

Bringing Responsible Banking to the Fore

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



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

- To enhance the long-term interest of our shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of our stakeholders such as shareholders, depositors, creditors, customers, suppliers and employees.
- To institutionalise accountability, transparency, and equality of treatment for all our stakeholders, as central tenets of good corporate governance and to articulate this approach in our day-to-day functioning and in dealing with all our stakeholders.
- The Report on Corporate Governance for FY 2021-22, along with a Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of our Annual Report 2021-22.

➔ The Report on Corporate Governance can be accessed from page 127-164 onwards of the Bank's Annual Report 2021-22 at <https://www.axisbank.com/annual-reports/2021-2022/Axis%20Bank%20AR%202021-22.pdf>

CODE OF CONDUCT

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

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

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

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

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

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

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

406
Total incidents reported under Whistle Blower Policy

2
Cases of potential corruption

87
Incidents reported by external stakeholders

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

VIGILANCE, ANTI-BRIBERY AND ANTI-CORRUPTION

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

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

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

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

240
Total cases handled in FY 2021-22

115
Cases under vigilance

373
Officials investigated for vigilance and violation of Code of Conduct cases

316
Officials underwent disciplinary actions for vigilance and violation of Code of Conduct cases

110
Cases under violations of Code of Conduct

117
Cases handled under corruption/ bribery and 92 cases were found to be true

151
Officials underwent disciplinary actions for corruption/ bribery



TAX STRATEGY

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

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

FRAUD DETECTION AND MITIGATION

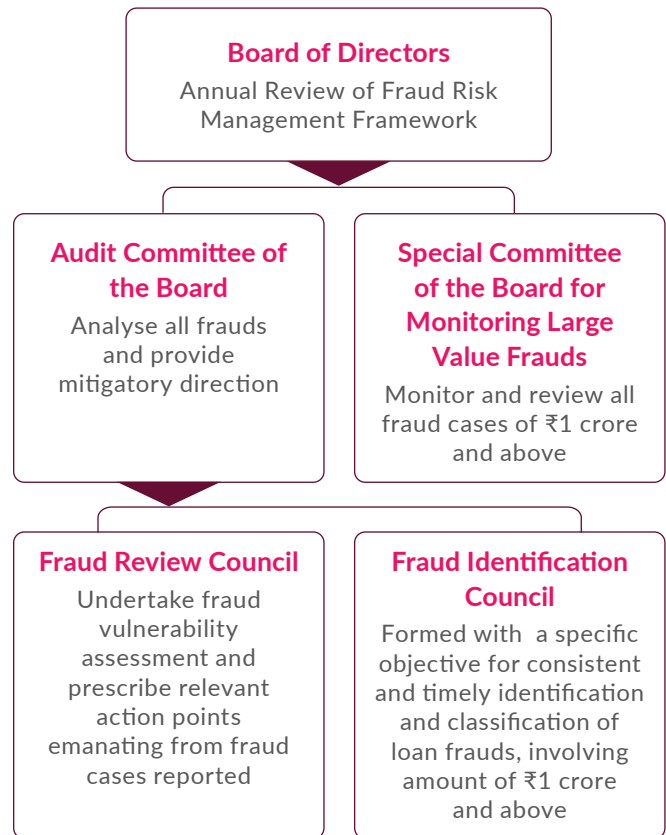
Fraud detection and mitigation is an organisational priority at Axis Bank and its driven from the highest level by our Board of Directors.

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

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

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

Governance Framework for Fraud Risk Management



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

Fraud Awareness

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

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

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

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

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

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

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

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

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



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

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

INFORMATION TECHNOLOGY AND CYBER SECURITY

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

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

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

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

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

780/900

BitSight rating for our cyber security

CUSTOMER PRIVACY AND DATA SECURITY

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

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

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

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

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

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

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

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

PRODUCT RESPONSIBILITY

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

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

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

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

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

ENSURING BUSINESS CONTINUITY

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

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

HUMAN RIGHTS

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

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