tanks under community management.



## Promoting Profitable Agriculture

Towards promoting profitable agriculture among India's small and marginal farmers, ABF has supported interventions around crop planning, mulching, the use of organic inputs and multi-cropping that have helped improve their overall income and protect against conditions that could cause crop failures. Many farmers under the programme have further supplemented their incomes by planting cash crops under the multi-cropping system or taken up horticulture, floriculture and cultivation of medicinal plants.

Farmers have benefited greatly from better water management practices, which include solar-powered lift irrigation, levelling of fields to prevent water runoff, planning equitable distribution of water resources and promoting crops that require less water in arid regions. These practices have resulted in steady, dependable water supply to farms, improved soil moisture retention capacity and recharged groundwater levels to create a continuous cycle of economic stability.

## Adding Liquidity to Livestock Assets

Across India, many small and marginal farmers or landless people often engage in manual labour to sustain their food and cash availability. To break this cycle, ABF is supporting the promotion of livestock rearing as an alternate means of income for such farmers.

ABF supports households on practices including breed improvement, conservation of indigenous breeds, breed replacement, nutrient management and disease management and have also created a cadre of para-veterinary workers to provide emergency medical services to minimise livestock mortality.

With soil and water conservation practices, livestock rearing becomes a viable option among rural communities because of better availability of natural fodder. For many landless households, this has become a primary source of income.

Importantly, livestock becomes a source of emergency income in times of crop failure or from lack of labour opportunities.

### Sharpening Entrepreneurial Edge

ABF's focus on building integrated livelihood value chains supports and nurtures local entrepreneurs in rural communities, wherein small businesses and micro enterprises create market linkages that allow for specialisation in various roles such as agriculture (procuring quality inputs, cultivating saplings in nursery for improving farm production), livestock entrepreneurship, processing farm and livestock produce, and creating and marketing value-added products.

With the Foundation's support in creating business plans to secure financing, entrepreneurs, especially women, have been able to set up home-based businesses and achieving financial independence.

### Pooling Human Resources

The Foundation promotes various groups among communities which provide participative platforms for decision-making and implementation, equitable use of natural resources, timely maintenance of soil and water structures, strengthening bargaining power and improving access to affordable credit and formal markets. Such groups include Village Development Committees (VDCs), Village Level institutions (VLIs), Producer Groups (PGs), Farmer Producer Organisations (FPOs), Co-Operatives, Self Help Groups (SHGs), Federations and Water User Groups (WUGs).

VDCs lead village development plans by liaising with the Gram Panchayats and supervising their implementation and PGs and FPOs empower farmers through collective bargaining, bulk purchasing of inputs and eliminating middlemen in selling of produce.

SHGs have given women an identity, honed their leadership skills, financial literacy and decision-making powers, while promoting savings, providing access to affordable credit to expand livelihood opportunities. WUGs manage soil and water works, not only building and maintaining structures such as tanks and wells, installing lift irrigation systems, minor irrigation canals and bunds and promoting tree plantation, but also governing water usage by systematic seasonal crop planning to ensure local water bodies are recharged for the entire year.

### Axis Cares

Axis Cares is the Bank's employee engagement programme providing Axis Bank employees an opportunity to donate to support various causes. Through the payroll donation programme employees support six main areas that broadly focus on supporting children, elderly from marginalised communities, wildlife protection, environmental causes and help towards preserving Indian heritage.

### Enhancing Employability through Skill Development

ABF invests in training for rural and peri-urban youth and persons with disabilities (PwDs) to increase their employability in the organised economy. The participants are trained in diverse vocational skills and are guided towards suitable career paths. Post training, students are helped to find employment or in entrepreneurial set ups; and the PwD participants are supported to find employment in inclusive work environments, where employers have been sensitised.

The Foundation's long-term partnerships ensure that the community groups and processes initiated during the engagements outlive the project periods and are independently continued by the participant communities.





## Partnership-driven Rural Mobilisation

The pandemic has tested the grit of rural communities to the maximum as they were hit by multiple disruptions to their livelihoods. Farmers could not reach their fields and markets, quality inputs became scarce, seasonal (monsoon and winter) cropping cycles were impacted and livestock farmers had to sell at distress rates.

Volunteers from the communities and grassroots leaders, honed and anchored by ABF's projects, came forward, led online training sessions in small groups to ensure quality of participation and knowledge transfer to mobilise action and community leaders were at the helm of field operations, ably collaborating with local government institutions. Similarly, Farmer Producer Organisations (FPOs) and farmer groups facilitated aggregation for sale of harvested products as well as procurement of agricultural inputs and government bodies were quick in sanctioning work and releasing wages under

the MGNREGS to the workers. Here too, CRPs worked towards raising awareness about government schemes among the locals and facilitated the sanction of new job card applications.

SHGs ensured that necessary support via grocery kits, grain distribution, and interest free loans reached the most vulnerable first and some groups took up the opportunity to start timely activities like mask-making which also helped the SHGs raise revenues.

Notably, alumni from the Foundation's various skilling programmes were returning to their homes. Programme staff counselled them and other distressed families and connected those who lost their jobs to new job opportunities, while others were retained and for some, work-from-home arrangements were facilitated.

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## Responding to the COVID-19 Pandemic

The lockdowns and restrictions around the COVID-19 pandemic have impacted each and every individual, but arguably the ones who have been worst affected are the economically disadvantaged communities, including the large numbers of returning migrants.

The Foundation and its partner NGOs actively aligned with community groups, people on the ground, and various government agencies to support affected individuals and communities in various parts of the country.

ABF interventions and support ranged from providing basic food, hygiene supplies and rations, to creating awareness

about the pandemic among the rural communities. ABF, with the help of its partner NGOs, provided kits, with food, medical and hygiene supplies, across multiple cities to economically-weaker households and vulnerable communities including migrant workers. The Foundation also helped to link people to Public Distribution shops for obtaining emergency rations. Additionally, the Foundation sponsored PPE kits and other essentials to first responders and other frontline workers and initiated local production of masks to ensure a steady supply to communities at an affordable price.

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## Bank-led Programmes

### Axis DilSe in Manipur

Axis Bank launched its flagship programme Axis DilSe in the North-eastern state of Manipur in April 2020, partnering with the Sunbird Trust as a 3-year programme to strengthen and upgrade the Lyzon Friendship school, a school focusing on the rural poor and tribal children in the region, and help develop other support facilities for the rural community in its vicinity, in the Singngat division of Churachandpur district in Manipur.

Under Axis DilSe, the Bank is supporting a significant expansion in the school's physical and educational infrastructure, pedagogy and teaching methodologies, and creating enabling infrastructure to enable the school to play a larger role in the sustainable economic development of the region, over a period of three years.

During the COVID-19-induced lockdown, the school continued to educate students using the worksheets method, deploying tabs for digital learning, and using a play-based intervention to ensure continuity in teaching. The Bank augmented the school's digital learning capabilities through 50 tabs that were especially provided to the school to aid digital learning. Even when the school was closed, the teachers continued to impart lessons to students at their respective homes in small groups, thus ensuring continued learning.

The school's efforts to continue imparting education to students even during the lockdown has been greatly appreciated by the community and has resulted in the school strength increasing from 250 to 366, as well as an increase in staff strength.



## Axis Bank Scholarship Programme at Ashoka University

With an aim to establish a legacy in supporting higher education in India, Axis Bank has associated with Ashoka University to launch the Axis Bank Scholarship Program at the university, wherein the Bank shall provide academic scholarships for up to 30 female students studying in the 3-year undergraduate programme in any of the STEM disciplines offered by the University, over a 5 year period from FY 2020-21 to FY 2024-25. In FY 2020-21, 10 meritorious students had been selected from economically-weaker backgrounds by the University, each receiving between 50 to 65% support towards annual tuition.



*“While in my final year of school, I started looking for a college that would allow me to challenge myself and expand my horizons further. This is when I came across Ashoka. As I read more about the undergraduate programme, it felt like the perfect fit for me. The scholarship has helped ease the financial burden on my parents to a great extent.*”

*My experiences at Ashoka are helping me learn and grow, not just academically, but as an individual. This would not have been possible without the Axis Bank Scholarship.”*

**Parnika Vaid**

Axis Bank Scholar and Undergraduate Class of 2023,  
Ashoka University

## The Museum of Solutions, Mumbai

In FY 2020-21, the Bank came on board to support the Museum of Solutions, a state-of-the-art children's museum being built in Lower Parel, Mumbai. The Museum, being developed by the JSW Foundation, is slated to open in FY 2022-23 and shall be as a unique, experiential learning space for the Lakhs of children in the City.

## Project Akshar

Project Akshar is a financial literacy Initiative by Axis Bank and is one of India's largest free e-learning platforms to spread credit awareness among the people. Launched in 2017, Project Akshar uses an interactive and gamified approach to helping people improve their knowledge of credit awareness and financial literacy. The Program offers a knowledge Bank to its users that comprise of lessons, blogs, quizzes, scenarios and infographics on credit reporting and financial management.

The Program has touched over 12 Lakhs participants since inception, with a significant participant base from tier 2 and tier 3 cities, and the rural areas. The number of registered users on Akshar was over 4.4 Lakhs as on 31 March 2021.

### Key highlights from the Program in the reporting year include:

- 60,000+ active users reported an improvement in their credit scores
- During the lockdown, developed new financial literacy content on managing money during the crisis, and on

using internet and mobile-based banking (Over 2 Lakhs participants engaged)

- Integrated with CIBIL CreditView platform to provide free CIBIL report to participants
- Increased social media presence and active on Facebook, LinkedIn and Instagram
- Developed a survey to understand the changes in customer profile and propensity to pay during lockdown and moratorium
- Introduced a suite of products and widgets on moratorium such as personalised chatbots for moratorium calculation, moratorium calculator, quizzes, lessons, infographics, and FAQs (engaged over 2.5 Lakhs participants, with over 1.75 Lakhs participants using the moratorium calculator)
- The Program witnessed 70% higher content consumption during the lockdown

Going forward, the Program is planning to offer additional resources and tools for those facing the risk of delinquencies and creating financial tools that can help participants better control their finances. Additionally, the Program is looking to develop a financial dictionary that can serve as an educational as well as reference tool. The Program is also looking to introduce personalised chatbots for solving credit-related queries.

Project Akshar has a strong following among users from India's tier 2 and 3 cities, and now the Program aims to enhance its focus on supporting financial literacy among women.

## Financial Empowerment through Axis Sahyog Retail Microfinance Initiative

Since 2018, the Bank has been undertaking financial literacy and financial inclusion interventions under the umbrella of Axis Sahyog, its retail microfinance program, to benefit from the program's reach across grassroots India and the expertise of the feet on ground associated with it. The programme primarily focuses on enhancing financial literacy, promoting preventive healthcare and sanitation, and increasing financial inclusion coverage through pertinent government and other social schemes, and collectively, touched over 9.6 Lakhs lives in FY 2020-21.

The programme follows a face-to-face format wherein the program's representatives meet and interact with participant groups, and the Bank and its implementation partners organise activities such as street plays, magic shows, and even creating a classroom environment where participants

are directly engaged with. Many of these activities were curtailed due to the restrictions and precautions from the pandemic. The Bank deployed additional means to reach programme-participants, including scaling its digital reach, all the while following high standards of safety protocols.

### Financial Literacy Program

In this intervention, beneficiaries, primarily women, are educated on diverse financial planning and awareness topics in an audio-visual format displayed on tablets, focused on inculcating prudent spending habits, budgeting and protecting themselves from fraudulent financial activities.

### Government Social Service Schemes

Under the program, the Bank raises awareness among the target participants on pertinent government Schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), including helping them access and avail such schemes smoothly.



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## Health Awareness

Additionally, beneficiaries are educated on the significance of maintaining health and hygiene for their overall financial security.

## Providing Relief to Disaster-affected Zones

At a time when the country is battling the COVID-19 pandemic, several states in the country such as Assam, Bihar and West Bengal also had to face debilitating floods, resulting in damaged infrastructure, loss of lives, livestock and crops, and impacting sources of income for many. At relief camps, social distancing norms and safety precautions were challenged as those affected had to huddle together in cramped spaces. In several states, the Bank stepped up its disaster relief activities and provided those affected with relief kits that contained essential items such as disinfectants, food, sanitary pads, mosquito nets and soaps.

## COVID-19 Awareness Programme- Sachetana

During the year, the financial literacy program added a new initiative under it - 'Sachetana', towards taking a more focused approach to educating the target participants on taking the necessary preventive measures to protect themselves and their families from the COVID-19 pandemic. The approach includes educating participants on the common symptoms attached to the virus, so they can get timely help and isolate themselves and informing them on nearest COVID-19 centres for any pandemic-related assistance.

## COVID-19 Support to First Responders

Since the beginning of the calendar year 2020, Axis Bank has been actively aiding the national response to the COVID-19 pandemic and undertaking various response, relief and recovery measures towards supporting first responders such as police departments, municipal corporations, district authorities and civil hospitals as well as civil society in coping with and recovering from the socio-economic challenges brought about by the pandemic. The Bank's direct CSR support to the various agencies in FY 2020-21 reached close to 150 districts in 20 states in India.







## ***Natural Capital***

*As an organisation, we recognise the centrality of the relationship we share with our natural environment and are cognisant of our responsibility to protect it. As a financial institution, we actively work towards facilitating India's transition to a more environmentally sustainable economy and supporting actions that lead to a positive environmental impact within the Bank and among its stakeholders.*

## Sustainable Finance

Axis Bank supports the global transition towards sustainable finance, guided by the commitments under the Paris Agreement and to achieving the Sustainable Development Goals. The Bank is an active financier and lender in sectors aligned to positive social and environmental impact in India, that help grow India's physical infrastructure in a more sustainable manner and align with the country's sustainable and equitable development ambitions.

The Bank's total outstanding under its Corporate Advances book to sectors such as renewable energy generation, urban mass transport, electric mobility, and green buildings, stood at ₹9,753 Crores as on 31 March 2021, up over 50% from its previous year's outstanding of ₹6,446.58 Crores\*.

Towards augmenting its book in sectors aligned to positive climate action, the Bank issued a USD500 Million green bond in 2016 which was the first certified dollar-denominated green bond by an Asian Bank. The Bank issued a smaller USD40 Million green bond as private placement in 2019. The Bank is committed to future

green issuances and has developed a more inclusive and detailed Sustainable Financing Framework that shall guide the Bank's future ESG-aligned issuances and cover both social and green sectors. The Framework was finalised and released in the public domain in August 2021, and can be accessed on the Bank's website at <https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainable-financing-framework.pdf>.

As a best practice, the Framework has obtained a second party opinion from Sustainalytics, thus providing the confidence that the Framework is aligned to prevalent best practices globally in the space and in line with investor expectations.

Under the governance approach proposed in the Framework, the Bank has established an ESG Working Group to provide the internal oversight and controls to track and report its ESG-aligned portfolio. Going forward, the Bank proposes to align its disclosures on its ESG-aligned portfolio to the Sustainable Financing Framework.

## Integrating Environmental and Social Risks into Credit Decisions

Axis Bank has approved and implemented 'Sustainable Lending Policy and Procedures' (SLPP) since April 2016 that integrates environmental and social risks into the Bank's credit appraisal mechanism.

In August 2021, the Policy was renamed the ESG Policy for Lending and updated to better reflect the latest best practices on integrating ESG risks into credit appraisals. The Policy continues to be managed and implemented by the Environment and Social Management Group (ESMG).

A summary of the Policy is also now available on the Bank's website at [www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf](http://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf).

The Policy defines a detailed credit appraisal process and is applicable, subject to certain internal thresholds, to a wide range of loan types, as elaborated in the Policy document. Axis Bank recognises that international risk management

frameworks, adopted by financial institutions, have promoted convergence around common environmental and social standards for lending and project finance. The Policy suitably takes account of relevant standards and guidelines including those from the IFC and World Bank and various conventions ratified by India.

The process flow for the environmental and social due diligence as per the Policy has been elaborated in its publicly accessible version and includes pertinent parameters such as sector, location and inherent environmental and social sensitivities, as well as an exclusion list. This risk categorisation of credit proposals is primarily adapted from IFC's Sustainability Framework and is used to identify the key areas/themes to focus the scope of the Environmental and Social Due Diligence (ESDD).

During the year, a total of 37 proposals were assessed under the Policy.

\* Includes large hydropower projects that have been classified as renewable energy by the Government of India.



Some instances of the projects assessed under the Policy include:

### **Warehouse Project in SEZ area under the Port Boundaries**

*ESDD identified that within the premises of port boundaries/SEZ all activities and their compliances are generally taken care by the Port Authority of the SEZ, which is responsible for overall compliance/O&M activities at the SEZ.*

There is a limited opportunity for Tenants to comply/monitor with regulatory compliances with respect to EHS activities and to avoid any unwanted incidents with respect to Environment, Health & Safety (EHS), additional requirements to monitor EHS activities beyond the compliances and requirements of the SEZ

need to be done. This is to avoid any incidents during project development and/or during project running phase.

#### **Key Mitigation Measures**

**Environmental and Social Management System (ESMS) for project development phase/operating phase which is beyond the regulatory compliances**

**Internal Review/audit for self- compliance and to avoid any incident/accident under the requirements of EHS laws**

### **Infrastructure: Roads & Highway Development Project**

*ESDD identified that as per the latest status provided by the Concessionaire, out of the total Land of 210 Ha required for the construction of the Project highway, almost 100% of the land was available till date.*

Though, 100% of the land was acquired, the project consisted of acquisition of about 70 Ha of forest land. However, due to alignment issue around 90% of the length was clear and the balance 10% (around 7.00 Ha) of the land was in process of approval from forest department as per actual. There was a deviation in the total forest land diverted & approved by the Ministry of Environment, Forests and Climate Change earlier in 2013. To ensure that there was no ambiguity in the

final forest clearance obtained for the proposed project some important actions were taken.

#### **Key Clarification Measures**

**Forest Clearances for the entire stretch has been considered upfront for more transparency**

**Working permission for the entire stretch has been taken into account upfront for clear evidence of access to Right of Way (ROW)**

## Operational Excellence


Being a service-led organisation, the Bank's direct environmental footprint is largely around the resources it consumes to run its banking operations and to serve its customers and other stakeholders. This includes purchased electricity and the use of diesel gensets at its branches, and use of paper in its banking forms, statements, and other such documents that the Bank uses to conduct its banking activities.

### Policy on Environmental Management

The Bank has in place its Policy on Environmental Management that aims to guide the Bank's strategy and action towards being an environmentally-responsible organisation.

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

The Banking sector has been moving at a rapid pace towards greater digitisation and digitalisation, and as a bank, we have been investing in large scale, strategic initiatives that can not only make our systems and processes more agile and efficient, but also enhance the experience of our customers. The Bank has taken an ambitious target of 5% reduction in intensity emissions per employee y-o-y and is working towards aligning its various interventions towards achieving it.

 **Policy on Environmental Management**  
[www.axisbank.com/docs/default-source/default-document-library/axis-bank\\_policy\\_on\\_environmental\\_management\\_2020.pdf](http://www.axisbank.com/docs/default-source/default-document-library/axis-bank_policy_on_environmental_management_2020.pdf)

**5%**

Reduction in intensity emissions per employee y-o-y.

### Energy and Climate Change

The Bank strives to make continuous efforts towards reduction in its GHG emissions. With respect to Scope 3 emissions, due to COVID-19 pandemic, the number of ticket bookings were significantly lower than the previous years, which contributed to a reduction in scope 3 emissions. Additionally, as most of the Bank's the offices and branches were running with a fraction of their total strengths, it led to reduced printing of stationery items in every business unit.

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

Together, the various initiatives have resulted in a significant amount of energy savings in FY 2020-21, avoiding 15,359.83 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.

### Energy Consumption (in Terajoules)

#### Electricity purchased

859.98\*\*

2020-21 | 859.98\*\*

2019-20 | 737.75\*\*

2018-19 | 618.36

#### Electricity generated\*

87.17

2020-21 | 87.17

2019-20 | 102.49

2018-19 | 105.33

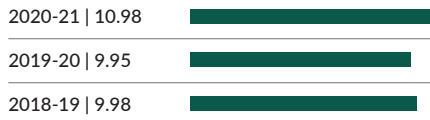
\* The overall installed renewable energy capacity at the Bank was 7.05 MW as on 31 March 2021, generating approximately 87,170 GJ of electricity.

\*\*Increase in electricity consumption attributed to extended banking operations during COVID-19 pandemic in the reporting period, since Bank being an essential service provider. In addition to this, the non-availability of personnel for the maintenance of solar panels resulted in less renewable energy production, which ultimately led to increased dependency on indirect energy source i.e. purchased electricity.

## Energy intensity ( in GJ per FTE)

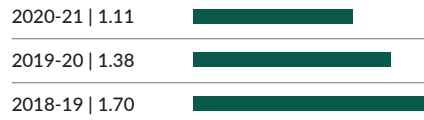
### Indirect Energy

10.98



### Direct Energy

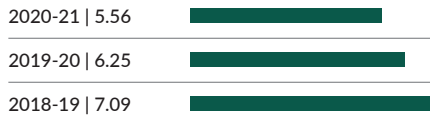
1.11



## GHG Emissions (in 1,000 tonnes of CO<sub>2</sub>e)

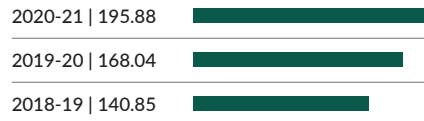
### Direct emissions#

5.56



### Indirect emissions##

195.88



\*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.

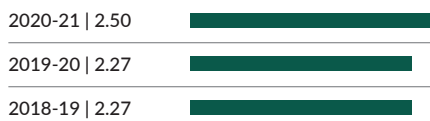
# Direct emissions are scope 1 emissions which includes CO<sub>2</sub>, N<sub>2</sub>O and CO<sub>2</sub>e emissions from Axis Bank's diesel usage in its large offices including both owned and leased branches. The month-wise diesel consumption data is extracted from the Caphub Team under the Finance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

## Indirect emissions are scope 2 emissions which include CO<sub>2</sub> emissions from electricity consumed by Axis Bank. The month-wise electricity consumption data is extracted from Caphub Team under the Finance & Accounts Department, which handles monthly accounts and billing. The cost of electricity consumed pan Bank is converted in quantities of electricity consumed by using state level tariffs. The emission factors have been taken from CEA's (Central Electrical Authority) CO<sub>2</sub> database, version 10. The Bank have used financial control approach for measuring and managing these emissions.

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

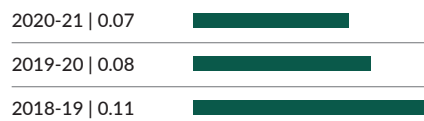
### Indirect emissions

2.50



### Direct emissions

0.07



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



## Scope 3 Inclusions

- It includes GHG emissions relate to Employee Commuting (Company provided shuttle bus or traveller services for employees) were 3,216 Tonnes of CO<sub>2</sub>e and Business Travel (Business Air Travel and Employee Local Conveyance for official visits to offices/branches) were 263 and 8,821 Tonnes of CO<sub>2</sub>e respectively.
- Scope 3 GHG emissions also include purchased goods and services (paper consumption) which was 4,123 Tonnes of CO<sub>2</sub>e. We are committed to strengthening our processes for monitoring and reporting additional scope 3 emission categories.

## Resource Efficiency

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

### Paper and waste management

- Conversion of 3.1 MT food/wet waste at all large offices in Mumbai, into compost through composting machine, used in landscaping/gardening of premises
- Re-cycling of 18.31 MT of dry waste such as newspapers, shredded documents, dry paper cups and tissues collected at all large offices in Mumbai, into stationery items like notepads
- Collection and disposal of 12.60 Tonnes of e-waste through government-authorized vendors

The Bank has expanded its reporting boundary for paper and waste management this reporting period. In addition to reporting of waste data from the Bank's headquarters, Axis House in Mumbai, the Bank is also reporting data from its 2 large offices in Mumbai. E-waste disposal continues to be reported at a pan-Bank level.

### Water consumption

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

- Daily re-cycling of 150 KL of water through Sewage Treatment Plant at Axis House, Mumbai
- Use of wash basin sensors, aerators and bio-blocks in washrooms at select large offices
- Rain water harvesting of ~2,000 KL annually at Axis House, Mumbai
- 66,574 KL water consumed by employees at large offices in Mumbai, In FY 2020-21

## Energy Efficiency measures

- Solar energy projects across select Branches and Offices, aggregating 7.05 MW. Approximately 3,498 Mwh energy was produced through these installations cumulatively in FY 2020-21, helping avoid approximately 2,868.37 tCO<sub>2</sub>e
- IOT-based monitoring of power generated through solar installations across rooftop over 245 branch locations
- Power Purchase Agreement in place to procure solar power ~1MW (3.50 Lakhs units p.a.) for Data Centre in Bangalore. Approximately 4,975 Mwh energy was consumed under the agreement in FY 2020-21, helping avoid approximately 4,079.5 tCO<sub>2</sub>e
- Centralised Energy Management System (CEMS) augmented to 1,493 branches from 893 branches to monitor and control energy consumption
- Implementation of on-grid inverter solution to reduce diesel consumption in rural branches augmented to 260 branches from earlier 100 branches. Estimated savings in Diesel consumption at 2.22 Lakhs litres per annum
- Maintenance of unity power factor through APFC panels in auto mode for optimum use of power at Axis House Mumbai and Axis House Noida
- Installation of motion sensors for workstations and common area lighting at Axis House, Mumbai and Regional Office Bengaluru. The Bank shall introduce sensors in additional locations
- The Bank is in the process of installing Electrical Vehicle charging facility at large buildings Axis House Mumbai & Noida, MIDC Andheri which should be operational by FY 2021-22. The Bank is actively scouting additional locations for providing this facility

## Reducing Energy Consumption with Centralised Energy Management System (CEMS)

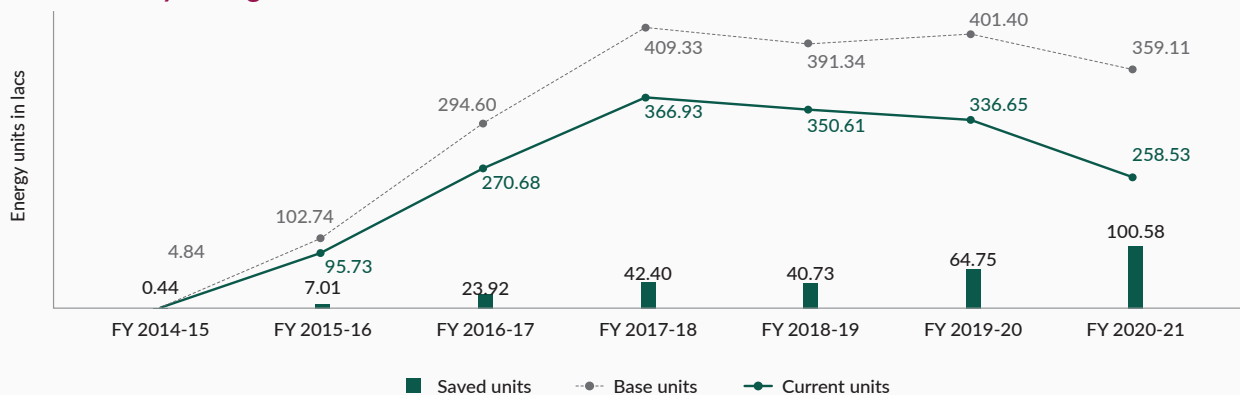
In FY 2020-21, the Bank utilised a total of 9,47,148 GJ of energy, out of which 90.8% was grid electricity, consumed primarily at our offices, branches and ATM locations.

In FY 2014-15, the Bank adopted Centralised Energy Management System (CEMS) at its large branches and offices as an cloud-based solution that remotely controls and manages temperatures of AC systems as well as pertinent lighting installations, thereby rationalising electricity consumption as well as maintain ambient temperatures. Since its implementation at 246 branches in 2015, we estimate

CEMS has helped reduce our consumption by approximately 10% from the baseline in those branches where it is installed.

As on March 2021, CEMS is implemented in 1,493 branches, up from 893 branches in the previous year, delivering electricity savings of approximately 101 Lakhs units and monetary savings of ₹11.49 Crores in FY 2020-21 on an annualised basis. Approximately 10,058 Mwh energy was saved through these installations cumulatively in FY 2020-21, helping avoid 8,248 tCO<sub>2</sub>e of emissions.

### Annual Yearly Saving Trend Units














## Our Commitments towards Operational Excellence

As an organisation, we are pledging ourselves to the following commitments and targets, focused on scaling ongoing interventions and taking new interventions that hasten our operational excellence journey:

- Attain Green Building standard ratings by Indian Green Building Council (IGBC) for green energy at Axis House, Mumbai and Axis House, Noida by implementing the necessary measures for achieving energy and operational efficiency
- Replace all conventional/CFL light fittings to LED light fittings across balance legacy branches by March 2023 and all upcoming branches and offices shall have only LED lights installed
- All upcoming branches and offices, including lifecycle replacements in metro and urban centres shall have 5 star-rated Inverter-based air conditioners, with the use of R32 gas for all installations
- All upcoming branches and offices shall be provided UPS systems with Lithium-based batteries. All existing replacements of UPS systems shall be with lithium-based batteries
- Committed to integrating green concepts and materials into interior design for all upcoming offices, towards maximising natural light usage, ventilation, and energy and water efficiency while enhancing people comfort and safety
- Scaling the coverage of CEMS programme from present 1,400+ branches to 2,000+ branches and offices by March 2023
- Committing to running the Bank's three large offices in Mumbai (~5.50 Lakh sq.ft, ~4,500 occupants) and Disaster Recovery Centre (Data Centre ~30 Thousand sq.ft) in Bengaluru on Renewable energy, thereby making them Net Zero Carbon in Energy by March 2022
- Delivering carbon emissions reduction by internal abatement initiatives of at least 10% of the total emissions by 2024
- Digitisation of Bank's Real Estate Data, and related processes and controls for approx. 10 Million sq ft across India by March 2023

# Material Issues Aligned with GRI Standards

Material Issues	Relevant Sections	GRI Alignment	Page Number
Risk control measures for fraud and money laundering	 Corporate Governance	<b>GRI 102</b> General Disclosures: 102-11, 102-15, 102-30	9, 10-13, 62-63
Compliance to applicable regulations and standards	 Corporate Governance	<b>GRI 102</b> General Disclosures: 102-11, 102-16	8-13
Transparent information and fair advice to customers	 Corporate Governance	<b>GRI 102</b> General Disclosures: 102-43, 102-44 <b>GRI 417</b> Marketing and Labelling: 417-2, 417-3	11, 12-13
Customer privacy and data security	 Corporate Governance	<b>GRI 418</b> Customer Privacy: 418-1	9, 12-13
Employee safety and security	 Human Capital	<b>GRI 102</b> General Disclosures: 102-8, 102-44	65-67
Committing to Human Right principles	 Corporate Governance	<b>GRI 102</b> General Disclosures: 102-16, 102-17, 102-41	13
Create innovative products to improve financial access for marginalised sections	 Financial Capital  Intellectual Capital	<b>GRI 102</b> General Disclosures: 102-2, 102-15, <b>GRI 203</b> Indirect Economic Impacts: 203-1, 203-2	40-45 52-53
Leadership Development and Succession Planning	 Human Capital	<b>GRI 102</b> General Disclosures: 102-15	55-56, 61
Financial literacy	 Financial Capital  Social and Relationship Capital	<b>GRI 102</b> General Disclosures: 102-2, 102-15, 102-43	41-43 76-77















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