

Honouring Our Commitments



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

Amitabh Chaudhry
MD & CEO

DEAR STAKEHOLDERS,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

Warm Regards,

Amitabh Chaudhry

MD & CEO