



# *Axis of Trust*

# Awards & Accolades



Brand Leadership & CSR Summit 2019-  
**“CSR Project of the year”**



ET BFSI Excellence Awards, 2019-  
**“Customer Engagement Initiative of the Year”**



ET Brand Equity Shark Awards, 2019 -  
**“Best use of Experiential Events”**

ET Government - DigiTech Conclave and Awards -  
**“Best Mobile App for Citizen Centric Services”**



The Asian Banker Risk Management Awards, 2019-  
**“The Anti-Money Laundering Technology Implementation of the Year”**



Finance Asia Country Awards -  
**“Best DCM House”**



Dun & Bradstreet BankTech Awards -  
**“Best Use of IT and Risk Management”**



# Axis of Trust

The COVID-19 pandemic continues to test the resilience of individuals, societies, organisations and economies at an unprecedented scale. The United Nations states that the pandemic may potentially reverse the decades of progress made in the global fight against poverty and climate action while worsening the levels of inequality within and between nations. Truly, the pandemic has challenged each and every status quo across the world at a scale unforeseen in the present generation.

Even as economies reopen and people begin their cautious return to work or lifestyles, it is clear that the pandemic may have fundamentally altered how society, businesses and individuals respond to situations, interact with their stakeholders and plan for the future.

As one of India's leading financial institutions, Axis Bank has continued to stand together with its customers, employees, community and the country in our collective fight against the pandemic. We were among the first financial institutions to have responded to the pandemic in a collected and planned manner, and announced setting aside ₹100 Crores towards supporting our stakeholders including employees, customers, partners, government agencies and the community at large.

As an essential service, we worked towards ensuring that we remained accessible for our millions of customers across the country while maintaining the highest standards of hygiene and physical safety for our employees at our over 4,500 branches. At the same time, we scaled up our humanitarian response by

supporting response agencies and communities meet their essential and urgent requirements. Significantly, we scaled up our technological capabilities and human capital capacities to be able to effectively respond to the pandemic and ensure we remain accessible and responsive to all our stakeholders.

In many ways, the pandemic has demonstrated, and tested, our ability to adopt to rapid change and uncertainty, towards not only meeting the expectations of our stakeholders but also going beyond and supporting their relief and recovery. Our employees, the most important pillar of our organisation, have always remained steadfastly committed to upholding the Bank's values and maintaining the trust that our stakeholders place in us. Amidst such an extraordinary situation, we have continued to remain steadfastly 'Dil se open'.

We believe that the global community shall collectively overcome the challenges that face us. As the world sets about charting an altered pathway for the future, it remains our firm belief that sustainable and equitable development must remain the bulwark on which to build a global recovery towards long lasting resilience.

The theme of our Report, 'Axis of Trust' aims to underline our resolve to not only thrive as an institution that remains future proof but also continues to capably meet the emerging needs of our stakeholders at all times. As we move forward, we remain committed and geared to playing a leading role in meeting the developmental aspirations of all Indians and helping build a stronger and resilient India.

# About the report

'Axis of Trust' is our sixth Sustainability Report, for the annual financial cycle of the Bank from April 2019 to March 2020. The Report is based on Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative's GRI Standards for sustainability reporting. Sustainability Reporting aims to provide shareholders and external stakeholders with relevant information to take well-informed investment decisions and makes the best effort to address all the qualitative requirements of the GRI and Integrated Reporting frameworks. There are no significant restatements to be made from the previous year. In the previous year, the Bank released its fifth Sustainability Report for financial year 2018-19 which is available on the Bank's website at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

## Reporting Guidelines & Principles

The Report has adopted GRI standards for sustainability reporting to disclose its sustainability performance of identified material topics and selected Comprehensive option of GRI Standards. Further, we have considered GRI Reporting Principles for Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness for developing this Report along with Principles of <IR> framework. The GRI Content Index, which specifies the GRI Standards used disclosures made under them in the Report, has been provided on our website and can be accessed at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

Under the <IR> framework, the Report includes our performance under the six capitals – Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. The Report also meets the recommendations for adopting <IR>-based reporting

made therein the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10, dated 6 February 2017, on "Integrated Reporting by Listed Entities."

## Reporting Boundary

The reporting boundary for this Report is the Indian operations of Axis Bank Limited and the Axis Bank Foundation (ABF). Our Environmental data includes the performance of large offices, regional offices and branches within the scope.

This Report has been prepared internally and includes data and information from our Annual Report 2019-20 as well as that shared by various business verticals, and reviewed by the leadership and Board members. We welcome all feedback and comments from our stakeholders, which may be addressed to [sustainability@axisbank.com](mailto:sustainability@axisbank.com). This Report can also be accessed online on our website at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

## Independent Assurance

The Report has been externally assured by DNV GL Business Assurance India Private Limited (DNV GL). 'Limited Assurance' was provided using DNV GL's assurance methodology VeriSustain™, which is based on their professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) and GRI's Principles for Defining Report Content and Quality.

The complete Assurance Statement by DNV GL has been provided on our website at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

## Safe harbor

Except for the historical information contained herein, statements in this Report which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.





AXIS BANK





# Contents

Sustainability highlights.....	05
About Axis Bank.....	07
Message from MD & CEO.....	09
Leadership speak.....	13
Milestones during the year.....	19
How we create value.....	20
Analysis of our material issues.....	25
Corporate governance.....	33
Driving business sustainably.....	37
Financial capital.....	41
Manufactured capital.....	46
Intellectual capital.....	49
Human capital.....	60
Social and relationship capital.....	74
Natural capital.....	87

# Sustainability highlights

## Financial Capital

**₹915,165 Crores**

Total Assets, 14% growth year on year

**₹12,500 Crores**

Raised via one of largest Indian QIPs by a private sector issuer

**₹1,627 Crores**

Net Profit (adjusted for one time DTA impact, lower tax rate and COVID risk provisioning)

**23 Million**

Savings Account Customers as on 31 March, 2020

**26%**

Market share in DCM segment in FY 19-20, with ₹78,724 Crores of bonds and debentures arranged

**₹17.27 Crores**

Business per employee

## Manufactured Capital

**4,528**

Branches and extension counters as on 31 March, 2020, ~500 branches added in FY

**326**

Central processing centres

**2,559**

Geographical reach in 2,559 Centres in 682 districts

**5.22 Lakhs**

POS Machines installed

**120**

Dedicated SME Centres, up from 78 in previous year

**5,433**

Recyclers/Cash Deposit Machines, handling 70% of overall cash deposits

## Intellectual Capital

**92 Million**

VPIAs registered with the Bank in UPI

**81%**

Of all financial transactions were digital in FY 2019-20

**17.52 Lakhs**

FASTags issued during the year, compared to 6.72 Lakhs in the previous year

**500+**

Highly skilled employees working across digital and fintech platforms

**2.8 Million**

Unique mobile banking users

**27**

Smart Cities associated with the Bank across India

## Human Capital

**9,000+**

VPN and VDI connections provided to employees during COVID-19 work from home mandate

**48.02**

Person hours of training per employee, up 59% from the previous year

**13,000+**

Employees part of ACElerate learning programmes

**74,140**

Full time Employees as on 31 March, 2020

**24%**

Women in full time workforce

**950**

Axis Value Realisers championed the Axis Values program

## Social & Relationship Capital

**6.92 Lakhs**

Households/trainees impacted under ABF's Sustainable Livelihoods program since 2017

**3,800+**

SME participants in Evolve initiative for SME sector in FY 2019-20

**7,097**

Number of villages in 153 districts in 22 states that ABF is active in

**₹100.96 Crores**

CSR spending during the year

**37,800**

Flood affected directly supported under Axis Sahaayata in 4 states

**3 Lakhs+**

Users on the Project Akshar digital literacy platform

## Natural Capital

**1,493**

Branches with Centralised Energy Management System (CEMS) installed, up from 893 in the previous year

**7.05 MW**

solar energy projects across 245 locations

**1,100**

Existing branches where conventional lighting replaced with LEDs

**2.2 Lakhs**

Estimated savings in diesel consumption from implementing on grid inverter solution

**13 Million**

Paper sheets avoided due to Digital lending initiatives

**12,046.39 tCO<sub>2</sub>e**

Emissions avoided from digital and resource-saving initiatives

\* All figures reported above are for FY 2019-20 or as on 31 March, 2020

# About Axis Bank

Axis Bank is one of the leading private sector banks in India, offering a wide range of products and services to corporate, government and retail customers through a variety of delivery channels. The Bank commenced operations with the opening of its first branch in Ahmedabad in April 1994 and since then has emerged as one of India's leading financial conglomerates with a presence across diverse segments of the economy.

For over 26 years, Axis Bank has strived to stand by its customers and other stakeholders as a trustworthy and supportive partner, helping them fulfil their financial aspirations and realising their personal ambitions.

Axis Bank has presence across 28 states and 7 union territories in India, operating 4,528 branches in 2,559 Centres in 682 districts. The overseas operations of the Bank are spread over 11 international offices with branches at 6 locations (DIFC, Singapore, Hong Kong, Shanghai, Colombo and Gift City IBU) and 4 Representative Offices (Dubai, Abu Dhabi, Sharjah and Bangladesh) and an overseas subsidiary Axis Bank UK Limited, UK.

The Bank is publicly listed on the BSE (532215) and NSE (AXISBANK). The Bank's ownership structure, shareholding pattern, list of subsidiaries and other material information has been provided in the Bank's Annual Report 2019-20 within the Directors Report on pages 45-62.

Axis Bank's business performance for FY 2019-20, and details on its various products and services, and departments, has been provided in the Business Overview section of the Management's Discussion and Analysis in the Bank's Annual Report 2019-20 on pages 71-90.

The Bank's Annual Report 2019-20 can be accessed online at [https://www.axisbank.com/annual-reports/2019-2020/pdf/Axis\\_Bank\\_AR20.pdf](https://www.axisbank.com/annual-reports/2019-2020/pdf/Axis_Bank_AR20.pdf)



FTSE4Good

## Axis Bank included in FTSE4Good Emerging Index for 2019

Axis Bank has been included in the prestigious FTSE4Good Emerging Index series for the third consecutive year in 2019. Created by FTSE Russell, the FTSE4Good Index series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practice globally. These index are used extensively by investors worldwide for making well-informed investing decisions.

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



# Message from MD & CEO



Dear Stakeholders,

I am pleased to share with you Axis Bank's sixth Sustainability Report, 'Axis of Trust' for FY 2019-20.

For over 26 years, Axis Bank has strived to play a larger role in creating a more open, resilient and sustainable Indian economy, one that can not only meet the developmental aspirations of all Indians but help move the country on a pathway of equitable and sustainable growth.

As I am writing to you, India continues to cautiously emerge from the extraordinary uncertainties that the COVID-19 pandemic has brought upon globally. Truly, the pandemic has tested the resilience of all individuals, societies, governments and businesses to the maximum.

From the start of the outbreak at the beginning of the calendar year, our commitment to contributing to the progress of our millions of stakeholders has remained unwavering and we have continued to remain 'Open' towards meeting the expectations of our stakeholders in our hour of collective crisis.

The theme of this report, 'Axis of Trust' aims to convey our resolve to maintain the strong trust that our stakeholders continue to place in us and being able to meet their present and emerging needs while thriving as an institution that is future proof and plays a leading role in helping build a stronger and more resilient India.

Axis Bank continues to stand together with the nation against the pandemic and has been actively delivering on a multi-pronged response that supports its customers, employees, business partners, government agencies and the community at large.

*Customer centricity, which has always been a hallmark of Axis Bank's organisational ethos, shone even brighter during the pandemic, as each and every member of the Axis family demonstrated the spirit of openness with our stakeholders, each and every day.*

Each of us came together as one, working tirelessly from our homes, branches, offices or on the field to serve our customers. We proudly note that our customers, and indeed all our stakeholders, have continued to perceive us as approachable and empathetic during this period.

It is also a matter of extreme satisfaction that through the pandemic, we have remained agile and responsive as a bank to every emerging situation or requirement. It is noteworthy that several of the initiatives that we had implemented during the year under the Bank's GPS strategy, which we adopted in Fiscal 2019, placed us in a much stronger position amidst the current circumstances. We have proactively been strengthening our operational as well as technological infrastructure, which has allowed us to continue to operate normally and effectively.

We were among the first to respond when India's first lockdown phase was announced in March of the calendar year, putting in place a pan-bank 'Work from Home' mandate for our centralised offices while ensuring that the banking services from our branches continue to remain available to our customers across the country. Indeed, our inherent digital and operational capabilities not only served as a competitive advantage but also kept the personal and professional disruptions in our employees' lives to a minimum. We are now actively exploring making some of the new work place flexibilities and ways of working as a more permanent aspect of our work culture.

Coming to our financial performance, the Bank's operating profitability remained steady in the reporting fiscal, with 16% growth in net interest income and 23% growth in operating profits. During the year, the Bank raised ₹12,500 Crores in what was one of the largest ever QIPs in the country by a private sector issuer, thus significantly strengthening its capital ratios, with overall capital adequacy at 17.53%. The Retail Banking segment continues to be the primary growth driver for the Bank, maintaining its strong focus on customer centricity elevated by an omni-channel, superlative customer experience. On the Wholesale franchise side, during the year, we undertook an exercise to reorient and strengthen this segment towards achieving improved profitability, productivity and efficiency.

In fiscal year 2019, we had initiated an organisational restructuring exercise towards driving business focus and performance, which we have completed during this fiscal, while continuing to focus on investing in people, products and technology, the three core pillars of our franchise.

In anticipation of the incremental stress on the portfolio from the pandemic, the Bank also carried out extensive stress testing, proactively creating COVID-19 related provisions that further strengthen its ability to manage the uncertainty in the current environment and its future reverberations.

During the year, we added 478 branches, the highest in any given year, to take our domestic branch network to 4,528 branches. We have also made efforts to deepen the franchise in rural and semi-urban areas, where 54% of our branches are.

We continue to focus on expanding our advances to the sectors under Priority Sector Lending (PSL), which includes agriculture, micro and small enterprises, financial inclusion, microfinance, loans to certain weaker sections, among others. During the year, we focused on enhancing our product offerings as well as digital service channels in this space, in addition to

deepening our presence in specific geographies and augmenting it with financial literacy initiatives.

We continue to maintain a strong market position across various digital payments solutions, such as debit, credit and forex cards, mobile banking, POS terminals and UPI, and are among the top three or four players in each segment. Significantly, 71% of our active customers are digitally active, and 84% of all financial transactions by individual customers were digital. Our digital push is further augmented by the growth in digital sourcing of various retail assets and our alignment with the Digital India Mission, wherein we are designing and implementing comprehensive, citizen-centric solutions such as the Bharat Bill Payments Services, Smart City solutions and FASTag.

*We are truly in the midst of a fundamental shift towards being a less-cash economy and we continue to make good progress on scaling our digital ambitions, with multiple cross-functional 'garages' working on diverse end-to-end digital journeys.*

At the other end, we continue to invest heavily in managing emerging cyber security and privacy threats, and strengthening our core.

As an institution, we remain deeply ingrained in the communities where we serve, in practically each and every corner of the country, striving to drive positive, CSR-led action leading to visible impact on ground.

Axis DilSe, a unique program aimed at bringing long lasting social transformation in remote parts of the country, concluded its 3 year intervention this year in the union territory of Ladakh, where it worked towards transforming over 100 primary schools situated in remote villages in Leh and Kargil districts.

In the third and final phase of the program, age-appropriate classroom furniture was installed and additional learning material was provided to each of the schools. In addition, the program initiated the integration of Aanganwadi centres (Integrated Child Development Services (ICDS) centres) with the schools to include the Aanganwadi children into the program. To ensure the interventions sustain, training was provided to the school teachers, head masters, Aanganwadi workers as well as the village community so they may continue to collaborate and utilise resources effectively. It is a matter of pride for us that Axis DilSe has been lauded by the Ladakh Autonomous Hill Development Council, which believes it could serve as a template for the entire Union Territory. In Axis DilSe's next phase, we are actively exploring launching the program in the state of Manipur in India's North East.

The Bank had launched the Evolve program over 5 years ago recognising a need to build deeper capacity in the MSME sector, among the most critical segments of the economy. In the program's sixth edition that concluded during the year, the Evolve series covered 26 cities, reaching close to 3,800 SMEs.

Through its Axis Sahaayata program, the Bank remains committed to supporting victims of natural disasters across the country. During the year, Axis Sahaayata directly supported close to 38,000 individuals affected by floods and other natural disasters in multiple states in the country.

We continue to actively support COVID-19 related response and relief activities in various parts of the country. We are supporting different government entities such as police departments and municipalities towards meeting their immediate requirements for protective equipment and sanitation. Through Axis Cares, the Bank's payroll giving program, our employees have supported over 35,000 individuals in seven different cities towards meeting their daily food requirements for a month. In addition, Axis Group has committed to contributing to the PM CARES Fund.

Axis Bank Foundation, our CSR arm, continues to scale towards achieving its Mission 2 Million target by 2025 under its Sustainable Livelihoods program. In the year, ABF was active in 331 blocks in 153 districts, which includes 30 of India's 115 aspirational districts as identified by NITI Aayog, in 22 states in the country, covering 2.48 Lakhs households (including trainees). As on 31 March, 2020, it covered 6.92 Lakhs households towards its 2025 Mission 2 Million target. Notably, ABF has also expeditiously augmented its on-ground activities towards addressing COVID-19 related challenges.

Axis Bank continues to play a role in guiding investments towards sectors with a positive climate impact. Our portfolio in sectors including renewable energy generation, urban mass rapid transport and low carbon infrastructure remains robust, and we shall continue to look for opportunities in such sectors.

Through the year, we have progressively adopted solutions and innovations that rationalise the resource and emissions footprint of our operations while enhancing operational efficiency and customer experience. Through various internal initiatives such as renewable energy generation, digitalisation of products and processes, and sustainable procurement, we avoided over 12,000 tons of carbon dioxide equivalent emissions in our operations this year.

Our employees remain one of our most critical stakeholders in our organisational success, and we continue to aspire to be the preferred banker for all. During the year, we launched the 'Axis Value Realisers' Program to reinforce the Bank's five core values across the Axis group. We also scaled up our efforts to build a strong pipeline of young leaders through Cadre programs such as AHEAD, ABLe and the We Lead program for women, as well as scouted talent from diverse domains including design and engineering. During the year, 630 employees moved internally through Catalyst, the bank's internal job portal. The Bank had proactively responded to COVID-19

pandemic in February, activating the Central Emergency Response Team (CERT) and putting in place Work from Home guidelines for most of our employees, and strong safety protocols in place for employees at branches, augmenting them with regular travel and health advisories, and offering insurance and dedicated doctors' assistance. Cognizant of the importance of mental wellbeing for our employees at this time, the Bank launched the 'With You' initiative providing psychological counselling and physical wellbeing support for employees and their families.

I am proud to share that the Bank continues to be included in the prestigious FTSE4Good Emerging Index for the third consecutive year in 2019, affirming the Bank's strong Environment, Social and Governance (ESG) practices.

*To conclude, in many ways, the events that have unfolded in the past few months have tested, and indeed validated, our ability to adopt to rapid change and uncertainty, when we were able to not only meet our stakeholders' expectations but go beyond to actively support relief and recovery.*

I would like to thank my colleagues who have remained steadfastly committed to upholding our organisational values and continuing to deliver on their responsibilities to our stakeholders. I am also grateful to our stakeholders who continue to share our vision for the future.

Warm Regards,

**Amitabh Chaudhry**  
MD & CEO

# Message from Executive Director (Corporate Centre)



This is Axis Bank's sixth sustainability report, 'Axis of Trust', for FY 2019-20. The Report adheres to the Integrated Reporting framework and GRI Standards, and has been prepared and presented by applying our collective minds towards ensuring its integrity and upheld by the Bank's leadership.

The theme of the report, 'Axis of Trust', aims to convey the strong bond of trust and reliability that our stakeholders have continued to place in us for over 26 years. As one of the country's largest financial conglomerates, we remain committed to playing a larger role in catalysing India's sustainable economic growth and achieving equitable development for its over 1.3 billion citizens.

Even as the COVID-19 pandemic continues to impact the world, it is a matter of pride that as an institution, we have continued to stay on course to maintain that trust in meeting the needs and expectations of our customers, partners, employees and communities amidst this unprecedented crisis. I am proud to note that each of the over 74,000 Axis Bank's employees continued to stay true to our credo of being 'Dil Se Open' throughout this period, standing together with our myriad stakeholders in our collective battle

against the pandemic. They have remained our truest ambassadors even in the most difficult of circumstances.

*As an organisation, our proactive approach to recognising the severity of the emerging situation at the beginning of this calendar year itself helped us put the necessary plans, policies and systems in place to ensure we continued to serve our stakeholders while ensuring the highest standards of safety and security for ourselves.*

Two key aspects in our preparedness included the strengthening as well as testing of the Business Continuity Plan well before the nationwide lockdown was implemented in March 2020, and putting in place early a Central Emergency Response Team with the authority to take rapid decisions in response to the evolving situation on-ground in any part of the country.

Even as we are in various stages of opening up socially and economically, it is evident that the pandemic may profoundly alter how we move forward as individuals, as professionals, and as a society. We were among the first major corporates to announce a large scale 'work from home' mandate for thousands of our employees, successfully transitioning to a remote working environment for a variety of roles. The 'New Ways to Work@Axis Bank' playbook that we released early on outlines our strategy to consolidate some of these changes for the longer term, such as flexible work arrangements, virtual workspaces, and a greater focus on employees' wellbeing and safety.

During the year, we also focused on strengthening the compliance culture at the Bank, working towards ensuring that each of our employees conforms to the 'Basic Responsibility Framework' in place at the bank and truly imbibing our values in everything they do.

Communities remain one of our most important stakeholders and indeed, the focus of many of our actions. In the year, our CSR interventions covered practically the entire country, touching thousands of individuals and families from some of the most disadvantaged backgrounds.

Axis Bank Foundation, our CSR arm, has now crossed over 6.92 Lakhs families under its Sustainable Livelihoods program towards its stated Mission 2 Million by 2025. As on 31 March, 2020, the Foundation's interventions were active in close to 7,100 villages in 153 districts in the country. Among other key initiatives, we successfully concluded our Axis DilSe initiative in the union territory of Ladakh, helping transform the physical and educational infrastructure in 108 primary schools in the remotest parts of Leh and Kargil districts. We are looking forward to launching Axis DilSe in the state of Manipur in the next financial year.

*As the impact of the pandemic rapidly spread across the country since February 2020, we were among the first to mobilise our funds and community resources towards supporting government agencies and communities in fighting the pandemic and aiding their relief and recovery.*

Guided by our strong value system in place across the Bank, I have no doubt that we shall not just overcome these current challenges but learn from them and build on the opportunities that lie ahead. I am thankful to our stakeholders for continuing to place their valuable trust in us and being a part of our journey.

Warm Regards,

**Rajesh Dahiya**

Executive Director, Corporate Centre

# Message from Executive Director (Wholesale Banking)



As economies and communities round the globe continue to face the wrath of the pandemic, macro-economic conditions have also been impacted and remain largely uncertain. Axis Bank's proactive measures towards protecting its stakeholders, securing its portfolio and operations have enabled it to counter the near-term risks, while also supporting its customers, employees and partners in meeting their myriad challenges.

Throughout this period, 99% of our branches across the country have remained functional and over 74,000 Axis Bank employees have remained 'Open' to the needs of millions of customers, to service and support them during this crucial phase.

Our efforts towards de-risking and diversifying the Bank's wholesale book that we had initiated over the last one year, have placed us in a better position for the future.

*Building on our 'One Axis' ethos, we have focused on re-orienting our diverse product coverage groups, backed by stronger operations and service infrastructure, thus enabling us to drive synergies across the Axis Group.*

Our sharpened coverage now encompasses a diverse customer group ranging from governments and MNCs to financial institutions and SMEs.

The SME segment, a critical component of India's economy, remains of strategic importance to us and our SME portfolio is well diversified into 35 sectors across geographical regions. During the year, we launched project Sankalp as a digital transformation initiative aimed at improving efficiencies, customer experience as well as simplifying the credit assessment process in this segment. In addition, through the Evolve Series - our CSR intervention in this space, we continue to contribute to capacity building and knowledge enhancement among sector participants. During the year, we touched close to 3,800 SME participants in 26 cities under the Series.

*We have continued to remain a strong banking partner to the government sector across India, and are working closely with government departments and public sector undertakings at both the central and State levels, various autonomous and local bodies, as well as educational institutions. Our portfolio of solutions is contributing not only to achieving better governance and improved fiscal management amongst our government clients, but also towards more efficient and transparent delivery of benefits and services to the citizens.*

Our bouquet of digital solutions covers key sectors such as urban development, mass transportation, and agriculture and allied services, among others, in both rural and urban India. Our integrated digital dairy platform enables timely payment to over 7 lakh dairy farmers across India, we are the third largest issuer of FASTags in the country, and our Smart City solution is enabling citizens in various cities across the country to go cashless and access civic services effortlessly.

In addition to our business engagements, we have also endeavoured to support the country's government sector on diverse national mandates as a part of our social responsibility initiatives, notably the Swacchh Bharat Mission.

*Since the beginning of the COVID-19 outbreak, we have been actively supporting municipal corporations, police departments, district administrations and other first responders across India towards meeting their urgent medical and sanitation equipment requirements in*

***battling the pandemic.***

The challenges that we are facing today may linger on for some more time, before the economy and its various participants move towards a meaningful and sustained recovery. However, our early assessment and proactive measures to manage the evolving situation, a conservative stance on risk, and a sharper focus on customer coverage places us in a better position for success going forward. I thank all our stakeholders for reposing their faith in us as we evolve into a stronger and more resilient organisation and look forward to a brighter future.

Warm Regards,

**Rajiv Anand**

Executive Director, Wholesale Banking

## Message from Executive Director (Retail Banking)



The spirit of “Open” has been an essential part of our ethos since we began our organisational journey over 26 years ago. A strong and mutual feeling of trust has been the bedrock of our cherished relationships with our customers, our partners, our employees, and the community at large, enabling us to create and deliver value across diverse facets of India’s economy and its society.

When our first branch opened in Ahmedabad in April 1994, we were among the first new generation private sector banks to be established in the post-liberalisation India. Today, we are considered among the most valuable banking brands in the country, with a formidable physical and digital presence that touches millions of customers in each and every corner of the country, helping meet their needs and aspirations even in the most challenging of circumstances.

The deep impact of COVID-19 continues to linger even as society and the economy try to move towards normalcy. On the retail banking side, given the diversified and secured nature of our lending portfolio and strong credit underwriting and risk practices, we had been better prepared to meet the challenges head on.

*An early assessment of the pandemic’s economic impact enabled us to recalibrate our business practices and take corrective actions early into the pandemic.*

All of our key retail initiatives launched during the year, such as the Prestige Savings Account, Burgundy Private, Magnus credit card, among many others, achieved significant traction, aided by improved efficiencies across physical and digital channels through process transformation and automation. The omni-channel customer experience achieved through our efforts especially strengthened our ability to serve our customers amidst the ongoing pandemic, even as we continue to strive towards even greater customer-centricity and relationship management.

Axis Bank’s digital banking channel has been shaping up exceptionally well. Notably, 71% of the Bank’s active customers are digitally active, and 62% of savings accounts, 60% of fixed deposits, and 44% of personal loans, were sourced digitally in FY 2019-20.

With a market share of 15%, we have 92 million VPAs registered with us in UPI, and significantly, our mobile banking platform witnessed a 92% increase in mobile transaction volumes during the year.

The rural and semi-urban economic landscape continues to be a focus area for the bank. We initiated the 'Deep Geo' initiative during the year to deepen our presence in rural and semi-urban markets, covering 387 branches out of the targeted 1,500 branches by March 2020. The Bank currently offers its rural lending products in 584 districts in the country, covering customer segments including Self-help Groups, rural entrepreneurs and farmers, among many others. Axis Sahyog, our retail microfinance program, is associated with over 1.7 million women borrowers in 25 states and 1 union territory as on March 2020.

In addition to our banking services, we are also actively driving financial literacy in urban and rural areas under the Axis Sahyog program, conducting financial literacy programs, camps on mass awareness and healthcare and skill development, covering thousands of participants. Through Axis Sahaayata, a focused disaster relief initiative under Axis Sahyog, the Bank provided direct relief to thousands of flood-affected families in 4 states in the country.

*While we expect the COVID-19 pandemic may continue to affect consumer confidence and the economic environment in the short to medium term, our early preparedness, reinforced risk and underwriting frameworks, improved process efficiency, and a continued focus on sustainability and conservatism in our business strategy, shall continue to support our preparedness and most importantly, enable us to serve our stakeholders in the most meaningful manner.*

I thank our valued stakeholders for their unstinted support in these unprecedented times, as we continue to work together towards a stronger and brighter tomorrow.

Warm Regards,

**Pralay Mondal**

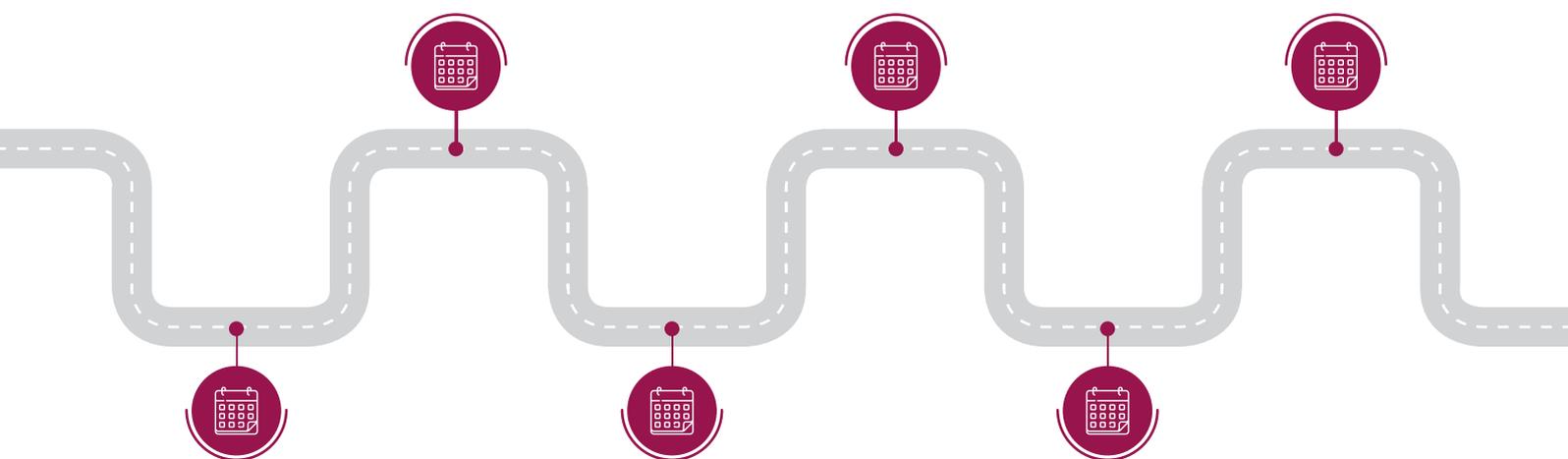
Executive Director, Retail Banking

# Milestones during the year

Axis Bank included in FTSE4Good Emerging Index for third consecutive year  
**June 2019**

Axis Bank announces appointment of Naveen Tahilyani as Group Executive and Head – Banking Operations and Transformation and Amit Talgeri as Chief Risk Officer  
**December 2019**

Puneet Sharma appointed as CFO by the Board of Directors of the Bank  
**March 2020**



**June 2019**  
RBI approves the appointment of Rakesh Makhija as Non-Executive Chairman for a period of three years from July 18, 2019

**September 2019**  
Axis Bank raises ₹12,500 Crores in India's largest qualified institutional placement (QIP) by a private sector issuer

**January 2020**  
Axis Bank launches its new brand philosophy and campaign, 'Dil Se Open'

# How we create value

The Banking sector can be considered the lifeblood of any economy, given that it plays the role of channelising vital funds into meeting complex and diverse financial requirements of citizens, small businesses, corporates, civil society organisations, and governments, as well as being a channel for savings and investments. As one of India's most valuable banking brands, Axis Bank has been serving the diverse needs of the nation for over 26 years, enabling sustainable value creation for our customers, our employees, our communities, and indeed, our entire stakeholder spectrum.

Our organisational vision is "to be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology". Our vision is guided by our five core values of Ethics, Customer Centricity, Teamwork, Transparency and Ownership, as we strive to sustainably create and protect value for all our stakeholders.

Through our banking activities, we meet the financial needs and requirements of our millions of customers, from diverse backgrounds and spread across different geographies. We support the creation of crucial social infrastructure, drive financial inclusion for the un-banked and under-banked, and contribute to diverse national developmental agendas such as climate action, among others. Our engagement with various government entities has helped strengthen governance systems and delivery, our investments in human capital enable the thousands of our employees remain engaged, productive and secure, and our contributions in the community help critical developmental interventions reach the last mile.

## Progress on GPS (Growth, Profitability, Sustainability)

In 2019, we had outlined our medium term strategy to guide us under the vectors of 'Growth, Profitability, Sustainability' (GPS), One Axis and our organisational values. These vectors entail:

### Growth

Deliver above average growth of deposits (CASA+RTD) and advances

### Profitability

Deliver a consistent RoE of 18%; drive operating cost efficiencies

### Sustainability

Be predictable and well managed

### One Axis

Drive a culture of unity across the Bank's various departments, products and subsidiaries

While the COVID-19 pandemic may have altered our near term business strategies, we continue to maintain our focus on GPS's key goalposts. In addition, we have developed strategic initiatives across business and support functions to maintain an agile response to the pandemic that we believe shall bring us out of this crisis as a stronger bank.

We have maintained a relentless focus on disciplined execution and building sustainability into our business performance and operations, significantly fortifying the risk and compliance function and compliance culture across the organisation, in addition to strengthening the credit function. We have remained conservative in our stance when it comes to rating downgrades, asset classification, and provisioning.

During the year, we made significant progress on each of the three vectors of GPS, putting in enablers and new initiatives that can help us achieve higher growth, maintain profitability and build deeper resilience across the organisation. Even though the current external environment may delay our initial timeline for GPS, we remain on the right track towards our aspirations. For more details on our performance under our GPS strategy, please access the MD & CEO's Message on page 14 of the Annual Report 2019-20.

## An Integrated Approach

During the year, we significantly scaled up the 'One Axis' ethos across the Axis Group, projecting the Bank and its subsidiaries as "one" comprehensive suite of products, services and solutions, thus resulting in a deepening of relationship with our key clients and other stakeholders.

To further strengthen the 'One Axis' ethos across the Axis Group, we launched a new brand philosophy, 'Dil se Open' (Open from the heart) with uniform visual brand identify for the Bank and its subsidiaries across all digital and physical touch-points.

The 'One Axis' ethos may be considered a strategic manifestation of the Integrated Reporting framework adopted by the Bank since 2018 towards communicating its value creation across its business and non-business activities, underpinned by its organisational strategy, corporate governance, and systems and processes.

This is the Bank's third Report that is based on the <IR> Framework by the International Integrated Reporting Council (IIRC), adopting a 'Capitals' based reporting approach. In brief, Capitals are stocks of both qualitative and quantitative value created by an organisation's activities.



### Financial Capital

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



### Manufactured Capital

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



### Intellectual Capital

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



### Human Capital

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



### Social & Relationship Capital

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



### Natural Capital

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

## The Bank's Value Creation Process

The Bank's value creation process has been derived from the Integrated Reporting framework and covers the Bank's activities and impact across business activities, systems and processes, human capital management, and community action.

As an organisation, our value creation is reflected through our business and non-business activities across each of the six capitals, such as profitability in Financial Capital, branch expansion in Manufactured Capital, digital leadership in Intellectual Capital, employee productivity in Human Capital, community impact in Social and Relationship Capital, and energy-efficient operations under Natural Capital. Our value creation is influenced by various factors such as the external environment, our business model, risks and opportunities, and our governance standards.

Our core values of Customer Centricity, Ethics, Transparency, Teamwork and Ownership play a large role in our value creation process that aims to deliver value for the Bank and its various stakeholders over time.

Axis Bank's business model leverages its unique value drivers to provide high quality products and services and create value for all of all its stakeholders in a responsible and sustainable way. Our strategy defines the businesses that we will do and use our resources to build competitive advantages.

Our well-structured governance framework is in place to ensure effective execution and efficient risk assessment and management over short, medium and long time. A pictorial depiction of the Bank's value creation model can be accessed on page 12 of the Bank's Sustainability Report for FY 2018-19, accessible on our website.

## Alignment with global sustainable development agenda

The banking sector plays a central role in driving economic development and has the opportunity to catalyse the economy on a pathway of equitable and sustainable development. Over the past years, especially in India, the agenda for sustainable development has increasingly gained more prominence and become mainstream. As a financial institution, we remain aligned to the principles of sustainable economic development and it is an integral part of our organisational strategy and commitment.

Axis Bank is committed to propagating the global 2030 Agenda for Sustainable Development and is consciously aligning its activities to the pertinent Sustainable Development Goals (SDGs). The Bank recognises that sustainable development is clearly in the long-term interests of business and the global economy, and places great importance on promoting and understanding these goals both at an internal level and externally among all its stakeholders.

Axis Bank's business and social impact initiatives are also geared towards contributing to India's commitments towards meeting the SDGs. At present, the Bank has recognised that its activities are aligned to 12 SDGs, which have been tabled below, and have been marked in pertinent sections of this Report.

### SDG 1 - No Poverty



Microfinance under Axis Sahyog	42-43, 84-86
Sustainable Livelihoods initiative by Axis Bank Foundation (ABF)	74-76, 78-81
Dairy sector intervention by Transaction Banking	53

### SDG 3 - Good Health and Wellbeing



Health camps managed by Axis Microfinance team	86
Employee wellbeing initiatives taken by Axis HR vertical	69-70

### SDG 4 - Quality education



Axis DilSe initiative in Leh & Ladakh	82-83
Financial literacy and Inclusion programs	83, 84-86
Skill development interventions under ABF's Sustainable livelihoods program	76, 80

### SDG 5 - Gender Equality



Women- focused micro-finance initiatives under Axis Sahyog	42-43, 84-86
SHG formation initiatives for rural women under ABF's Sustainable livelihoods program	76, 79
Promoting diversity within Axis Bank	62-63, 72-73

### SDG 7- Affordable and clean energy



Investing in Renewable energy generation for Banking operations	92
Lending to Renewable Energy Sectors	87
Energy saving initiatives for banking operations	91, 93-94

### SDG 8 Decent Work and Economic Growth



Microfinance initiatives under Axis Sahyog	42-43
Skill development initiatives by ABF	76, 80
SHG creation and capacity enhancement for Rural Women under ABF's Sustainable livelihoods program	76, 79

### SDG 9-Industry Innovation and Infrastructure



Lending to Mass Rapid Transport	87
Lending to and capacity building for the MSME sector	44, 83
Government banking services for urban local bodies, urban and rural development departments	55, 58
Energy efficiency initiatives in our operations and processes	91, 93-94

### SDG 10 - Reduced Inequalities



Products and services under Priority Sector Lending	44
SHG creation and capacity building in rural India by ABF	76, 78-80
Microfinance initiatives under Axis Sahyog	42-43, 84-86

### SDG 11 – Sustainable Cities and Communities



Partnering with Government agencies on e-governance	54-59, 84
Lending to Mass Rapid Transport and green infrastructure	87
Issuance of FASTags and collection of toll fees	53
Mandates under India’s Smart Cities Mission	54-55

### SDG 12 – Responsible consumption and production



Resource savings from digitalisation of products and processes	38, 52
Driving waste management initiatives in Axis Bank offices	92, 94

### SDG 13 – Climate Action



Investing in Renewable energy sectors	87
Building climate resilience in rural sector under ABF’s Rural Livelihoods initiative	75-76
Green bond issuance and use of proceeds	87

### SDG 15 – Life on Land



Interventions under Rural Livelihoods by ABF	74-76
Tree plantation initiatives supported by Axis Cares	95-96

\*The SDG alignment of our business activities and community investment programs has been represented as per our own internal assessment and is not meant to follow any framework.

\*\*Green Bond Impact Report 2019-20 is available on Axis Bank website at <https://www.axisbank.com/csr/csr-reports-disclosures>

# Analysis of our material issues

Axis Bank remains cognizant that its activities directly or indirectly impact a myriad of stakeholders, ranging from customers, regulators, peers, business partners, to communities. We believe that communicating with our stakeholders transparently and engaging with them meaningfully is key to fostering and maintaining strong and long term relationships with our stakeholder spectrum. The Bank’s new brand philosophy, ‘Open’ demonstrates the Bank’s organisational ethos of being open to our stakeholders’ ideas and suggestions.

In GRI parlance, stakeholders are those individuals, groups and organisations that materially affect or could be affected by our business activities, products, services and performance. Our engagements with our diverse range of stakeholders help us better understand the social, environmental and economic impacts, including indirect impacts, of our activities, and their feedback, guidance and also critiques enables us to perform as a responsible corporate citizen.

Proactive and focused engagements with diverse sets of stakeholders helps identify material issues, evaluate business strategy and operations, products, services and solutions, minimises reputational risk and positively influence our internal and external environment. We continue to engage with our diverse set of stakeholders on a continual basis in the following ways:

Stakeholders	Modes of engagement	Frequency
 Shareholders & Investors	<ul style="list-style-type: none"> <li>• Investor Meets</li> <li>• Top Management roadshows</li> <li>• Investor grievance channels – Whistleblower mechanism, emails</li> <li>• Face-to-face meetings</li> <li>• Annual General Meeting</li> <li>• Annual Report and Sustainability Report</li> <li>• ESG assessments by investor-focused agencies</li> <li>• Investor Relations portal on website</li> </ul>	Need-based Periodically Annual Ongoing
 Customers	<ul style="list-style-type: none"> <li>• Formal and informal means at branches, offices and on ground</li> <li>• Social media communications</li> <li>• Print and television marketing campaigns</li> <li>• Customer Care channels – App, telephone, email, website</li> <li>• Customer Satisfaction surveys</li> <li>• Financial Literacy programs</li> <li>• Brochures and word of mouth</li> </ul>	Ongoing Eventual Periodic
 Senior Management	<ul style="list-style-type: none"> <li>• Board meetings</li> <li>• Management Committee meetings</li> <li>• Axis Blitz program</li> </ul>	Ongoing

Stakeholders	Modes of engagement	Frequency
 Employees	<ul style="list-style-type: none"> <li>• Town Halls</li> <li>• Training and capacity development programmes</li> <li>• Whistle-blower mechanism</li> <li>• Annual performance appraisals</li> <li>• Intranet portal – MyConnect</li> <li>• Internal communications - webcasts, newsletters, surveys, mails</li> <li>• Axis Cares - Employee payroll giving</li> <li>• Senior management visits to locations</li> </ul>	On-going Eventual
 Regulatory Authorities	<ul style="list-style-type: none"> <li>• One-to-one as well as group meetings</li> <li>• Telephone, email and mail correspondence</li> <li>• Periodical submission of business &amp; operational performance</li> <li>• Mandatory regulatory filings including to RBI and SEBI</li> <li>• Engagement at banking platforms and meetings</li> </ul>	Periodic Need-based
 Community & NGOs	<ul style="list-style-type: none"> <li>• Direct CSR initiatives at multiple locations</li> <li>• Axis Cares - Employee payroll giving</li> <li>• CSR interventions by Axis Bank Foundation and its implementation partners</li> <li>• Whistle blower Mechanism</li> </ul>	Periodic Need-based Ongoing
 Industry & Peers	<ul style="list-style-type: none"> <li>• Industry and trade associations</li> <li>• Participation in multilateral platforms</li> <li>• Direct, one-on-one engagements</li> </ul>	Eventual Need-based
 Vendors and service providers	<ul style="list-style-type: none"> <li>• One-on-one vendor meets</li> <li>• Techno-commercial discussions and service engagements</li> <li>• Governance-related meetings</li> <li>• Supplier Assessments</li> <li>• Email, telephone and mail communications</li> <li>• Whistleblower Mechanism</li> </ul>	Ongoing Periodic Need-based
 Media	<ul style="list-style-type: none"> <li>• Press Releases</li> <li>• Interviews in print and television</li> <li>• Emails and telephonic communications</li> <li>• PR agency partnerships</li> <li>• Media Days</li> </ul>	Eventual Ongoing
 Academia	<ul style="list-style-type: none"> <li>• Campus Placements</li> <li>• Campus engagements</li> <li>• Common industry forums</li> </ul>	Ongoing

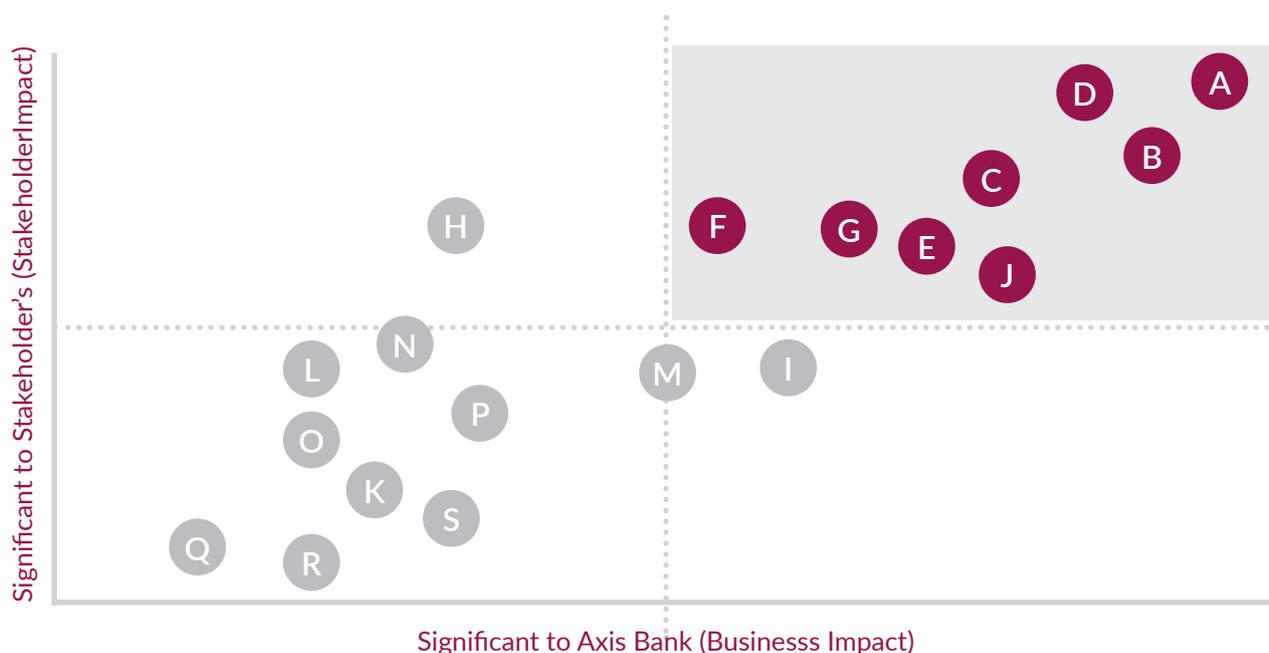
## Identification of material issues

As part of its diverse and ongoing stakeholder engagements, the Bank recognises the myriad issues, topics and concerns that are relevant to its stakeholders, and may shape our ability to create value for them. Being cognizant of our stakeholders' issues allows the Bank to not only respond effectively to its stakeholders but also serves as an opportunity to address emerging risks and leverage opportunities, thereby future proofing its business. The material issues are identified, prioritised and integrated within the overall business strategy to make business sustainable for the long run.

In 2018, the Bank conducted an exhaustive and

detailed stakeholder engagement & materiality analysis (SEMA) exercise with diverse range of stakeholders to identify key issues which are material to its stakeholders and the Bank. The stakeholder engagement was conducted by a third party expert to identify key material issues and define priorities in an unbiased manner. The material topics thus identified in the comprehensive exercise are reflected in the content of the sustainability report and are in accordance to GRI standards disclosure and DNV GL's VeriSustain Protocol. Please refer to page 28-30 of the Sustainability Report 2017-18 for more details on the SEMA exercise and its outcomes.

The Materiality Matrix from the SEMA exercise 2017-18 has been depicted below.



- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>A. Risk control measures for fraud and money laundering</li> <li>B. Compliance to applicable regulations and standards</li> <li>C. Transparent information and fair advice to customers</li> <li>D. Customer privacy and data security</li> <li>E. Employee safety and security</li> <li>F. Creating right competencies across levels</li> <li>G. Healthy and non-discriminatory workplace</li> </ul> | <ul style="list-style-type: none"> <li>H. Integrating E&amp;S risk factors in investment and lending decisions</li> <li>I. Committing to Human Rights principles</li> <li>J. Leadership development and succession planning</li> <li>K. Enhancing employee diversity</li> <li>L. Optimising resource efficiency</li> <li>M. Create innovative products to improve financial access for marginalised sections</li> <li>N. Financial literacy</li> </ul> | <ul style="list-style-type: none"> <li>O. Community development</li> <li>P. Brand enhancement as environmentally &amp; socially responsible organisation</li> <li>Q. Extending ESG policies to supply chain</li> <li>R. Waste management</li> <li>S. Managing our carbon footprint</li> </ul> |
|--|--|---|

A brief discussion on the top twelve material issues, their relevance to the Bank and our response has been discussed below:

## **A Risk control measures for fraud and money laundering**

With greater technology adoption and digitalisation of banking activities, the potential for committing fraud and money laundering has both risen as well as become more complex, especially as customers are increasingly more vulnerable as they adopt digital banking. Prevention of fraud and money laundering is a significant material issue for banking and financial institutions.

Axis Bank has strong organisational systems in place that not only works towards securing its own systems but also strives to work more closely with customers and pertinent stakeholders such as regulators and law enforcement agencies. Additional commentary on this material issue can be read in the 'Information Security and Cyber Security' and 'Risk Management' sections of the Management's Discussion and Analysis in the Bank's Annual Report 2019-20.

## **B Compliance to applicable regulations and standards**

Compliance is a significant material issue for the Indian banking sector that operates in a highly secure and regulated environment. At the Bank, the culture of compliance starts at the Board and top management level which play a critical role in driving the culture across the organisation. The Bank's Compliance Department has the responsibility for ensuring that all its activities are conducted in strict adherence to the Central Bank's and other pertinent regulators' guidelines and the various statutory provisions, codes and guidelines prescribed by industry bodies such as Banking Codes and Standards Board of India (BCSBI) and The Fixed Income Money Market and Derivatives Association of India (FIMMDA). The Bank has in place robust compliance policies, and a strong training and awareness program to strengthen the culture for compliance at the Bank. Compliance at the Bank has been discussed in detail in the 'Compliance' section of the Management's Discussion and Analysis in the Annual Report 2019-20.

## **C Transparent information and fair advice to customers**

'Customer Centricity' is one of the core five philosophies at the Bank, and indeed at the very heart of our purpose as an institution. As a full service financial institution serving the diverse needs of India's large and growing economy, our customer base ranges from individuals to small businesses to corporations to governments. The Bank operates in a sector with very strong systems and processes in place for ensuring the highest level of customer transparency and fair selling. In addition to a strict adherence to the various codes and policies put in place by the Reserve Bank of India and the Banking Codes and Standards Board of India (BCSBI), the Bank has in place diverse policies covering the gamut of customer-focused transparency backed by adequate systems and processes.

## **D Customer privacy and data security**

As consumers increasingly make digital and online modes of banking their primary, and in many cases, their only choice, for availing banking and financial products and services, the criticality to ensure protection of customer privacy and data security has also risen manifold. For financial institutions, ensuring having adequate systems to ensure the privacy and data of their customers is protected is critical, and can be a significant factor in winning customer trust and loyalty.

Ensuring the protection of our customers' privacy and their data remains a critical material issue for us, and we continue to endeavour to strengthen our policies, systems and processes that are fool proof and responsive to any emerging threats at all times. Additional commentary on this topic can be accessed in the 'Information technology and Cyber Security' section of the Management's Discussion and Analysis section in the Annual Report 2019-20.

## **E** Employee safety and security

Our employees remain the most critical pillars of our organisation, with each of our over seventy four thousand employees imbuing and delivering on the Bank's core values every day. Our policies and systems are designed to ensure that not only are our employees empowered to contribute to the best of their abilities, but also that they can work in the most safe and secure work environment. Especially as COVID-19 has demonstrated, the physical safety of employees remains a pertinent material issue for all organisations. The Bank shall continue to strengthen its existing systems and processes, as well as training and awareness, to ensure workplace safety for all our employees.

## **F** Creating right competencies across levels

As a service organisation, the intellectual capital represented by the skills and expertise of our employee base is a critical asset for the Bank. We continue to invest in ways that can nurture the capabilities and skills of our employees, through timely and appropriate training, opportunities for skill enhancements, and fair and timely opportunities for career progression within the bank. We have in place an effective talent acquisition and management strategy aimed at building a result-oriented and customer-centric culture across the organisation. There are additional details on this topic in the Human Capital section of this Report.

## **G** Healthy and non-discriminatory workplace

A healthy and non-discriminatory workplace is critical to ensuring a conducive and productive work environment. As such, this continues to be a significant human capital priority for the Bank, with robust policies and systems in place to not only provide for a discrimination-free workspace but adequate measures in place for fair and timely grievance redressal. There are additional details provided in the Human Capital section of this Report.

## **H** Integrating E&S risk factors in investment and lending decisions

The spectrum of risks that modern day investments face is expanding constantly, and risks related to environment, society, reputation, among others, are becoming more prominent in their omnipresence and impact. Globally, risk frameworks are responding to such emerging risks, more so in the financial sector which manages complex and large portfolios of investments, liabilities, deposits and many other financial instruments. The Bank has in place the Sustainable Lending Policy and Procedures that incorporates environmental and social risks into its credit appraisal mechanism, significantly augmenting our ability to recognise and respond to such risks in our potential lending decisions. More details can be accessed in the Natural Capital section of this Report.

## I Committing to Human Right principles

We recognise that each and every individual's basic human rights must be respected and protected, and have strived to imbibe an organisational culture where such rights of all our stakeholders are recognised, respected and protected. We have in place pertinent codes and policies that lay down the processes on how we conduct our activities, as well as the expectations from all our employees. We augment the policies and processes with adequate awareness and training interventions to ensure that such values remain strongly imbibed in all that we do at all times. While there are no employee unions at the Bank, it respects the right to 'freedom of association' for all employees, and the Bank has in place a comprehensive whistle-blower mechanism for all stakeholders to address their concerns or flag any issue in any aspect related to the Bank.

## J Leadership development and succession planning

Providing our strong employee community the right opportunities to grow and succeed within the organisation in a fair, transparent and timely manner is a key material issue. As an organisation, we have strived to create a culture where employees aspire to become leaders and to put in place the policies and systems that create such leadership opportunities for them to step into. At the Board level, we have in place a succession planning process guided by a Succession Planning Policy for the appointment of its Directors and other key officials, that ensures continuity in achieving the Bank's strategic objectives.

## M Create innovative products to improve financial access for marginalised sections

As an institution, Axis Bank has always strived to play a greater role in the economic advancement and equitable development of the country. As one of the largest private sector banks in India, we cater to a diverse range of customer groups ranging from the largest conglomerates to small self-help groups in rural and urban India. Advancing the financial inclusion and economic development of economically weaker sections has always remained a priority for the Bank, and it has a wide range of products and services that cater to their needs and requirements. Technology has played a very important role in helping the Bank advance its financial access agenda across the country, as it has enabled us to overcome the physical limitations and difficulties in reaching the farthest corners of the country. We also play a very prominent role in driving governance initiatives and delivering the policy interventions by the government, and work on various mandates of national importance.

## N Financial literacy

Even though millions of Indians have entered financial mainstream in India, there remain millions who are still partially or not integrated to the mainstream economy. In alignment with the material issue of driving greater financial access in the farthest reaches of the country, the Bank also strives to drive greater financial literacy in rural and urban India through diverse interventions. Scaling up financial literacy not only is a key material issue for us but also a business imperative. Our financial literacy interventions have been covered in the Social and Relationship Capital section of this Report.

## Mapping of our material issues with the relevant sections in the Report and their alignment with GRI Standards.

Sr. No.	Material Issue	Relevant Capital	GRI Alignment	Page Number
1	Risk control measures for fraud and money laundering	Corporate Governance	GRI 102 – General Disclosures: 102-11, 102-15, 102-30	28, 34-36 AR 2019-20: 61, 85-86, 104-105, 231
2	Compliance to applicable regulations and standards	Corporate Governance	GRI 102 – General Disclosures: 102-11, 102-16	28, 33, 71-72 AR 2019-20: 83, 85-86, 100-101, 116, 118
3	Transparent information and fair advice to customers	Corporate Governance, Financial Capital	GRI 102 – General Disclosures: 102-43, 102-44 GRI 417 – Marketing and Labelling: 417-2, 417-3	28, 38-39 AR 2019-20: 105-106
4	Customer privacy and data security	Corporate Governance, Financial Capital	GRI 418 – Customer Privacy: 418-1	28, 38-39 AR 2019-20: 105-106
5	Employee safety and security	Human, Manufactured Capitals	GRI 102 – General Disclosures: 102-8, 102-44	29, 60-61, 70-73 AR 2019-20: 46, 88-89
6	Committing to Human Right principles	Human, Manufactured Capitals	GRI 102- General Disclosures: 102-16, 102-17, 102-41	30, 48, 63, 72
7	Create innovative products to improve financial access for marginalised sections	Financial Capital, Intellectual Capital	GRI 102 – General Disclosures: 102-2, 102-15, GRI 203 – Indirect Economic Impacts: 203-1, 203-2	30, 39, 42-43, 44, 51-52, 53, 56
8	Leadership Development and Succession Planning	Corporate Governance, Human Capital	GRI 102 – General Disclosures: 102-15	30, 62-63, 67-68 AR 2019-20: 49-50, 103-104
9	Financial literacy	Financial, Social and Relationship Capitals	GRI 102 – General Disclosures: 102-2, 102-15, 102-43	30, 59, 83-86 AR 2019-20: 153-154

## Responding to External Material Factors

In an increasingly dynamic external environment, the ability of an organisation to recognise and respond to external factors is critical to their stability and growth. As an organisation, the bank is continually assessing and planning for its perceived risks and opportunities. As a financial institution, we continue to believe that

India remains one of the most promising economies globally, and strive to play a larger role in its development. The MD & CEO's Message in the Annual Report 2019-20 highlights some of the risks and opportunities that the Bank has responded to during the year and intends to prioritise going forward. The Message can be accessed on pages 10-15 of the Report at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

At time of crisis, banks and financial institutions can, and have played a critical role, by taking the right actions that not only aim to moderate the economic damage from a crisis but also respond to the relief and recovery needs. During the COVID-19 crisis, Axis Bank has responded with agility and alacrity in navigating the odds.

The Bank's sharpened state of preparedness during the pre-lockdown stage in India reflected in its readiness in days during the lockdown and post-lockdown days. The Bank has been continuously monitoring the situation and taken proactive steps to protect and support its stakeholders. As an essential service, it was providing uninterrupted and seamless services to customers through digital channels and branches, and as a responsible corporate citizen, it continues to support vulnerable sections of society and stand as one with the nation.

Even as COVID-19 pandemic continues to test the resilience of societies, businesses and economies at an unprecedented scale, many global, and increasingly inter-connected risks remain. Institutions such as the United Nations and the World Economic Forum have postulated that the pandemic may aggravate existing challenges such as climate related risks, economic inequality and involuntary migration. Even as businesses, economies and international borders open, the pandemic may fundamentally alter how businesses respond to situations, interact with their stakeholders and plan for the future.

The criticality of preserving and protecting human health has never been felt more than amidst this pandemic, as countries across the globe were scrambling for more ventilators and other hospital equipment, personal protective equipment, hand sanitisers and other essential commodities. Going forward, human health is expected to be at the forefront of individual, business as well as national priorities.

The pandemic has also exposed a greater need for adequate support to the socially vulnerable sections of society such as the elderly, who remained the most at risk to the threat to personal health from the virus, persons with disabilities, who faced challenges accessing health services among other social and economic challenges, and children and youth, whose education cycles have been severely disrupted and millions still remain away from schools and universities.

Multiple commentaries have predicted that the pandemic may push back climate action globally as policy makers and businesses may be compelled to scale back climate-linked commitments to fund relief and recovery. Notwithstanding the response to the pandemic, climate related risks such as floods, rising environmental pollution, natural disasters remain significant global risks and must be responded to. In a positive outcome, there is a global call for a low-carbon post-pandemic recovery, which may nudge economies to accelerate commitments or make new commitments.

Digitalisation of the global economy may be among the most significant outcomes of the COVID-19 pandemic, as individuals, businesses and governments, moved online to meet their business, entertainment and communication needs. At Axis Bank, for example, while digitalisation is already a primary organisational focus, the pandemic accelerated the digitalisation of products and services, and business operations, as its customers adopted digital banking at a faster pace.

The pandemic also demonstrated the power of collaboration as governments, businesses, civil society and individuals came together to respond to the crisis and help chart the path to recovery. As an example, in response to the pandemic, the Bank is working with government authorities such as police departments, municipal corporations, district authorities and hospitals to help meet their immediate requirements for equipment and material, and is working with its NGO partners to deliver essential aid to vulnerable and affected citizens, in various parts of the country.

# Corporate governance

Axis Bank remains committed to achieving and adhering to the highest standards of Corporate Governance, and benchmarks itself against best practices. Its policy on Corporate Governance has been:

1. To enhance the long-term interest of shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of our other stakeholders such as depositors, creditors, customers, suppliers and employees.
2. To institutionalise accountability, transparency and equality of treatment for all our stakeholders, as central tenets of good corporate governance and to articulate this approach in our day-to-day functioning and in dealing with all our stakeholders.

The Report on Corporate Governance for the financial year 2019-20 along with the Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the Listing Regulations, forms part of the Bank's Annual Report 2019-20.

The Report on Corporate Governance can be accessed from page 92 of the in the Bank's Annual Report 2019-20 at [https://www.axisbank.com/annual-reports/2019-2020/pdf/Axis\\_Bank\\_AR20.pdf](https://www.axisbank.com/annual-reports/2019-2020/pdf/Axis_Bank_AR20.pdf)

## Sustainability Governance

Axis Bank has adopted a focused approach towards embedding sustainability across the organisation. The Bank's Executive Director (Corporate Centre) guides and oversees the Bank's overall sustainability-linked strategy and initiatives, including an assessment of its

material topics, at the highest level, as they cascade down across pertinent departments.

The CSR Committee of the Board oversees the Bank's CSR strategy and implementation, which is a critical aspect of its sustainability imperatives. In addition, pertinent members or Committees of the Board as well as management oversee various other aspects which form part the Bank's sustainability imperatives, such as reporting and disclosures, risk management, human capital, financial inclusion, among others. The Bank has adopted the Balanced Scorecard methodology to assess the performance of its leadership, and sustainability imperatives are a part of the Balanced Scorecard of select leaders.

## Risk Management

Axis Bank's risk philosophy and overall appetite is defined by its Board of Directors. Its risk management objectives and practices strive to balance the trade-off between risk and return, and towards ensuring that it operates within the Board-approved risk appetite statement.

Over the year, the Bank has focused on strengthening its data analytics capabilities to proactively manage risks. As an organisation, the bank generates large amounts of data assets continuously, and decisions around strategy, business and policy are being made all the time. The strong Analytics capabilities at the bank help to connect the dots towards driving value and creating new insights, driven by a 300+ member strong analytics team at the bank comprising data scientists, data engineers and business analysts with strong techno-functional skillsets.

The Bank has made focused efforts towards managing the risks related to the COVID-19 pandemic and has added specific measures in each of its tool boxes within the risk management framework.

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

A detailed analysis of the Bank's risk management framework and its associated policies and processes, internal audit and compliance, cyber security, and the role of its Board and management, have been provided on pages 82 - 85 under Risk Management as part of the Management's Discussion & Analysis, and on pages 102 - 103 as part of the Report on Corporate Governance, in its Annual Report 2019-20, accessible at <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>.

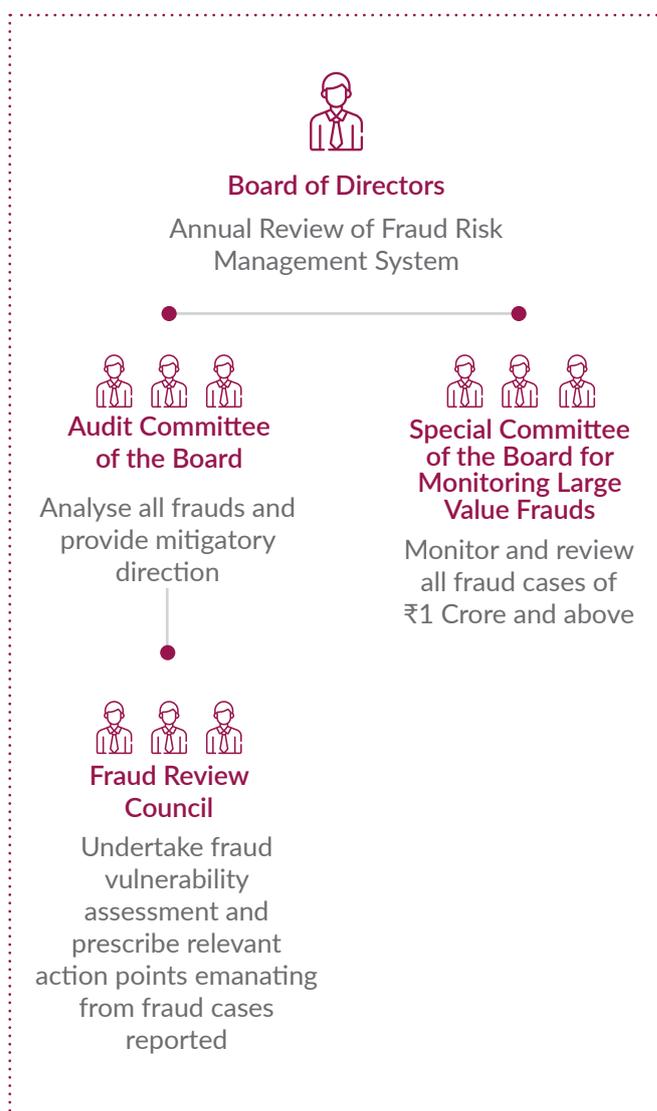
## Fraud Detection & Mitigation

The detection, prevention and mitigation of fraud remains a key material issue and an organisational priority for the Bank. Given the significant expansion in both the digital and physical reach and activities of not just the Bank but the entire economy, the criticality of maintaining secure banking and financial channels in an increasingly complex environment is further underscored. From a bank's perspective, equally important to mitigating the vulnerabilities within its own domain is ensuring the protection its customers, who are increasingly banking through digital channels.

The Bank's fraud related strategy and practices are driven at the highest level by the Board as pertinent leaders and departments manage its various aspects. Together, we endeavour to maintain a secure, 'least vulnerable to fraud' environment.

The Bank's Policy on Fraud Management & Reporting serves as a reference document and guidance for the internal oversight and detection framework, put into action through an end-to-end fraud risk management

system. We also have in place a safe banking strategy focused on not only our customers but the entire population, aimed at creating an environment of banking-without-fear. In a technology-driven banking environment, we have accelerated the adoption of Artificial Intelligence & Machine Learning to strengthen oversight.



*Governance structure for fraud management at the Bank*

## Engaging Stakeholders for creating awareness against fraudulent transactions

Personal conversations with our customers are a very effective medium to raise their awareness and response to fraud. Under the 'Let's Talk' program, we hold in-person conversations with our customers across branches focusing on cultivating safe banking habits. In addition, we have adopted diverse communication channels, including social media, print media, mobile communications and emails to continually drive home the importance of practicing safe banking. Our engagements with vulnerable customer groups such as students, and law enforcement agencies also happen through the year.

Within the Bank, the existing training systems and processes in place for employees are augmented by regular communication on best practices and actual case scenarios.

## Cyber Security

Cyber security remains a critical material issue for the Bank as digital modes of banking and personal finance become more widely adopted by stakeholders. Axis Bank pursues a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices and in compliance to regulatory guidelines.

The Bank's Cyber Security function aggressively pursues the objective of maintaining Cyber Security resilience through deployment of innovative and state of the art cyber security capabilities to protect the bank from ever evolving and changing threats.

The Bank's Cyber Security function has four verticals working towards meeting its objectives:



### Security operations

Operates 24x7 Security Operations Centre as the first line of defence, its cyber security analysts monitor critical infrastructure for indicators of cyber security breaches, and the vertical conducts cyber forensics investigations on suspected systems.



### Technology risk and controls

Performs sustained testing and validation of the Banks IT infrastructure to detect any security weakness.



### Vendor/3rd Party Cyber Security

Engages with Banks IT supply chain, and performs detailed cyber security assessments of critical vendors / 3rd party to assess their cyber security controls.



### Cyber security awareness

Manages a Cyber Security Awareness & Training program designed to enhance the cyber security culture at the Bank by training and enabling employees to incorporate security controls seamlessly into their day to day operations. Initiatives under the Program include:

1. Cyber Security Mondays, providing tips and awareness information to employees.
2. Monthly newsletter, providing an overview of cyber security issues, initiatives and other related news in peer organisations.
3. The Bank has an online Learning Management System (LMS) portal containing audio-visual, self-learning programs tailored to various employee/ user categories.
4. Focused classroom training and workshops for various bands of employees such as Top Management, Senior Management, IT Teams or End-users.

Apart from the above verticals, the Bank's Cyber Security Analytics function continues to evolve to address the new and upcoming cyber security threats by developing advanced cyber security threat hunting capabilities at the Bank.

The Bank's Cyber Security function's key initiatives during the year include:

**Secure Continuous Integration and Continuous Development (CI/CD)** - for cyber security-focused, and continuous development and integration into the software development life cycle (SDLC) for new business applications

1

**DevSecOps** - Integrates active cyber security reviews and penetration testing into the agile development model currently adopted by the Bank to develop its new business applications. DevSecOps provides assurance of security controls during the built phase of an application, thus helping to significantly reduce the release time

2

**24x7 Cloud Security monitoring** - Integration of Bank's cloud service providers and applications has been deployed to monitor its cloud assets and infrastructure towards detecting any cyber security related anomalies

3

Cyber Security function works closely with IT towards the evolution of secure cloud services for flexible and scalable platforms for new and upcoming banking models and business initiatives.

Towards securing the business and operational changes, such as 'work from home', necessitated by the COVID-19 pandemic, the Bank undertook several cyber security-related initiatives:

1. Remote working staff provided with encrypted VPN access with Two Factor Authentication.
2. Virtual Desktop Interface (VDI) for accessing Bank's sensitive applications.
3. End User Cyber Security control for remote users such as Anti-Virus & Anti-malware controls, secure browsing control and Data Leakage protection controls.
4. Anti-DDoS protection for Bank's IT infrastructure.

The Bank's cyber security systems are also discussed in the Management's Discussion and Analysis on pages 82 - 83 in the Annual Report 2019-20.

## Customer Privacy and Data Security

Customer privacy and the security of customer-related data are important material topics for the Bank. Having in place the appropriate customer privacy practices is a critical factor for building customer trust and long term loyalty. The Bank has in place the adequate policies and processes towards protecting customer privacy and data, with strong Board and management oversight. Notably, in the reporting year, the Bank has invested to comply with global privacy regulations including General Data Protection Regulation (GDPR), which is primarily associated with European customers and its principles are being adopted by various countries to actively guide the protection of data. While compliance with data protection principles remains paramount for the Bank, fairness in processing of customer data, especially of minors, is just as critical. For private data, there are appropriate control mechanisms that are enclosed into the landscape to ensure that any risks associated with privacy is appropriately managed.

# Driving business sustainably

Axis Bank has built a strong, customer-centric, multi-dimensional franchise spread across the length and breadth of the country. Customer centricity and providing a superlative customer experience are at the core of our diverse products and services offerings. We remain one of the strongest banking brands and among the top 20 brands in the country, standing apart from peers with a differentiated identity of being seen as an approachable and trustworthy institution. During the year, we launched new brand philosophy – Dil Se Open, which aims to cement further our strong brand value among our stakeholders, with a dual focus on bolstering customer-facing interfaces and simplifying and strengthening process gaps to enable employees deliver better customer experience on ground.

The COVID-19-related challenges in our macro environment have highlighted the need to have a nimble response to the emerging situation. We have identified various short and medium-term levers and crafted an action plan to help us navigate through the challenging situation while keeping an eye on future opportunities. We also see a window of opportunity to re-imagine the new normal, and focusing our efforts on accelerating digital adoption across various processes within the Bank, strengthening credit and risk policies, and proactively managing collections.

We have continued to engage with our customers leveraging digital channels, towards addressing their needs and concerns and ensuring delivery of smooth customer experience. Additional details can be accessed in the 'Business Overview' section of the Management's Discussion and Analysis on pages 71-73 of the Annual Report 2019-20.

## Process Transformation and Service Excellence

During the year, the Bank undertook a variety of customer-centric, process transformation projects with an aim to improve turnaround times, process efficiencies, productivity and our overall operational capabilities. Led by the Process Quality vertical, a team of experts is deploying the Lean and Six Sigma philosophy to drive implementation of the projects.

Led by the Process Quality vertical, the Bank has adopted the 'SAMADHAN' Project Management Tool for end-to-end tracking of various projects as well as creating a pool of structural thinking people at the bank. The Tool is formulated using the DMAIC Methodology, a project management framework adopted by the Bank that has been launched at the organisational level. With its set of planning, scheduling, resource allocation, progress tracking, and presentation tools, SAMADHAN has become an ideal package for project managers to streamline their projects and to stay on track till their success.

The Process Quality team and the Bank's Operations team played a critical role in the effective implementation of the Business Continuity Plan during the COVID-19 pandemic thus effectively managing disruptions and serving our customers at all times.

Additional details have been provided in the 'Process Transformation and Service Excellence' section of the Management's Discussion and Analysis on page 81 of the Bank's Annual Report 2019-20.

## Enhancing Customer Experience through Saksham



During the year, we continued to scale up Saksham, an enterprise-wide platform for enhancing customer experience and driving operational excellence. Saksham focuses on making processes simpler for branch users and adding delight to end users' experience. The platform has developed many 'Straight Through Processes' (STP) for processing service customer service requests in real time. Additional financial modules have also been developed to enhance the coverage of financial transactions that can be processed through Saksham. During the year, over 50 applications were integrated onto the Saksham single sign-on interface, allowed branches to function seamlessly without having to search for multiple application URLs.

Saksham has received strong positive feedback from stakeholders. 97% of users indicated complete contentment for the application and provided a positive feedback for the Saksham application. During the year, Saksham processed 13.30 Lakhs requests through the STP route, which we estimate has resulted in savings of 26.60 Lakhs sheets of paper, as the STP requests do not require customers to use the Customer Request Form, which is generally of 2 pages.

## Automating Branch Services

Over the last few years, the Bank has been investing in enhancing the efficiency with which we can serve our customers at branches through automation. We introduced self-service kiosks at branches wherein walk in customers can fulfil their essential banking requirements such as cheque deposits and passbook printing directly and securely. The usage of self-service kiosks has gradually risen with 80% of all passbook printing and 55% of all cheque deposits being done by the kiosks, highlighting their wider acceptability among customers.

### Self Service Terminals

Network (in Numbers)	As on March 2018	As on March 2019	As on March 2020
Passbook Printing Kiosks	357	547	569
Cheque Deposit Kiosks	100	251	286

Transactions	FY 2017-18	FY 2018-19	FY 2019-20
Passbook Printing Kiosk (in Lakhs)	6.92	35.82	47.52
Cheque Deposit Kiosk (in Lakhs)	4.76	40.14	67.03

## Initiatives for Retail Liabilities Customers

During the year, we significantly scaled up the digitalisation of products under Retail Liabilities that not only enhanced customer experience but contributed to lowering resource requirements for such offerings. For Example, the Bank introduced real time, tablet-based Fixed Deposit account opening for existing customers, thus reducing customer effort and enhancing their overall experience. Additionally, the initiative reduces the paper requirement as compared to the traditional mediums while helping save time on form filling and submission.

The Bank also focused on enhancing the personal financial planning and awareness for the retail liabilities customers. Two such initiatives include:

- **Financial Immunity Planner:** The Planner is a financial calculator that can factor in multiple variables to calculate a customer's funds requirements for various financial emergencies, making it especially relevant during the pandemic impact. The Bank also publishes relevant financial material to augment the calculator. The Financial Immunity Planner is receiving ~18,000 monthly views since going live in September 2019.
- **Money Quotient:** Money Quotient is an interactive monthly account statement sent to the Bank's Priority/Prestige and Prime customers. The statement introduced two new modules this year, Feature Utilisation - a view that tells the user of their utilisation of features built on their debit cards/account like lounge visits and cashbacks, and Financial Calendar - a calendar view of upcoming spends for a month based on their spends history, thus nudging the user towards better financial planning.

Additional digital and customer experience enhancing initiatives have been discussed in the Intellectual Capital section in this Report.

## Enhancing ATM Experience for the Visually Challenged

Axis Bank has among the largest terminal networks in India with 17,477 terminals comprising 12,044 ATMs and 5,433 cash recycler machines. In our ongoing commitment to provide outstanding customer service to our diverse base of customers, we have implemented Voice Guidance feature in all our ATMs to aid our visually challenged customers, while we are in the process for implementing the feature in the cash recycler machines. In this feature, voice instructions are provided while customers perform their ATM transactions, and ATMs are equipped with audio jacks to relay the voice instructions securely while maintaining customers' privacy.

## Digital Integration for Driving Growth

Adopting the latest technological innovations have been a key driver for superior customer experience at the Bank. We remain one of the leading banks in the country in the digital banking space, and continue to invest in upgrade our core systems for better scalability, stability and enhanced security.

A prime example to highlight the Bank's digital innovation initiatives is its 'Digital Lending platform' which enables quicker adoption of the capabilities needed to develop any lending product. We are leveraging Artificial Intelligence and Machine Learning to automate our back-end processes as well. The Bank won at the Cypher Analytics Awards 2019 for upgrading its internal audit systems using data science and AI techniques. The Bank's digital leadership has been discussed in detail in the Intellectual Capital section of this Report.

Additional details can also be accessed in the 'Business Intelligence Unit' and 'Information Technology and Cyber Security' sections of the Management's Discussion and Analysis on pages 82-83 of the Annual Report 2019-20.

## Gauging Customer Satisfaction

Axis Bank remains committed to delivering superior and world class services to its diverse customers through its varied product offerings and solutions. In the previous reporting year, the Bank had adopted a comprehensive and all-encompassing measurement framework, called Customer Journey Mapping (CJM), which gauges customer satisfaction service across all key touch points, journeys and the customer lifecycle. The broad outline of the CJM methodology:

- Need & information gathering: Ease of getting details about the product and first interaction with the bank
- Application phase: Application & documentation, making customers aware about key charges, features and Turn-Around Time (TAT) commitment
- On-boarding and sanction: Time for sanctioning and on-boarding, ease of tracking status in interim period, clarity on next steps
- Usage: ongoing interaction with product features
- Service: interaction at channels

To collect customer feedback, surveys are sent near real time over mobile text messages (SMS), emails and IVR.

- Scores at each stage owned by respective teams under the business unit
- Scores across each phase is aggregated to arrive at the CX score for business
- Scores across each business line aggregated to arrive at the CX score for Retail Bank

As of March 2020, CX Index is live for key business lines including Savings, Credit Cards, Retail Assets, NRI Banking and Forex card. For the said businesses, the overall CX Index score of Retail Banking stands at 66 as on March 2020) against an aspiration of 70 for FY 2019-20.



Launch of Axis Bank's new brand philosophy, 'Dil Se Open' at Axis House, Mumbai

# Financial capital

Financial Capital, or the value of financial resources obtained from our shareholders and other providers of capital forms the most essential resource for us as an organisation to function. Since our founding over 26 years ago, we have strived to invest our financial capital into building a formidable franchise that creates sustainable, long term value for its stakeholders and contributes to India's development.

## Economic Value Added

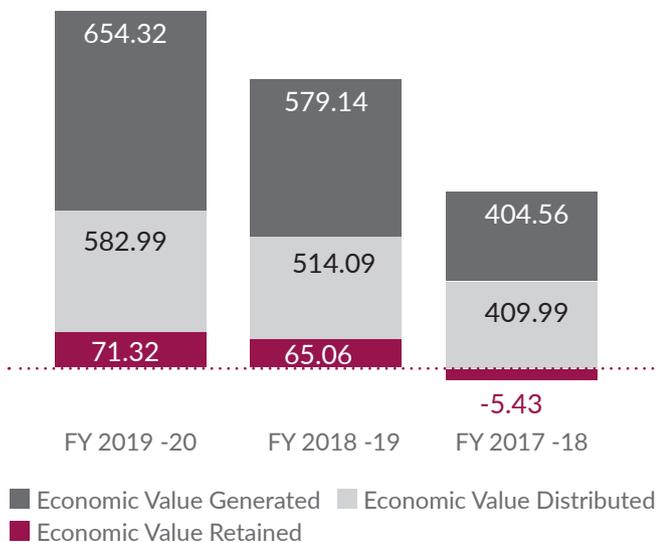
Axis Bank is among the largest and most visible financial institutions in the country, offering a wide array of financial solutions catering to the diverse sectors and stakeholders of the economy. Driven by our credo of 'Open', we strive to be an impactful enabler of change across all sections of society.

As a successful financial institution, we have not only generated economic value for our providers of capital, but to various participants in the economy. A strong balance sheet, a value-driven organisational culture, agility to adopt to change, and a strong service-oriented mindset has helped us create enduring value.

## Indirect Economic Contribution

As a financial institution, Axis Bank is deeply entrenched in diverse economic sectors and communities in each and every part of the country. Our activities, both on the business as well as non-business side, have a strong downstream impact on our stakeholders in a variety of ways. The economic ripple effects of the Bank's products and services, especially those catering to the unbanked and under-banked population of the country are significant. Our activities, which have been highlighted in this Report, have helped millions of individuals enter the mainstream economy, where they have opportunities to nurture their financial goals and aspirations. For example, the millions of women SHG members associated with our micro finance program have been able to support their families through their income generating activities, in turn strengthening rural India's overall socio-economic fabric and inspiring other rural women. The scale of our financial inclusion initiatives has been covered in this section. Our banking services in the agriculture value chain help support and strengthen the agri-based economy of the country, and contributes to growing the rural economy. The Bank is also a significant lender to sectors with a strong downstream social impact, such as education, healthcare, affordable housing, in both the retail and corporate space. The Bank is a significant player in the government banking space, working on diverse mandates aimed at enhancing government efficiency and transparency, and improving delivery of services to the citizens.

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



\*The values reported above have been calculated as per the GRI Standards - Disclosure 201 requirements.

Our investments in our employees, specifically in learning and development, enable them to gain the skills and competence that stays with them for the rest of their professional lives. The impact of our employee initiatives has been elaborated in the Human Capital section of this Report.

Our over 5,500 branches across India support the local economies where they are located, in addition to the banking services that they provide to the communities around them, by availing certain products and services locally and from local vendors. The downstream impact of our CSR activities has been elaborated in the Social and Relationship Capital section of this Report.

Our investments in communities under CSR have touched millions of people so far, helping them progress economically, securing their livelihoods, or strengthening their physical and social environment around them.

## Financial Performance

The Indian economy has been combating the unprecedented uncertainty caused by the COVID-19 pandemic since the start of calendar year 2020. The Bank has responded to the situation with agility and is navigating this challenging period with a strong capital position, adequate liquidity buffers and a stable deposits franchise.

In the reporting year, the Bank successfully raised ₹12,500 Crores of capital through one of the largest QIP issues in India by a private issuer, strengthening its Capital Adequacy Ratio to 17.53%. The Bank continued to demonstrate steady growth in profitability, growth in both the retail and wholesale businesses, and witnessed a decline in its NPA ratios coupled with stronger provision coverage.

Towards the end of fiscal 2020, as countries across the world were hit by the unprecedented global pandemic COVID-19, it is expected that the resultant economic and financial impact will be spread over a much longer time. Given this development, the Bank has continued

to remain cautious and conservative in its underwriting standards.

A detailed analysis of the Bank's financial performance is included in the Management's Discussion and Analysis in the Annual Report 2019-20 on pages 63-71. Axis Bank's shareholding pattern has been provided in the Bank's Annual Report 2019-20 on page 47.

## Mobilising Socio-Economic Impact across the Stakeholder Spectrum

### Axis Sahyog

Axis Sahyog is the Bank's retail microfinance program that was launched in 2013 with an aim to providing inclusive financial solutions in the unbanked and under-banked geographies in the country. Axis Sahyog today has helped bring millions of such families in both rural and urban India under the umbrella of formal banking. Axis Sahyog follows the Joint Liability Group (JLG) model and is driven directly or through its Business Correspondent (BC) partnerships, providing collateral-free, small ticket size loans to economically active women from households with an annual income of less than ₹160,000.

Since its launch, Axis Sahyog has continued to achieve significant growth, demonstrating the latent demand for mainstream banking in India's BOP communities, especially in rural India. Starting from 4 states in 2013-14, the program, housed under the Rural Lending vertical, was serving low income households in 25 states and 1 Union Territory, and associated with 1.73 million women borrowers as on March 2020. Rural lending products are offered in 584 districts across the country as on 31 March, 2020. During the year, over ₹2,800 Crores was disbursed and over 40,500 new accounts were opened under Axis Sahyog.

The Rural Lending vertical is also a distributor under the Pradhan Mantri Mudra Yojana (PMMY) of the Government of India, which is a national scheme providing loans up to ₹10 Lakhs to non-corporate, non-





An SHG meeting in progress under Axis Sahyog at Shirdi, Maharashtra

farm small and micro enterprises in the three categories of 'Shishu', Kishore' and 'Tarun'. As on 31 March, 2020, the Bank held 771,230 Shishu accounts, 26,272 Kishore accounts, and 13,339 Tarun accounts with a cumulative outstanding balance of ₹4,018.27 Crores.

The Bank is also a significant distributor of various social security, financial inclusion and pension schemes promoted by the Government, such as the PM Jan Dhan Yojana (PMJDY) and the Atal Pension Yojana. During the year, the Bank enrolled over 35,900 new

social security schemes, opened over 47,500 new PMJDY accounts, and cumulatively has over 554,600 customers enrolled under Atal Pension Yojana as on 31 March, 2020.

Apart from its business activities, the Axis Microfinance team also delivers on the Bank's agenda for financial literacy and awareness in its areas of operations. These activities have been discussed in the Social and Relationship Capital section of this Report.

### Axis Bank inks MoU with CSC to grow digital banking in rural India

During the year, Axis Bank announced the signing of an agreement with Common Services Centre (CSC) e-Governance Services India Ltd to enhance digital and kiosk banking facilities in rural unbanked and under-banked areas in the country.

CSC e- Governance Service India Limited is a Special Purpose Vehicle set up by the Ministry of Electronics and Information Technology (MeitY) to monitor the implementation of the Government's Common Services Centres Scheme (CSCs) in addition to ensuring systemic viability and sustainability of the scheme.

CSCs are digital access point operated and managed by Village Level Entrepreneurs (VLE) under India's

Digital India initiative and serve as delivery points for financial products and services mainly for rural citizens across the country. Under the agreement, the bank would closely associate with CSC VLEs, offering through them simplified banking solutions to the rural populace.



## Supporting the SME sector

With Small and Medium Enterprises (SME) expected to be a growth driver for the country over the medium term notwithstanding the near-term effects of COVID-19, we continue to focus on ensuring our strong presence in this segment, and launched a new segment, Commercial Banking Group (CBG), during the year to deepen our existing relationships with sector participants.

The Bank's SME book is very well diversified, comprising 35 broad sectors and spread across geographical regions, served through our strong branch network and 120 dedicated SME Centres. During the year, we implemented Project Sankalp, an SME digital transformation initiative to transform the SME business to improve efficiencies, customer experience and deliver year on year growth. Project Sankalp also simplifies the credit assessment process by adapting a digital workflow-based system to streamline the credit assessment process with an improved credit model. In addition to our business solutions in this sector, we have strived to enhance the capacity of sector participants through initiatives such as Axis Evolve and supporting the India SME 100 Awards, a national level recognition platform for SMEs.

A detailed commentary on the Bank's strategy and performance in the SME space has been provided in the section 'Commercial Banking Coverage Group' as part of the Management's Discussion and Analysis on page 78 in the Annual Report 2019-20.



*Glimpses from the India SME 100 Awards 2019 felicitation ceremony at New Delhi*

## Priority Sector Lending

Priority sector advances include loans to the agriculture sector, micro and small enterprises, financial inclusion sector, microfinance loans, loans to certain weaker sectors, housing and education finance up to certain ceilings, and loans to fund the purchase of eligible assets and investments in eligible securitised assets. Deposits with NABARD on account of shortfall in priority sector business targets are also eligible for priority sector lending.

The Bank has focused on increasing its emphasis on its product offerings to MSMEs, Agri Sector and economically weaker segments, increasingly deploying digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to various segments. The Bank is also working on developing newer platforms that will help reach out to potential borrowers and offer our solutions seamlessly. We continue to focus on augmenting the small ticket size loans with competitive features and products such as crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households are being scaled up. Notably, the Bank has been working towards increasing its presence in specific rural and semi urban geographies across India, especially where we perceive to have lesser penetration in agricultural advances and MSME lending. In addition, we continue to undertake activities promoting financial literacy and awareness aimed at the under banked.



Additional details on the Bank's priority sector lending strategy and performance has been provided under 'Priority Sector Lending' section on page 74 in the Management's Discussion and Analysis in the Bank's Annual Report 2019-20.

## Serving Our Forces with Pride

Axis Bank remains a trusted banking partner to the country's armed forces, paramilitary and various police forces, offering an entire bouquet of solutions under a 'Pay to Pension' policy which offers additional benefits

specifically curated for the serving personnel, such as complimentary accidental insurance cover. The Bank has in place MoUs for customised salary packages with various forces, including the Indian Army, Indian Navy, Indian Coast Guard, and paramilitary forces such as Assam Rifles.

In addition to providing banking solutions, the Bank actively partners with government, defence, and police institutions for welfare initiatives, such as job fairs for retired personnel or for families of serving personnel.



Axis Bank and Chennai Police launch #VaaykkuPoottu safe banking initiative at Chennai

# Manufactured capital

As one of India's largest financial institutions, Axis Bank has a strong physical presence across the country, serving its millions of customers and other stakeholders through its branches, offices, ATMs, data centres, extension counters, and its business correspondent network. Our strong physical as well as digital presence is ably supported by our value chain comprising our business partners and various infrastructure and service providers working closely towards creating value for the economy and for communities.

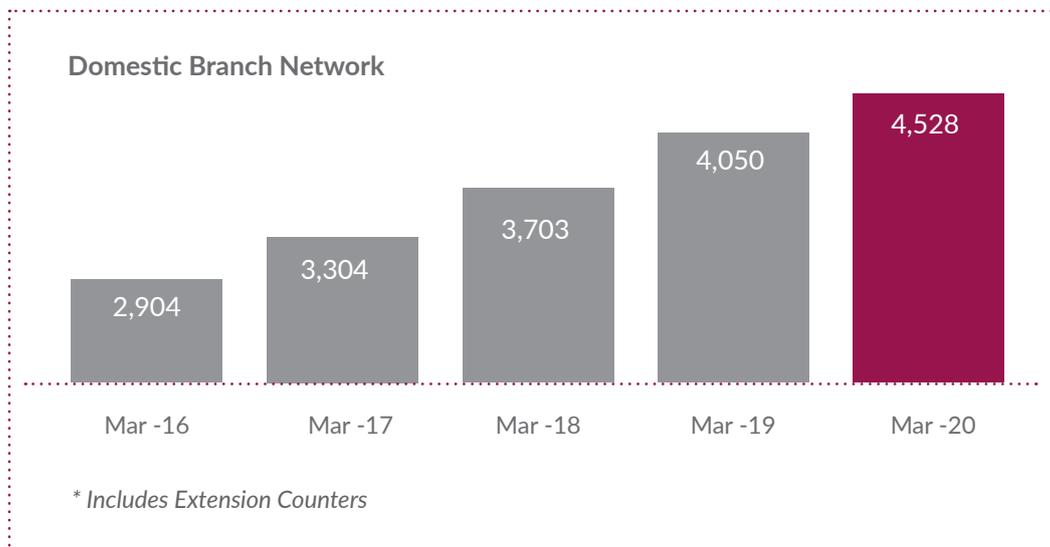
## Our Physical Footprint

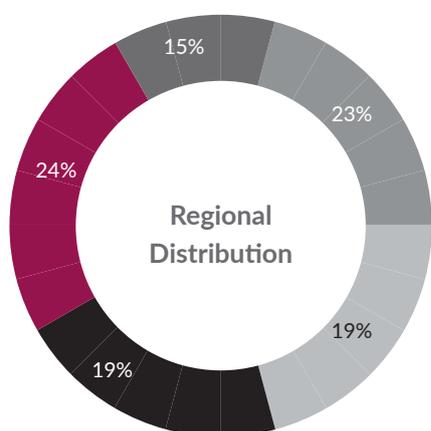
Towards providing an omni-channel, superlative customer experience, Axis Bank has focused on developing a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, call centres, internet banking channels and mobile banking platforms.

Expanding our physical footprint continues to be a priority for us, and we have continued with our strategy of steady branch expansion in different regions of the country. During the year, we added 478 branches to our network to reach 4,528 branches (including extension counters) as on 31 March, 2020, covering

2,559 centres and 682 districts. Our branches are a core component of our retail lending strategy, cornering 47% of our overall sourcing during the year. Around 16% of our branches are in rural areas of which 76% are in unbanked locations.

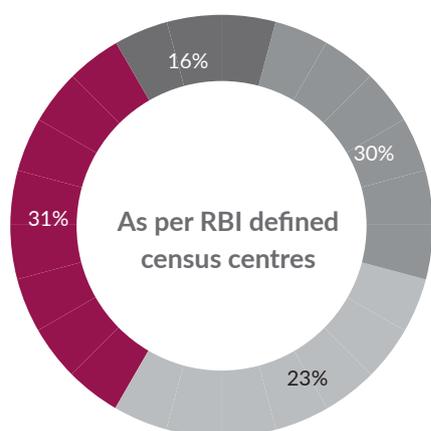
The Bank has a network of 17,477 ATMs and cash deposit/withdrawal machines, which is the highest among private sector banks in the country. Additional details on the Bank's physical retail footprint has been provided in the 'Retail Deposits' section of the Management's Discussion and Analysis in the Annual Report 2019-20 on pages 72-73.



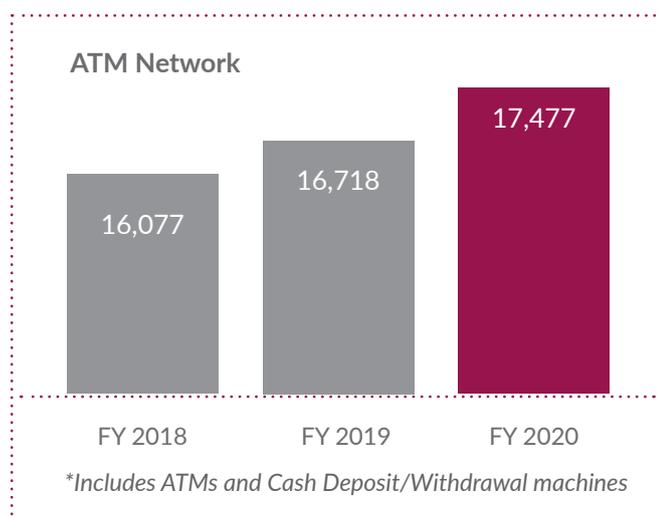


Geographical distribution based on RBI classification

■ North ■ East ■ West ■ South ■ Central



■ Metro ■ Urban ■ Semi-Urban ■ Rural



In addition to our branch and ATM network, we also operate 120 SME Centres catering exclusively to the SME business.

During the COVID-19 related national lockdown announced by the Government of India in March 2020, banking services were declared as an essential service. Notably, 99 percent of Axis Bank’s branches had remained operational during the lock down phase. In addition, the bank ensured 96 percent availability (gauged as down for less than 24 hours) of ATMs and recyclers for customers, overcoming several challenges. The Bank’s branches and Business Correspondent partners also facilitated customers for easy withdrawal of money received under the PMGKY scheme in line with the government directive. In response to the altered banking preferences and requirements, the Bank is actively enabling and strengthening its operational processes through digital platforms as well as encouraging its customers to adopt digital banking in a larger way.

## International Presence

The overseas operations of the Bank are spread over 11 international offices with branches at 6 locations (DIFC, Singapore, Hong Kong, Shanghai, Colombo and Gift City IBU) and 4 Representative Offices (Dubai, Abu Dhabi, Sharjah and Bangladesh) and an overseas subsidiary Axis Bank UK Limited, UK, as on 30 March, 2020.

## Supply Chain

Axis Bank works with a wide variety of suppliers and service providers to run our business activities and recognises them as important stakeholders vital to our success. The Bank’s supply chain consists primarily of providers of technology, such as digital services and solutions, software and hardware, and technology infrastructure as well as providers of supporting services such as human capital services, utilities, and office supplies and services. Our engagement with our value chain is multi-fold, it can be routine or ad hoc, critical or non-critical, as required in the normal course

of business - but all support strengthening our supply chain linkages towards ultimately delivering greater value to our stakeholders.

Axis Bank values the mutually-beneficial relationships it has nurtured with its business partners and strives to create shared value through ethical conduct, transparent operating procedures and fair and timely pricing. These relationships ensure the smooth continuity of operations and are a vital part of our supply chain.

The Bank requires all vendors to register in its comprehensive 'Vendor Management Framework' (VMF) to be able to provide any products or services to the Bank. The VMF covers all stages of the vendor lifecycle - On boarding, Contract management, Supplier Performance evaluation as well as Exit, the details of which have been discussed in the Supply Chain section under Natural Capital on page 38 of the Bank's Sustainability Report 2018-19, accessible at <https://www.axisbank.com/csr/csr-reports-disclosures>.

During the year, the Bank adopted a cloud-based system, 'Procure to Pay (P2P)' which enables employees to raise requisitions directly for supplier on-boarding with complete access to their requisition status, ensuring better turnaround time (TAT) for completion of requisitions. The entire process is driven by maker checker mechanism thereby ensuring stronger compliance and oversight. Amidst the COVID-19 pandemic, the P2P system helped to ensure a hassle-free and seamless experience to support the employees and vendors and allowed processing of payments by having the provision for accepting digital invoice copies. In addition to price and product quality considerations, the Bank's evaluation criteria for vendors includes social and environmental considerations, focusing on compliance to standardised norms and regulations for environment, health & safety, human rights, labour, among others. The Bank has mandated a supplier sign-off on a Supplier Code of Conduct.

The Bank's Central Procurement Team, which is responsible for centrally managing the Bank's supply chain requirements, has been scaling its focus on greener

procurement and is looking at enhancing local sourcing with an aim to lower supply chain risk, transportation costs and being more environmentally efficient.

## Physical Resource Consumption

As a service sector organisation, in terms of natural resource consumption, Axis Bank's key consumables are paper and electricity, and the Bank continues to strive towards rationalising its consumption for both through various initiatives and actions.

The Bank is counted amongst the leaders in the country in the digital banking domain. Through the year, we continued our efforts to scale up paperless banking through the digitalisation of products and processes such as Digital Lending, Saksham, e-Statements and e-welcome kits. Through these various initiatives aimed at going paperless, the Bank estimates it has saved approximately 658 million sheets of paper in FY 2019-20.

In addition, the Bank continues to scale up internal initiatives towards reducing demand for paper, such as restrictions in printing of brochures and other stationery items, procurement of environment-friendly wheat straw paper, raising awareness among employees and customers towards adopting digital banking services.

The primary sources of energy at the Bank are grid electricity and diesel, which is for running DG sets at locations where reliable grid electricity is not available. To augment our electricity supply and move towards greener sources of power, we have invested in installing solar rooftop installations at our various locations. As on 31 March, 2020, we had a total installed capacity of 7.05 MW at 245 locations. The Bank is now looking at the Power Purchase model from solar power producers, and has entered into its first agreement for its datacentre in Bengaluru. The Bank has undertaken a number of resource efficiency and waste management initiatives, which have been discussed in the Natural Capital section of this Report.

# Intellectual capital

*Since our founding over 26 years ago, we have steadfastly focused on building up our 'organisational capital', emerging as a financial institution that operates on the cutting edge of technology and innovation, and possesses a deep repository of intellectual expertise and knowledge capital assiduously built over time. As a part of the wider economic eco-system, we actively engage with our diverse stakeholders to drive forward ideas and conversations that can contribute to the advancement of India and its people.*

As members of key industry bodies in the country such as CII, FICCI, ASSOCHAM, the Indian Banks Association (IBA), and a host of domain-specific multi-stakeholder groups, we remain actively engaged and contribute to conversations on topics that are material to us or to our stakeholders. Several members of our top management sit on pertinent committees at industry associations and other bodies. The Bank's leadership also actively participates in conferences, and other such industry or multi-stakeholder groupings through the year. The Bank's senior leadership also appears on various media platforms in print and television on pertinent topics and issues.

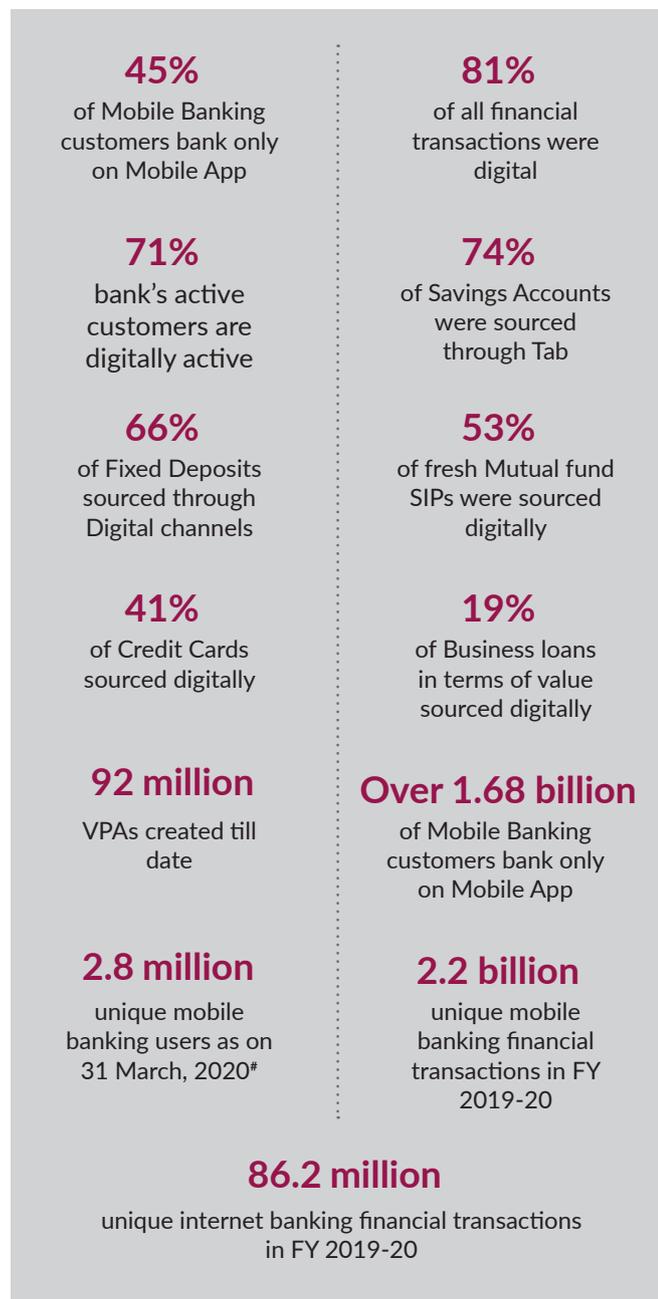
Sr. No.	Name	Designation	Axis Bank Representations for FY 2019-20
1	Amitabh Chaudhry	MD & CEO	Chairperson for Committee on Banking & Financial Institutions 2019-20, FICCI
2	Rajiv Anand	Executive Director (Wholesale Banking)	Member of CII National Committee on Banking 2019-20
3	Raul Rebello	Senior Vice President (RL&P-Rural Lending)	Member of CII National Council on Agriculture 2019-20 & 2020-21
4	Damini Marwah	Executive Vice President (Law)	Member of CII National Committee on Regulatory Affairs 2019-20

## Transforming Digital Banking

Technology has been ingrained into our organisational core since the beginning. The 'smart use of technology' forms a part of our vision, and has been a mantra that we have followed to deliver exceptional customer experience. Axis Bank has emerged as a leader in the digital banking space today, managing a digital ecosystem that serves a wide range of requirements of a wide range of customers and other stakeholders. With a strong focus on innovation and developing in-house capabilities, the Bank is also playing a strong role in driving the ecosystem forward as a model for the entire sector.

The Bank's digital focus has allowed the Bank to be able to cater effectively to the new, increasingly digital Indian customer. As a financial institution, we have focused on implementing the best-in-class digital interventions that enrich the customer experience, leveraging our deep in-house expertise in the digital domain.

## Axis Bank's Digital Focus in Numbers



# considering mobile number as base

The contribution of digital channels towards business retention and sustenance continues to rise steadily. We continue to remain amongst the top players in the mobile banking space in the country, both in terms of transaction value and volumes, with 71% of our active customers being digitally active. Notably, the share of digital transactions in our overall transactions mix remained strong at 81% for FY 2019-20.

Customer centricity remains a critical focus area for us, and we aspire to solve our customers' core requirements, going beyond only the provision of financial products and services. We have strived to ensure our customers view us as a financial institution offering the attention and warmth of an established brand with the features to match the current age. In line with the announcement of our latest brand philosophy 'Open', we adopted a two-fold focus for digital products around the improvement of customer experience on existing digital channels and enhancing the value offered via new product propositions.

The steps taken towards this include:

### Taking the banking conversation forward

We see an opportunity to integrate banking transactions with the growing adoption of voice enabled speakers and systems. The Bank has partnered with Amazon.com, Inc to integrate banking services via its 'Alexa' virtual assistant AI. Currently, this feature allows customers to simply talk to their Alexa devices (Amazon Echo variants or the Alexa App) and have their account balance statements/Credit Card bills sent to their registered mobile numbers. These features are live in the first phase of the project, and additional features such as the ability to order chequebooks, block/manage multiple cards, among others, shall be added, thus offering a new, more convenient banking option for customers.

## Enhancing the Internet Banking Experience

Axis Bank's Retail Internet Banking platform offers over 250 features and services, and is widely used by both individual and non-individual customers to fulfil a host of requirements online. Over the year, we have focused on enhancing customer experience on our site and introduced new features and solutions, to add to the safety and convenience of internet banking, especially relevant in the current pandemic.

## Leadership in Mobile Banking

Our mobile banking capabilities and offerings continue to be among the best in the country. Currently, over 70% of new digital registrations are mobile-first, with mobile banking registrations growing at 22% and total registered customers growing at 14% year on year, highlighting the greater digital adoption among our new and existing customer base. It is a matter of pride that the Axis Mobile app has been one of the highest rated apps on both the Google Android Play Store and the Apple App Store.

We have significantly scaled up the variety of features and services available on the app, and for deepening customer awareness and usage of the app's functionalities, DIY (Do-it-yourself) journeys have been mapped, with the app currently hosting over 230 such DIY services, aided by demo videos and improved statement dashboards. Notably, the bank's app allows non-customers as well to avail certain products and services, such as registering under UPI or opening investment products.

According to data from the Reserve Bank of India, Axis Mobile Banking had a market share of over 10% based on transaction volumes in the first two quarters of the financial year. We continue to be among the top three banks in the country in mobile banking spends.

## Improving Personalisation with Increased Accessibility

With over 18 million visits every month, Axis Bank's website is one of the most visited websites in the Indian banking sector. We have invested significantly in upgrading the website to enhance its accessibility and personalisation, so that it can offer a customised experience to even individual customers that is dynamic so that it remains up-to-date with the customers' requirements. We have specifically focused on innovations that can save time for a customer on the website, while making their experience more uniform and relevant. Our assessment indicates that our customers have responded positively to their new website experience with higher clicks on relevant banners and other links, and an average one third reduction in their steps to reach the final offer/purchase page.

In sync with our latest brand philosophy 'Open', we have focused on improving the website's accessibility to especially aid the visually impaired visitors by enabling them to change the fonts, background colours and other factors for improved visibility. A unique screen reading feature reads out all information and a voice search feature allows users to search for products by simply calling them out, thus ensuring a seamless and effortless flow for communication. The implementation of the Accessibility feature is to aid persons with disabilities to access digital media by providing enhanced web format, audio, video sign, and language interpretation.

## An Instant and Digital avenue to Savings

Building on the potential for paperless banking with speed and added customer convenience, we launched Express FD, a digital savings proposition wherein an FD (fixed deposit) can be booked entirely online within 3 minutes with the necessary KYC verifications.

## Instant Swipe Machine

As India moves towards a less-cash economy, an increasing number of retail merchants, including the 'mom and pop' stores, are adopting digital modes of accepting payments. Axis Bank is one of the largest players in this space, with over 0.5 million POS (point of sale) terminals installed across the country. During the year, the Bank focused on improving the merchant on-boarding experience, by making it more digital and reducing the time it takes for a merchant to go live. During the year, we launched the Instant Swipe Machine (ISM), enabling instant on-boarding of merchants and installation of terminals at their locations. The ISM is a self on-boarding platform wherein once the merchants successfully register digitally, a POS terminal can be installed and begin to accept payments within 30 minutes. Axis Bank is the first in the industry to offer such a solution in the sector, which has found even greater acceptance in the current pandemic scenario among merchants across the country.

## Environmental Imperatives of Digital Lending



Axis Bank is one of the largest digital lenders in the BFSI space today, fulfilling the financial needs of retail consumers from across the length and breadth of the country. Our flagship digital lending product - '24x7 Loans' is able to digitally offer instant access to credit for consumers with minimal to no paperwork. The robust platform ensures end-to-end digital processing and disbursement of funds, thus empowering the consumer to avail credit anytime anywhere in just a few clicks. We reached out to over 5.7 lakhs consumers in FY 2019-20 via the wide ranging product offerings within 24x7 Loans. Notably, 24x7 personal loans constitute nearly 48% in value of the total personal loans disbursed by the Bank in FY 2019-20. The success of the 24x7 Loans platform has enabled us to offer a seamless consumer experience across varied sectors and consumer segments right from retail consumers in urban and

rural India to MSMEs. Even in the wake of COVID-19 situation, the Bank has served the financial needs of retail customers through the 24\*7 lending platform wherein the customers availed of loan products digitally.

In addition to transforming consumer experience and process efficiency, the Bank's Digital Lending team has embraced sustainability as one of its core drivers thus contributing to reducing the Bank's resource requirements and its carbon footprint. Reducing the use of paper across the loan availing process has been a key focus area in this context, and we have been able to make considerable progress in offering an end-to-end paperless digital lending experience for personal loans, business loans and other consumer loans. In FY 2019-20, Digital Lending was able to avoid over 13 million sheets of paper, helping avoid over 154 tonnes of CO<sub>2</sub> equivalent. Going forward, we aspire to expand our efforts across all pertinent products and services.

## Digitising the Wholesale Banking Space

The Bank has re-oriented and strengthened the organisation structure in the Wholesale Banking segment with a view to bringing in greater focus, productivity, efficiency and profitability. Along with this re-organisation, the focus has shifted to scaling up digital innovation, keeping process quality improvement at its core. Notably, the Bank's Corporate Internet Banking mobile app has had over 1.7 Lakhs downloads, with over 20% of this segment's financial transactions taking place through the app.

The innovations in this space have been recognised by various industrial bodies and won us accolades such as Best Banking Innovation of the Year 2020 by Banking Frontiers (Finnoviti) and Best Banking Technology of the Year 2020 by Internet and Mobile Association of India.

## FASTag – National Electronic Toll Collection



Under its Digital India Mission, India's Ministry of Road Transport and Highways has embarked on a mission to make toll collection across the country cashless, with the National Highway Authority of India (NHAI) launching an RFID-based solution, FASTag, in partnership with all major banks in the country. Axis Bank was one of the first and is a leading Bank in the FASTag Electronic Toll Collection Project wherein the Bank issues FASTags as well as collects fees at various toll plazas as an acquiring bank. In FY 2019-20, Axis Bank made significant strides in making the registration and implementation process easier. The Bank developed a simpler, 3-click online process and has enabled its entire branch network to issue FASTags. In addition, tags can be issued at car dealers networks, at toll plazas and even online with doorstep delivery. Now customers can recharge their FASTag wallets digitally using UPI, NETC, IMPS and auto debit functionalities, and can access their wallet information on a portal. The Bank is among the largest issuers of FASTags in the country.

The Bank has received FASTag mandates for various state transport authorities including Andhra Pradesh (APSRTC), Haryana (HRTC), Karnataka (KSRTC), Rajasthan (RSRTC), Telangana (TSRTC), Uttar Pradesh (UPSRTC), Uttarakhand (UTC), Punjab (PUNBUS), Kerala (Kerala Minerals and Metals Limited and KSRTC) and Jammu & Kashmir (JKSRTC).

## Digitising India's Dairy Sector



Axis Bank has played a leading role in advancing the digitalisation of India's dairy sector, which is the world's largest and among the largest non-farm employment generators in rural India.

The Bank offers an Integrated Digital Dairy Platform to various sector players such as cooperatives and private sector dairies, that ensures end-to-end data capture

on milk procurement and ensures timely payments, with currently over 7 Lakhs dairy farmers part of the system across India. With client specific auction and procurement platforms, the Bank has been able to digitise the entire agri-value chain, helping various government agencies to bring transparency and price discovery to stakeholders.

## Business Intelligence Unit

The Business Intelligence Unit (BIU) is the Bank's in-house data science and AI team providing cutting edge solutions to various functions of the Bank. With a strong team of 350+ members with an expertise in diverse techno-functional areas, BIU creates data assets towards monetising them over time. With numerous success stories in the areas of risk management and operational optimisation, BIU has been able to deploy and drive adoption of predictive solutions in both Retail and Wholesale Banking. BIU has significantly invested in new age data science and engineering platforms such as Big Data Lake and Analytical Work Bench to deliver value in traditional/non-traditional use cases. The BIU has been discussed in detail in the Bank's Annual Report 2019-20 in the Management's Discussion and Analysis, on page 82.

## Business and Economic Research

The Bank's Business and Economic Research (BER) department focusses on providing in depth and timely intelligence on evolving macroeconomic trends, translated into potential implications for banking business as well as for financial markets. In doing so, the BER team provides input to credit, risk and sales groups across both wholesale and retail banking, as well as actionable insights to the treasury and external clients.

The Department's deep engagement with clients also acts as a key differentiating factor vis-a-vis competition, with the Bank's economists meeting clients regularly, in addition to addressing large client groups at events, publishing articles in the print media and appearances on television.

Led by the Bank's Chief Economist Saugata Bhattacharya and a highly competent team, BER is also a prominent participant in public policy discourse, with notable contributions to policy developments, representing the Bank in interactions with key national stakeholders such as RBI, NITI Aayog, and Office of the Chief Economic Advisor, India. BER also represents the Bank at various industry bodies such as CII, IBA, FICCI, FEDAI, FAI, and FIMMDA.

## Banking for India's Government Sector



Axis Bank's Government Coverage Group (GCG) has played an important role in supporting the Bank's growth as a leading banker to India's government sector. GCG covers both the liability and asset businesses of various national and state-level government departments, entities and institutions, and Public Sector Undertakings.

Under its government coverage, the Bank is accredited by the Ministry of Finance and RBI for collection of CBDT, CBEC and GST across the country and is accredited for the banking transactions of the Ministry of Urban Development, Ministry of Housing and Urban Poverty Alleviation, and the Office of Controller General of Accounts and Institute of Government Accounts and Finance under the Ministry of Finance. The Bank is accredited for disbursement of central civil and defense pension, and is empaneled as the sole trustee banker for PFRDA for National Pension Scheme (NPS) collections.

The Bank offers trade and forex services with digital solutions such as Aadhar Based Payments System (ABPS) & Aadhar Enabled Payments System (AEPS), Direct Beneficiary Transfer (DBT), Bharat Bill Payment System (BBPS), Bharat QR, Unified Payment Interface (UPI) and other such customised solutions for the government. The Bank is also an active player in Public Financial Management System (PFMS) & Government E-Marketplace (GeM). The Bank remains a strong partner in national initiatives such as Smart City Mission, Swachh Bharat Mission, Digital India, and E-Governance.

The Bank was one of the first banks to facilitate presentation of trade related documents in electronic mode during the initial national lockdown due to COVID-19, and waived charges on trade and forex transactions received through TF-Connect till 30th June, 2020 to encourage the use of digital platforms during the lockdown.

## Catalysing India's Smart Cities Mission

Axis Bank is a significant stakeholder in the national Smart Cities Mission, working closely with various government entities at local, state and national level to offer wide ranging digital and financial solutions to millions of urban citizens across the country. Significantly, the Bank is associated with 27 Smart Cities across India wherein we have implemented unique, tailor-made solutions to meet the unique requirements of each Smart City. The Raipur Smart City, to date, stands as the fastest Smart City project to go live in India with the One Raipur app and the One Raipur Card, which were specifically designed keeping in mind the needs of citizens of Raipur. In the reporting period, the Bank won mandates for Tumakuru Smart City, Agra Smart City (Door 2 Door Tax Collection), Amritsar and Bhopal Smart City (digital spot fine collection) and Prayagraj Smart City.

The Bank has designed a first-of-its-kind Smart City Solution that includes a prepaid smart card/wallet, a mobile app and a web portal, which together empower citizens not only to make cashless payments but also apply for various municipal services and directly interact with city administrators. Axis Bank has also provided the Tumakuru Smart City with smart solutions such as QR Code and a payment gateway enabling collection of municipal taxes, fines etc. via a mobile application.

As an Indian Bank, we have always strived to play a larger role in the economic progress and development of the country. We have focused on deepening our understanding of the emerging trends and technologies



that can strengthen the governance processes in India, aiding us to deliver on latest technologies or innovative solutions meeting the unique requirements of government bodies.

The Bank's Government Coverage Group (GCG) was an active participant in the 5<sup>th</sup> Smart Cities India 2019 Expo organised by Indian Trade Promotion Organisation where the Raipur Smart App was also nominated for an award. The Bank was a speaker at key national conferences such as the Urban Innovation Summit, Raipur 2019 and the 27<sup>th</sup> Tech Sabha, Bhubaneswar, where it spoke on pertinent topics.

Notably, the Raipur Smart City app won an award for the best Smart City app in the Economic Times ET Government DigiTech Conclave and Awards 2019.



Best Smart City App Awarded to Raipur Smart City App – ET Government DigiTech Conclave and Awards

## E-Governance For Urban Local Bodies

E-Governance has been a key focus for the Indian Government with an aim to improve monitoring of Urban Local Bodies' (ULB) finances through digitalisation of data maintenance and reducing system leakages, in addition to improving delivery of citizen services.

The Bank has mandates from various ULBs in the country.

- Urban Development Department, Madhya Pradesh – The Bank has created a common platform for online tax collections for 139 ULBs in the State, and integrated Bharat Bill Payment System mandate for 378 ULBs for water bill collection
- Rajasthan Smart Raj Project - The Bank provides online collection services to 190 local bodies in the State and has also on-boarded 193 ULBs of the State for fire cess collection
- E-municipalities implemented across all 14 ULBs in Goa augmented with financial literacy initiatives
- Municipal Corporations of New Delhi, Gurugram and Lucknow, among others, where the Bank is providing various value added services
- State level e-governance initiatives implemented by the Bank include E-Seva in Andhra Pradesh, Karnataka One in Karnataka State, Bangalore One in Bangalore and E-Sampark in Chandigarh
- Digital collection and payment products at Golaghat Municipal Corporation (Assam), Patan Municipality (Gujarat), Cuttack Municipal Corporation (Odisha), and Municipal Corporation Coimbatore (Tamil Nadu)
- Integration with all new ULBs of Telangana state
- Integration with the Municipal Council of newly formed Union Territory of Ladakh for tax collections
- Cell tower collection for both South Delhi Municipal Corporation and North Delhi Municipal Corporation.



Launch of Odisha e-Municipality, Cuttack Municipal Corporation

## Fund Disbursement and Management System (FDMS)

Axis Bank has played a leading role in strengthening governance delivery in the country, providing cutting edge digital and financial solutions to the government. The Bank has launched the Fund Disbursement Management Solution – a product developed for government institutions to better manage the physical and financial progress of their various schemes with sharper visibility at all levels of the Government and direct transfer of funds to beneficiary accounts.

FDMS allows for improved tracking and utilisation of funds across state and national government schemes, and provides features such as hierarchical fund allocation, Scheme-specific workflow mapping and real time fund visibility at all levels, thus helping replace the conventional approach of manual approvals, payments and fund tracking. The Bank has bagged 5 mandates from different state government departments for FDMS, including Directorate of Municipal Administration – Nagarutthan, Maharashtra, Chhattisgarh Minor Forest Development Corporation, and Pradhan Mantri Awas Yojana (Urban), Gujarat.

## Public Financial Management System (PFMS)

PFMS is a financial reforms initiative of the Government of India to manage and monitor fund disbursement and fund flow to the last beneficiary, enabling decision makers plug any leakages in the Direct Beneficiary Transfer (DBT) scheme. Axis Bank has been empaneled by the Government for the PFMS project and is actively working with various ministries, government bodies and agencies to integrate PFMS for scheme management.

The Bank got the mandate for integrating PFMS in 1,000 Gram Panchayats for managing the YSR Pension Kanuka scheme of the Department of Rural Development, Andhra Pradesh, Swachh Bharat Mission

(Rural), Uttar Pradesh, Veterinary State University, Madhya Pradesh, Telangana Agricultural University, among others.

## Government e-Marketplace (GeM)

The GeM was launched by the Government of India as a one-stop portal facilitating online procurement of common use goods & services required by various government departments and organisations, and PSUs, towards enhancing transparency, efficiency and speed in public procurement.

The Bank has received GeM mandates for the Varanasi Nagar Nigam, Varanasi Development Authority, Odisha State Disaster Management Authority, Centre for Good Governance, Sand management society, Telangana, among others.



*Launch of Varanasi Nagar Nigam GeM Pool Account*

## Facilitating E-challans for Civic Spot Fines

Axis Bank has implemented the introduction and adoption of digitally collecting spot fines for traffic and civic violations such as littering in various states, using GPRS-enabled POS machines.

- Goa – Collecting fines for breaking traffic rules in the state of Goa wherein Police can generate the E-challan for any particular vehicle in the hand held devices. Offenders can pay fines immediately using

cards, thus not only helping police reconcile their collections in a more structured manner but also plugging collection leakages while reducing the hassles of cash handling.



*Inauguration of Spot Fine Collection – Goa Traffic Police*

- Spot fine collection systems for public littering under the Swachh Bharat Abhiyan introduced with Bhopal Municipal Corporation, Ujjain Municipal Corporation and Amritsar Municipal Corporation



*Launch of M-POS machines at Ujjain Municipal Corporation*

## **Bharat Bill Payment System - Comprehensive Gateway for Payments**

The Bharat Bill Payment System (BBPS) is a RBI mandated system offering integrated and interoperable bill payment services to customers across geographies with greater transaction certainty, reliability and safety. BBPS allows bill payment services to customers online or through a network of agents, offering multiple payment modes with instant confirmations.

Axis Bank has developed an in-house BBPS (Bharat Bill Payment System) engine and designed a comprehensive solution for both billers and aggregators in the BBPS platform connecting banks and non-banks, payment service providers and retail bill outlets. Amongst the mandates received for BBPS in the reporting year, New Delhi Municipal Corporation water tax and electricity bill collection has already been active and running.

## **Digitising Fee Collection for Higher Education**

Digitalisation of fee payments in the public sector higher education space has tremendous potential and has been a key focus area for the Bank. Led by the GCG, the Bank has implemented digital solutions across Central and State Universities, Government Colleges and Schools.

Going beyond the off the shelf solutions for fee collection and/or vendor payments, the Bank has developed a basket of products to serve an entire campus – automating and digitising not just transactions but also attendance records, library subscriptions, academics and much more. In addition, the Bank also provides institutions with solutions for payment of taxes, trade and forex, and account management services with the capability to integrate with both PFMS and GeM.

Prestigious new mandates in this space include Guru Jambheshwar University of Science and Technology,

Hisar, Indian Institute of Technology (IIT), Palakkad, Maharashtra State Board of Secondary and Higher Secondary Education, Pune, Guru Nanak Dev University, Amritsar, and Institute for Development and Research in Banking Technology, Hyderabad.

### Facilitating Online Donations for India's Largest Pilgrimages

Devotees' offerings and donations are the most important source of funds to support the running and maintenance of various pilgrimage sites in the country. In the reporting year, Axis Bank has been mandated by the Shrine Boards of two of India's most venerated pilgrimage sites, Mata Vaishno Devi and Shri Amarnath Ji in Jammu & Kashmir to set up a system for receiving donations online. The Bank has worked towards providing seamless integration of their websites with a payment gateway allowing devotees to donate digitally from anywhere in the world.

### Digitising Public Healthcare Infrastructure

The National Health Mission is a flagship scheme of the Government of India in the healthcare sector in the country. At the State Government level, the State Health and Family Welfare Departments are responsible for maintaining and developing the healthcare systems within the respective states, with public health, sanitation and hospitals being the exclusive responsibilities of the State. Axis Bank has been an active driver of digitising the financial management of public healthcare in the country, facilitating account management for health and sanitation committees across the primary healthcare level at gram panchayats and zilla parishads. In addition to the mandates for National Health Mission accounts both at a State nodal level and at a granular level, the Bank has also received the mandates for digitising public health institutions such as the National Institute of Mental Health

and Neurosciences, Karnataka for cash and cheque collection, and Public Health Development Society (Telangana) for online payments and collection.

In response to the ongoing COVID-19 pandemic, the Bank has facilitated COVID-19-related accounts for both donations and grants in various states.

### Digitising the Housing, Urban Development and Rural Development Sector

In India, at the State level, housing authorities, urban development departments and rural development departments are responsible for driving infrastructural development, commercial projects, residential schemes and amenities, rehabilitation of slums, and preparation and implementation of town master plans.

Axis Bank works closely with various such government bodies for not only digitising their transactions but also developing solutions for integrating their activities with their online platforms. In certain states, specific mandates such as lotteries for housing projects and tendering processes for developmental and infrastructural projects have been made entirely paper free by moving to online platforms.

The Bank's key associations in this space include Directorate of Town & Country Planning, Chinakakani and Urban Development Corporation, Vijaywada in Andhra Pradesh, Guwahati Metropolitan Development Authority, Assam, Housing & Urban Development Corporation New Delhi, Yamuna Expressway Industrial Development Authority (YEIDA), Delhi, Delhi Development Authority, Goa State Urban Development Agency, Gujarat Gopalak Development Corporation Limited, Gandhinagar, and District Urban Development Agency, Amroha, Uttar Pradesh.



## Digitising the Jal Jeevan Mission

The Jal Jeevan Mission under the Ministry of Jal Shakti is one of the largest and most ambitious schemes of the Government of India, envisioning to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India.

Axis Bank has received the mandate for the state nodal accounts under the Jal Jeevan Mission for Himachal Pradesh and Nagaland along with granular accounts in Haryana and Jammu & Kashmir. In addition, the Bank has also digitised the collections and payments for the Uttarakhand Pey Jal Nigam and the Water Supply and Sanitation Board, Punjab.

## Delivering Unique Mandates to Central Entities

During FY 2019-20, the Bank worked with a number of central departments and entities on unique mandates and solutions, which also allowed us to further our understanding of the intricate workings of the government of India and gain a deeper insight into their scope of responsibilities. The Bank is working on prestigious mandates for entities such as Central Railside Warehouse Company Limited, Central Warehousing Corporation, Chef Air Flight Catering, Council Of Architecture, Defence Exhibition Organisation, Delhi Police Public School (multiple locations), Export Promotion Council for Handicrafts, National Board For Examination, Navy Children's School Delhi (NCSD) and The Institute of Chartered Accountants of India.



*Launch of POS Machines for Survey of India for collection of non-Tax Receipts*

## Campus Connect

Led by the Government Coverage Group, the Bank scaled up its engagements with academia on topics such as digital banking and other technological aspects of banking and finance. The first such engagement was hosted at Indian Institute of Management (IIM) Sambalpur, Odisha, and the Bank intends to scale up such engagements going forward.



*Campus Connect Activity at IIM Sambalpur, Odisha*

# Human capital

*Over the last 26 years of our organisational journey, our employees have steadfastly remained our strongest assets and truest ambassadors, delivering on our core values of Ethics, Customer Centricity, Teamwork, Transparency and Ownership in all that they do, even in the toughest of circumstances.*

At Axis Bank, we consider our human capital to be diverse in a true sense, as it is diverse not only in terms of age, gender or region, but also for the different skill sets and experience they possess, fostering the creativity and ability to offer a wide range of creative ideas and perspectives. The Bank's human resource function acts as a catalyst which builds talent readiness and strengthens the core values of the Bank to ensure sustained business outperformance, while building a strong value proposition for its employees. Our people philosophy is guided by the business strategy that pivots around delivering the three important vectors - Growth, Profitability, and Sustainability, glued together by the One Axis ethos.

## Managing the COVID-19 Pandemic

We are proud to acknowledge that Axis Bank has stood firmly by the nation as a responsible corporate citizen throughout the COVID-19 pandemic, with our employees going to extra mile to serve our customers and other stakeholders.

As an organisation, we were well prepared to manage the crisis. We were among the first banks to have in place a Crisis and Emergency Response Team (CERT), which has been closely monitoring all external developments and guidelines from competent authorities, and deploying the necessary strategies, policies, procedures and guidelines for the health and safety of our colleagues while fulfilling our commitment to ensure business continuity as an essential service. CERT took several industry-first decisions during this

time, such as advancing monthly salary payout to enable employees to make necessary preparations to manage the lockdown and restrictions, adoption of Aarogya Setu app across the board, setting up helplines and 'doctor on call' for immediate medical advice and assistance, launch of a specialised COVID Care insurance plan, ongoing contact tracing and tracking well-being for all employees and their families, and putting in place a Precautionary and Quarantine Leave policy.

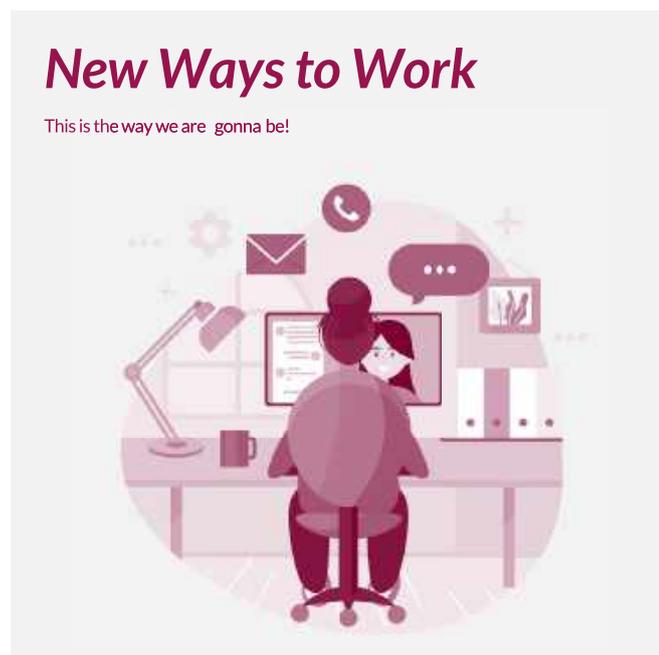
The Bank was among the first to announce a large scale 'work from home' mandate, and with extensive planning and preparation, transitioned its non-essential service roles to work effortlessly from the safety of their homes. We also experimented and successfully transitioned to remote working arrangements for the sales force, such as Relationship Managers and Business development officers, as well as regulatory compliant Treasury Dealing Rooms.

For our everyday Heroes – employees delivering essential services at branches – all our premises were immediately made WHO-compliant on prescribed health, sanitation and social distancing guidelines, with all employees, including the security staff, trained and empowered to enforce safety and security protocols at branches. The Branches have been operating under a strict rotation policy, while relationship managers and sales personnel remain connected to their clients virtually. As much as vigilance, crowd control and social distancing as critical, employees were educated on emphatically managing the interests and concerns of customers and community.

We proactively took measures to alleviate anxiety among employees, ensuring timely, pro-active and relevant communication with them. The Bank's MD & CEO conducted multiple virtual live sessions with various employee groups, addressing and responding to their concerns and queries. Under the 'With You' program, 24x7 emotional counselling services have been made available to employees and their families. Under the Bank's Axis value Realisers (AVR) program, the identified role models actively reached out to over

2,000 employee groups at various locations virtually, with thousands of employees sharing their stories as well as feedback that helped reinforce our crisis management plan.

At the onset of the pandemic, we released the 'New Ways of Working @Axis Bank' playbook prescribing the evolved rules at work, while working at office, from home and when travelling in between.



## Stay Positive

Interactive sessions with the motto of bringing positivity & holistic wellbeing at heart.

The program helps you manage stressful thoughts and feel more relaxed by stepping into positive beings through a journey of self discovery, mindfulness & healing

Join the virtual program on..

- Microsoft Teams for live and recorded sessions
- Microsoft Streams for all archived videos



Mindfulness solutions



Yoga Sessions



Positive Psychology



Art Therapy

## New Ways of Working

The pandemic may have fundamentally altered the way the world works, even opening up many new possibilities for the first time and perhaps permanently. The most significant change seen is virtual working becoming a way of life. In the large cities, working virtually has been shown to save many employees considerable commute time. For the Bank, it has allowed us to evaluate and adopt flexible work arrangements and explore new talent pools for hiring. Secondly, the greater adoption of digital at work is augmenting output and productivity, and lastly, the

crisis has presented an opportunity to evolve our workforce and build skills of the future.

The Bank has in place a mobile first strategy wherein its One Axis app has come an employee's window to all work related processes and information, accessible at all times. We have already initiated a workplace flexibility policy, making remote working for multiple days in a week the norm, putting in place the process, policy and systems enablers to achieve it.

When business was at a virtual stop during the lockdown in the country, we used the time to unlearn

and re-learn the skills necessary to come back strong and stay on the top. Some of the initiatives were:



**One Axis Open Learning Academy** with three learning programs for employees



**'Go beyond'**, a specially crafted program for all Axis Ambassadors, covering over 51,000 employees, who deliver the Axis experience every day, focusing on building new skills and ways to deepen customer relationships. We aim to launch 1,000 Virtual Batches across 8 channels across lines of businesses under the program



**'Leadership Collective'**, program for all people managers, focusing on (a) building deeper domain expertise in term of project, product and customer management, and execution excellence with financial acumen and (b) inculcating skills of the future, such as leadership in ambiguity, managing a digital workplace and being data smart. Both these programs are certification programs accredited by reputed global universities



**'Stay Positive'** includes interactive sessions on yoga, mindfulness and positive psychology, with a motto of bringing positivity & holistic wellbeing at heart. Attuned to the times, our learning programs will continue on digital platforms in virtual learning communities.

## Equal Opportunity, Diversity and Inclusion



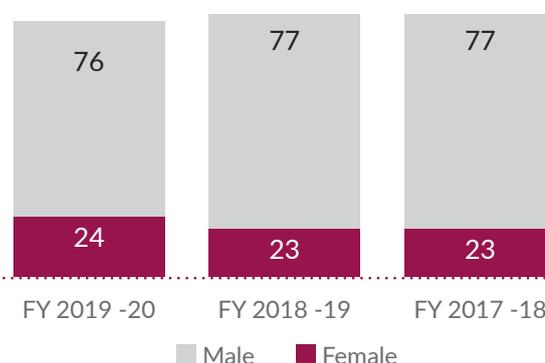
We remain committed to fostering a strong culture of diversity and inclusivity that can drive our growth and development and believe in creating a fair, secure and transparent workplace free from any form of discrimination and harassment. The Bank expects all its employees to treat each other with dignity and respect, and encourages a culture of inclusiveness, promoting gender balance and respecting the contribution of all employees fairly and without bias.

Axis Bank is an equal opportunity employer especially in the process of hiring, training, performance evaluation process and employee benefits irrespective of age, gender, race, national or ethnic origin, language, religion, political beliefs, sexual orientation or physical ability. The Bank has always strived to create a healthy environment at the workplace where its employees feel included and valued, and does not support any discrimination or inequality. The Bank has in place an Equal Employment Opportunity Policy supporting its commitment to diversity and inclusion and aligned with its core values.

We have programs in place such as We Lead, hiring women in leadership, and ACCESS initiative for hiring differently abled individuals, that promote greater diversity in our hiring. Our latest health care program extends coverage for partners and members of the LGBT community, we launched a new initiative, Reconnect as a reach out program for returning to work female colleagues. The Bank has focused on strengthening its gender ratio, 30% of our non-sales hires during the year were women, and notably, one third of our branches are headed by women leaders. We have focused on ensuring our recruitment panels are diverse in our hiring process.

As on 31 March, 2020, our total employee workforce was 74,140 out of which 24% were women employees. Approximately 27% of our non-sales workforce comprises of women and we aim to increase this ratio further.

Workforce by diversity (Gender diversity %)



We Lead continues to be our flagship program for hiring women in leadership positions, from the country's premier business schools, recruiting 20 women under the program this year.

Through the ACCESS program, we continued to hire persons with disabilities at the Bank, providing them fulfilling opportunities in domains such as HR and customer service. As of 31 March, 2020, 46 differently-abled employees were employed in the Bank's workforce.

We remain committed to being an organisation with strong respect for human rights, safe work conditions and ethically sound business practices for employees.

## Strengthening Talent Acquisition

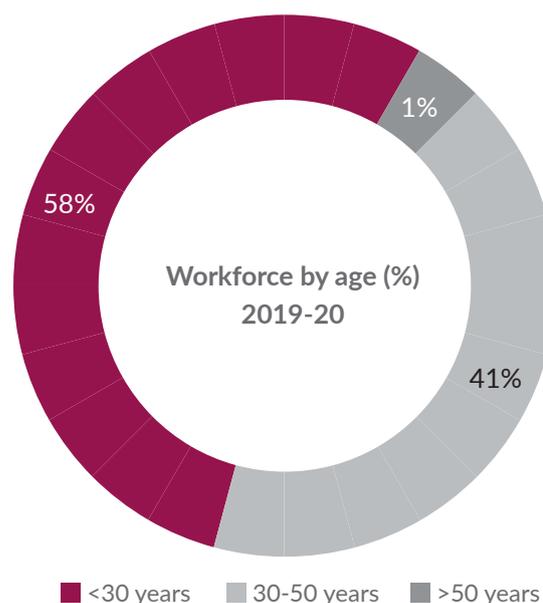
Our talent acquisition strategy has kept pace with the growth in our physical and digital footprint. Aligned to the business strategy to build in-depth customer engagement, we have scaled up our talent acquisition mechanism to onboard talent to match our expanded footprint.

Under the Axis Ahead program, the Bank recruits from the top institutes of the country to tap into the best talent and creating a pipeline of young leaders. During the year, we hired 660 management graduates, engineers and Chartered Accountants across various pedigrees under the program. The Bank's leadership actively engages with the various campuses under the program towards presenting the Bank as a thought leader and an employer of choice.

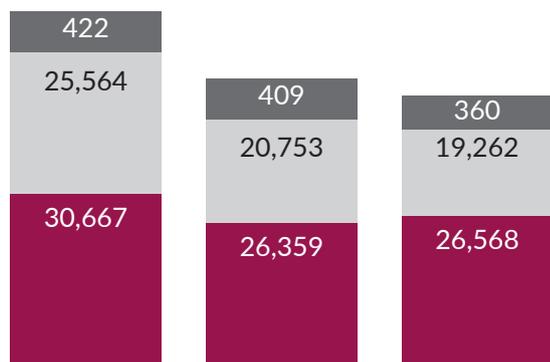
The Axis Bank Young Bankers and Axis Sales Academy programs support a sustainable pool of entry level talent for the core businesses, increasingly integrating analytics and technology in the recruitment process for sharper and smarter hiring decisions. Under these programs, we are investing in the skills of the future and building capabilities in Digital, Engineering, Credit Analytics and Information Security.

Our new strategic direction has also opened up greater career prospects for internal talent. We have Catalyst as our mobility tool enabling employees to manage their own careers and providing opportunities to progress within Axis Group. During the year, over 600 employees made their next career move under Catalyst.

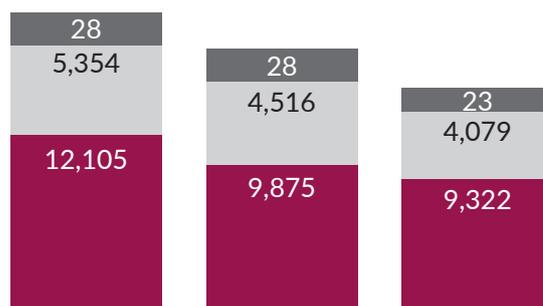
## Overview of Axis Human Capital



Workforce diversity - age and gender-wise: Male



Workforce diversity - age and gender-wise: Female

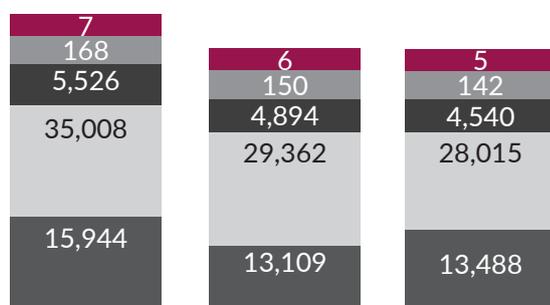


FY 2019 -20    FY 2018 -19    FY 2017 -18                      FY 2019 -20    FY 2018 -19    FY 2017 -18

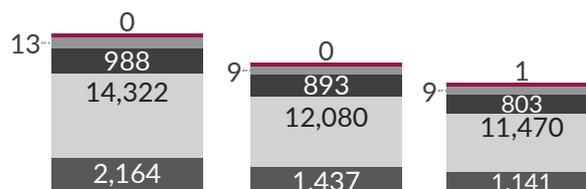
■ <30 years    ■ 30-50 years    ■ >50 years

\*Increase in number of employees is due to scaled up branch expansion, among other factors

Workforce diversity- employee gender and category-wise: Male

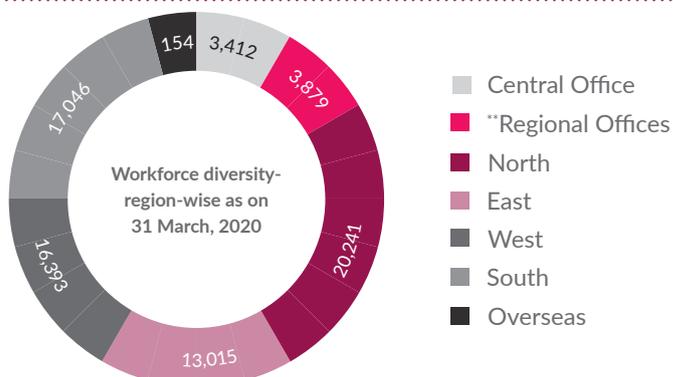


Workforce diversity- employee gender and category-wise: Female



FY 2019 -20    FY 2018 -19    FY 2017 -18                      FY 2019 -20    FY 2018 -19    FY 2017 -18

■ Top Management    ■ Middle Management    ■ Sales Channel    ■ Senior Management    ■ Junior Management

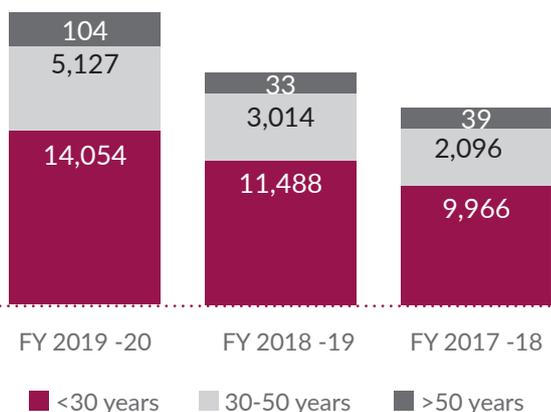


\*\*Includes offices in Navi Mumbai and Hyderabad

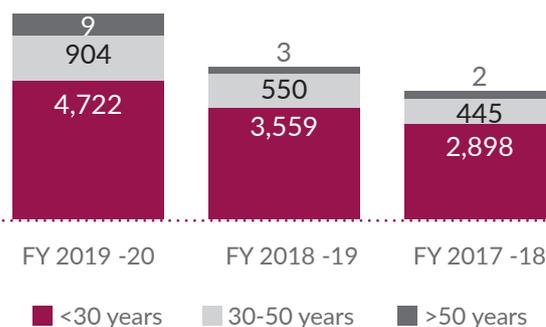
In addition, the Bank deploys contractual manpower indirectly through outsourced agencies. This number stood at 10,457 as on 31 March, 2020.

## Attrition

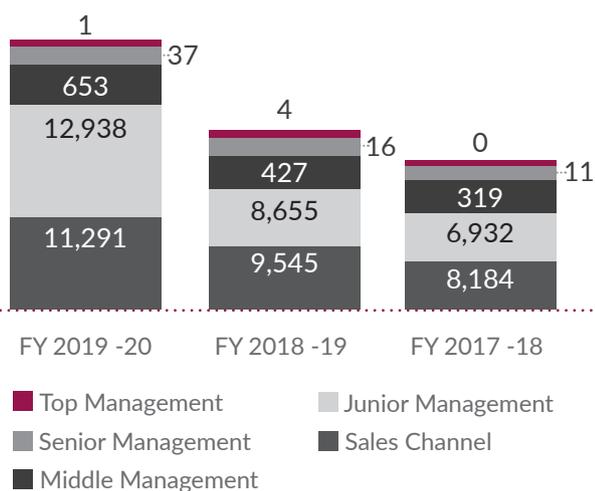
Workforce Turnover - age and gender-wise: Male



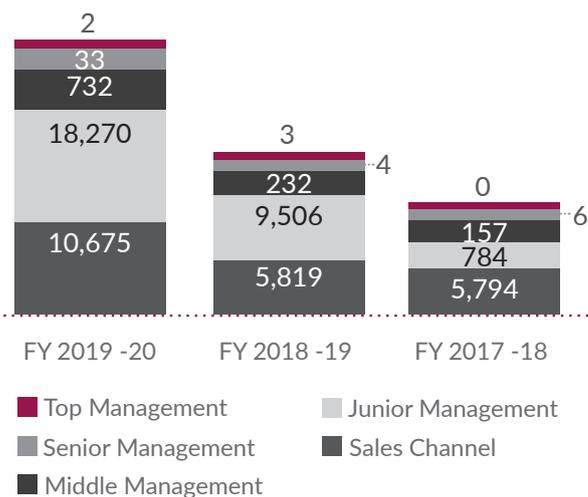
Workforce Turnover - age and gender-wise: Female



Workforce Turnover - employee category wise



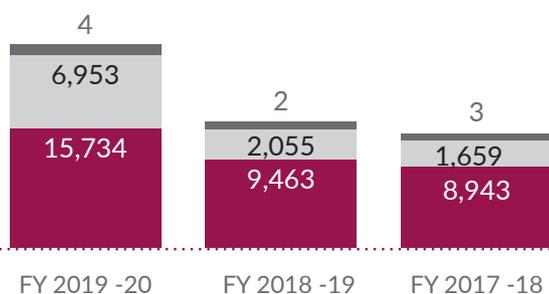
New Hires - employee category wise



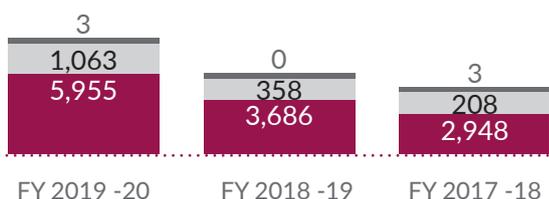
## New Hires

Our new hires rate for the reporting period increased by 90.9%, from 15,564 in 2018-19 to 29,712 in 2019-20.

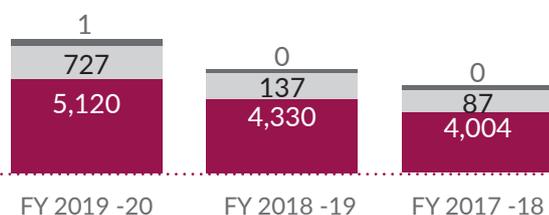
### New Hires - age and gender-wise: Male



### New Hires - age and gender-wise: Female



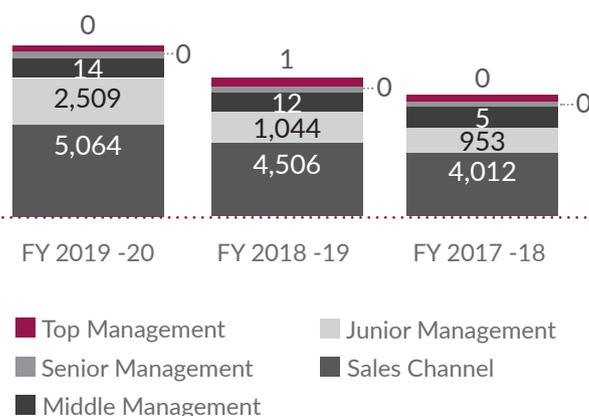
### New Hires turnover\* - age and gender wise: Male



### New Hires turnover\* - age and gender wise: Female



### New Hires turnover\* - employee category wise



\*New Hires Turnover are those employees who joined and resigned in the same year

## Employee Performance Feedback

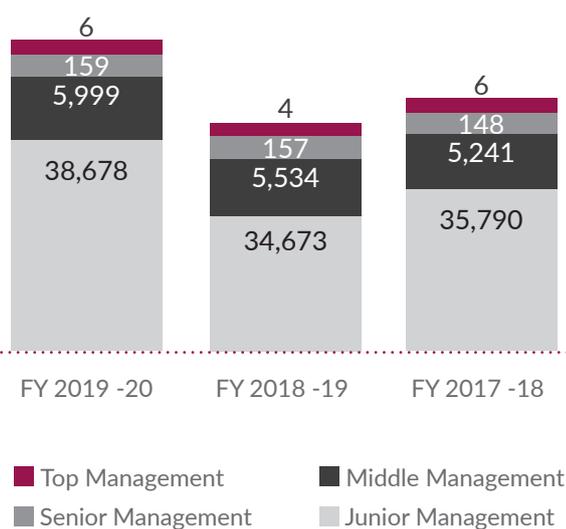
Axis Bank focuses on creating a performance-driven work culture, hiring high-quality employees who are entrepreneurs in their own right, giving them stretch assignments and thus allowing them to develop innovative solutions to achieve their goals. At the Bank, employee performance is assessed through a performance management system on the basis of tangible achievements on pre-set goals in every annual performance review, with counselling and feedback.

We have steadily evolved our performance-based compensation program in pace with the market's best practices. The promotion process at the Bank allows for recognising the best performers regardless of their age, gender, background, or tenure. Employees with lower than expected performance have an opportunity through the Enhancement Program to opt for stretched assignments in the immediate performance cycle towards coming up the performance curve and upgrading their performance ratings retrospectively.

The Bank's remuneration process is guided at the highest level by the Nomination and Remuneration Committee of the Board, and guided by its

Remuneration Policy. Appraisals for employees in select roles or departments also include performance on sustainability-linked deliverables. A detailed overview of the Bank's remuneration governance and process can be accessed in 2.1.34 – Disclosure on Remuneration, as part of 'Notes Forming Part of the Financial Statements' on pages 223-230 of the Annual Report 2019-20.

#### Performance feedback-employee category wise



## Axis Values Program

The Axis Value Program, a two-year realisation journey is a reflection of the policies and decisions that comprise us as a bank. The employees themselves are the co-creators and champions of this program as Axis Value Realisers (AVR), simplifying, exemplifying and institutionalising our core values as winning behavior. In the year, over 950 AVRs championed the program, encouraging employees to narrate winning stories of selves, of colleagues or teams that have demonstrated exemplary impact worthy of recognition at the Axis Champions Award.

## Axis Champions Award

The Axis Champions Award is our annual recognition platform aimed at recognising the employees who have gone above and beyond the call of duty to strongly uphold the Bank's values. Aligned to the Axis Value program, in the reporting year, over 60,000 employees across Axis Bank offices and branches participated in Axis Champions Awards, covering more than 7,000 employee stories culminating in 30 winning stories that were recognised at the Award.

## Building a Future Ready Workforce

As an organisation, our philosophy remains focused on integrated performance and capability management, driven through focused learning interventions and initiatives.

## ACElerate

ACElerate is the Bank's 2 day skill building program that integrates learning with performance management, to help merit pool employees perform better in their current roles. The Program covers the Bank's Merit pool (MP, MP+, MP++) employees from the DVP grade and below, with 13,934 eligible employees attended the training during the year, constituting 66% coverage of merit pool employees.

## Axis Competency Profiler

The Bank's online certification program, Axis Competency Profiler, assesses employees on their functional competence towards creating a strong pool of functionally skilled employees, through learning academies created in partnership with subject matter experts. A considerable number of employees were certified during the year.

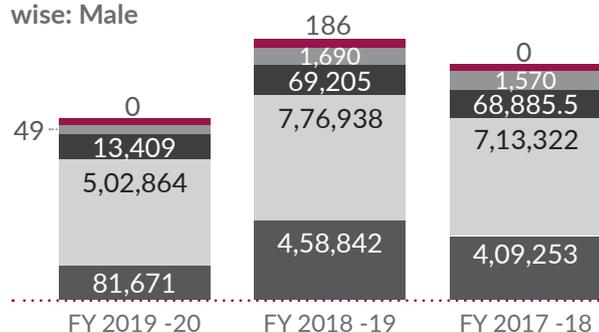
## Digital Learning Journeys

We have embarked on curating role-based digital learning journeys for employees with an aim to

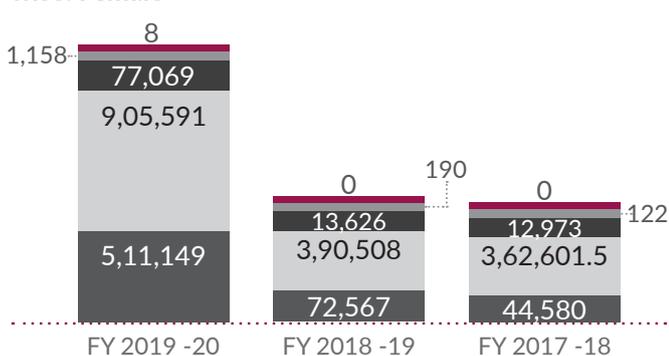
fostering a 'Drive to Learn' culture at the Bank. Our strategic partnerships with virtual academic platforms provides us access to a comprehensive library of on-demand courses.

We have focused on institutionalising a strong Risk and Compliance culture across the bank, ensuring that it is imbibed and practiced by each and every employee in any role or vertical. Towards this, we have also strengthened our induction programs, with mandatory e-learning modules on key topics such as data privacy and security, which employees have to undertake through the year. It must be noted that the outcomes of most, if not all, the learning and development initiatives that employees invest in remain with them throughout their careers and contribute to their career enhancement.

#### Employee Training - employee category and gender wise: Male



#### Employee Training - employee category and gender wise: Female



■ Top Management    ■ Senior Management  
 ■ Middle Management    ■ Junior Management    ■ Sales Channel

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

For 2019-20, average person-hours of training was 10.56 for males, 85.49 for females, and 48.02 person-hours for all employees overall. Out of all training given to employees, 37% of trainings were conducted online in the form of e-learning modules and remaining 63% were classroom-based training. Axis Bank aims to scale-up training on e-learning modules to enhance the employee learning experience and enhance retention, in addition to this, arranging e-learning modules would also help in reducing logistical challenges, expenses and workplace disruption.

## Employee Benefits and Welfare

We continue to provide a comprehensive range of retirement and other benefits to our employees, backed by appropriate processes and independent valuations by independent actuaries.

National Pension Scheme: During the year, the Bank contributed ₹63.5 million (previous year ₹51.90 million) to the NPS for employees who have opted for the scheme. Ancillary benefits like health care (Mediclaime, Group Personal Accident Policy) and term life insurance are also offered to full-time employees.

Employee Benefits (₹Million)	2017-18	2018-19	2019-20
Gratuity benefit plan expenses*	522.9	570.7	958.9
Compensated absences expenses*	473.9	466.2	(89.9)
Contribution to employees' superannuation plan for the year*	159.1	162.9	154.2
Provident Fund benefit plan expenses*	885.3	986.0	1099.2

\* Section 2.2.12 - Employee Benefits, as part of 'Notes Forming Part of the Financial Statements' on page 247-250 of the Annual Report 2019-20



## Employee Wellbeing and Engagement

Employee experience equals customer experience. Building on our expertise of creating differentiated and personalised customer experiences, we apply the same principles for our internal customers. With an aim to get employee experience right the first time, the Bank is re-imagining all employee journeys and integrating all productivity linked processes onto the One Axis employee app is the first initiative in this journey that enables “On-the-go” to the last mile.

### Bring Your Parents to Work Day

As part of our employee engagement program Junction A-Z, the Bring Your Parents to Work Day continues to be an annual event looked forward to by employees and their families alike. The Bring Your Parents to Work Day was organised on 23 August, 2019 across our Corporate Office, Branches, Regional Offices and Circle Offices, with thousands of employee families participating.



### Expert's Talk session on Thalassemia under Axis Cares

The Bank organised an Expert Speak session for employees at the Central Office by Parth Thakur on Thalassemia disease & its prevention.



### Wealth of Wellness

The Bank organised an event 'Wealth of Wellness' for its employees at various office locations. This event saw a huge participation of employees in the activities such as Health Check-up, Eye check-up, Quiz, Selfie Contest, Audiogram Testing along with ENT Check-up and Consultation and other Fun & Fitness Activities.



### Axis Moms@Work

We continue to support creating a supportive environment for our women employees re-joining the workforce at the end of their maternity leaves. Recognising the challenge such a transition often presents for the new mothers, we strive to ensure a smooth and support transition for them. At Axis

House, we have created an in-house pumping facility for nursing mothers, and have in place platforms for expecting mothers and new mothers to interact with each other and experts, including one-on-one coaching sessions with their spouses.

## Day Care Facility

The day care facility at Axis House, Mumbai continues to provide day care facilities to employees, offering them flexible options to be able to better manage their personal and professional responsibilities. Our tie ups with day care vendors across other locations also continue to function.

## Parental leave

The Bank recognises the need for employees to balance their professional obligations with their personal commitments and responsibilities. The Bank provides a mix of leave options, including parental leave for new parents. All employees on the payrolls of the Bank are eligible for parental leave and get benefits such as provident fund, gratuity and life insurance.

## Employees availing Parental Leave

	2017-18 (Numbers)	2018-19 (Numbers)	2019-20 (Numbers)
Paternal	1864	2003	2448
Maternal	611	693	787
Employees returning to work after availing Parental leave as on 31 March, 2020			
Paternal	1864	1895	2443
Maternal	322	344	369

Employee who availed parental leave in FY 2018-19, returned to work and are still on company rolls as on 31 March, 2020 are Male: 1445 and Female: 542.

## Ensuring Employee Health and Safety at Workplace

The Bank continues to focus on strengthening its policies, systems and processes to ensure the safety of its employees and physical assets in the face of unforeseen negative events. The Bank's Business Continuity Plan (BCP) continues to be in place, and it is mandatory for all employees to undertake an e-learning module of the BCP.

Timely and frequent communication with employees is an important aspect of ensuring employees are always aware of the systems in place for an emergency, and also the role they can play to ensure their safety and the safety of their colleagues. Frequent mailers are communicated on topics including fire safety, natural calamities, among others. Most recently, frequent communications on the Covid-19 pandemic are helping employees respond and adapt to the evolving situation. The Bank's overall pandemic response is managed by the CERT (Central Emergency Response Team) which is driving the BCP and working closely with relevant verticals such as HR, IT, CRES and Risk to ensure business continuity while ensuring employee and customer safety.

## Fire Audits and Drills

Ensuring the safety of personnel and assets from fire incidents at the workplace remains a key focus area, with stringent systems and processes in place to prevent such occurrences, augmented by third party safety checks and regular fire safety training and awareness for personnel. Key activities conducted during the year include – fire evacuation drills at all locations, fire system checks at all locations, safety training and demonstration of fire equipment use for employees as well as outsourced personnel, and conducting an e-learning module for all employees on fire safety and security.



An employee at Axis Bank Branch learning to use fire extinguisher

## Incident Monitoring Through Command Centre

Axis Bank's state of the art Centralised Command Centre at its Airoli Office in Navi Mumbai provides remote, risk-based security surveillance to over 3,100 connected branches and currency chests across the country. The Command Centre is connected to critical security and safety apparatus installed at branches, which include:

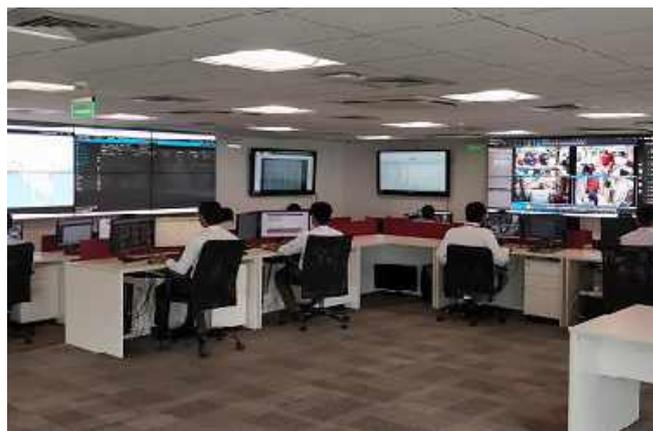
- IP based cameras, operating through network video recorder,
- Intrusion Alarm System connected over IP to motion sensors,
- Panic Switch,
- Smoke Detectors,
- Seismic ATM Sensors and
- Sound hooter

During any security situation, the installed security devices alert the 24x7 operating team at the Command Centre which initiates a mitigation and response sequence as per the Standard Operating Procedure in place. In addition, cluster-wise 'Quick Response Teams' have been mapped to branches, integrated with the Command Centre, to extend 'on- field' support to branch staff/ asset, post operation hours.

The Command Centre has played an instrumental role in successfully averting and mitigating critical

incidents such as fire, theft, and vandalism, among others, thereby safeguarding staff, customers and physical assets, and preventing potential losses to the organisation. The adoption of technology, such as IP-based surveillance, has significantly enhanced the capabilities of the Command Centre, as well as that of the Bank's overall safety net, to make incident response management more efficient.

The Command Centre is playing a vital role in the ongoing COVID-19 related lockdown and restrictions, wherein it is closely coordinating with the various branches, ATMs and currency chests to ensure the safety and security of personnel and infrastructure as they operate amidst heightened risks. The Bank aims to connect all its offices and branches with the Command Centre over a period of time.



## Strengthening Compliance and Vigilance

Compliance is a critical and essential aspect of the Bank's corporate governance priorities. Guided by a robust Compliance Policy that outlines our compliance philosophy and the roles and responsibilities of the internal stakeholders driving it, the Bank strives to ensure it abides by all applicable statutory and regulatory prescriptions as well as internal policies and guidelines.

It is critical to ensure that our employees are abreast at all times of the necessary knowledge on compliance, and the various regulatory and legal aspects of banking services at all times, and that they are vigilant in identifying and preventing any breaches in this regard. There are mandatory trainings on compliance right from induction to follow-up trainings throughout an employee's tenure. Employees have to mandatorily undertake specific modules on topics including KYC and AML.

Towards maintaining the highest standards of ethics at the Bank and safeguarding the trust of our stakeholders at all times, we have adopted a Board-approved Code of Conduct for employees, with a provision for 'zero tolerance' towards any violation of the Code. Employees are conveyed the Code at the time of induction, and all eligible employees have to mandatorily undertake e-learning modules of the Code.

The Bank has in place an employee portal, H-Response, for employees to communicate their grievances or concerns to the Management in a confidential and secure manner. H-Response received 1, 91, 166 complaints of various hues during the reporting year, of which 1, 68, 614 complaints were resolved as on 31 March, 2020. The Bank does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'. We continue to maintain zero tolerance towards non-compliance of the risk and compliance policies and guidelines in place at the Bank. The Basic Responsibility Framework that was launched to augment and uphold the culture of risk and compliance at the Bank has been continued this year.

We remain committed to be an organisation with strong respect for human rights, safe work conditions and ethically sound business practices for employees. The Policy on Human Rights, an internal policy at the Bank underscores this commitment and supplements the Code of Conduct and its related practices.

## Whistleblower Policy

To maintain the highest standards of corporate governance, ethics and transparency at the Bank, the Bank has formulated the Whistleblower Policy and Vigil Mechanism in line with the relevant regulations, and overseen by the Whistleblower Committee. The Mechanism allows our internal and external stakeholders to report any issue or occurrence committed confidentially and without fear of retribution.

The Bank has setup a web-based application – <https://axisbank.whistleblownetwork.net> that is independently managed by a third party and allows for anonymous reporting. As an added measure, concerns relating to senior management can be reported directly to the Audit Committee of the Board. The details of the Whistleblower Policy and Vigil Mechanism are available on page 116 of the Bank's Annual Report FY 2019-20.

## Preventing sexual harassment at the Workplace

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

The Internal Committee on POSH at the Bank continues to expand its objective of making the Bank a safe environment for female employees, focusing on strengthening the existing systems in place for employee training and awareness, reporting mechanisms for aggrieved employees, and mechanisms for fair hearing and redressal.

Bank-wide communication on POSH takes place both physically and digitally, and the names of members of the Internal POSH Committees are communicated regularly.



## POSH Awareness Sessions

In the reporting year, we continued with our initiative of hosting POSH awareness sessions at our Circle Offices across the country, conducted by members of the internal POSH committees and attended by Circle Heads, Cluster Heads and various Business Heads. 33 such POSH awareness sessions were conducted across different Circles during the year. A summary of POSH related complaints and disposal is disclosed as part of the Report on Corporate Governance in the Annual Report 2019-20 on page 115.

*POSH Awareness session underway at a Circle Office of the Bank*

# Social and relationship capital

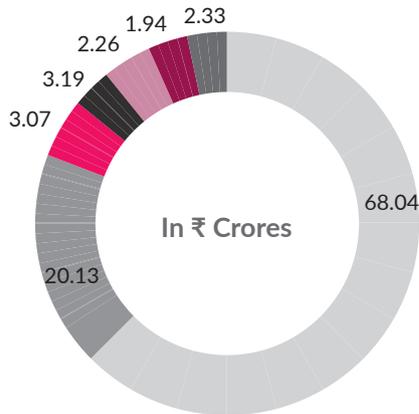
*As an organisation, we have always believed that the progress of the communities we serve is a key determinant of our long term success and through the years, have invested in helping diverse communities from across the country build socio-economic and ecological resilience. Creating positive value for our communities has always remained an important factor in our actions and a measure of our organisational performance.*

Our CSR governance, activities and focus areas are aligned to Clause 135 of the Companies Act 2013 and all the subsequent rules made thereunder. Guided by our CSR Policy and overseen by the CSR Committee of the Board, our activities are spread across the country and implemented directly, through the Axis Bank Foundation (ABF) or any external entity deemed suitable by the CSR Committee. Our primary intervention areas include creating sustainable livelihoods in urban and rural India, environmental sustainability, financial inclusion and literacy, and education and skilling.

Details of the Bank's CSR activities aligned to the Companies Act 2013 can be found in the 'Annual Report on CSR Activities' on pages 153-159 in the Annual Report 2019-20, accessible online at <https://www.axisbank.com/csr/csr-reports-disclosures>.

## Axis Bank Foundation - Creating Sustainable Livelihoods

Since 2006, Axis Bank Foundation (ABF), a public charitable trust established by Axis Bank Limited, has been engaging with socio-economically and ecologically vulnerable sections of society to enhance their quality of lives through its grassroots NGO partners. With the thematic focus of 'Sustainable Livelihoods' since 2012, ABF reaches out to communities for improving the condition of farm and non-farm livelihoods by improving their ecosystem services, value chain development, building and strengthening collectives and enhancing employability of rural youth, including youth with disabilities, by training them in market oriented skills. The two prime pillars under 'Sustainable Livelihoods' that ABF works in are Rural Livelihoods and Skill Development.



- Sustainable Livelihoods, supported directly and through Axis Bank Foundation
- Environmental Sustainability
- Education and skill development
- MSME sector capacity building
- Disaster relief and recovery
- Financial Inclusion and literacy
- Administrative overheads





“We at Axis Bank Foundation (ABF) remain committed to its mission of impacting two million households by the year 2025 - “Mission2Million”. Throughout its journey, ABF has leveraged its relationships with programme partners with a solid understanding of what is needed in terms of deployment of funds and effort. Our approach entails establishing and strengthening community-based and community-owned institutions, thereby bestowing a sense of ownership. In today’s challenging times where the entire world has come to a standstill, ABF will stay the course, finding ways across obstacles to support vulnerable communities and empower individuals.”

**S Ramadorai, Chairman**  
Axis Bank Foundation

## Catalysing Climate Resilience



India’s rural communities are most exposed to the risks from erratic weather, increasingly tied to climate change, because their livelihoods largely depend on natural resources. In this context, building resilience by encouraging local decision making and inclusion is a central focus of ABF’s interventions and initiatives, and building climate resilience among rural communities thus becomes a key aspect of its activities.

To enable communities to withstand the adverse effects of climate change, ABF focuses on providing community participants with multiple sources of income such that they are able to rely on through the year. In addition, ABF’s interventions are built around resolving everyday challenges of water security, natural resource management, fortifying a basket of livelihood opportunities, building people’s collectives to enable

market integration, access to finance and linkages with opportunities from government schemes. The designed programmes are cognisant of maintaining the balance between ecology’s carrying capacity and optimising economic outcomes for communities, so that impact is sustainable in the long term.

## Resource Conservation

Given communities’ reliance on natural resources for livelihoods makes it imperative to first protect, conserve and rejuvenate/ regenerate resources such as land, biodiversity and water. Together with the communities, ABF and its partners identify areas that require such interventions and cohesiveness of communities is leveraged to form committees and user groups to resolve local issues based on their traditional knowledge, local culture, and willingness to participate and prioritise issues that need solutions.

Focus on soil and water conservation measures has helped improve the availability and access to water while enhancing the ability of communities to withstand shocks of dry spells. It allows for cultivation beyond monsoons and enabling round-the-year water availability for household use and rearing livestock. Soil conservation measures improve quality and quantity of agricultural produce while retaining soil’s nutrient balance after harvest and moisture even in non-monsoon months. Focus on land use management has enable restoration of land for common use for fodder, Non-Timber Forest Products (NTFPs) and fuel, providing viable income generating options.

## Enhancing Agricultural Productivity

After improving the base of principal inputs for agricultural productivity, ABF focuses on building capacities of communities to select a package of practices customised to suit local conditions, such as improved crop varieties, better seed management practices, inputs based on soil testing, mulching, systems of crop intensification and other practices

less dependent on external supplies. The main aim of activities enhancing agricultural productivity is by reducing costs and improving quantum of produce. Towards mitigating the risk of crop failure, demand management and crop planning are two crucial trainings that are impacted to participants.

## Income Diversification



Diversifying income streams is also a way to mitigate both climate as well as market-induced risks. With this focus, participant households are introduced to livestock rearing (both small and large ruminants), apiculture, sericulture, fishery, NTFP collections, microenterprises and ancillary services providers to these value chains. They are then linked to financial institutions or applicable government programmes for funds, and then to the market for sale of produce.



## Micro-enterprise Facilitation

Micro enterprises are facilitated for the collection of produce for aggregating and onward linkage to main stream markets. The presence of micro enterprises, on one hand, sustains livestock rearing or other such income streams as a viable income generating opportunity and on the other, presents an opportunity for local youth to participate in the value chains as entrepreneurs. The potential of benefitting from these opportunities are greater for households which are landless or own marginal land holdings. Small home-based enterprises have proved very effective as a secondary source of income to farming households, and such enterprises draw on locally available resources and traditional processing techniques to monetise agricultural and livestock-related produce, amongst other types, marketing them in local and external markets.



## Collectivisation

The presence of Community Resource Persons (CRPs) and People's Institutions (PIs) forms the backbone

of ABF's interventions and enables continuity and sustainability of practices. CRPs are a critical link between the respective communities and partners who are trained to launch and ensure the continuity of activities, and linking them with government agencies and key markets. The presence of PI's such as village institutions, Self Help Groups, user groups, producer organisations and cooperatives enables group processes, cohesive decisions and timely interventions, supervisions and maintenance of overall governance of processes established over the project periods and therefore, long term sustainability of activities.

## Skilling and Employment Generation for Youth



Under the Skill Development pillar, ABF focuses on developing financial and human capital across the skilling ecosystem to enable youth, especially from the peri-urban areas, to gain employable skills. The skilling programme provides core trade skills training, soft skills as well as life skills such as personality development and confidence building. ABF's support has enabled its skilling partners to stabilise and scale their operations and they have been able to set up new training centres, employ quality trainers, and in many cases, have developed training plans and curricula customised to local industry needs. For creating an inclusive work space for people with disabilities, the skilling programmes also encompass the identification and modification of job roles in industries that are conducive to specific disabilities, redesigning the required process in these job roles, engaging with employees to create an inclusive workspace, job placement after skilling and handholding after job placement.

ABF's programmes are based on a framework that accounts for the needs of the communities. While government policies and programmes go a long way towards this goal, the last-mile connectivity is often provided through collaborations across private and public sectors. ABF is leveraging such partnerships to enable socio-economic inclusion of communities.

## ABF Board's visit to the Community

As a crucial responsibility, the Board of Trustees of Axis Bank Foundation visits its participant communities annually to interact with community members and track the progress of project initiatives and implementation status.

The Board takes responsibility for acting as the voice of the NGO, ensuring to understand the needs of the community and making any necessary changes in the project goal, mission, execution or strategy that would enable them to serve the community to the highest potential.

During the reporting year, ABF's Board members, constituting the Chair, S. Ramadorai along with Som Mittal, and Rajesh Dahiya with ABF's Executive Trustee and CEO, Jacob Ninan visited project locations in Madurai and Sivagangai districts of Tamil Nadu and interacted with ABF's project partner DHAN Vayalagam Tank Foundation (DVTF). Over the two days visit, members interacted with the community and staff



members, and witnessed some of the supported interventions which included restoration of the tank-based irrigation system, functioning of the agri-finance groups in improving agricultural productivity, and the broadcasting of the community radio program. The Board interacted with community members to understand how the interventions were able to positively impact their lives and livelihoods.



## Agriculture productivity

### Case Study-Entrepreneurship for Livelihoods



An exuberant Premlata exclaimed “I’m taking baby steps towards success!” A resident of a remote village in Pathargama Block of Godda district in Jharkhand, Premlata is an agriculture entrepreneur today. Like many other women like her, she started her journey by joining a Self Help Group (SHG), Tulsi Mahila Mandal, in 2017. Soon, she rose to an office-bearer’s position given her enthusiasm to help everyone. Soon, she showed an inclination to donning the role of an agriculture trainer, as all SHG members were being introduced to various livelihoods opportunities that they could adopt. As a trainer, she focused on training women on building their capacity, changing their approaches, improving their sources of livelihood, and creating awareness about the SHG and its importance. Through regular training and capacity building programmes, she kept on learning and adopting new techniques to expand her know-how and acquire additional expertise.

Such was Premlata’s enthusiasm and acumen that she soon learnt the art of developing vegetable seedlings through the raised-bed method in her

own house. In addition, she also received training on coco-peat and a new technique of seedling raising for better germination of seedlings. In the latest Rabi season, she developed a nursery in her poly-house with 28 packets of seeds consisting of brinjal, chilly, cauliflower and tomato. These grew into over 50,000 seedlings through her efforts, earning her ₹25,000 when she was able to sell them.

Today, as an agricultural entrepreneur, Premlata enables farmers in surrounding villages to plan horticultural crops. Once a crop is planned, she helps them source quality inputs such as seedlings to optimise their production. Her entrepreneurial strategy of germinating seedlings and selling them to farmers helps both the farmer and her as farmers get seedlings of a much better quality than what they procured from markets and in turn their purchases generates income for Premlata. Her seedlings also have lower mortality rates which otherwise, can cause significant losses to farmers. Premlata’s farmers who are using the seedlings for cultivation are excited at the prospect of a strong crop, and observing the fruiting in their plants, are expecting a higher production this year. Many farmers have expressed the wish to adopt and continue this practice of growing and supplying seedlings within their own production clusters. Premlata remains the forward-looking, enthusiastic entrepreneur who wants to do something on her own and help others. She is ably supported by the ABF Partner’s implementation team who work together with her to help resolve any bottlenecks.

The proud catalyst of this transformation, Premlata, says “Demonstrating a new initiative that will help my fellow farmers is always fulfilling.”



## Collectivisation

### Case Study-Collective Action to Enhance Livelihoods



Chunni Bai is a 40 year old resident of Upla Bhimana village in Sirohi district of Rajasthan. She and her husband, Ganesh Ram, have 9 children. They own 6 acres of unirrigated land and just like their neighbours, they grow only maize in 3-4 acres for household consumption. The parents used to migrate for 5-6 months in a year to work as daily wage workers at construction sites, a role which has now been taken over by their older children.

Chunni bai and her neighbours were first approached through the ABF-SRIJAN project with an aim to orient them on the benefits of and forming into a Self Help Group (SHG). She her neighbours took 3 months to form the group and name it 'Prabhuji'. Initially, all the members were sceptical about the various livelihood initiatives that were promised to them through the SHG by the project team but this was until the project team identified scope in processing wild custard apples growing naturally in the surrounding forest areas.

Even earlier, the women would collect custard apples from the wild and sell them to local traders who often didn't pay them or paid them as low a price as ₹2-3 per kg. Sometimes, they would not be paid for weeks or duped by local traders in other ways. Thus, custard apple formed a negligible source of their family income.

Under the ABF- SRIJAN project, a Village Level Collection Centre (VLCC) for custard apples was set up in their village. A VLCC would streamline the quality and quantity of collected custard apples which could then be moved towards further processing. Chunni bai's home, which was mid-way from either end of the village, emerged as the natural selection to be the collection centre. Chunni Bai was more than willing to host the centre and named it 'Dhuni'.

The process of record-keeping emerged as a challenge. Chunni Bai was not confident of doing it when it was explained to her, and believed that none of her children would be able to do it either. However, her eldest daughter Geeta, who is pursuing higher secondary and knows how to read and calculate, was made the centre in-charge. Geeta demonstrated she was suitably oriented towards her responsibilities and was trained on recording transactions.

Through this project, Chunni Bai earned ₹1,600 from the first seasonal harvest of custard apples after the VLCC was set up. Her earnings increased substantially in the second season to help her earn around ₹7,000, and she has been able to sell 882 kgs custard apples in the first two seasons. She also earned an additional ₹2,210 by working in a local manufacturing unit.

Geeta reflects that her stint as the Centre in-charge has boosted her confidence as she considered herself weak in Mathematics and the job required a lot of calculations, especially addition and multiplication. She says among all the stationary at the centre, the calculator has been her saviour but now she says she doesn't even require a calculator for most of her calculations. As the Centre in-charge,

Geeta too earns a commission per kg to custard apples that the Centre is able to supply. About 2 years ago, when the VLCC had just started, she received 25 paise per kg which was raised to 40 paise per kg in the subsequent seasons. In the first seasons of the VLCC, Dhuni had procured 2,372 kg of fruits, earning Geeta a commission of ₹597. In 2018, Dhuni procured 3,476 kgs of fruit, which coupled with the increased commission rate, improved Geeta's earnings to ₹1,390, which, Geeta says, she used on buying toys for her younger siblings and stationery for her own use.

Now the entire family eagerly awaits the custard apple season as it not only gives them a seasonal fruit for consumption but also a minimum earning potential of ₹5,000 in a span of 2 months. Chunni bai says the procurement through the VLCC has also brought about fair trade practices, streamlined the procurement process, and last but not the least, released them from the exploitation of agents.



## Skill Development



### Case Study-Developing skills for a better life



33 year old Jugraj Bairwa comes from a small town called Baran in Rajasthan. His father and brother are labourers and his mother is a house wife. He has four sisters, two of whom are married and two are studying. Together, his brother and father support the family of eight.

“I had a normal childhood just like anyone else. But it all changed seven years ago. I was in ninth standard when I lost my left leg in an accident. I felt as if everything was snatched from me. I lost a lot of people who I felt were close to me. My friends stopped talking to me in fear of my asking them for help. Some were even superstitious to think that keeping in touch with me would make them lose their own legs.

My parents were helpless and wept constantly, lamenting at their misfortune. My parents are now almost 80 years old and my accident meant that my father had to continue working, while I just sit idle at home. We even had such tough days when we went without food.”

As a result of the accident, Jugraj could only complete his schooling upto secondary school (SSC/10th standard) before having to drop out. He then started looking for a job to support his family financially but nobody seemed willing to give him a job.

“I was capable of doing the jobs I had applied for but they just kept looking at

my disability and refused to give me a job. I even begged for jobs in many companies. But all of them ignored me saying that I wouldn't be able to do the jobs or they don't employ handicapped people. Disappointed and dejected, I used to blame my condition for my misery. But my parents did not stop supporting me no matter how many times I failed." Jugraj learned about ABF's Partner Youth4Jobs' job-linked training programme for PwDs through one of his friends. He visited the training centre at Jaipur where he interacted with the trainers who oriented him about the coursework and the job prospects.

Jugraj entered the training programme, and upon the completion of his training, he was placed at Voylla, Jaipur as an Operations Associate with an annual salary of nearly ₹1 Lakh.

"I am learning many new things on the job and I like my job very much. I feel I can now take over my family's responsibility from my father and he can finally rest. This is my first job and I want to do this job for long time and want to get to a higher position in the same company. My colleagues here are all very good to me and are considerate about my disability."

## ABF's Response to the COVID-19 Pandemic

ABF and its implementation partners were active in responding to the COVID-19 pandemic right since the pandemic's initial outbreak across the country. ABF assessed the immediate challenges among the supported communities around loss or disruption in daily wages, lack of financial savings, loss of mobility, shutdown of agri-markets impacting sale of produce, lack of access to healthcare, among others. ABF was quick to respond to the immediate relief requirements of communities impacted by the national lockdown from March onwards.

ABF and its partners have been active on mitigating many of the factors through diverse interventions, including diverting their existing funding and on-ground resources to facilitate relief. The Foundation is also working on the recovery and resilience of impacted communities and regions as the country and economic activity opens up slowly. Up till April 2020, ABF had committed additional funding requirements of ₹1.88 Crores to support the pandemic response, supporting close to 2.6 Lakhs families across 10 states.



*Distribution of dry ration kits to Community kitchen at Aranga Village of Surbuda Panchayat, Jharkhand*



Entrepreneurship opportunities provided through stitching masks in Bokaro, Jharkhand

## Axis Cares

Axis Cares is the Bank's payroll giving programme for employees. Managed by ABF, Axis Cares offers a comprehensive platform to employees to donate to a wide variety of environmental and social causes they believe in. Employees can either make spot donations, donate for someone else, or donate a portion of their monthly salary.

At the onset of the lockdown due to the COVID-19 pandemic, under Axis Cares, the Bank supported nearly 35,000 individuals in 8 cities in meeting their food requirements for a month. In addition, thousands of employees across the Axis Group donated a day's salary in April 2020 to the PM CARES Fund.

## Axis DilSe



'Axis DilSe' – Connecting Remote Communities is an ambitious initiative we undertook in FY 2017-18 towards promoting inclusive growth in India's remote borders through education to create an enduring change. Under the program, the Bank undertook the transformation of over 100 primary schools in the remote villages in Leh and Kargil districts in the Union Territory of Ladakh over a period of three years, and joined hands with its local implementation partner, 17000 ft. Foundation.

In the first year of the project, playground equipment were set up in the DilSe schools as well as libraries in these schools were refurbished to include age appropriate books that aided in inculcating a reading habit. In addition, a Central Library in Leh called the 'The Next Chapter' was inaugurated, where children come to read books and take part in various non-curricular activities that are conducted there. In the second year of the project, 'DigiLabs', an innovative digital learning intervention comprising tablets with curated educational content and completely powered by solar energy were set up in the schools. In addition, training was provided to the teachers to effectively utilise DigiLabs.

In the third and final year of our DilSe intervention in Ladakh, age-appropriate classroom furniture was

installed and learning material were provided to the supported schools. Significantly, the phase includes integration of Aanganwadi centres (Integrated Child Development Services (ICDS) centres) with an aim to enhancing the learning levels of the children coming to these Aanganwadis. An important aspect of the intervention is imparting training to teachers, Aanganwadi workers and the villagers, for effective utilisation of the Centres by all stakeholders. In addition, block level training was conducted for headmasters and DigiLabs administrators to enable them to effectively use DigiLabs.

It is a matter of pride that the Axis DiSe Program has been lauded by the Ladakh Autonomous Hill Development Council, which aims to use the program as a template for scaling up the development of other schools and Aanganwadi centres in the Union Territory.



## Axis Evolve – Building Capacity in the SME Sector

The MSME sector in India has an immense potential to contribute towards achieving the Government's ambitious growth targets for the economy. Recognising the need to build deeper capacity within the sector participants, the Bank had launched 'Evolve' as a knowledge sharing and capacity enhancement platform that brings SME participants together with experts, leaders and professionals. As a part of this initiative, domain experts from diverse sectors share their expertise and experience, and discuss the case studies focused on MSME sector growth and development. The theme for Evolve's sixth edition, concluded in this reporting period, was "Gearing up for the 5 Trillion Dollar Economy", with the series covering 26 cities in India, touching close to 3,800 SME participants.



## Project Akshar

Project Akshar was launched by Axis Bank in 2017 to help create a financially literate society in the digital age, focusing on helping people improve their

personal financial responsibility. The platform uses an interactive and gamified approach to make learning fun and interesting, while demystifying the financial space for a common person, such as financial terms and other jargon that are often difficult to understand and ignored, despite being an essential part of every financial contract. Akshar aims to provide the necessary knowledge that can help users enhance their creditworthiness through the right steps and initiatives. Akshar offers a knowledge bank to its users that comprise of lessons, blogs, quizzes, scenarios, and infographics on credit reporting and financial management, segregated into beginner, intermediate and advanced levels. Since its launch, over 3 Lakhs users have availed the platform.

As Akshar is completely online, it has been able to penetrate not just the metros, but also tier 2 and 3 cities as well as many rural centres. Akshar's success has created a ripple effect with thousands of users recommending it to their friends and families. In the reporting year, thousands of active Akshar users reported an improvement in their credit scores.

Akshar has also been enabled in Hindi language. The localisation should especially be able to cater to the needs of different customer segments in the Hindi speaking regions, particularly in the smaller towns. Akshar also hosts blogs which boast of a high reading presence, and are available in 5 languages - English, Hindi, Marathi, Tamil, and Telugu. Under Akshar, we have launched a new initiative focused on expanding financial literacy among women, focusing on providing personalised financial plans and credit awareness sessions especially for women participants.

Project Akshar received notable accolades for its impact, during the year. Akshar bagged two awards – 'CSR Project of the year in Banking and Finance' at the Brand CSR Awards 2019 and the 'Best Digital Campaign by a Banking Enterprise' Award at the Drivers of Digital (DOD) Summit & Awards 2019.



## Supporting 'Swachh Bharat'

Marking the 150th year of Gandhi Jayanti in 2019, Axis Bank and the Bhopal Municipal Corporation (BMC) collaborated in a unique public private partnership aimed at improving solid waste management in the city of Bhopal. Bhopal is already among the best performers in the Swachh Bharat Mission's annual national survey and the Corporation sought to further strengthen its solid waste management practices through improvements in on-ground monitoring and supervision.

Bhopal is a city with a population of approximately 2 million citizens, and is divided into 85 wards. Each Ward has its own set of officials and infrastructure for overall waste management, including the ward 'Daroga' whose primary responsibility is to ensure waste management is being done satisfactorily. Under the partnership, the Bank equipped each Ward with one electric scooter each, totaling 85 scooters, which shall allow the Darogas, as well as other officials such as health inspectors, to improve the speed and coverage of their supervision.



Formal handing over of e-scooters to the Bhopal Municipal Corporation by Axis Bank at Bhopal

The electric scooters were formally handed to the BMC leadership and senior bureaucrats from the Government of Madhya Pradesh, by the Bank's Managing Director & CEO at an event in Bhopal. To further strengthen efforts to improve public habits on cleanliness, the Bank has also provided 200 Android-based POS Machines to BMC, to be used for spot fines against littering or other solid waste management related breaches by citizens.

## Empowered Rural Communities through Axis Sahyog

Community-based interventions towards expanding financial inclusion and deepening financial literacy in urban and rural India are an integral strategic focus of Axis Sahyog, the Bank's retail microfinance initiative. Especially focused on women empowerment, Axis Sahyog undertakes community-focused, capacity building activities directly or through its on-ground implementation partners aimed at promoting self-empowerment, personal growth, and inspiring an entrepreneurial spirit among women. Cumulatively, Axis Sahyog's diverse interventions have touched over 8.5 Lakhs lives as on 31 March, 2020, and we aim to significantly scale this impact going forward.

## Financial Literacy Programs

We continue to run three key initiatives under financial literacy with our on-ground partner Accion in various states in the country.

- Mass Awareness Camps: Mostly conducted through street plays, dance dramas, street poetries and magic shows, the camps' objective is to spread awareness on inculcating good spending habits, monthly budgeting plans, identifying the appropriate avenues to save funds, and being aware of the fraudulent activities that can happen while they undertake their usual monetary

transactions. Camps are usually carried out at community centres or other places of social gathering in a village. In FY 2019-20, the camps covered 30,295 participants.



- **Money Plan Program:** The program imparts information on efficient money management by educating participants on various savings, insurance and investment services available to them. The Program uses specially designed training tool kits such as audio visuals, flip charts, games and didactics. The program also facilitates adult learning in a classroom environment, and is easily adapted to a digital environment. A typical session incorporates quizzes, role plays and games, and includes demonstrating activities such as using or making a financial planner. The Money Plan Program covered 22,645 beneficiaries until March 2020.



- **Vocational Training:** This intervention focuses on providing an educational training emphasising specific trade, craft or job function-based knowledge and skills. The program has been effective in supporting employability and practical skills development, and the shown positive results.

## Skill Development Programs



Various studies on educational levels in the country have highlighted the poor participation of women in secondary education, which has been especially visible in rural India where access to formal education for women remains challenging. Vocational training has emerged as an effective tool to fill this gap as it can not only facilitate lifelong learning but also improve employability. Axis Sahyog's skill development initiatives operate under this objective keeping a strong focus on rural women.

**Skilling –** Poor skilling among rural women has often forced them to take up traditional roles such as supporting the occupations of their spouses or families, and typically not being paid for their work. Our interventions focus on skilling such women in income-generating skills that can augment their personal as well as family incomes, typically activities that do not require a large upfront investment, offer steady income and could be run from within their own homes.

We continue to partner with NIIT Foundation on skill development, facilitating trainings for the underprivileged & the under-served youth seeking employment opportunities. As on 31 March, 2020, the partnership enrolled 771 beneficiaries.

Our skilling interventions also focus on providing soft skills such as personality development and communicating in English, thus offering participants an opportunity to take up customer facing, value added roles, especially for women participants. Notably, our skilling interventions have a number of organised players from the industry as partners, further creating opportunities for beneficiaries to build long term careers.



## Health Camps

Axis Sahyog continues its partnership with Thyrocare to conduct women-focused, health camps in rural India. At the camps, participants are provided a detailed health card and they can avail free tests for diabetes, thyroid, blood profile, among others, with reports delivered to their doorsteps. The Camps touched 8,784 lives in FY 2019-20.

## Axis Sahaayata

The Axis Sahaayata initiative under the Axis Sahyog program aims to proactively respond to natural disasters and other such exigencies across the country, delivering direct relief measures and materials, and supporting on ground relief efforts in disaster affected regions.



## Responding to Cyclone Fani

Cyclone Fani hit the eastern coast of India in April-May 2019, causing significant economic damages and loss to human life. Odisha, which was worst impacted, suffered deaths and extensive physical damage across most districts in the State. Axis Bank undertook relief efforts and announced several financial support measures to help the State and its citizens recover.

The Bank's financial support included financial aid of ₹2.65 Crores that was provided to the District Representatives of the 14 worst affected districts towards supporting local on-ground relief activities. This support was in addition to the relief provided under Axis Sahaayata, wherein the Bank provided additional financial support of ₹1 Crore and directed relief activities in the most affected rural interiors of the State. Additionally, the Axis Bank Foundation also provided ₹25 Lakhs to agencies involved in rescue and relief activities.

With an aim to mitigate hardships faced by citizens particularly around needing access to cash or meeting their existing financial obligations, the Bank waived off various charges and extended payment deadlines for its various products and services. The Bank deployed 7 POS and 7 Micro-ATMs at select locations across the state to ensure smooth cash payments and flagged off one Mobile ATM for all citizens to use. Additionally, the Bank also launched a special drive to raise funds for supporting Odisha relief from its employees under Axis Cares.

During the year, apart from Odisha, Axis Sahaayata provided support towards floods in the states of Assam, Bihar, Karnataka and Kerala, distributing close to 23,000 flood relief kits and covering approximately 37,800 beneficiaries across 30 districts in these four states.

# Natural capital

*As the global banking landscape changes, the true purpose of financial institutions is to now support actions that will help create long term, positive impacts through its banking and lending activities. Axis Bank, in its journey of sustainable growth, is continuously looking for different ways in which it can increase the scope of its positive environmental impact, covering its lending activities, operational excellence, digitalisation and CSR.*

## Sustainable Finance

As a leading financial institution, we facilitate financial flows in diverse aspects of the Indian economy, touching myriad sections of society. In alignment with the global sustainable development agenda led by the Sustainable Development Goals and the Paris Agreement, we have strived to strengthen our sustainable financing practices and portfolio, lending to sectors including renewable energy generation, mass transport, low carbon infrastructure and waste management, as well as strengthening our overall environmental and social (E&S) risk assessment capabilities.



Notably, through our Debt Capital Markets vertical, we have helped marquee clients raise funds from the global capital markets towards green financing. Axis Bank has also been engaged in a number of initiatives and platforms focused on policy advocacy and market development for green capital markets.



As on 31 March 2020, the Bank's overall exposure to such 'sustainable' sectors including renewable energy (including hydro), urban mass transport, and green buildings, stood at ₹6,446.58 Crores, up from ₹5,498 Crores in the previous reporting year. In March 2020, the Government of India declared large hydropower projects to be classified as renewable energy source. The Bank's reported sustainable sectors portfolio as on 31 March, 2020 also includes the Bank's large hydro exposure.

In 2016, we launched India's first certified, dollar-denominated green bond by an Asian bank, raising USD 500 million. Towards ensuring transparency in the use of proceeds and improving impact measurement, we launched the Green Bond Framework in alignment with Climate Bonds Initiative's Standard version 2.1. The total funded green exposure under the Green bond issuance was ₹3228.37 Crores as on 31 March, 2020. This exposure is included in the Bank's overall sustainable sector portfolio reported above.



## Implementation of Sustainable Lending Portfolio

The Bank has in place the Sustainable Lending Policy and Procedures (SLPP) that integrates environmental and social risk assessment into our credit appraisal mechanism. It applies to all new funding projects (excluding the sanction of cost overruns or additional funding for existing projects), subject to the threshold criteria for qualifying projects as defined in the SLPP, and is managed by the Environmental and Social Monitoring Group (ESMG) that comprises of subject matter experts. The SLPP includes an exclusion list wherein the Bank refrains from lending.

As part of the credit appraisal process, once a credit proposal is initially screened against the exclusion list, it is screened for the sector, location and inherent environmental and social sensitivities to assess the project's risk categorisation. Some of the activities included in the SLPP's Exclusion List are provided

on page 96 of the Sustainability Report 2017-18, accessible at [https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sr-2018--final-report\\_v1-0.pdf?sfvrsn=e115b455\\_2](https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sr-2018--final-report_v1-0.pdf?sfvrsn=e115b455_2).

This risk categorisation of credit proposals is primarily adapted from IFC's Sustainability Framework, and is used to identify the key areas/themes to focus the scope of the Environmental and Social Due Diligence (ESDD). During the year, a total of 26 proposals were assessed under SLPP.

Some instances of the projects assessed under SLPP:

### Case Study of a Ferro-alloy Manufacturing Plant

As part of the SLPP process, an ESDD study by the Bank identified a major fire risk at a Ferro alloy manufacturing plant of 36 KTPA (kilo-tonnes-per-annum), set up in 1968 in North Karnataka. This violation also had legal implications, and the plant owner had been operating the plant without adequate fire safety measures till recently. An ESDD study was conducted as part of the term loan request for expansion and modernisation of this plant. Among other risks identified related to health and safety, fire safety and EHS competency of the personnel, which were flagged as a high risks to the plant management. The Ferro alloy plant also faced difficulties in securing insurances for its new assets (under its modernisation plan).

Key Mitigation measures:

- Milestone-wise fire safety measures and a NOC from Fire Authority of the district was stipulated with strict timelines.
- A robust EHS management system was stipulated as subsequent condition.

### Case Study of an Insecticide Manufacturer

Under the SLPP process, an ESDD study identified that a small manufacturer of insecticide in south India had been asked to stop production by the State Pollution Control Board (SPCB). It was due to the surrounding community complaining and protesting against the company for foul smell, ground water pollution among other concerns. Axis Bank was approached by the company for a working capital facility. Although the proposed facility did not warrant an ESDD as per SLPP norms, owing to the evident environmental concerns, the sanctioning committee referred the case to ESMG. The ESMG experts conducted a detailed desk review of the company's EHS (environment, health and safety) and social performance as a site visit could not be done owing to the national lockdown in view of the COVID -19 pandemic. ESMG proposes to conduct a site visit as soon as it is safe and allowed to travel again, to make a detailed assessment. In the interim the study relieved that the company lacked adequate pollution control measures and a stakeholder grievance redressal mechanism.

Key mitigation measures:

- A detailed list of pollution control measures and management with a timeline for its implementation
- A comprehensive stakeholder grievance redressal mechanism as part of the company's CSR initiatives was advised

### Direct Environmental Impacts

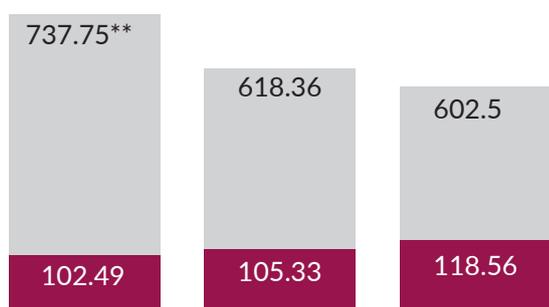
As a service sector organisation with a nation-wide presence and an employee strength of close to 75 thousand employees, the Bank's direct environmental footprint primarily revolves around the resources that it consumes to conduct its day to day operations, such as electricity and paper, resources required for business related travel of any kind, and the resources consumed by and for its employees.

Being a service oriented industry, the primary energy source contributing to our carbon footprint is purchased electricity from the grid and use of diesel generator sets for on-site power generation as a secondary source. In order to reduce the consumption of fossil fuel-based energy, such as grid electricity which remains primarily coal-fired or diesel generator sets, we have consciously strived to increase our adoption of renewable energy sources, such as installation of roof top solar panels across offices and branches, entering into power purchase agreements with renewable power suppliers, and investing in energy efficiency and resource efficiency initiatives. The Bank's digitalisation efforts, in addition to improving customer experience and business efficiency, also help reduce resource requirements such as printed forms and sheets, receipts, as well as the need for a consumer to travel to a branch.

The Bank has a Policy on Environmental Management which guides its environment-related actions across all its operational locations in India. Important areas of intervention incorporated within the policy include rationalisation of resource consumption, reduction in waste output, increased adoption of clean energy, strengthening employee awareness and participation, among other such guiding principles. The Bank has striven to focus on key improvements to be made on an annual basis, and demonstrated a continuous enhancement in the level of disclosure on its GHG footprint and mitigation strategies.

Notably, the Bank entered into its first power purchase agreement with a renewable energy producer during the year, for its Data Centre in Bangalore. The overall installed renewable energy capacity at the Bank was 7.05 MW as on 31 March 2020, generating approximately 102,484 GJ of electricity.

### Energy Consumption (Unit: terajoules)



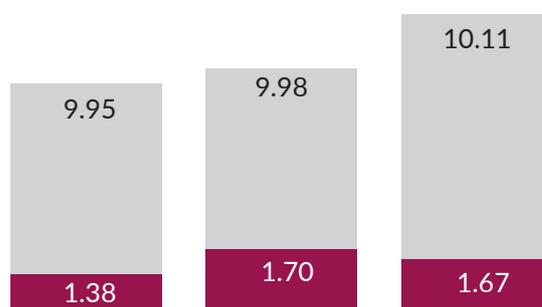
FY 2019 -20      FY 2018 -19      FY 2017 -18

■ Electricity purchased   ■ Electricity generated\*

\* Includes solar power generated

\*\*Increase in electricity consumption may primarily be attributed to expansion of branches and offices in the reporting period

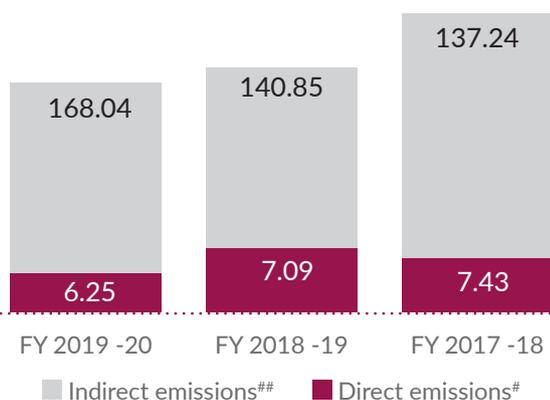
### Energy intensity (Unit: GJ per FTE)



FY 2019 -20      FY 2018 -19      FY 2017 -18

■ Indirect Energy   ■ Direct Energy

### GHG Emissions (Unit: 1000 tonnes of CO<sub>2</sub>e)

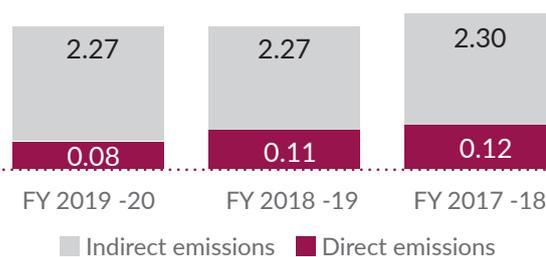


\*As a service organisation, the emissions such as ozone-depleting substances (ODS), Nitrogen oxides (NOX) and Sulphur oxides (SOX) and other air emissions are relatively not materially significant.

#Direct emissions are scope 1 emissions which includes CO<sub>2</sub>, N<sub>2</sub>O and CO<sub>2</sub>e emissions from Axis Bank's diesel usage in its large offices including its owned and leased branches. The month-wise diesel consumption data is extracted from Caphub Department which handles monthly accounts and billing. The cost of diesel consumed pan bank is converted in quantities consumed by using state level diesel prices. Further, the average rate per litre diesel is calculated as per IOCL rates for diesel every month for 4 metro cities. The emission factors and GWP (Global Warming Potential) values have been taken from IPCC guidelines. The Bank has used financial control approach for measuring and managing these emissions, hence diesel consumed by leased branches are covered under Scope 1 category. We plan to also include emissions resulting from refrigerant leaks and use of fire extinguisher in drills in Scope 1 in the future as currently we do not have accurate measurement systems in place.

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

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



\*Above consumption and emission data is pertaining to pan India offices and branches.

The Bank strives to make continuous efforts for reduction in scope 3 emissions. During this financial year, the Bank restricted employee air travel unless it was critical and also disallowed air ticket bookings within 7 days of travel, which eventually reduced the number of ticket bookings, cost to the Bank and reduction in scope 3 emissions. Similarly, the Bank restricted printing of stationery items for every business unit in an effort to reduce paper consumption in all offices and branches.

Scope 3 GHG emissions relate to Employee Commuting (Company provided shuttle bus or traveller services for employees were 3,534 tonnes of CO<sub>2</sub>e) and Business Travel (Business Air Travel and Employee Local Conveyance for official visits to offices/branches were 4,907 and 11,532 tonnes of CO<sub>2</sub>e respectively).

Scope 3 GHG emissions relate to Purchased goods and services (Paper consumption were 4,201 tonnes of CO<sub>2</sub>e). Going forward we are strengthening our processes for monitoring and reporting other relevant scope 3 emission categories.

## Resource efficiency initiatives



At Axis Bank, energy and natural resource conservation have been our focus areas and conscious efforts are being made towards improving energy and resource performance, year on year. Energy and resource efficiency initiatives have been implemented across branches and offices. We continue to invest in digital solutions and various energy-conserving initiatives to further our commitment to achieving greater environmental efficiency in our operations.

Together, the various initiatives have resulted in a significant amount of energy savings in FY 2019-20, avoiding 12,046.39 MT of GHG emissions which comprises solar power generation, procurement of wheat straw- based paper, the digital Saksham initiative, e-statements & e-welcome kits and digital lending.



*The steps taken by the Bank for utilising alternate sources of energy or energy efficiency are:*

- Implementation of Solar energy projects across select Branches / Offices, aggregating **~ 7.05 MW**.
- IOT-based (internet of things) monitoring of power generated through solar installations across **245 locations**.
- Centralised Energy Management System (CEMS) augmented to **1,493 branches** from 893 branches to monitor and control energy consumption
- Agreement to Procure Solar power **~1MW** (3.50 Lakhs units p.a.) under Power Purchase Agreement Model for Data Centre in Bangalore
- Replacement of conventional lighting to LED lights in **1,100 existing branches** (reducing estimated annual power consumption by 1.5 MW) over and above 250 plus branches already completed in previous fiscal
- All new branches/ offices being set up by the Bank are provided with **LED light fittings** as a standard feature
- Implementation of On Grid Inverter Solution to reduce diesel consumption in rural branches augmented to 260 branches from earlier 100 branches. Estimated savings in Diesel consumption works out to **~2.22 Lakhs litres** per annum.
- Maintenance of unity power factor through **APFC panels** in auto mode for optimum use of power at Axis House, Mumbai and Noida
- Installation of **Motion sensors** for workstations and common area lighting at large offices.



### Initiatives for Paper and waste management:

- Conversion of **40MT Food/ Wet waste** at Axis House, Mumbai, into compost through composting machine, used in landscaping/gardening of premises.
- Re-cycling of **78 MT of dry waste** such as newspapers, shredded documents, dry paper cups and tissues collected annually at Axis House, Mumbai, into stationery items like notepads.



### Initiatives for water conservation:

- Daily re-cycling of **150 KL** of water through Sewage Treatment Plant at Axis House, Mumbai
- Reduction of water consumption at Axis House, Mumbai through **use of aerators**
- Rain Water Harvesting of **~2000 KL** of water yearly at Axis House, Mumbai
- Savings of water consumption by use of **Bio-blocks** in urinals at select large offices.
- Installation of **sensors** in washbasins to optimise flow of water at select large offices

## Case Study - Banking on Solar

In our endeavour towards greater adoption of renewable energy sources, we have implemented various initiatives to utilise solar energy in our operations and invested in scaling up our captive solar power generation capacity through rooftop solar installations. As on 31 March, 2020, the Bank has a total installed solar power capacity of 7.05 MW, of which 5.05 MW is from roof top solar installations spread across 245 locations and a 2 MW capacity solar power plant commissioned in FY 2018-19 at Solapur, Maharashtra.

The Bank uses IOT-based monitoring of power generated from the rooftop solar installations. Approximately 5,177 Mwh energy was produced through these installations cumulatively in FY 2019-20, helping avoid approximately 4,244.81 tCO<sub>2</sub>e.

In addition to this, the Bank has also procured solar power of approximately 1MW (3.50 Lakhs units p.a.) under Power Purchase Agreement (PPA) Model in the reporting year for Bank's Data Centre in Bengaluru. Going forward, the Bank shall actively explore similar PPAs for other large locations.



Axis Bank's 2 MW ground-mounted solar power project at Solapur, Maharashtra





## Case Study - Centralised Energy Management System (CEMS)

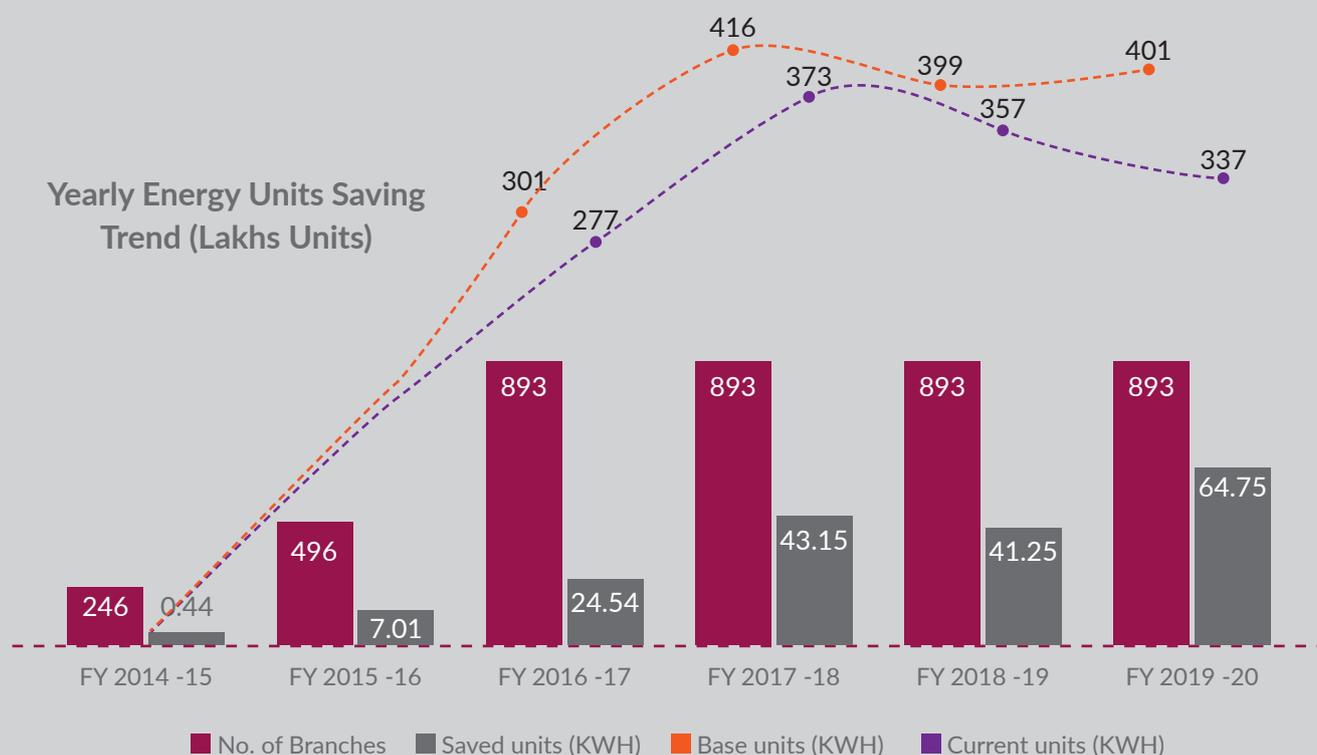


Electricity and fuel are the two most consumed resources by Axis Bank. Electricity consumption is a mix of renewable and non-renewable sources of energy, with a major portion of it still being non-renewable. In FY 2019-20, Axis Bank utilised a total of 840,232 GJ of energy, out of which 87.8 % was grid electricity.

The electricity purchased is primarily consumed at our offices, branches and ATM outlets. To optimise the consumption of electricity while reducing our environmental impact, the Bank adopted an energy saving initiative called Centralised Energy Management System (CEMS), that remotely controls and manages temperatures of AC systems at most of our large branches and offices, as well as pertinent lighting installations.

Since its implementation in 246 branches in 2015, we estimate CEMS has helped reduce our consumption by approximately 10% from the baseline in branches where it is installed. Under CEMS, sensors are deployed that measure, analyse and control the air conditioners through a cloud-based system while maintaining ambient temperature at the workplace, thus helping reduce GHG emissions by improving energy efficiency.

As on March 2020, CEMS is implemented in 1,493 branches, up from 893 branches in the previous year, resulting in higher operational efficiency for the Bank along with lower energy overheads. The Bank has achieved electricity savings of approximately 65 Lakhs units and monetary savings of ₹6.4 Crores in FY 2019-20 on an annualised basis linked to CEMS.



While CEMS has been implemented in 1,493 branches as on 31 March, 2020, the savings from 600 new branches would accumulate and reflect in FY 2020-21.

## Case Study – Partnering with Energy Efficiency Services Limited (EESL) for Energy Efficiency Measures

During the year, Axis Bank entered into an agreement for 'Implementation of Energy Efficiency Measures' with Energy Efficiency Services Limited (EESL), the world's largest public sector ESCO (energy service company) created as a joint venture of state-owned NTPC Limited, Power Finance Corporation, REC Limited and POWERGRID. EESL is a global leader in the field of energy efficiency assisting organisations globally with innovative technical and financial energy saving models and solutions.

Under the partnership, EESL will deploy approximately 56,000 number of various types of LED lights at 1,100 branches of the Bank for a period of 5 years with the deemed energy cost savings resulting in savings of

approximately 55 Lakhs units of electricity annually\* with a monetary saving of approximately ₹4 Crores (considering a tariff of ₹10), and resulting in a reduction of approximately 4,000 Tonnes of CO<sub>2</sub> emissions as well as avoiding an estimated peak demand of energy by approximate 50MW units of electricity.

This partnership should significantly contribute to our energy saving efforts going forward, and its success can serve as a role model for the entire corporate sector to emulate.

*(\*)Deemed Energy Savings are pre-determined, validated estimates of energy savings attributable to energy efficiency measures.*

## Waste Management at Axis House

The Bank has a centralised and robust waste management system that help segregate, collect, transport and recycle all the different categories of waste generated at its corporate headquarters, at Axis House, Mumbai. The Bank has undertaken several initiatives that helped reduction in waste generation, responsible waste disposal & recycling and reduce landfill. In a move to reduce the paper consumption, the Bank has cut down supply of printing papers, brochures, magazines, newspapers, paper-cups and tissue papers. In the reporting period, the Bank recycled 78 tonnes of dry waste such as newspapers, shredded documents, dry paper cups and tissues collected annually at Axis House and converted into stationery items like notebooks, notepads, envelopes

and bookmarks. The Bank recycled and converted 40 tonnes of wet waste/ food waste at Axis House, into compost through composting machine, which is further used in landscaping and gardening purposes.

Owing to our high dependency on electronic devices for running daily operations, disposal of e-waste is a major environmental concern for us. The Bank have engaged authorised vendors empanelled with MPCB (Maharashtra Pollution Control Board) and CPCB (Central Pollution Control Board) for disposal of e-waste in compliance with pertinent government regulations. In FY 19-20, the Bank collected and recycled 11.68 tonnes of e-waste through vendors.

## Spreading awareness about environment into employees

Axis Bank remains cognizant of its role in protecting the natural environment and contributing the environment through variety of interventions. On the occasion of World Environment Day in June 2019, the Bank spread awareness among employees under the theme 'Beat Air Pollution', aimed at combating air pollution and reducing its ill-effects on human health. The communication campaign encouraged employees to cycle, walk, use mass public transport, plant more trees, and shared ideas that they could adopt to lower their individual carbon footprint.



The Awareness mailer communicated to all Employees on World Environment Day, 2019

## Environmental initiatives through Axis Cares

Under the Axis Cares employee payroll giving program, ABF supports various interventions that focus on environmental protection and restoration. Through various implementation partners, ABF undertakes large scale plantation of native trees with an aim at improving the quality of common lands by arresting land degradation which also supports the revival of bio-diversity in the region. It also reduces pressure on native forests and common lands for providing for fodder, fuel wood and water while supporting livelihoods of poor rural households. Community engagement is strongly fostered for long term benefits as well as sustained care of the plantations. Through the project, technical know-how is also transferred to participants for not only being equipped to monitor the plantations but also for raising nurseries and/or plantations in their villages with quality saplings provided to them.

Under this program, ABF set itself a target of planting 3.8 Lakhs saplings over three years beginning in FY 2018-19, in partnership with two implementation partners, NM Sadguru Water and Development Foundation and Foundation for Ecological Security (FES).

Under this program, NM Sadguru had planted 1.3 Lakhs saplings in FY 2018-19 itself in the states of Rajasthan and Gujarat, and is nurturing and protecting the saplings this year. FES had planted 95,000 saplings in the previous reporting year and has planted 1.55 Lakhs saplings in this reporting period in the states of Rajasthan, Gujarat, Maharashtra, Andhra Pradesh and Odisha.





*Plantation activity in Rajasthan and Odisha, respectively under Axis Cares' tree plantation initiative through implementation partner FES*



*A Teak plantation plot, part of Axis Cares plantation project with implementation partner N M Sadguru Water & Development Foundation*



#### REGISTERED OFFICE

'Trishul', 3rd Floor,  
Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge,  
Ahmedabad - 380 006  
Tel. No. : 079-6630 6161  
Fax No. : 079-2640 9321  
Email: [sustainability@axisbank.com](mailto:sustainability@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)

#### CORPORATE OFFICE

'Axis House', C-2,  
Wadia International Centre,  
Pandurang Budhkar Marg,  
Worli, Mumbai - 400 025  
Tel. No. : 022-2425 2525  
Fax No. : 022-2425 1800