

Axis Bank Limited
Business Responsibility Report 2016-17

(Pursuant to regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"))

Introduction:

The Bank's Sustainability Framework is a stakeholder-centric framework which guides the Bank in achieving its sustainability objectives. The Framework is aligned to the Business Responsibility principles as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, Government of India. The disclosures made under this report are meant to give the reader a brief insight on various initiatives taken by the Bank and the performance achieved thereby, on the nine principles of Business Responsibility. Adopting global best practices, the Bank also makes detailed disclosures on its sustainability initiatives and performance through its Sustainability Report. The Sustainability Report is prepared using Global Reporting Initiative (GRI) G4 reporting guidelines and is externally assured. The second Sustainability Report of the Bank was published for 2015-16 and similar report shall be published for the year 2016-17. In accordance with the Securities and Exchange Board of India (SEBI) circular CIR/CFD/CMD/10/2015 dated November 04, 2015, disclosures made under this report are also referenced to the disclosures made under the Bank's Sustainability Report.

The Sustainability Report and previous Business Responsibility Reports of the Bank can be accessed at <https://www.axisbank.com/csr/csr-reports-and-disclosures>

| Section A: General Information about the Company | | |
|---|--|---|
| 1. | Corporate Identity Number (CIN) of the Company | L65110GJ1993PLC020769 |
| 2. | Name of the Company | Axis Bank Limited |
| 3. | Registered address | "TRISHUL", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006 |
| 4. | Website | www.axisbank.com |
| 5. | Email id | sustainability@axisbank.com |
| 6. | Financial year reported | 2016-17 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | National Industrial Classification 2008 Section K: Financial and Insurance Activities Code: 64191 |
| 8. | Three key products/services of the Company (as in balance sheet) | <ul style="list-style-type: none"> • Deposits • Loans • Investments and foreign exchange |

| | | |
|--------|---|--|
| 9(i). | Number of international locations | 8 (including overseas subsidiary) |
| 9(ii). | Number of National locations | 3,295 branches |
| 10. | Markets served by the Company – Local/State/National/International/ | Domestic: Pan India International: Singapore, Hong Kong, Dubai International Financial Centre (DIFC), Colombo, Shanghai. Representative offices in Dubai, Abu Dhabi and Bangladesh, and an overseas banking subsidiary in the United Kingdom. |

| Section B: Financial Details of the Company | | |
|--|---|--|
| 1. | Paid up capital (₹crores) | 479.01 |
| 2. | Total turnover (₹crores) | 56,233.48 |
| 3. | Total profit after taxes (₹crores) | 3,679.28 |
| 4. | CSR spend as percentage of profit after tax (%) | 1.38 % (based on average net profits of last 3 financial years computed as per Section 198 of the Companies Act, 2013) |
| 5. | List of CSR activities | <p>The Bank undertakes various CSR activities in accordance with its 'Policy on Corporate Social Responsibility'. The CSR activities are undertaken by the Bank or through Axis Bank Foundation (ABF) or through any other Trust or agencies and entities as deemed suitable.</p> <p>The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country through an integrated approach of development which focuses on creating sustainable livelihood, promoting education and skills development, creating awareness amongst public at large on public interest topics including financial literacy, facilitating and providing access to formal banking channels for excluded sections, promoting environmental sustainability, and supporting health and sanitation initiatives.</p> <p><i>Please refer the Bank's Annual Report 2016-17 for information on CSR activities.</i></p> <p><i>Additional information on the Bank's CSR</i></p> |

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| | | <i>initiatives can be found in the 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.</i> |
|--|--|---|

| Section C: Other details | | |
|---------------------------------|---|--|
| 1. | Company subsidiaries/joint-ventures | Subsidiary companies <ul style="list-style-type: none"> i. Axis Capital Limited ii. Axis Securities Limited iii. Axis Private Equity Limited iv. Axis Trustee Services Limited v. Axis Asset Management Company Limited vi. Axis Mutual Fund Trustee Limited vii. Axis Finance Limited viii. Axis Bank UK Limited ix. Axis Securities Europe Limited |
| 2. | Subsidiaries participating in Company's Business Responsibility (BR) initiatives | <ul style="list-style-type: none"> i. Axis Capital Limited ii. Axis Securities Limited iii. Axis Trustee Services Limited iv. Axis Asset Management Company Limited v. Axis Mutual Fund Trustee Limited vi. Axis Finance Limited |
| 3. | Other entities ((e.g. suppliers, distributors etc.) participating in Company's BR initiatives | Nil |

| Section D (1): Business Responsibility Information | | |
|---|--|---|
| 1.a. | Director responsible for implementation of BR policies, Director Identification Number (DIN) | 07508488 |
| | Director responsible for implementation of BR policies (Name) | Mr. Rajesh Dahiya |
| | Director responsible for implementation of BR policies (Designation) | Executive Director (Corporate Centre) |
| 1.b. | BR Head (DIN, if applicable) | N.A. |
| | BR Head (Name) | Mr. Suresh Warriar |
| | BR Head (Designation) | Senior Vice President & Head, Corporate Affairs |

| | |
|----------------------------|--|
| BR Head (Telephone number) | +91-22-2425-2525 |
| BR Head (email id) | sustainability@axisbank.com |

Section D (2): BR Information - Principle-wise (as per NVGs) BR Policy/Policies (Yes/No)

| | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|----|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. | Do you have policy/policies for....# | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 3. | Does the policy conform to any national /international standards? If yes, specify? | Y* | Y* | Y* | Y* | Y* | Y* | - | Y* | Y* |
| 4. | Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director? | Y** | Y** | Y** | Y** | Y** | Y** | - | Y** | Y** |
| 5. | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | <p>The following policies are available on the Bank's website www.axisbank.com</p> <ul style="list-style-type: none"> • Code of Bank's Commitment to Customers • Code of Bank's Commitment to Medium and Small Enterprises (MSE) • Customer Compensation Policy of the Bank • Banker's Fair Practice Code • Grievance Redressal Policy • Code of Conduct and Conflict of Interest Norms in respect of Board of Directors • Code of Conduct & Ethics for Senior Management • Policy on Corporate Social Responsibility • Citizen's Charter – A Charter for Customer Service • Customer Rights Policy • Code of Conduct for Direct Selling Agents • Policy on Related Party Transactions • Comprehensive Deposit Policy • Policy on Collection of Dues and Repossession of Securities • Code of Practices and Procedures for Fair Disclosure | | | | | | | | |

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|----|---|--|---|---|---|---|---|---|---|---|---|
| | | <p>of Unpublished Price Sensitive Information (UPSI)</p> <ul style="list-style-type: none"> • Policy for lending to Micro Small & Medium Enterprises (MSMEs) • Privacy Policy <p>The remaining policies being internal documents are only available to the employees through the Bank's intranet.</p> <p>The following policies of the Bank's subsidiaries companies are available on their respective websites as given below</p> <p>Axis Asset Management Company Limited (www.axismf.com)</p> <ul style="list-style-type: none"> • Privacy Policy • Voting Policy <p>Axis Securities Limited (www.axisdirect.co.in)</p> <ul style="list-style-type: none"> • Privacy Policy • Policies and Procedures Pertaining to Dealing with Clients <p>Axis Finance Limited (www.axisfinance.co.in)</p> <ul style="list-style-type: none"> • Code of Conduct [Directors and Senior Management] • Fair Practice Code • Privacy Policy • Interest Rate Policy • CSR Policy <p>Axis Capital Limited (www.axiscapital.co.in)</p> <ul style="list-style-type: none"> • Policy on Inactive Client Accounts • Policy against Circulation of Rumors • Policy on code modification • Citizens Charter • Policy on Corporate Social Responsibility <p>Axis Trustee Services Limited (www.axistrustee.com)</p> <ul style="list-style-type: none"> • Policy on Corporate Social Responsibility • Privacy Policy | | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes. Policies have been communicated to all key internal stakeholders of the Bank. The communication on policies covering all internal and external stakeholders is an on-going process. | | | | | | | | | |
| 8. | Does the company have in-house structure to implement | <table border="1"> <tr> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>Y</td> <td>-</td> <td>Y</td> <td>Y</td> </tr> </table> | Y | Y | Y | Y | Y | Y | - | Y | Y |
| Y | Y | Y | Y | Y | Y | - | Y | Y | | | |

| | | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|---|
| | the policy/policies? | | | | | | | | | |
| 9. | Does the Company have a grievance re-dressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | - | Y | Y |
| 10. | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | The Head of Departments are responsible for effective implementation of the policies. The Compliance Department monitors the adherence to implementation of policies mandated by RBI. | | | | | | | | |

| Section D: BR Information - Principle-wise (as per NVGs) explanation | | | | | | | | | | |
|---|--|-----|-----|-----|-----|-----|-----|------------------------------|-----|-----|
| | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| 1. | Not understood the principles. . | - | - | - | - | - | - | - | - | - |
| 2. | Not at a stage where it finds itself in a position to formulate and implement the policies on specified principles . . . | - | - | - | - | - | - | - | - | - |
| 3. | Does not have financial or manpower resources available for the task . . . | - | - | - | - | - | - | - | - | - |
| 4. | Planned to be done within next 6 months . . . | - | - | - | - | - | - | - | - | - |
| 5. | Planned to be done within the next 1 year . . | - | - | - | - | - | - | - | - | - |
| 6. | Other reasons . . . | - | - | - | - | - | - | ^Refer to the response below | - | - |

^ The Bank along with its subsidiaries works closely with collective trade and industry associations, while there is no specific policy outlined for this principle.

Principle-wise policies

| | |
|----|--|
| P1 | Compliance Policy, Whistleblower Policy, Anti Money Laundering Policy, Policy on prevention and reporting of frauds, Policy on recognition/rewards for detection of fraud, Code of Bank's Commitment to Customers, Code of Bank's Commitment to Micro and Small Enterprise, Code of Conduct and Ethics, Code of Conduct and Conflict of Interest Norms in respect of Board of Directors, Code of Conduct for Direct Selling Agents, Policy on Related Party Transactions, Code of Practices and Procedures |
|----|--|

| | |
|----|---|
| | for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Supplier Code of Conduct |
| P2 | Code of Bank's Commitment to Micro and Small Enterprise, Sustainable Lending Policy and Procedures, Credit Policy (SME Priority Sector exposures: Concessionary pricing), Policy for lending to Micro Small & Medium Enterprises (MSMEs) |
| P3 | Remuneration Policy, Staff Housing Loan Policy, Staff Rules and Guidelines (covering leave policy, insurance benefits, superannuation scheme etc.), Policy on Prevention of Sexual Harassment, Policy on Safety for Women at Workplace, Policy on Human Rights |
| P4 | Code of Bank's Commitment to Micro and Small Enterprise, Policy on Corporate Social Responsibility Policy, Credit Policy (SME Priority Sector exposures: Concessionary Pricing,), Policy for lending to Micro Small & Medium Enterprises (MSMEs) |
| P5 | Policy on Human Rights, Code of Conduct and Ethics |
| P6 | Policy on Environment Management |
| P8 | Financial Inclusion practices, Policy on Corporate Social Responsibility |
| P9 | Code of Bank's Commitment to Customers, Code of right sell for liability & investment products, Policy on outsourcing of financial services, Consumer Lending Credit Policy, Information Systems Security Policies, Citizen's Charter – A Charter for Customer Service, Customer Rights Policy, Comprehensive Deposit Policy, Policy on Collection of Dues and Repossession of Securities, Privacy Policy |

* The policies are developed and aligned to applicable legal requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, the Bank's internal requirements and best practices.

**The policies are approved by the Board of Directors or Committee of the Board of Directors or senior management of the Bank

| Section D (3): BR Governance | | |
|-------------------------------------|--|--|
| 3.a. | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | The performance on aspects of BR is reviewed by the Bank's Management Committee, headed by its MD & CEO on periodical basis, and atleast once a year put up to the Board. Review of Sustainability Framework of the Bank is also part of the charter of the Committee of Whole-Time Directors. |
| 3.b. | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | BR Report and Sustainability Report Frequency: Annual Hyperlink: https://www.axisbank.com/csr/csr-reports-and-disclosures |

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint-Ventures/Suppliers/Contractors/NGOs/ Others?

The Bank's Code of Conduct and Ethics details the ethical principles that all employees are expected to adhere to. The Code is applicable to all employees and covers aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption. The Code of Conduct and Conflict of Interest Norms In Respect of Board of Directors is a separate code which guides the Board members in ensuring highest ethical standards in managing the affairs of the Bank.

The Bank has adopted Indian Banks' Association's 'Model Code of Conduct for Direct Selling Agents' and is applicable to all persons involved in marketing and distribution of any loan or other financial product of the Bank. During the year, the Bank has also developed a 'Supplier Code of Conduct' (SCoC) as part of 'Vendor Management Framework' (VMF). SCoC outlines the minimum ethical standards that all vendors of the Bank are required to abide by. Currently, the VMF is being rolled-out in a phase-wise manner across the Bank. Similar to the Bank, all subsidiaries have set their individual Codes of Conduct for their employees.

For additional information, please refer to the 'Ethics & Risk Management' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Bank has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns. The details of the stakeholder complaints are as below.

| | Pending as on 31.03.2016 | Received during 2016-17 | Redressed during 2016-17 | Pending as on 31.03.2017 |
|----------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| Customer complaints* | 9,499 | 3,37,673 | 3,04,988 | 42,184 |
| Investor complaints | Nil | 768 | 768 | Nil |
| Consumer cases | 1,356 | 169 | 134 | 1,391 |

**The information does not include complaints redressed within the next working day*

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Bank is cognizant of its role in promoting inclusive growth and equitable development while contributing to environmental sustainability. Financial inclusion is a vital enabler for inclusive growth and the Bank plays an important role in furthering the financial inclusion agenda of the Government under the ambit of Jan Dhan – Aadhar – Mobile (JAM) vision. The Bank through its strong nation-wide presence advances the financial inclusion agenda by offering Basic Savings Bank Deposit Account / Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts and promoting social security insurance and pension schemes offered by Government of India. The Bank provides microfinance to women groups under 'Axis Sahyog' program to conduct livelihood activities which can augment their family income. 'Asha Home Loans' is an affordable housing loan product catering to low-income and economically weaker sections of society. The Bank is also authorised to open 'Sukanya Samriddhi Yojana Accounts' small deposits scheme for girl child welfare. All of these products and services have inherent social opportunities to promote inclusive growth and equitable development.

The Bank's 'Sustainable Lending Policy and Procedures' (SLPP) is an environmental and social risk management framework for project financing and lending activities. SLPP supplements credit risk management for qualifying projects and is effective from 1st April, 2016. During the year, the Bank has also launched India's first certified 'Green Bonds' in international market. The proceeds of 'Green Bonds' shall be utilised to finance and/or refinance environment-friendly projects as described in the Bank's Green Bond Framework. The Framework is aligned to internationally accepted Climate Bonds Initiative (CBI) Green Bonds Standards.

For additional information, please refer to the 'Customers' and 'Environment' sections of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable considering the nature of banking products and services

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Considering the nature of banking products which is service oriented and not material resource intensive, sustainable sourcing for the Bank's products is not applicable. However, as a responsible corporate citizen the Bank endeavours to reduce the environmental impact of its operations. Paper is one of the key materials that the Bank uses. The Bank has made conscious efforts to procure wheat-straw based paper which is environment friendly compared to conventional wood based paper. During the year, the Bank procured 628 tonnes of wheat-straw based paper which is 55% of the total office paper procurement. During the year, the Bank has also developed comprehensive 'Vendor Management Framework' which incorporates sustainability related elements across various phases of vendor management.

For additional information, please refer to the 'Environment' sections of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The nature of banking products is service oriented and not material resource intensive, and the Bank does not procure goods for further processing. The manpower services required for offices and branches are generally hired from local agencies where possible. Axis Bank Foundation, through its community development initiatives, helps communities including women entrepreneurs and local & small producers through market linkages to sell their produce.

For additional information, please refer to the 'Communities' sections of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of banking products is service oriented and not material resource intensive, and hence recycling of products is not applicable for the Bank's products. The Bank has a recycling program under 'Green Banking' initiative to recycle dry waste collected in offices and branches into note pads, note books and envelopes. Since its inception in August 2011, the program resulted in recycling of 293 tonnes of dry waste into 39,010 items viz. notebooks, notepads, envelopes and bookmarks. The Bank has also installed Organic Waste Composter at its central office in Mumbai to convert organic (kitchen) waste into manure.

For additional information, please refer to the 'Environment' sections of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees (as at 31.03.2017)

56,617

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. (as at 31.03.2017)

17,819

3. Please indicate the Number of permanent women employees. (as at 31.03.2017)

12,787

4. Please indicate the Number of permanent employees with disabilities (as at 31.03.2017)

37

5. Do you have an employee association that is recognized by management?

The Bank does not have an employee union. The Bank respects the right of 'Freedom of Association'. The Bank ensures that all employee grievances are received and addressed through various channels such as H-Response (virtual helpdesk to handle employee queries) or the whistleblower portal.

For additional information please refer to the 'People' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

32 complaints related to sexual harassment received during the year.

06 complaints related to sexual harassment pending as at 31.03.2017.

No complaints related to child labour, forced labour, involuntary labour received during the year.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- **Permanent Employees**
- **Permanent Women Employees**
- **Casual/Temporary/Contractual Employees**
- **Employees with Disabilities**

The Bank's approach to employee learning is driven by a combination of business needs of the organisation and developmental needs of the employees. A blended learning approach of classroom programs, external programs, certification programs and e-learning modules is deployed to facilitate the learning process across all levels. The learning and development needs of employees are integrated with the Performance Management System. Various role-based and work-level trainings are conducted by internal and external faculty. 'Axis Academy' is the Bank's e-learning platform which enables employees to undertake e-learning courses at their convenience. The 'Competency Directory' for frontline roles like Front Desk Officers and Relationship Managers maps role-based skills to ensure consistency in customer service and adherence to regulations. Specific induction and functional training programs are conducted for customer-facing staff to ensure that they acquire the requisite skills. 'Axis LEAP' is an e-initiative rolled out on the Axis Academy online platform that offers learning collaterals along with online assessments on products, processes, compliance and customer service to the branch staff.

Safety of employees is of utmost importance to the Bank. Periodic communication and alerts are sent to employees on safety related aspects. There are e-learning modules on fire safety which all employees are required to undertake. Regular fire drills and audits are conducted wherein awareness on fire safety and emergency preparedness is also imparted to employees.

| Employee type | | skill upgradation (no. of employees trained) | skill upgradation (person hours of training) |
|------------------------|--------|--|---|
| Permanent Employees | Male | 45,297 | 13,67,816.5 |
| Permanent Employees | Female | 12,673 | 4,46,048 |

For additional information please refer to the 'People' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

The Bank has identified its key stakeholders and continues to engage with them on various platforms through formal and informal channels of communication.

For additional information please refer to the 'Sustainability @ Axis Bank' section of the Sustainability Report 2015-16 and similar report shall be published for 2016-17

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Bank engages with vulnerable and marginalised sections of society through its products and community engagement initiatives. The Bank and Axis Bank Foundation engage with these stakeholders (as defined in the Principle 4 of the NVG-SEE) such as women and girls, people with disabilities, children , tribals, and migrant workers.

Through the Rural and Inclusive banking initiatives, the Bank engages with these sections of the society to create financial literacy and further the agenda of financial inclusion through specialised products.

The Bank also engages with the disadvantaged and marginalised communities through the Axis Bank Foundation (ABF) to create a positive impact through community development initiatives.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Bank reaches out to disadvantaged, vulnerable and marginalised sections of society through its rural and inclusive banking initiatives to create financial literacy and further the agenda of financial inclusion through specialised products. 'Axis Sahyog' initiative extends microfinance to women groups while 'Asha Home Loans' cater to low income segment for affordable housing loan options. Financial inclusion products such as PMJDY accounts, Government insurance and pension schemes aim to bring millions of these stakeholders under the ambit of formal banking system, thus enabling them with access to savings and capital. During the year, the Bank has bolstered its financial and digital literacy initiatives especially in rural areas to educate people on digital and alternate channels of transactions. The Bank offers specialised products and services such as Women Savings Accounts, Future Stars Savings Account, Sukanya Samridhhi Yojana Accounts and education loans to girl child at reduced interest rates. Payment and remittance services of the Bank help migrant labour send the money back home in easy, safe and secure manner. The Bank continuously strives to enhance the accessibility of its branches and ATMs to people with disabilities by providing ramps and undertaking disability friendly measures. The Bank also engages with the disadvantaged and marginalised communities through the Axis Bank Foundation (ABF) to create a positive impact through community development initiatives. ABF initiatives cater to women, children, children with disabilities, tribals and rural populace at large.

For additional information please refer to the 'Customers' and 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Bank and its subsidiaries are committed to upholding the dignity of every individual engaged or associated with them. The Bank has put in place a Policy on Human Rights applicable to all employees to reaffirm its commitment to human rights. The Policy on Human Rights supplements the Bank's Code of Conduct and Ethics, which lays down the acceptable employee behavior on various aspects including human rights.

For additional information please refer to the 'People' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer to response to point no. 2 under Principle 1 for details on stakeholder complaints.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Bank's 'Policy on Environment Management' outlines the principles that guide the Bank's efforts on managing and reducing environmental impact due to own operations. The Bank undertakes various initiatives to reduce the environmental impact of its own operations by using renewable energy, adopting energy efficiency measure and promoting digital banking services. The Bank has put in place 'Sustainable Lending Policy and Procedures' to manage the environmental and social risks in its lending operations for qualifying projects. The Bank has also raised capital through issue of 'Green Bonds' during the year. Green Bonds were in alignment with standards established by Climate Bonds Initiative, a leading NGO in this field.

For additional information please refer to the 'Environment' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Bank has two-pronged approach towards addressing environmental issues. The 'Policy on Environment Management' guides the Bank's efforts in managing the environmental impacts of its own operations. The focus areas for managing direct environmental impacts and reducing the carbon footprint include improving energy efficiency, use of renewable energy, procurement of greener products (wheat-straw based paper) and waste recycling. On the business front, the Bank has exposure to sustainable sectors like renewable energy, waste management and mass rapid transportation which contribute to environmental sustainability. During the year, the Bank issued India's first certified 'Green Bonds' in international market. The proceeds of 'Green Bonds' shall be used to finance and/or re-

finance environment-friendly projects as described in the Bank's 'Green Bonds Framework'. The Bank has also implemented a 'Sustainable Lending Policy and Procedures' which is an environmental and social risk management framework for corporate lending operations. It supplements the credit risk framework for qualifying projects. Based on the risk category, Environment & Social Due Diligence of the qualifying projects is conducted and the Bank engages with project proponents towards mitigating such risks identified.

For additional information please refer to the 'Environment' section of the Sustainability Report 2015-16 accessible at https://www.axisbank.com/docs/default-source/default-document-library/9_environment.pdf?sfvrsn=0 and similar report shall be published for 2016-17. Climate change related strategies are also disclosed in the Bank's CDP Response 2016 accessible at www.cdp.net

3. Does the company identify and assess potential environmental risks?

The Bank has identified key environmental risks especially pertaining to climate change. The risks are disclosed in the Bank's CDP Response 2016 accessible at www.cdp.net

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

None

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Bank has multipronged approach to managing its environmental impacts. Focus is placed on energy efficiency, use of solar energy, procurement of greener products (wheat-straw based paper) and waste management to reduce environmental impacts. The Bank also aims to leverage the digital banking strategy to reduce environmental impacts related to usage of paper and avoidance of travel by customers to branches. Customer awareness on 'green banking' such as e-statement subscriptions, e-welcome kits and ATM messages to avoid printing of transaction slips further support the Bank's efforts in reducing environmental impacts.

For additional information please refer to the 'Environment' section of the Sustainability Report 2015-16 accessible at https://www.axisbank.com/docs/default-source/default-document-library/9_environment.pdf?sfvrsn=0 and similar report shall be published for 2016-17.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

N.A

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Bank along with its subsidiaries works closely with collective trade and industry associations. The Bank also participates in key projects and initiatives undertaken by the Government and regulators.

Some of the key trade and industry associations where the Bank and/or its subsidiaries are represented include:

- All India Management Association (AIMA)
- Association of Investment Bankers of India (AIBI)
- Association of Mutual Funds in India (AMFI)
- Association of National Exchanges Members of India (ANMI)
- Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- Bombay Chamber of Commerce and Industry (BCCI)
- BSE Brokers Forum
- Confederation of Indian Industry (CII)
- Data Security Council of India
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Fixed Income Money Market and Derivatives Association (FIMMDA)
- Foreign Exchange Dealers Association of India (FEDAI)
- Indian Banks Association (IBA)
- National Stock Exchange (NSE) Regional Consultative Group
- The India Chief Human Resource Officer's Forum (CHRO)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Through various trade and industry associations, the Bank and its subsidiaries promote policies and initiatives that aim to create efficient and transparent financial system for the country, enhance financial and digital literacy and improve access of banking system to the unbanked areas, and support key sectors of nation building and rural development. The Bank believes in integrated development of the industry by sharing and adopting best practices. The Bank also participates in key projects and initiatives undertaken by the Government and regulators.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Bank has put in place 'Policy on Corporate Social Responsibility' to guide its efforts on CSR initiatives that contribute to inclusive growth and equitable development. The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country through an integrated approach of development which focuses on creating sustainable livelihood, promoting education and skills development, creating awareness amongst public at large on public interest topics including financial literacy, facilitating and providing access to formal banking channels for excluded sections, promoting environmental sustainability, and supporting health and sanitation initiatives. A multi-pronged approach is adopted by the Bank for its CSR agenda which is also intertwined with the Bank's sustainability agenda of creating enduring value for all its stakeholders. The Bank, through Axis Bank Foundation, supports the sustainable livelihoods program which aims to create 1 million sustainable livelihoods by December 2017. ABF through its programs has cumulatively impacted 1.08 million beneficiaries across the focus areas and created 0.91 million livelihoods. The activities directly undertaken by the Bank focus on poverty alleviation, rural development through promoting financial literacy and enabling financial inclusion, environmental sustainability, education and skill development. During the year, the country witnessed one of the significant economic reforms to guide India to become of

a less-cash society through a multi-pronged approach of the Government of India. The Bank has re-focused its financial literacy and inclusion activities to help public at large understand and make a transition to digital and alternate channels of transactions, thereby helping create a more transparent and inclusive model of economic participation leading to common good.

The Bank's and Axis Bank Foundation's efforts on community development have been recognised through 'CII-ITC Sustainability Awards 2016' for 'Excellence in Corporate Social Responsibility'. The Bank was also recognised as 'Socially Aware Corporate of the Year' at the 'Business Standard Corporate Socially Responsible Awards 2016'.

For additional information please refer to the 'Customers' and 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Bank undertakes CSR programmes/projects directly or through Axis Bank Foundation or through any other Trust or agencies and entities as it deems suitable.

3. Have you done any impact assessment of your initiative?

Axis Bank Foundation conducts impact assessments of its programs by engaging reputed independent agencies / institutions. Highlighting the extensive work done in the area of Livelihood, ABF released a report on 'Water' in their 2nd Annual Conference, organized in December 2016. The report emphasizes the heavy dependence on water as a basic necessity for rural livelihoods, agriculture being the predominant occupation. The research report is a compilation of case studies of Axis Bank Foundation supported projects on water security and sustainable livelihood, 60% of agriculture being dependent on rainfall makes water-conservation critical for livelihood and consequently food security of the rural population.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Bank has spent ₹ 135.39 crores towards various CSR initiatives during the year 2016-17. The details of the CSR initiatives can be found in Annexure __ of the Bank's Annual Report 2016-17.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Axis Bank Foundation works towards ensuring sustainability of its CSR programs beyond project period by creating an enabling environment for community adoption of such programs. Through its partner NGOs, the Foundation facilitates in empowering community members through structures such as Women Federations through capacity building measures so that the CSR interventions become self-sustaining programs beyond the project period.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Please refer the response to the point 2 under Principle 1 for details on customer complaints / consumer cases.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

The Bank enables customers to make informed decisions about the Bank's products and services by providing them with right and transparent information. Product features and charges are informed to the customers during the transaction. The 'Most Important Document' contain terms of conditions including disclosures on any important disclaimers and grievance redressal procedures. The Customer is required to read and sign on this important document along with account opening / card application form. Where required

by regulators or as an industry practice, the product labelling also includes 'risk rating' of the product. Online tools also available for customers to understand their eligibility, applicable interest rates and service charges for loan products such home loans and car loans. SMS alerts are sent to customers when the charges or fees get triggered or levied in their account. Similarly, customers are made aware of free monthly ATM transactions available through SMS alerts.

For additional information please refer to the 'Customers' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

Nil

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Annual Customer Satisfaction Survey (CSAT) is conducted by the Bank to assess the perception and expectations of customers on various aspects of our products, services and brand. At the transaction level, Customer Transaction Survey (CTS) is an on-going survey that is conducted with a sampling of customers to understand their experience with different aspects of the Bank. The insights from the surveys are discussed and process/product improvements are made based on the feedback received.

Axis Asset Management Company Ltd. through Axis Mutual Fund seeks feedback from investors on the services provided through EasyCall (toll-free service) facility. Axis Securities Ltd. conducts customer feedback survey for active, inactive and High Networth Individuals (HNI) on various aspects of customer service including quality of research, web interface, trainings etc.

For additional information please refer to the 'Customers' section of the Bank's Sustainability Report 2015-16 and similar report shall be published for 2016-17.