

Axis Bank Limited
Business Responsibility Report 2017-18

(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 has adopted a stakeholder centric Sustainability Framework, aligned to the principles of Business Responsibility 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, to thrust upon its sustainability agenda. The disclosures made under this report provide transparent and relevant information on the Bank's efforts and performance against the nine principles of Business Responsibility. As a measure of global best practice, the Bank also makes detailed disclosures on its sustainability initiatives and performance through its standalone, annual Sustainability Reports. The previous Reports have been prepared using the reporting frameworks of the Global Reporting Initiative (GRI) and are externally assured. The Bank's third Sustainability Report was published for 2016-17. The Bank's fourth report shall be published for the year 2017-18 in alignment with the GRI and for the first time, in alignment with the Integrated Reporting guidelines of the International Integrated Reporting Council. 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 previous Sustainability Reports and Business Responsibility Reports of the Bank can be accessed at <http://www.axisbank.com/csr/reportsNdisclosure.aspx>

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	2017-18
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

		<ul style="list-style-type: none"> Investments and foreign exchange
9(i).	Number of international locations	10 (including overseas subsidiary)
9(ii).	Number of National locations	3,703 branches/extension counters, 13,814 ATMs
10.	Markets served by the Company – Local/State/National/International/	<p>Domestic: Pan India</p> <p>International: Singapore, Hong Kong, Dubai International Financial Centre (DIFC), Colombo, Shanghai. Representative offices in Dubai, Abu Dhabi, Dhaka and Sharjah, an offshore banking unit in International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar and an overseas banking subsidiary in the United Kingdom.</p>

Section B: Financial Details of the Company		
1.	Paid up capital (₹crores)	513.31
2.	Total turnover (₹crores)	56,747.40
3.	Total profit after taxes (₹crores)	275.68
4.	CSR spend as percentage of profit after tax (%)	1.43% (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</p>

		<p>health and sanitation initiatives.</p> <p><i>Please refer the Annual Report on CSR Activities in the Statutory Reports section of this Annual Report for detailed information on CSR activities.</i></p> <p><i>Additional information on the Bank's CSR initiatives can be found in the 'Communities' section of the Bank's Sustainability Report 2016-17. The Bank would publish its Sustainability Report 2017-18 which would include its details of its CSR activities.</i></p>
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Section C: Other details		
1.	Company subsidiaries/joint-ventures	<p>Subsidiary companies as on 31st March, 2018:</p> <ol style="list-style-type: none"> I. Axis Asset Management Company Ltd II. Axis Bank UK Limited III. Axis Capital Limited IV. Axis Finance Limited V. Axis Mutual Fund Trustee Limited VI. Axis Private Equity Limited VII. Axis Securities Limited VIII. Axis Trustee Services Limited IX. A.TREDS Limited X. Freecharge Payment Technologies Private Limited XI. Accelyst Solutions Private Limited
2.	Subsidiaries participating in Company's Business Responsibility (BR) initiatives	All subsidiaries as included in Section C, Response 1.
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)	Suresh Warriar
	BR Head (Designation)	Senior Vice President, 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 								

		<ul style="list-style-type: none"> • 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 of Unpublished Price Sensitive Information (UPSI) • 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 • Policy on Corporate Social Responsibility <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	Yes. Policies have been communicated to all key internal stakeholders of the Bank. The communication

	internal and external stakeholders?	on policies covering all internal and external stakeholders is an on-going process.								
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
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)
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 compliance requirements, RBI norms and guidelines, requirements of listing agreement with stock exchanges, or 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 at least once a year, is put up to the Board. The Bank's sustainability performance is also reviewed internally by ED – Corporate Centre, along with Head – Corporate Affairs, periodically.
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?	Yes. The Bank publishes both the BR and Sustainability Reports annually. The Reports can be accessed online at http://www.axisbank.com/csr/reportsNdisclosure.aspx

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 has put in place a Code of Conduct and Ethics which is applicable to all its employees. The Code articulates the ethical principles and acceptable behaviour that the Bank's employees are expected to demonstrate to uphold the Bank's values. The Code covers aspects related, but not limited, to ethics, accountability, conflict of interest, bribery and corruption. The Bank has also adopted Code of Conduct and Conflict of Interest Norms In Respect of Board of Directors to guide 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.

Similar to the Bank, all subsidiaries have set their individual Codes of Conduct for their employees.

The Bank has separate Codes and Policies for its vendors that cover key aspects related to ethics, bribery, corruption, and sustainable best practices.

For additional information, please refer to the 'Ethics & Risk Management' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 Disclosure of Customer Complaints is included as Note 2.1.33 forming part of the Financial Statements for the Year ended 31 March, 2018.

The details of the investor complaints are as below.

	Pending as on 31.03.2017	Received during 2017-18	Redressed during 2017-18	Pending as on 31.03.2018
Investor complaints	0	1043*	1043	0
Customer complaints	42184	368424	383508	27100

Consumer cases	1391	496	701	1186
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*includes – 1028 complaints for non-receipt of dividend

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 believes that it has a significant role to play in furthering the financial inclusion agenda which is crucial to achieve inclusive growth and equitable development. As on 31 March 2018, the Bank had a network of 3,703 branches/banking outlets as compared to 3,304 in the previous year. Around 47% of the Bank's branches are in rural and semi-urban areas and 78% of the Bank's rural branches are in unbanked locations. Its financial inclusion agenda actively supports India's ambitious and comprehensive financial inclusion plan, including 'Pradhan Mantri Jan Dhan Yojana' (PMJDY). The Bank also supports the distribution of Government insurance and pension schemes as part of the agenda. Under PMJDY, Bank has opened over 0.77 million accounts of which 89% customers have been issued RuPay Cards with a total balance of ₹225 crores. Overall, the Bank has issued 0.85 million Pradhan Mantri Suraksha Bima Yojana (PMSBY) and 0.22 million Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) policies of which, the Bank has registered 599 claims under both insurance scheme. Further, the Bank has actively promoted Atal Pension Yojana (APY) wherein the Bank is ranked first amongst all private sector banks in sourcing of APY. Overall, 0.23 million customers have been enrolled under APY. The Bank has strong presence in remittance and payment services for rural and migratory population, and disbursement of Government benefits through Electronic Benefits Transfer.

Through the Axis Sahyog initiative, the Bank extends microfinance to women for taking up livelihood activities that augment their family income. The 'Asha Home Loans' product caters to the low-income segment seeking loans for affordable housing. Advances under this product increased 40% during last year to stand at '4,371 crores as on 31st March, 2018. The Bank's 'Policy for lending to Micro and Small Enterprises (MSEs)' guides the efforts to support MSEs through credit related services. These products and services provide inherent socio-economic benefits leading towards inclusive growth and equitable development.

The Bank is cognizant of its role towards climate action and environmental sustainability and is taking incremental steps to play a change-maker. We have broadened the scope of our 'Sustainable Lending Policy & Procedures' to further reduce ESG risks of qualifying projects and promote low-carbon growth. The Bank continues to support sectors with a positive

climate impact such as renewable energy, waste management and mass rapid transportation, through its lending and investment advisory activities.

For additional information, please refer to the 'Customers' and 'Environment' sections of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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?

Given the nature of the Bank's business activities, which is providing banking products and services, it consumes resources primarily for running its operations. Through varied initiatives, the Bank works towards reducing its resource consumption, mainly paper and grid electricity. In addition, the digitization of its internal processes has aided its efforts.

The introduction of new digital products and services such as mobile banking and wallets, and greater penetration of digital banking in India, has also reduced paper consumption in banking services, as well as the need for customers to travel to branches. The specifics of various initiatives of the Bank towards digital banking and digitization of its internal processes are highlighted in its Sustainability Report, which shall be published for 2017-18.

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 a material issue for it. However, as a responsible corporate citizen, the Bank endeavours to reduce the environmental impact of its operations. As paper is one of the key materials that the Bank uses, it 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 543 tonnes of wheat-straw based paper, which is 46% of the total office paper procurement.

Towards grid electricity consumption, the Bank has in place 5.05 MW of in-house solar power capacity that reduces its dependence on grid electricity, which, in India, remains primarily thermal energy based.

For additional information, please refer to the 'Environment' sections of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 wherever applicable. Axis Bank Foundation, through its community development initiatives, helps communities including women entrepreneurs, and local & small producers, through market linkages to sell their produce.

In addition, as the Bank has branches and locations across the country, requirements such as stationary items, food & beverages, or cleaning services, may be procured locally, wherein such procurements abide by the rules and policies laid down by the Bank.

For additional information, please refer to the 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 314 tonnes of dry waste into 42510 items viz. notebooks, notepads, envelopes and bookmarks. Last year, the Bank had also installed an organic waste composter to convert the organic (kitchen) waste at Axis House, Mumbai, into compost manure and almost 43 tonnes of wet waste was processed during the year.

For additional information, please refer to the 'Environment' sections of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees (as at 31.03.2018)

59,614

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. (as at 31.03.2018)

11,236

3. Please indicate the Number of permanent women employees. (as at 31.03.2018)

13,424

4. Please indicate the Number of permanent employees with disabilities (as at 31.03.2018)

40

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.

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.

47 complaints related to sexual harassment received during the year.

3 complaints related to sexual harassment pending as at 31.03.2018.

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 has institutionalised learning and development processes to ensure that employees remain agile, possess relevant skillsets and fulfil their potential. The learning pedagogy employed is a mix of various learning modes such as classroom programs, external programs, certification programs and e-learning modules to facilitate the learning process across all levels. There are role-based and work-level trainings conducted by internal and external faculty, to ensure that the initiative reaches out to the right target group. Platforms like 'Axis Academies' provide employees access to trainings which they can choose and self-start, while 'Axis Business Clinics' has the purpose of empowering the Branch Heads to drive the culture of learning at branch-level, making employees aware of product features and institutionalising processes.

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 and physical safety which all employees are required to undertake. In addition, fire safety drills and audits are conducted in compliance with all safety regulations and requirements.

Employee type		skill upgradation (no. of employees trained)	skill upgradation (person hours of training)
Permanent Employees	Male	45,269	11,93,031
Permanent Employees	Female	13,475	4,20,277

For additional information please refer to the 'People' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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?

Yes. The Bank engages with myriad stakeholders through formal and informal channels of communication. The Bank has mapped its key stakeholder groups. Also, the Bank has initiated a comprehensive 'Stakeholder Engagement' project through an external agency, the findings of which would be published in the Bank's Sustainability Report for FY 2017-18.

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 & services, as well as community engagement initiatives. The Bank and Axis Bank Foundation (ABF) engage with these stakeholders (as defined in the Principle 4 of the NVG-SEE) such as women and girls, persons with disabilities, children, tribal communities, and migrant workers.

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

For additional information please refer to the 'Sustainability @ Axis Bank' section of the Sustainability Report 2016-17 and similar report shall be published for 2017-18

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.

Through the Rural and Inclusive banking initiatives and specialized products, the Bank focuses on expanding financial literacy and banking for the Bottom of the Pyramid (BOP) to further the national agenda of financial inclusion. As on 31 March 2018, the Bank had a network of 3,703 branches/banking outlets as compared to 3,304 last year. Around 47% of the Bank's branches are in rural and semi-urban areas and 78% of the Bank's rural branches are in unbanked locations.

The Bank provides 'Asha Home Loans' catering to low income segments for affordable housing loan options. Advances under this product increased 40% during last year to stand at '4,371 crores as on 31st March, 2018. The 'Axis Sahyog' initiative extends microfinance to

women groups. As part of ABF's financial inclusion initiatives, a total of 13,396 Self Help Groups (SHGs) have been formed with 159,654 women members. These SHGs have recorded a savings of ` 28.95 crores and borrowings of ` 55.30 crores from the formal sector as on 31st March 2018. Financial inclusion products such as PMJDY accounts, Government insurance and pension schemes aim to bring millions of stakeholders primarily at the BOP under the ambit of formal banking system. Under PMJDY, Bank has opened over 0.77 million accounts of which 89% customers have been issued RuPay Cards with a total balance of ₹225 crores. Overall, the Bank has issued 0.85 million Pradhan Mantri Suraksha Bima Yojana (PMSBY) and 0.22 million Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) policies of which, the Bank has registered 599 claims under both insurance scheme. Further, the Bank has actively promoted Atal Pension Yojana (APY) wherein the Bank is ranked first amongst all private sector banks in sourcing of APY. Overall, 0.23 million customers have been enrolled under APY. The Bank offers specialised products and services such as Women Savings Accounts, Future Stars Savings Account, Sukanya Samridhi Yojana Accounts and education loans to girl child at reduced interest rates. The Bank's Payment and Remittance services help migrant labour transfer money back to their homes in easy, safe and secure manner. During the year, the Bank bolstered its financial and digital literacy initiatives, especially in rural areas, to educate people on digital and alternate banking channels.

The Bank also engages with the disadvantaged and marginalised communities across India through the Axis Bank Foundation (ABF) and its partners, to create a positive impact through community development initiatives. In FY 2017-18, ABF initiated work with 3,50,316 rural households. During the reporting period, ABF achieved its stated mission of creating 1 million livelihoods well before the stated target completion date of 31 December 2017, of which 63% are women. The Foundation has now committed itself to supporting 2 million households by 2025.

For additional information please refer to the 'Customers' and 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 supplements the Bank's Code of Conduct and Ethics that lays down the acceptable employee behavior on various aspects including human rights.

In addition, the Bank ensures its contracts and agreements with external stakeholders such as vendors and CSR partners include pertinent clauses on human rights. The Bank has in place a 'Supplier Code of Conduct' which includes pertinent clauses on human rights, among other requirements.

For additional information please refer to the 'People' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 has put in place 'Policy on Environment Management' to guide its efforts on managing and reducing environmental impact due to own operations. In addition, the Bank ensures that its contracts and agreements with key external stakeholders including vendors and CSR implementation partners include pertinent clauses on environment.

The Bank has in place a 'Sustainable Lending Policy & Procedures' to include environment and social risk considerations into its corporate lending decisions.

The Bank's CSR focus, as designed in its CSR Policy, also includes environmental sustainability, wherein the Bank, directly or through its implementation partners, works on various positive impact initiatives.

For additional information please refer to the 'Environment' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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, through multi-faceted interventions, continuously strives to enhance the sustainability of its own operations, as well as create positive sustainability-focused impact

among its stakeholders. Climate change mitigation, adaptation and resilience are integral to the Bank's sustainability agenda. Within the Bank, its efforts focus on energy efficiency, use of renewable energy, green procurement (for example, wheat-straw based paper), and waste reduction and management. The Bank has a strong lending portfolio in positive impact sectors including renewable energy, waste management and mass rapid transportation. In addition, the Bank's 'Sustainable Lending Policy and Procedures' integrates environmental and social risk assessment into credit risk framework for qualifying projects. In addition, the Bank focuses on environmental sustainability as elucidated in its CSR Policy.

For additional information please refer to the 'Environment' section of the Sustainability Report 2016-17 https://www.axisbank.com/docs/default-source/default-document-library/environment.pdf?sfvrsn=38b3a055_0 and similar report shall be published for 2017-18. The Bank's climate change-related strategy and action are disclosed in its annual CDP Responses, accessible at www.cdp.net

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

Yes. The Bank has identified key environmental risks, which are discussed in the Bank's annual CDP Responses, accessible at www.cdp.net.

In addition, through its 'Sustainable Lending Policy & Procedures', the Bank assesses environmental and social risks for a significant portion of its corporate lending portfolio. The details of the Policy are provided in the Bank's Sustainability Report 2016-17.

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. However, the Bank may have clients with projects linked to CDM.

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 enhancing its positive impact, primarily through its lending activities, internal operations, and CSR interventions. Its internal interventions include energy efficiency, solar energy adoption, green procurement, and waste reduction and management. The Bank has 893 branches which are covered under 'Energy Management System' project to improve their energy efficiency through remotely operated systems and a total installed solar power capacity of 5.05 MW across the Bank. The Bank leverages its

digital banking strategy to enhance the digitization of its operations as well as product offerings, which positively correlates with reduction in environmental impact, such as paper usage or avoidance of travel by customers to branches. Customer-focused initiatives towards 'green banking', such as e-statement subscriptions, e-welcome kits or ATM messages instead of transaction slips, further support the Bank's efforts in reducing its environmental impacts.

For additional information please refer to the 'Environment' section of the Sustainability Report 2016-17, https://www.axisbank.com/docs/default-source/default-document-library/environment.pdf?sfvrsn=38b3a055_0 and similar report shall be published for 2017-18.

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

Yes. The Bank ensures all its waste – primarily paper and e-waste, are disposed responsibly across all its locations. At the location where the Bank has diesel generators as back-ups, it has strict processes in place ensuring emissions and noise levels are within permissible limits, and any waste is disposed through third party vendors.

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 on pertinent issues. 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 an efficient and transparent financial system for the country, enhance financial literacy and improve access of banking system to unbanked and under-banked areas, and support key sectors crucial to nation building and rural development. The Bank promotes integrated development of the industry by sharing and adopting best practices, and participates in key government or regulatory initiatives and engagements.

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 focuses on expanding financial literacy and banking for the Bottom of the Pyramid (BOP) to further the national agenda of financial inclusion. As on 31 March 2018, the Bank had a network of 3,703 branches/banking outlets as compared to 3,304 last year. Around 47% of the Bank's branches are in rural and semi-urban areas and 78% of the Bank's rural branches are in unbanked locations.

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.

Axis Bank Foundation, the Bank's CSR arm, supports the sustainable livelihoods program, and achieved its stated mission to create 1 million sustainable livelihoods, of which 63% are women, well before its stated target completion date of December 2017. Partnering with close to 100 NGOs across India, ABF in association with the NGO partners works towards improving livelihood opportunities for rural communities. In FY 2017-18, ABF initiated work with 3,50,316 rural households. The Foundation has now committed itself to supporting 2 million households by 2025. The Foundation's programs also aim to strengthen the role of women in rural economies. As part of ABF's financial inclusion initiatives, a total of 13,396 Self Help Groups (SHGs) have been formed with 1,59,654 women members. These SHGs have recorded a savings of ` 28.95 crores and borrowings of ` 55.30 crores from the formal sector. 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. In alignment with the Government's Digital India programme and its impetus on digital financial transactions, the Bank introduced the DigiSupport program as an extension of its ongoing DigiPrayas program, wherein new branches opened in rural or unbanked geographies aim to educate and empower the villagers/local communities around them. These communities are made familiar with mainstream banking products and services, digital banking options, and ways to enhance cashless transactions. In addition, the Bank expands its reach through Business Correspondents (BCs) that promote digital banking through use of micro-ATMs and promote digital financial literacy. During the year, the Bank launched its initiative - 'Connecting Borders', in Kohima, Nagaland by adopting 20 villages where it conducted financial literacy camps.

For additional information please refer to the 'Customers' and 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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. ABF has also undertaken SROI (Social Return on Investment) studies on key interventions. In addition, ABF also undertakes research on key sustainability issues, such as water security in its project areas. The impacts are published in the Bank's Sustainability Reports, as well as the Foundation's Annual Reports.

During the year, the Bank was rewarded at the FICCI CSR Summit and Awards 2017 in the 'Women Empowerment' category, in recognition of its CSR efforts and impacts created.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 ₹133.77 crores towards various CSR initiatives during the year 2017-18. The details of the CSR initiatives can be found in Annexure A of the Bank's Annual Report 2017-18.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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 their project periods by creating an enabling environment for community adoption of all such programs. Through its partner NGOs, the Foundation facilitates in empowering community members, for example, through structures such as Women Federations, and through capacity building measures, aimed at making the CSR interventions self-sustaining well beyond their respective project periods.

For additional information please refer to the 'Communities' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.

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)

As the Bank operates in highly customer-focused sector, product-related transparency and communications are of highest priority to it. In line with the guidelines of the Reserve Bank of India and service standards set by the Banking Codes and Standards Board of India (BCSBI), the Bank provides transparent information on its products through its website and at its branches. This includes details on product features, service charges and fees applicable. Customers are provided with detailed product information through the "Most Important Document" that every customer is required to read and sign-off along with their account opening/card application forms. Interest rates are published and updated as and when they change, on the website for various deposit schemes. The Bank provides online tools for customers to understand their eligibility, applicable interest rates, and service charges for consumer loan products. SMS alerts are sent to customers when any charges or fees are triggered or levied to 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 2016-17 and similar report shall be published for 2017-18.

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?

The Bank conducts its annual Customer Satisfaction Survey (CSAT) to assess the perception and expectations of customers on various aspects of its products, services and brand. At the transactional level, Customer Transaction Survey (CTS) is an on-going survey that is conducted within a customer sample to understand their experience with different aspects of their interaction with the Bank. The insights from the surveys are discussed internally and process/product improvements are made based on the feedback received. We also have Customer Service Councils at branch level, relevant feedback from which is discussed during the meetings of customer service committee of the Board.

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

For additional information please refer to the 'Customers' section of the Bank's Sustainability Report 2016-17 and similar report shall be published for 2017-18.