



# **ENABLING PROGRESS, RESPONSIBLY**

**SUSTAINABILITY  
REPORT**  
2016-17



# ENABLING PROGRESS, RESPONSIBLY

We strongly believe that our success is intrinsically linked with the progress of our stakeholders. Having envisaged our role as an enabler who helps people and communities thrive in a sustainable environment, we facilitate a robust financial ecosystem which creates economic value and has a significant contribution towards the holistic development of the society.

Our range of products and services help people undertake savings, borrowings and investments in a manner which fulfils their aspirations. As a leading bank, we facilitate local and global trade by supporting businesses – big and small; and partner with governments in the delivery of transparent governance by making banking channels accessible to all.

We are helping cities become smarter and villages go digital. Our activities and initiatives empower women in becoming successful micro-entrepreneurs, and provide a platform for start-ups to take off. The Bank promotes and supports sustainable sectors to combat climate change, and invest in green energy to reduce our own environmental footprint.

Besides investing in the well-being of our employees and enabling them to achieve their full potential and growth – both professionally and personally, we are also creating millions of sustainable livelihoods in some of the poorest districts in the country.

All of these actions are anchored in our unwavering commitment to ethics and integrity, guiding us on the road to **enabling progress, responsibly.**

# ABOUT THE REPORT

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'Enabling Progress, Responsibly' is our third Sustainability Report, giving an account of our sustainability initiatives and performance for the reporting period 2016-17. We have relied on the international sustainability reporting guidelines of Global Reporting Initiative (GRI) to prepare this report, and it is 'in accordance' with the GRI G4

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'core' reporting option. The report is also aligned to relevant sustainability frameworks such as the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE), United Nations Global Compact (UNGC) Principles and United Nations Sustainable Development Goals (SDGs).

Our Sustainability Framework, derived from materiality analysis, forms the core of the reporting approach and is explained in subsequent sections. The aim of this report is to present our sustainability performance on the 'material

aspects', which are of significance to both us and our stakeholders.

The reporting boundary for 2016-17 continues to primarily cover the Indian operations of Axis Bank Limited and the Axis Bank Foundation (ABF). Relevant disclosures are made across the report and in the GRI Content Index to indicate the reporting boundary for performance and information presented. The complete GRI G4 Content Index for 2016-17 can be accessed through the website at [www.axisbank.com/csr](http://www.axisbank.com/csr).

Your feedback is important in our quest to enhance reporting efforts. Send in your valuable comments and feedback to [sustainability@axisbank.com](mailto:sustainability@axisbank.com) or reach us through the social media channels given below.

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This report contains references to relevant additional information. Web-links and QR codes have been provided across the report to enable the reader access such information. Smart phones or tablets can be used to scan the QR code to access and read the additional information.

## Independent Assurance

KPMG (Registered), India was selected to provide independent assurance on this sustainability report which conforms to the Global Reporting Initiative (GRI) G4 guidelines in accordance with 'comprehensive' criteria. 'Limited Assurance' was provided against International Standard on Assurance Engagements (ISAE) 3000 on the report contents as described in the assurance scope. The full assurance statement, with conclusions provided by KPMG (Registered), India is available on our website <http://www.axisbank.com/csr/reportsNdisclosure.aspx>



Scan the QR code to access the Independent Assurance Statement



Scan the QR code to access the GRI content Index

## Additional Resources

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[axisbank.com](http://axisbank.com)



Axis Bank Annual Report 2016-17



Axis Bank Business Responsibility Report 2016-17



[axisbankfoundation.org](http://axisbankfoundation.org)

### Safe Harbour

Except for the historical information contained herein, statements in this release 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.

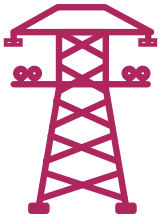


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# SUSTAINABILITY HIGHLIGHTS



**₹715 billion**

credit exposure\* to vital sectors of growth – Infrastructure and Power Industry



**₹980 billion**

loans disbursed for housing, education and agriculture (retail) sectors



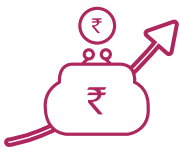
**₹37.63 billion**

credit outstanding for 'sustainable sectors' – renewable energy, waste processing and mass rapid transport



**₹695 million**

Government to Consumer (G2C) payments facilitated



**17.44 percentage**

increase in Savings Account customers over the last year



**4.2 million**

overall Axis Mobile Banking registrations



**4.9 million**

overall Axis Internet Banking NetSecure registrations



**10.01 million**

financial Inclusion customer base

\*Includes Fund and Non-Fund based outstanding amount as disclosed in the Annual Report 2016-17.



**9.20**  
**percent**

increase in operating profit  
over previous year



**38.24**  
**percent**

dividend  
payout ratio



**56,617**  
**employee**

employee strength at  
2016-17 year end



**1.81**  
**million**

person-hour of employee  
training imparted in  
2016-17



**₹13.01**  
**billion**

microloans disbursed  
to women



**13,478**  
**tCO<sub>2</sub>e**

estimated annualised  
emissions reduction in  
2016-17



**₹1.35**  
**billion**

spent on Corporate Social  
Responsibility (CSR) initiatives in  
2016-17



**1.08**  
**million**

cumulative beneficiaries  
of Axis Bank  
Foundation programmes

## MESSAGE FROM THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

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Dear Stakeholders,

The year gone by has been an eventful one with 'unexpected changes' – both at the global, and the domestic levels. At the global level, the unexpected political outcomes in the UK and the US are seen as a manifestation of increasing concern among citizens, especially middle and lower income groups, on an equitable distribution of the benefits of globalisation and trade. On the domestic front, the surprise move of the Government on Demonetisation sought to usher India into 'less cash' economy. The underlying theme of these 'unexpected changes' is to challenge status quo, and seek growth models that are more inclusive and equitable.

We continue to place great emphasis on sustainable development – one that is inclusive, fair and equitable – through our stakeholder-centric Sustainability Framework. Objectives are set within the Framework on various material sustainability topics and we are making steady progress on our sustainability objectives.

Our vision and values are anchored by an unwavering commitment to customer centricity. This has been and continues to be our key value proposition and differentiator. Riding on this approach, we have grown from strength to strength to build a formidable banking franchise over the last 23 years. We have continued to innovate and deliver on key themes of our Customer Centricity Framework to make banking simple and customer interactions easy across channels. It is vital to look at Customer Experience as a holistic component of future business models, as customers now compare their experience not with that of other banks, but with the most powerful experiences they have with any service provider across industries. We have recently created a central Customer Experience Group to enhance the way we serve and deal with our customers across business units.

With the Government's massive push to promote a 'less cash' economy, the digital adoption amongst customers has registered significant expansion in recent times. This has bolstered our digital banking offerings and has helped us lead the digital wave. The mobile banking channel has witnessed over 100% growth in both value and volume terms, while electronic channels continued to



form 87% of overall customer induced transactions. Financial Inclusion and Literacy has been an integral parts of our strategy to expand in rural areas, while bringing more and more under-served sections of society into the ambit of formal banking systems. Through the 'Digiprayas' program, we have increased our engagement on financial inclusion and literacy in line with the Government's JAM (Jan Dhan – Aadhar – Mobile) concept. Financial Literacy efforts have also intensified with a focus on enhancing digital awareness in the wake of Government's Demonetisation move.

While India's macroeconomic fundamentals continued to improve on the back of a stable monetary policy, complemented by significant policy initiatives of the Government, last year was a challenging one from the banking sector perspective. The asset quality situation remained concentrated in a few sectors, but a new situation of high liquidity and very low corporate demand intensified the challenges of the banking sector. Despite these concerns, our strong operating profit engine helped us tide over one of the toughest years in recent times.

Our operating profit and operating revenue registered healthy growth of 9% and 14% respectively. However, our earnings declined by 55%, and return ratios moderated on account of higher provisions for non-performing assets. We are confident that it is only a matter of time that the Bank's return ratios improve again owing to the inherent underlying strength of our franchise, and as the

benefits of lower slippages and credit costs begin to reflect.

Our 56,000+ employee base constitutes the bedrock of our core organisational capabilities which deliver consistent growth and customer service excellence. The extra-ordinary commitment and resilience exhibited by almost all employees in relentlessly serving and helping customers throughout the year is commendable and demonstrates the quintessential Axis spirit of team work and dedication. We continue to invest in our employees to nurture their growth, provide rewarding careers and promote diversity. This commitment to diversity is reflected at all levels with a 20% women representation in the Board of Directors, and an overall 23% representation for women across our workforce.

During the year, 'Banking on Compliance' – training initiative was introduced to reinforce compliance and governance standards. Nearly 45,000 employees were certified under this program. The 'Axis Competency Profiler' is a learning platform introduced for conducting Knowledge and Application based profiling of employees working in five areas. The Bank was also the first organisation in India to tie-up with 'Coursera' to promote self-paced and contextualised learning for employees through specially curated and customised courses from Ivy League universities. The integrated Performance Management and Capability Development system – 'ACElerate' – is uniquely designed to foster high performance as well as capability building through differentiated learning pathways for top performers while providing opportunities for below-average performers to course correct through an Enhancement Program. We celebrate the Axis Spirit through our annual 'Axis Champions' awards. 'Million Stories' is an initiative launched this year to capture the rich legacy that lays the foundation of our culture.

Environmental sustainability is a vital component of our Sustainability Framework. We have strengthened the environmental and social risk assessment processes for corporate lending business by voluntarily implementing 'Sustainable Lending Policy and Procedures'. This process helped us in formulating a deeper engagement with qualifying project proponents on environmental and social risk parameters, and corresponding mitigation plans. The Bank became the first Indian bank to issue Climate Bonds Initiatives (CBI) certified Green Bonds which were listed internationally. The proceeds of these bonds shall be utilised for financing and/or re-financing green projects in accordance with the Bank's Green Bond Framework, contributing towards climate action. On our operations front, we continued to increase the

use of renewable energy across our branches and offices, and enhanced energy efficiency to lower the carbon footprint intensity.

I strongly believe that the Bank's well-being is intertwined with overall well-being of the society and we cannot prosper in isolation. The year marked a decade of the Axis Bank Foundation, a public trust promoted by the Bank to work selflessly in some of the poorest districts of the country. With a focus on creating sustainable livelihoods, the Foundation helps propagate and implement a significant part of our Corporate Social Responsibility agenda. The Foundation is working tirelessly towards achieving its mission of creating 1 million livelihoods by the end of December 2017, and I am extremely happy to report that it is inching closer towards achieving this objective well before the end of the mission period. Some of the Foundation's livelihood programs, especially those focusing on watershed management and women empowerment aspects are worth emulating. A detailed research paper based on the Foundation's program impacts on water management was released during the annual ABF Conference cum NGO Workshop to document and spread best practices. We also leveraged the Bank's wide geographical spread and competencies in conducting community programs that are in alignment with the Government's ambitious programs including JAM, Make in India, Skill India, Digital India, etc. Our efforts towards the cause of community development were recognised by 'CII – ITC Sustainability Awards 2016 – Excellence in Corporate Social Responsibility' and 'Business Standard Corporate Social Responsibility Awards 2016 – Socially Aware Corporate of the Year'.

The year has been a tough one for us, but it has also taught important lessons for future. The external environment is conducive for the Bank to gain market share in every business category. I am excited about the future prospects and remain confident that we will seize these opportunities by continuing to build a trusted, compliant and financial strong enterprise. I thank all the stakeholders who have stood by us and continue to support us in times good and bad. I also reaffirm the commitment to sustainable development as a central tenet of our proposition to create enduring value for all stakeholders.

**Shikha Sharma**

Managing Director & CEO

# ABOUT AXIS BANK

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Axis Bank is one of India's largest private sector banks offering a comprehensive spectrum of financial services to customer segments covering Large and Mid-Corporates, Micro, Small and Medium enterprises (MSME), Agriculture and Retail Businesses.

## VISION

To be the preferred financial solutions provider excelling in customer delivery through insight, empowered employees and smart use of technology

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## VALUES



Customer Centricity



Ethics



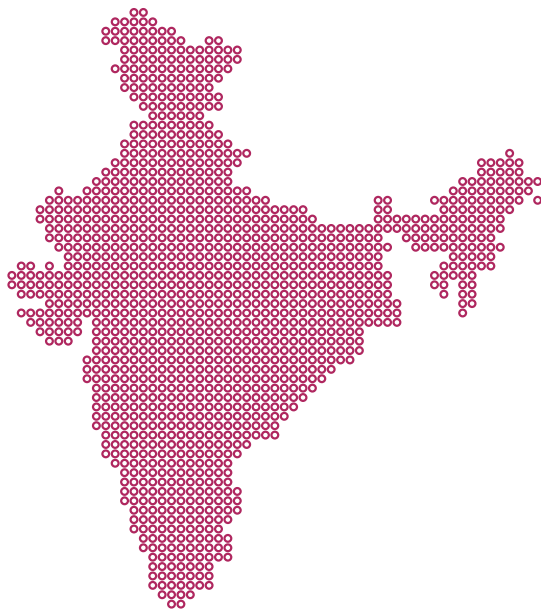
Transparency



Teamwork



Ownership



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**3,304**

Branches

**1,946**

Centres Covered

**14,653**

ATMs

**56,617**

Employees

## International Presence

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London, UK



Singapore

Shanghai,  
Hong KongDubai, Abu  
Dhabi, DIFC

Colombo



Dhaka

Data as on 31st March, 2017

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## Business Segments



### Retail Banking

End-to-end retail banking services:

- Deposits
  - Loans
  - Investments
  - Payment Solutions
  - Digital Banking
- 20.2 million Savings Account customers
  - ₹1,260 billion Savings Bank deposits
  - ₹1,680 billion Retail Loans portfolio
  - ₹285.85 billion Credit Card spends
  - 4.9 million Axis Internet Banking users, 4.2 million Axis Mobile Banking App users
  - More than 0.39 million Insurance Policies sold
  - Over 0.37 million Online Trading Accounts opened
  - Processed US\$ 4.84 billion Outward Retail Remittances and US\$ 7.43 billion Inward Retail Remittances



### Corporate Credit

Composite credit facilities:

- Working Capital
  - Term Loan
  - Project Finance
- ₹1,559 Corporate Credit portfolio



### Treasury

Integrated Treasury business covering:

- Asset Liability Management
  - Correspondent banking activity
  - Foreign Exchange and Derivative Trading
  - Bullion Business
  - Investments in SLR and Non-SLR securities
  - Arranger Ship Business
- ₹1,966.20 billion bonds and debentures arranged for various Public Sector Undertakings (PSUs) and Corporates



### Transaction Banking

Integrated Transaction banking business covering:

- Current Accounts
  - Collection & Payment Solutions
  - Forex
  - Trade Services
  - Capital Market Solutions
- ₹870.02 billion Current Account deposit base
  - More than US\$ 8 billion aggregate load value on Forex Cards





## SME Business

### Robust SME Support:

- Working Capital
- Term Loan
- Trade Finance
- Project Finance

- ₹492 billion in SME advances



## International Banking

### Banking solutions for Corporate and NRIs at overseas centres:

- Corporate Banking
- Trade Finance
- Treasury and Risk Management
- Retail Liability Products

- US\$ 8.37 billion total assets at overseas branches
- US\$ 823 million total assets at Axis Bank UK Limited

\*Information for FY 2016-17 as at 31.03.2017

# SUSTAINABILITY@AXIS

Sustainability continues to be the bedrock of our core philosophy of creating enduring value for all stakeholders and contributing to economic, environmental and societal prosperity.

## AXIS LEADER SPEAK

“This is our third Sustainability Report covering the reporting period 2016-17. Like last year, this report is prepared using GRI G4 Reporting Guidelines, and is externally assured by KPMG.

Sustainability is an integral component of our value system. Our holistic approach to sustainability is based on creating enduring value for all our stakeholders and hence, we have adopted a stakeholder-centric sustainability framework. We are making steady progress on the objectives set under the framework, and the performance update for the reporting period is presented in this report.

We remain strongly committed to the underlying principles of sustainable development – contribute to economic prosperity, promote environmental sustainability, and propagate equitable and inclusive societal development. We will continue to pursue these principles as central tenets of our growth, and that of our stakeholders.”



**V Srinivasan**  
Deputy Managing Director



**Rajiv Anand**  
Executive Director (Retail Banking)

“Customer-centricity is embedded in our organisational DNA and is at the core of our business. We strive to address varied needs of diverse customer groups through innovative products and services backed by world-class technology and service delivery platforms. Our customer service model is deep-rooted in highest ethical standards to ensure that we serve our customers with integrity.”

“Meritocracy, fairness and ethics are the central tenets of our people strategy for building and sustaining organisational capabilities. We invest in the holistic development of our people by providing rewarding careers with opportunities to learn and grow in a challenging environment, which helps them achieve their true potential. We are proud of the unwavering commitment of our people to deliver beyond expectations, especially during challenging times.

We are inching closer towards fulfilling our commitment of creating 1 million sustainable livelihoods through our Community Development Programmes. The journey towards this milestone has been extremely satisfying, but we realise that there is lot more to do. Our next phase of creating sustainable livelihoods will continue to build on the good work done so far, with an even more focused approach.”



**Rajesh Dahiya**  
Executive Director (Corporate Centre)

“We are committed to enhancing long term shareholder value by creating a sustainable enterprise that delivers consistent performance. We pursue prudent strategies for efficient capital allocation and management. Our robust governance and risk management frameworks guide us in doing so in an ethical manner.”



**Jairam Sridharan**  
Group Executive & Chief Financial Officer



**Sidharth Rath**  
Group Executive - Corporate  
Relationship Group & Transaction Banking

“We have taken incremental strides in furthering our environmental sustainability agenda by rolling out Sustainable Lending Policy & Procedures towards environmental and social risk management in our lending decisions. Through the Green Bonds issued by the Bank, we aim to provide access to capital for environmentally sustainable projects which contribute to climate change mitigation. On our operations front, we continue to invest in renewable energy and energy efficiency projects to lower our carbon footprint intensity.”



Axis House, Mumbai – the Corporate Headquarters of Axis Bank

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## SUSTAINABILITY TRENDS AND OUTLOOK

Last year, we presented a commentary on the sustainability trends and outlook for topics that we believe are vital in shaping the future business sustainability landscape. Almost all topics continue to remain relevant.



### Economic Growth

The global growth prospects have improved despite the political uncertainty surrounding unexpected outcomes in the US and UK. The fears of deflation have receded with rising commodity prices and with fresh hopes of fiscal stimulus in the US.

- India's macroeconomic-fundamentals have remained stable, reinforced by concerted policy efforts of the Government.
- Measures to control food prices and judicious use of monetary policy levers by the Reserve Bank of India (RBI) have kept inflation low throughout the FY 17.
- Further the shift in RBI's liquidity stance from deficit to neutral in FY 17, and then the massive infusion of deposits into banks post extraction of high denomination currency notes, have sharply reduced the money market interest rates and facilitated deep cuts in banks' Marginal Cost of Fund Based Lending Rate (MCLR).
- After two years of drought, the monsoon was good in 2017, significantly improving agricultural prospects.
- The primary concern is the slowdown in capex activity, which has caused corporate credit demand to remain subdued and post-demonetisation, non-food YOY credit growth dropped further to sub-5% levels.

Global growth prospects are expected to improve further in FY18, with improved demand resulting in commodity prices remaining at currently high levels, reinforced by capacity closures, especially in China. As per our base projections, India's growth is expected to improve to 7.5% in FY18, with much of the increase likely from



higher consumption. Investment is poised to remain modest, particularly in H1, but capex spend might gradually revive with spends on affordable housing, renewable energy, urban infrastructure and road and rail projects. Bank credit growth, however, will revive only gradually, since most of the initial capex will be driven by the public sector.

*To know more about our economic performance, refer to 'Economic Contribution' and 'Shareholders and Providers of Capital' sections of this report.*

## Digital future

Digitisation continues to change the paradigm of conventional business models, especially in the Banking and Financial Services sector. Technology and digital adoption by consumers is happening at a rapid pace and businesses need to have a continuous innovation roadmap to stay ahead of the digital innovation curve.



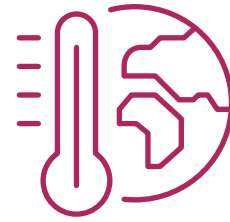
The Government of India's significant reforms during the year towards creating a 'less-cash' economy has given an enormous impetus to digital adoption in money transactions, thus opening up new growth opportunities for Banking and Financial sector in specific.

*To know more about how we are adopting technology and digital future, refer to the 'Customers' section of this report.*

## Climate Change

- The Paris Agreement came into force on 4 November, 2016, with 149 countries ratifying the Convention.
- Countries have submitted their Nationally Determined Contributions (NDCs) towards the goal of limiting the temperature rise within 2°C by this century, compared to pre-industrial levels.
- The agreement also requires countries to regularly report on their emissions and implementation efforts.
- India ratified the agreement on 2 October, 2016, with the following NDC targets:
  - Lower the emissions intensity of GDP by 33%–35% by 2030, below 2005 levels
  - Increase the share of non-fossil based power generation capacity to 40% of installed electric power capacity by 2030
  - Create an additional (cumulative) carbon sink of 2.5–3 GtCO<sub>2</sub>e through additional forest and tree cover

This will result in bolstering the domestic policy action on energy reforms, especially in the renewable energy sector.

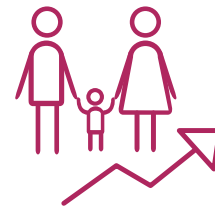


*To know more about how we are contributing to environmental sustainability, please refer to 'Environment' section of this report.*

## Population Growth and Urbanisation

The urbanisation of Indian cities is happening rapidly, with continued rural-to-urban migration. While this creates an opportunity for increased economic activity in urban centres which currently contribute more than 62% to the national GDP, the lack of appropriate planning for urbanisation results in additional stress being placed on available infrastructure and resources.

Affordable housing is one of the core issues of promoting sustainable urbanisation and the Government of India's ambitious 'Housing for All' project aims at providing a home to every poor urban household by 2022.

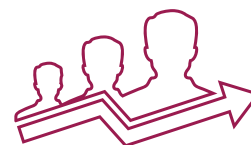


The 'Smart Cities' initiative of the Government also aims to develop 100 smart cities with a core focus on infrastructure elements. Continued efforts and investments will be required to develop smart sustainable cities of future.

*To know more about our direct and indirect economic contribution, please refer to 'Economic Contribution' section of this report.*

## Inclusive Growth

An equitable and fair distribution of wealth among various sections of society is as important as overall economic growth.



- The unexpected political outcomes in the US and the UK, amongst others, points to an increasing concern in the society about rising inequity and loss of economic opportunities, especially for middle income groups.
- Technological adoption, digital innovations and artificial intelligence may further put stress on the labour markets of future.
- It is imperative that growth models of the future integrate comprehensive growth as a central theme to redistribute the benefits of economic growth in an equitable and fair manner.
- Access to economic opportunities for middle and low income groups will play an important role towards inclusive growth.
- Financial inclusion of all is the basic requirement to ensure an enhanced access to these economic opportunities.

To know more about our financial inclusion and community development agenda, please refer to 'Customers' and 'Communities' sections of this report.

## Corporate Responsibility

Stakeholders and civil society in general expect

corporates to assume greater responsibility for their direct and indirect impacts and not be blinded by only profit motives.

- Corporate responsibility initiatives not only help in building trust with various stakeholders but also constitute a viable business case for long term sustainability, with different regulatory agencies and market forces pushing for greater transparency in corporate disclosures.
- Securities Exchanges Board of India (SEBI) has issued a circular on voluntary adoption of Integrated Reporting (IR) by listed entities in India.
- Indian Banks' Association (IBA) is engaging with Indian financial institutions on the topic of Responsible Finance. The spending on Corporate Social Responsibility (CSR) activities by Indian companies continues to increase, signaling that corporates are making progress in scaling their CSR initiatives.

To know more about our community development agenda, please refer to 'Communities' section of this report.

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## STAKEHOLDER ENGAGEMENT

We leverage multiple formal and informal channels of engagement to have an active dialogue with our varied set of stakeholders. These channels of engagement help our stakeholders reach us in an easy and convenient manner. The feedback received through multiple channels help us devise appropriate strategies and plans to address the stakeholder needs.

### Stakeholder Group

### Performance Figures 2016-17



Customers

- 366 million page views for www.axisbank.com with 50 million unique visitors
- 3.4 million Facebook fans, 0.2 million followers on Twitter and 0.27 million followers on LinkedIn
- 34% of customer query resolution within 24 hours



Employees

- 45 Axis Champions felicitated at Annual Axis Champions Awards Nite
- 26 Axis Blitz sessions conducted across the Bank to felicitate more than 5400 Blitz champions



## Stakeholder Group

## Performance Figures 2016-17



Regulators

- Regular coordination with Reserve Bank of India (RBI) and participation in RBI constituted committees



Shareholders and Investors

- 768 shareholder queries received and resolved
- 119 shareholder attendees at 22<sup>nd</sup> Annual General Meeting
- 929 investors/analysts meetings/conference calls held



Communities

- 1.08 million beneficiaries of ABF programmes since 2006 (inception)
- 15,240 financial literacy camps conducted in rural areas reaching out to nearly 2,18,041 people



Suppliers and Vendors

- Launched new Vendor Management Framework



Scan the QR code to access our Stakeholder Engagement Map

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## MATERIALITY

Our approach to sustainability is based on materiality principles of understanding what is important to our stakeholders and to achieve our long term business strategies. The Materiality Matrix is an outcome of an engagement with our senior management to assess sustainability topics both from the business and stakeholders' perspective. Insights gathered from existing stakeholder engagement models will continue to shape our sustainability agenda. Our stakeholder-centric sustainability framework is closely aligned to the material sustainability topics to help us perform the way our stakeholders expect us to.






Scan the QR code to know more about our Materiality Assessment and Materiality Matrix

G4-2

## SUSTAINABILITY FRAMEWORK AND PERFORMANCE

Our stakeholder-centric sustainability framework is aligned to material sustainability topics and is driven by our long-term vision and strategy.




	Sustainability Framework	Material Topics
 <p>Customers</p>	<p>Consistently enhance customer service by focusing on customer experience, innovation, and quality assurance to deliver superior Axis Banking experience</p>	<ul style="list-style-type: none"> <li>• Risk control measures for fraud and money laundering</li> <li>• Transparent information and fair advice to customers</li> <li>• Customer privacy and data security</li> <li>• Create innovative products to improve financial access for marginalised sections</li> </ul>
 <p>Shareholders &amp; Providers of Capital</p>	<p>Actively engage with Shareholders and Providers of Capital to create enduring value</p>	<ul style="list-style-type: none"> <li>• Compliance with applicable regulations and standards</li> </ul>
 <p>People</p>	<p>Create and sustain diverse work culture through improving organisational effectiveness, providing safe and ethical work environment, maintaining stability and sustainability amidst ever-changing business environment and growth</p>	<ul style="list-style-type: none"> <li>• Employee safety and security</li> <li>• Creating right competencies across levels</li> <li>• Healthy and non-discriminatory workplace</li> <li>• Committing to Human Rights principles</li> <li>• Leadership development and succession planning</li> <li>• Enhancing employee diversity</li> <li>• Extending Environmental, Social and Corporate Governance (ESG) policies to the supply chain</li> </ul>
 <p>Environment</p>	<p>Promote environmental sustainability and equitable growth through sustainable lending practices</p> <p>Reduce impact on environment on account of own operations by actively managing our environmental footprint and supporting customers to make 'green banking' choices</p>	<ul style="list-style-type: none"> <li>• Integrating environmental and social risk factors in our investment and lending decisions</li> <li>• Optimising resource efficiency</li> <li>• Waste management</li> <li>• Managing our carbon footprint</li> </ul>
 <p>Communities</p>	<p>Create and sustain a mechanism that will propagate sustainable livelihoods and contribute back to society across various segments</p>	<ul style="list-style-type: none"> <li>• Financial literacy</li> <li>• Community development</li> </ul>

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# Performance update of our Sustainability Framework



## Customers

Strategic Priority	Objective	Performance 2016-17
 <p>Multi-channel delivery</p>	<p>Increase the reach and usage of digital channels for enabling superior customer experience and simplified banking</p>	<ul style="list-style-type: none"> <li>• 4.2 million users registered for Axis Mobile Banking App</li> <li>• 4.9 million users registered for Internet Banking</li> <li>• 57.50% of total customer spends are from digital channels</li> </ul>
 <p>Customised Solutions</p>	<p>To develop a deeper, holistic understanding of the customer's banking needs and bring customised, innovative products and programmes that delight and engage them strongly with the Bank</p>	<ul style="list-style-type: none"> <li>• New processes – Lime Wallet integrated into Axis Mobile; co-origination of Retail Term Deposit and Public Provident Fund accounts with Saving Account opening; introduction of Central Know Your Customer (CKYC) for single KYC across financial institutions; e-interest certificates via Internet Banking, email and branch channels; auto-allocation of lockers to waitlisted customers</li> <li>• New products – Happy Holidays Pack (suite of benefits for international travellers available on Axis Mobile); Axis Active (fitness solution in partnership with GOQii integrated with NFC enabled contactless payments)</li> <li>• Revitalised product with new propositions – New and revised Safe Deposit Custody product; new and improved Retail Trust Solution; improved Recurring Deposit product; wellness proposition for Savings Bank Accounts through discounted health services; cashback on online purchases for priority customers</li> <li>• Stronger analytical models to build richer customer profiles through income estimation models</li> </ul>
 <p>Dependable Technology</p>	<p>Ensure secure and streamlined processes, making banking simple and safe for customers with new technologies for superior customer experience</p>	<ul style="list-style-type: none"> <li>• 1,373 Wi-fi enabled branches, 57% growth over previous year</li> <li>• 8,816 Business Development Executives (BDEs) and all Priority Banking Relationship Managers (PBRM) and NRI Relationship Managers (NRI RM) equipped with tablets for tab-based banking</li> </ul>



To make Banking and Money Management easy across all behaviours and touch points

- Standalone Credit Card only/ Loan only login through internet banking and the Axis Mobile platform
- Pre-login page on internet banking with Bill Pay options
- Tweet/email feedback or call Axis Bank right from the Axis Mobile application
- Calendar sync for payment schedules
- Reduction in turnaround time (TAT) for adding beneficiary for money transfers
- New revamped website axisbank.com launched with browser notifications








## Shareholders & Providers of Capital

Strategic Priority	Objective	Performance 2016-17
<p>Economic value creation and contribution to the Society</p>	To assess the economic value created and contributed by the Bank to various stakeholders and society at large	<ul style="list-style-type: none"> <li>• 3.93% reduction in total economic value generated compared to previous year</li> </ul>
<p>Engagement Programs</p>	To provide regular information, disclosures and timely update, address concerns and create a platform for discussions with shareholders	<ul style="list-style-type: none"> <li>• 100% resolution of shareholder grievances received</li> <li>• 119 shareholders attended the 22<sup>nd</sup> Annual General Meeting</li> <li>• 929 investors/analysts meetings/conference calls held</li> </ul>
<p>Strategic Vision on Capital Allocation</p>	Ensure optimal utilisation of capital through capital allocation driven by Vision 2020, Risk-Adjusted Return on Capital (RAROC)	<ul style="list-style-type: none"> <li>• Capital Adequacy Ratio (CAR) under Basel III was 14.95% against the minimum regulatory requirement of 9.625%</li> </ul>
<p>Governance and Risk Management</p>	Ensure robust governance and risk management through policies and practices on transparency, accountability, ethics and risk control	<ul style="list-style-type: none"> <li>• Pursuant to review of the risk profile of the Bank, the Board has not come across any element of risk which would threaten the existence of the Bank</li> </ul>



## People

Strategic Priority	Objective	Performance 2016-17
 <p>Committing to Human Rights principles</p>	<p>Integrate Human Rights principles into the workplace environment</p>	<ul style="list-style-type: none"> <li>• 2,574 person-hours of training imparted on Code of Conduct and Ethics</li> </ul>
 <p>Ensuring a healthy, safe and non-discriminatory workplace</p>	<p>Facilitate a workplace environment that espouses principles of fairness, meritocracy and non-discrimination</p>	<ul style="list-style-type: none"> <li>• Regular health checkups &amp; screening camps for employees</li> </ul>
 <p>Building leadership development and succession planning</p>	<p>Train and develop knowledge, skillsets and leadership behaviour of internal talents with a view to advance them into higher responsibilities or more challenging roles. De-risk the organisation from unplanned attrition at key roles</p>	<ul style="list-style-type: none"> <li>• 28,000 employees underwent 2 day behavioural training program customised to their grade and role challenges</li> <li>• Tie-up with 'Coursera', world's largest online education company, in a first of its kind initiative to enable self-managed learning</li> <li>• 44,872 employees certified through 'Banking on Compliance' program</li> </ul>
 <p>Creating right competencies across levels</p>	<p>Identify and define functional, behavioural and leadership competencies for major roles in key business and support functions</p>	<ul style="list-style-type: none"> <li>• 'Axis Competency Profiler' learning platform introduced</li> </ul>
 <p>Enhancing employee diversity</p>	<p>Enhancing employee diversity (particularly gender based), in terms of ensuring a balanced representation of women at all levels. This includes tapping alternate talent pools and plugging leakages in the pipeline through retention interventions, and working towards building a culture of inclusivity – one that is based on fairness and meritocracy</p>	<ul style="list-style-type: none"> <li>• 21% of women in workforce</li> <li>• female candidates hired through the 'We Lead' programme</li> <li>• 37 differently abled people as an integral part of a diversified workforce</li> </ul>





## Environment

Strategic Priority	Objective	Performance 2016-17
<p>Integrating environment and social factors into lending and investment decisions</p>	<p>Integrate environmental and social issues into risk analysis and decision making processes for corporate lending operations</p>	<ul style="list-style-type: none"> <li>16 proposals with total transaction value of more than ₹ 100 billion assessed for environmental and social parameters under the Bank's 'Sustainable Lending Policy &amp; Procedures'</li> </ul>
<p>Support transition to low carbon economy by increasing 'environmental /sustainable financing'</p>	<p>Explore opportunities to increase financing in key sectors that promote a low carbon economy</p>	<ul style="list-style-type: none"> <li>Credit outstanding of ₹ 37.63 billion for 'sustainable sectors'</li> <li>Launched India's first certified 'Green Bonds' of US\$ 500 million in international market to finance and/or refinance environment-friendly projects as described in the Bank's 'Green Bond Framework'</li> </ul>
<p>Managing our carbon footprint</p>	<p>Measure and manage the carbon footprint intensity [per full-time employee]</p>	<ul style="list-style-type: none"> <li>10.45 % reduction in carbon footprint intensity [per full-time employee], compared to the previous year</li> <li>2 MW installed solar energy capacity for own operations during the year</li> <li>9,542 Mwh energy savings realized through efficiency and retrofit measures</li> </ul>
<p>Optimising resource efficiency</p>	<p>Promote resource optimisation through internal operational efficiency and employee engagement / awareness</p>	<ul style="list-style-type: none"> <li>4.38 % reduction in overall office-paper usage</li> <li>Installed water saving faucet aerators at Axis House and NPC I</li> </ul>
<p>Waste Management</p>	<p>Actively pursue waste management towards 'zero-waste' philosophy by adopting 3R (Reduce, Reuse and Recycle) principles</p>	<ul style="list-style-type: none"> <li>25 tonnes of dry waste recycled</li> <li>Organic waste composter at Axis House</li> </ul>





## Communities

Strategic Priority	Objective	Performance 2016-17
 <p>Sustainable Livelihoods</p>	<p>To create one million livelihoods</p>	<ul style="list-style-type: none"> <li>• 0.9 million livelihoods created cumulatively through Axis Bank Foundation</li> <li>• 1.08 million overall beneficiaries of Axis Bank Foundation initiatives</li> </ul>
 <p>Financial Literacy</p>	<p>Support progress of individuals and communities through financial awareness and literacy</p>	<ul style="list-style-type: none"> <li>• 15,240 financial literacy camps conducted, touching nearly 2,18,041 people</li> <li>• Engaged with 14 B-School students to conduct financial literacy and digital awareness camps in rural areas under the Bank's 'Pragatishala initiative'.</li> </ul>

G4-16

## POLICY ADVOCACY

We believe in collective efforts for creating an efficient financial system for the country.

We participate in various industry and trade associations to promote policies and initiatives that contribute to the growth of industry, drive technology innovation and adoption in banking, enhance financial literacy and expand financial inclusion and expedite the role of banks as a catalyst for larger societal change.

We actively engage with various relevant stakeholders by sharing and adopting best practices.

We are represented in various industry association committees which work on defined topics to dwell on emerging trends and promoting growth.

Some of the committees that we are represented through our senior management include:

- CII National Committee on Banking,
- CII National Council on Financial Sector Development,
- CII Economic Growth and Investments Council,
- CII Sub-Committee on Cloud Computing,
- CII National Committee on Financial Inclusion
- CII National Committee on Capital Markets

Confederation of Indian Industry (CII), has an active 'CII National Committee on Banking'. Ms. Shikha Sharma, has been chairing this committee since 2015. Under the aegis of the Committee, the members have been working actively in the area of policy and regulatory

issues concerning the Indian banking sector with the focus to promote sustainable growth and development of the sector. Under this committee during FY 2016-17, working groups were formed based on the key themes that the committee took up this financial year to work upon. The outcome that came out of the deliberations of these working group discussions, in form of recommendations were submitted to various stakeholders & dignitaries. There were focused meetings held with the Government to further discuss on the

- 1) CII Recommendations on GST submitted to senior officials in Department of Revenue, Central Board of Excise and Customs (CBEC) and Tax Research Unit (TRU)
- 2) CII Recommendations on Managing NPAs and Maintaining Asset Quality, submitted to senior officials in Department of Financial Services

Climate finance is another topic that we engage on with relevant stakeholders. We are represented in the India Green Bonds Council forum coordinated by Climate Bonds Initiative, London.

The Axis Bank Foundation continues to be represented in the Executive Committee of the Bharat Rural Livelihood Foundation (BRLF). BRLF is an autonomous society set up by the Government of India to foster and facilitate civil society action in partnership with the Government to transform the livelihoods of people in such remote areas including the Central Indian Advasi belt.

## CORPORATE GOVERNANCE

G4-42,43  
45

Our Corporate Governance philosophy guides us to act in a manner that safeguards the long-term interest of shareholders and other stakeholders, provide good management, adopt prudent risk management strategies and ensure compliance. The Corporate Governance framework is strengthened by robust principles of accountability, transparency and a deep commitment to equality and equity in the treatment of all our stakeholders.

G4-LA12

### BOARD OF DIRECTORS

We are endowed with a diverse Board of Directors which brings appropriate balance of skills, experience and diversity of perspectives to the table. We believe that this mix of skills, experience and diversity of the Board members is a quintessential component of effective governance and contributes immensely to our continued success.

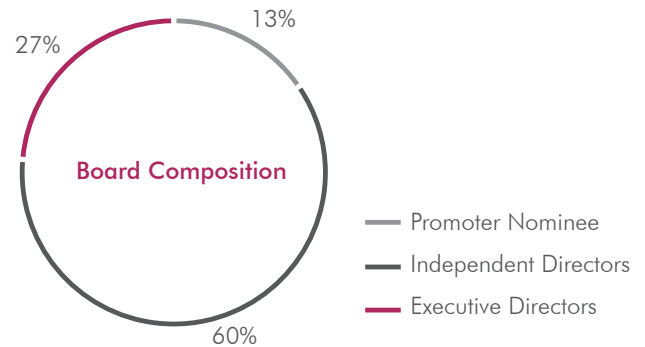
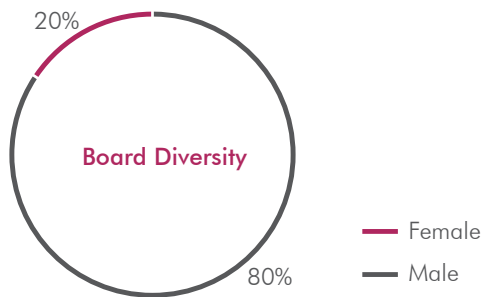
The Board has adopted the Policy on Board Diversity which sets out the framework and approach towards diversity of the Board so as to enhance its effectiveness while discharging its fiduciary obligations towards its stakeholders.

G4-38,39

#### Board of Directors\*:

<b>Sanjiv Misra:</b>	Independent & Non-Executive (Part Time) Chairman
<b>Shikha Sharma:</b>	Managing Director & CEO
<b>V. R. Kaundinya:</b>	Independent Non-Executive
<b>Prasad R. Menon:</b>	Independent Non-Executive
<b>Samir K. Barua:</b>	Independent Non-Executive
<b>Som Mittal:</b>	Independent Non-Executive
<b>Rohit Bhagat:</b>	Independent Non-Executive
<b>Usha Sangwan:</b>	Non-Executive - Nominee of the Life Insurance Corporation of India (Promoter)
<b>S. Vishvanathan:</b>	Independent Non-Executive
<b>Rakesh Makhija:</b>	Independent Non-Executive
<b>Ketaki Bhagwati:</b>	Independent Non-Executive
<b>B. Babu Rao:</b>	Non-Executive - Nominee of Specified Undertaking of Unit Trust of India (SUUTI Promoter)
<b>V. Srinivasan:</b>	Deputy Managing Director
<b>Rajiv Anand:</b>	Executive Director (Retail Banking)
<b>Rajesh Dahiya:</b>	Executive Director (Corporate Centre)

\* as at 31.03.2017



Scan the QR Code to know more about the roles and responsibilities of Board of Directors (Corporate Governance section of the Annual Report 2016-17)

#### G4-40 Selection and Appointment of Directors

We are guided by the process and methodology prescribed by the Reserve Bank of India (RBI) in respect of eligibility criteria and 'fit & proper' norms for nomination and appointment of Directors.

The guidance also requires the Directors to execute covenants which bind them to discharge their responsibilities to the best of their abilities, individually and collectively.

The Nomination and Remuneration Committee of the Board (NRC) is responsible for the following:

- Review the structure, size, composition of the Board, the regional and industry experience, track record, expertise, diversity of the Board
- Evaluate their positive attributes for evaluation of existing skills
- Define gaps based on the information and documents provided by the candidates
- Make appropriate recommendations to the Board with regard to their appointment, re-appointment, remuneration and assignment of duties (nomination to various committees of the Board)

The NRC comprises of four Independent Non-Executive Directors.



Scan the QR Code to know more about the selection and appointment of Directors (Directors' Report section of the Annual Report 2016-17)

#### G4-44 Evaluation of the Board's Performance

The Board has adopted a formal mechanism for evaluating the performance of its Committees, Independent Directors, Non-Independent Directors including Chairman of the Board. Evaluation was conducted on the various aspects of the Board's functioning such as Strategic alignment and direction, Engagement alignment, Composition & structure, Dynamics & culture, Ethics & corporate citizenship, Board support, Audit Committee of the Board, Risk Management Committee, Nomination & Remuneration Committee and Self-evaluation and attendance. The recent guidelines issued by the Securities and Exchange Board of India (SEBI) on the topic of Board evaluation have also been taken into account.

An external agency was engaged for setting the methodology and determining the process of evaluation and advising the Board on the measures pursuant to outcome of such evaluation. The Board of Directors of the Bank were satisfied with evaluation results, which reflected the overall engagement of the members and the effectiveness of the Board and of its Committees.

#### G4-51-55 Remuneration Policy and Remuneration of Directors

Our remuneration policy for Directors, Key Managerial Personnel and Employees of the Bank guides us in the matters of remuneration.

We endeavour to attract, retain and motivate professionals in order to attain our strategic objectives and develop a strong performance culture. Our compensation philosophy is aligned to this objective. We

We adhere to the following principles to achieve this objective.

- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness
- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Options for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for the MD & CEO and Whole-time Directors (WTDs) is aligned to Reserve Bank of India's (RBI) guidelines for sound compensation practices and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudence in risk-taking through better designed and consistent compensation structures
- Clear and timely disclosure for facilitating supervisory oversight by all stakeholders

The Non-Executive Directors of the Board are eligible to receive sitting fees for the meetings of the Board/Committees, attended by them and to profit linked commission, in terms of the relevant RBI circular. The Whole-Time Directors of the Bank do not receive any sitting fee from the Bank or from its subsidiary companies.

Name of Executive Director	Ratio of remuneration to median remuneration of all employees	Percentage increase in the remuneration in the FY 2016-17*
Shikha Sharma, MD & CEO	77.6	6.5
V Srinivasan, Deputy Managing Director	51.4	10.0
Rajiv Anand, Executive Director (Retail Banking)	40.0	15.0

Rajesh Dahiya,  
Executive Director  
(Corporate Centre)

33.3

19.3

\*The percentage increase in remuneration of Rajiv Anand and Rajesh Dahiya on their appointment as Whole-Time Directors of the Bank w.e.f 4th August 2016

The median remuneration of employees (including frontline sales force) of the Bank increased by 9.27% in the financial year 2016-17, as compared to the financial year 2015-16.



Scan the QR Code to know more about the Remuneration Policy and Practices (Corporate Governance and Disclosure on Remuneration sections of the Annual Report 2016-17)

## Board Committees

G4-34

The Board of the Bank also conducts its business through various Committees constituted by the Board to deal with specific matters as per delegated powers for different functional areas of the Bank.

### Board Committees

- Committee of Directors
- Audit Committee
- Risk Management Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Special Committee of the Board of Directors for Monitoring of Large Value Frauds
- Customer Service Committee
- IT Strategy Committee
- Corporate Social Responsibility Committee
- Review Committee
- Acquisition, Divestments and Mergers Committee
- Committee of Whole-Time Directors



Scan the QR Code to know more about various Board committees (Corporate Governance section of the Annual Report 2016-17)

## G4-34-37 Sustainability Governance

At the apex level, the Committee of Whole-time Directors is entrusted with guiding the Bank's sustainability efforts and the Management Committee of the Bank is responsible for reviewing the implementation of the Sustainability Plan of the Bank.

The Executive Director (Corporate Centre) of the Bank oversees the implementation of the Sustainability Plan of the Bank and is supported by Ethics & Sustainability Team. The Sustainability Plan is cascaded down from top management to individual departments in order to implement various initiatives.

The various elements of the Sustainability Plan are also reviewed by the Board and its Committees based on sustainability aspects related to functional roles of individual departments reporting to the Board and its Committees.

We have also set-up a Board-level Corporate Social Responsibility (CSR) Committee to oversee the CSR agenda of the Bank. Aspects of the Sustainability Plan are integrated into the performance scorecard for the top

management and individual functions through annualized objectives.

The stakeholder feedback reaches the Board through various Board Committees:

- The Stakeholder Relationships Committee looks into shareholders' grievances and feedback.
- The Nomination and Remuneration Committee reviews the pan-organisational health through feedback from employee surveys conducted on a regular basis.
- The Customer Service Committee oversees customer service related aspects including feedback received from customers through various channels.
- The Corporate Social Responsibility Committee is responsible for community development agenda.
- The Sustainable Lending Policy agenda is approved by the Committee of Directors of the Board.
- Apart from the Board Committees, the Board also has periodic reviews of various functions of the Bank which include aspects of stakeholder feedback.



Members of the Bank's Board of Directors attending the Bank's 22<sup>nd</sup> AGM in Ahmedabad, India

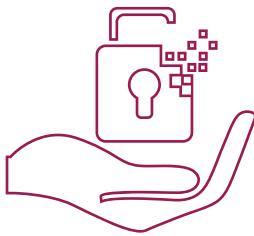


## ETHICS & RISK MANAGEMENT

Ethics is one of the key aspects that define our values. Stakeholders' interests are important to us and we always strive to protect them. We conduct our business in an ethical and transparent manner and have put in place policies, procedures and controls across our operations to guide us in doing so.

### Codes and Policies

Our Code of Conduct and Ethics is the guiding document for our employees on ethical behaviour and acceptable conduct. The Code address various aspects including, but not limited to ethics, conflict of interest, non-discrimination, and bribery and corruption.



- Regular trainings and awareness on the Code are conducted through e-learning programmes, training sessions and an annual sign off on the Code by the employees.
- The Board of Directors and the Senior Management of the Bank are also guided by similar codes which guide them in adopting high ethical standards in managing the affairs of the Bank.
- There is an induction programme for new Directors covering areas relating to Board governance, finance and accounts, compliance, internal audit, human resource and operations.
- The Board members are also apprised of various emerging trends including sustainability topics through presentations made to the Board at its meetings.
- The Code of Commitment to Customers is a voluntary code adopted by us.
  - It is based on codes and standards of Banking Codes and Standards Board of India (BCSBI) and is aimed at safeguarding customer interest and promoting fair and transparent dealings with our customers.

A whistle-blower mechanism has been put in place to provide a platform for reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviour or practices by staff without fear of retribution. An Ethical Counsellor has been appointed to help employees who are in need of counselling regarding any

wrongdoing that they may have witnessed, and guide them through their roles and responsibilities in seeking redressal of such wrongdoing.

Policy frameworks for various aspects of organisational and employee behaviour are put in place and are supported by well-documented procedures with defined accountability at various levels.



Code of Conduct for Directors and Code of Conduct & Ethics for Senior Management



Code of Commitment and Whistle-blower Policy



Policy Framework

### Risk Management

The primary objective of our risk management framework is to balance the trade-off between risk and return and ensure we operate within the Board-approved Risk Appetite Statement.

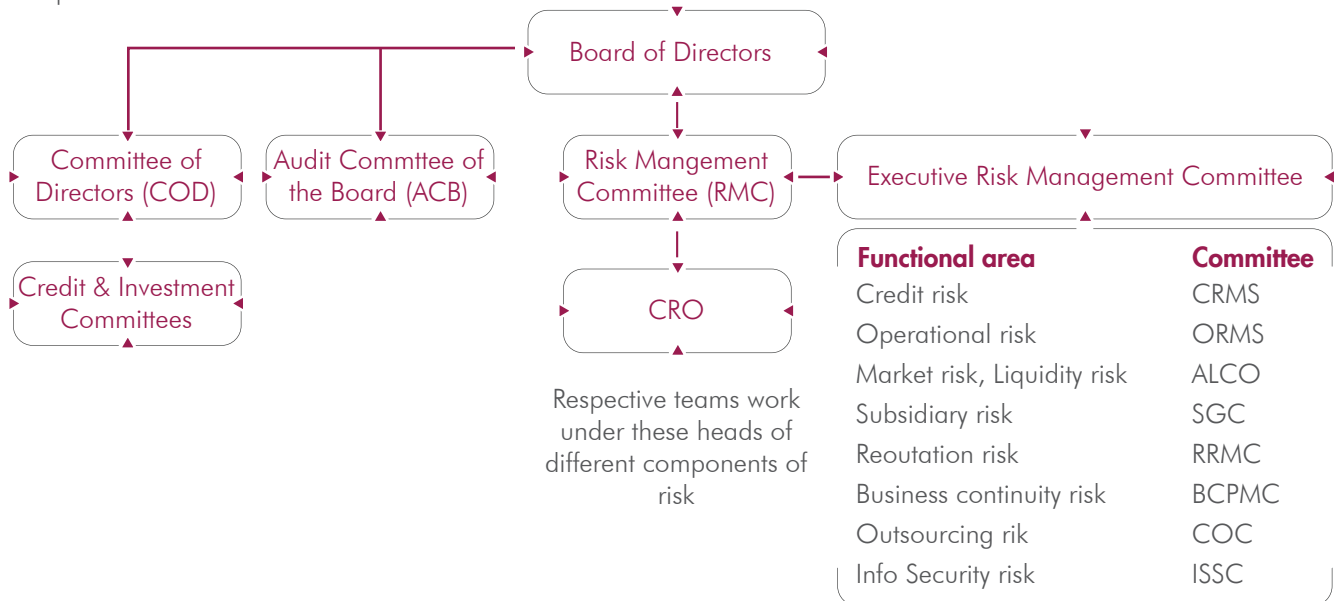


The risk management framework rests on key pillars of the risk governance architecture, comprehensive processes and internal control mechanisms based on approved policies and guidelines.

The key areas of risk covered under our risk governance architecture include credit, market (including liquidity) and operational risk.

and system applications have been defined, recovery plan is in place for these critical activities, and system applications to ensure timely recovery of our critical products and services in the event of an emergency.

The BCP framework guides us to safeguard the interest of our clients, protect the life of our employees and



The risks are quantified, wherever possible, for effective and continuous monitoring and control.

The risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors.

New products and/or changes in products and processes are subject to robust risk management processes.

The Product Management Committee (PMC) reviews and approves new products. The objective of PMC process is to ensure that the new products are introduced as per the laid down process, the risks associated with such products at various stages of its lifecycle have been duly identified, and that the requisite controls have been put in place.

The Change Management Committee (CMC) reviews and approves change in any product and/or any process that might have a bearing on other products, customer base, or on the existing system in place.

We have a Business Continuity Policy (BCP) and an IT Disaster Recovery Policy in place wherein critical activities

minimise losses to our assets.

The Emergency Response Plan (ERP) and Crisis Management Plan (CMP) under the BCP framework are activated during an emergency to minimise losses and strategise the recovery process after disaster.

Our 'Sustainable Lending Policy & Procedures' (SLPP) is designed to supplement the credit risk policies. SLPP, based on international standards, sets the framework to identify and assess the environmental and social risks associated with Project Finance activities of a certain size. We also actively engage with clients to put in place appropriate mitigation plans to address the environmental and social risks identified.

During the year, we have developed a comprehensive 'Vendor Management Framework' (VMF) to address various facets of vendor management. Vendor Risk Assessment is a key component of the VMF.



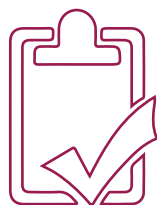
Scan the QR Code to know more about our Risk Management Practices (Management Discussion & Analysis and Basel III Disclosures sections of the Annual Report 2016-17)

G4-57

## Compliance

Compliance with regulatory prescriptions and internal guidelines is very crucial, and we have robust policies and systems in place to guide us in adhering to the highest standards of compliance.

Accountability is set at various levels within the organisation to ensure compliance, with the Audit Committee of the Board, at the apex level, reviewing the status of compliances with the regulatory guidelines on a periodic basis. We use enablers such as dissemination of regulatory changes and percolation of compliance knowledge through training, newsletters, e-learning



initiatives and other means of communication apart from direct interaction to continually enhance the compliance culture.

Regular compliance monitoring and testing programmes enable the identification of deviations, evaluation of internal controls and examination of systemic corrections as required. The Enterprise-wide Governance Risk and Compliance Framework is an online tool that is central to addressing operational, compliance and financial reporting risks, bringing efficiency in processes and improvement in compliance levels, besides facilitating an annualised assessment of said risks.



Scan the QR Code to know more about our Compliance Framework (Management Discussion & Analysis section of the Annual Report 2016-17)

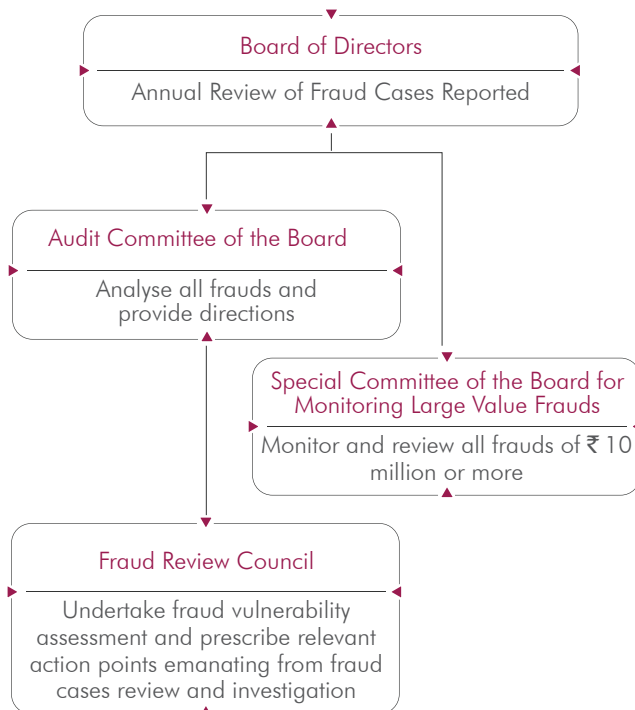
G4-58

## Fraud Detection and Mitigation

We endeavour to create a secure, 'least vulnerable to fraud' environment in the Bank and have adopted a Policy on Fraud Management and Reporting, which serves as a reference document and guidance for the internal oversight and fraud management framework. The Policy is supported by procedures across operations. Round-the-clock transaction monitoring is undertaken to generate alerts in real/near-real-time, to detect fraudulent or suspicious transactions through an

Information Technology (IT) enabled system (both online and offline).

We have an enterprise level end-to-end anti-money laundering software system with enhanced functions aiding scenario-based alerts generation from various source data systems for monitoring, investigation and filing of Suspicious Transactions Reports (STRs). A separate fraud management system is deployed for fraud detection and prevention in both credit and debit card



- The employees play a critical role in the detection and prevention of fraud, and we encourage their active participation through our Policy on Recognition and Reward for Detection / Prevention of Fraud.
- Employees are also sensitised and made aware of ethics and prevention of frauds through policy updates, periodic newsletters and employee communications such as 'Ethical Times', 'Due Diligence' and 'Information Security Awareness Series'.
- Information and case studies are disseminated among employees to provide information and insights on frauds detected and actions taken, incident analysis of industry fraud cases and latest regulatory updates.

The employees are also informed on the actions taken for alleged breaches of policies along with representative case studies.

## Stakeholder Awareness on Cybercrimes

With the growth of digital adoption amongst the public in general, susceptibility to fall prey to new and innovative cybercrimes is registering a marked increase. We believe that awareness on such cybercrimes has to be created across various sets of stakeholders, including the judiciary and the law enforcement authorities. During the year, we have engaged with these stakeholders through training and awareness sessions to help them understand the changing dynamics of economic offences in the digital banking space. Live case studies were used in the training programmes organised for the officers from police department, working in the areas of economic offences and cybercrime. A special training session on awareness on banking fraud was organized for 'Maharashtra State Judicial Academy', and similar workshop was facilitated for the officials of Economic Offense Wing (EOW), Mumbai.



Awareness session on 'Banking Fraud' organised by Axis Bank functionaries.

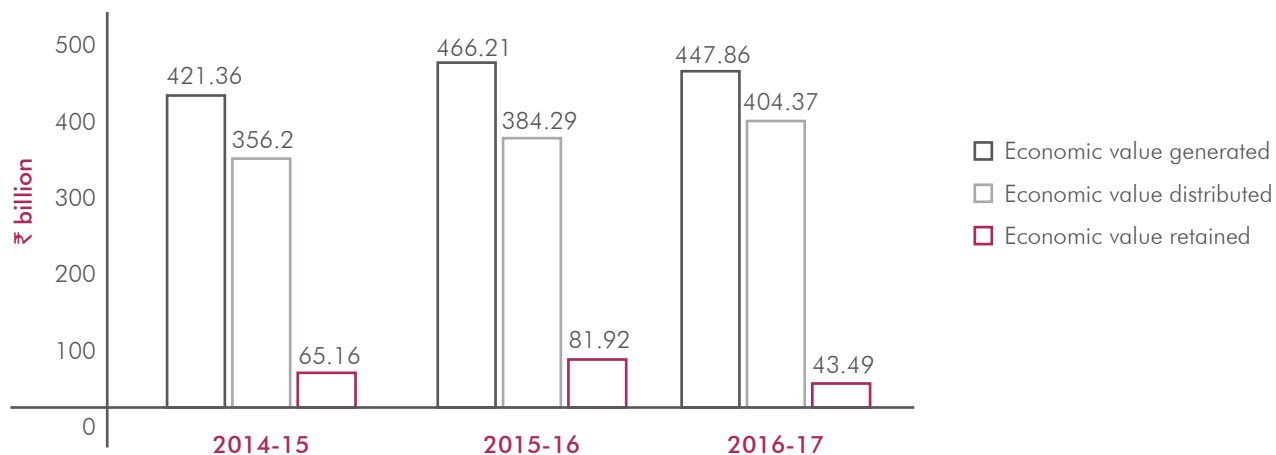
## ECONOMIC CONTRIBUTION

As a banking institution, we are aware that our role in the society goes beyond generating profits for our shareholders and providers of capital. We always strive to play our part in enabling and expediting economic development, one that is both equitable and sustainable.

G4-EC1

### Direct economic contribution

Economic value generated, distributed and retained

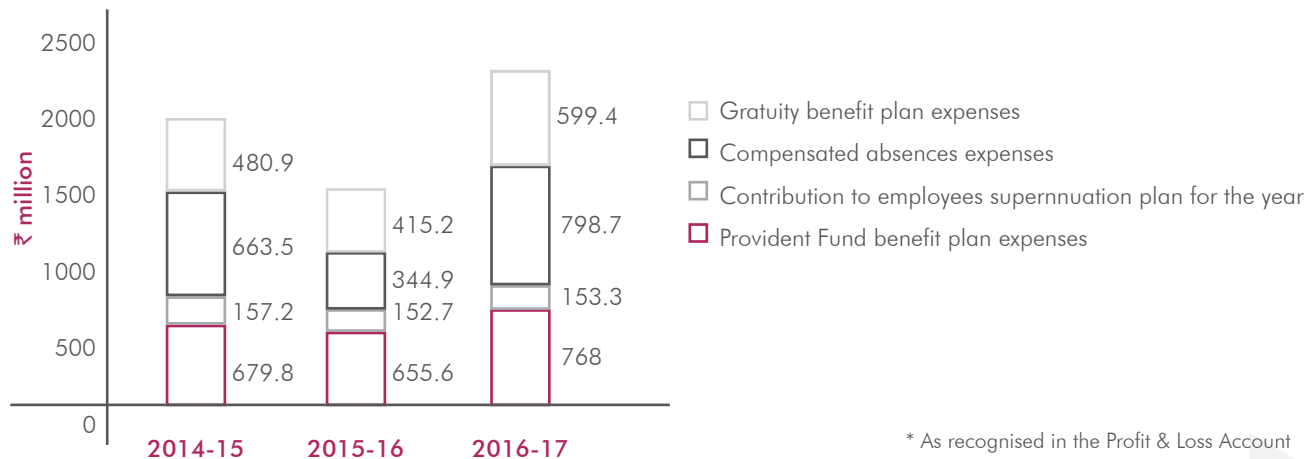


G4-EC3

### Employee Benefit Obligations

We provide a comprehensive range of retirement and other benefits to our employees. These include Provident Fund benefits, Gratuity benefits, Compensated Absences and Superannuation Scheme benefits. Appropriate processes, including an actual valuation by independent actuaries, are put in place to manage defined benefit obligations and defined benefit retirement plans.

Employee benefits\*



\* As recognised in the Profit & Loss Account

Additional resources



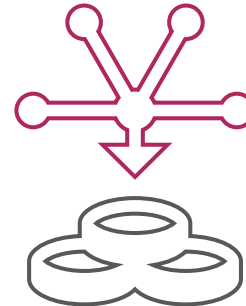
Scan the QR Code to know more about the Employee Benefits (Notes to Accounts 1.2.11 section of the Annual Report 2016-17)

## Indirect economic contribution

We facilitate financial flows and help overall economic activity thrive. Through our products, services, operations and community programmes, we touch myriad sections of society including individuals, businesses and institutions.

- Our Retail Banking business helps individuals achieve their goals and aspirations by providing them banking and financial solutions that meet various lifecycle financial needs.
- We bring millions of underserved sections of society into the ambit of formal banking system through our Financial Inclusion Agenda.
- This enables them to become active participants of the economic growth and thus benefit from it. Financial Literacy is an integral component of our Financial Inclusion Agenda to educate and create awareness on the basics of banking and financial topics.
- These efforts help individuals better understand the opportunities available for them to earn a livelihood, save, grow their wealth, get insured and avail social security benefits.
- We support businesses and institutions in their growth journey through our Corporate Banking solutions. This in turn contributes to overall economic growth and nation building.

- Through our Priority Sector focus, we promote the growth of sectors including MSMEs and Agriculture, which supports millions of jobs and livelihoods. We also have special solutions for emerging businesses and start-ups to promote innovation and entrepreneurship.
- We partner with governments to facilitate delivery of citizen services and social benefit schemes directly to the beneficiaries and in the process, contribute to effective and transparent governance models.



Our community programmes, primarily undertaken through the Axis Bank Foundation, addresses the challenges of creating sustainable livelihoods in some of the poorest districts of the country. The programmes aim to increase the livelihood generation potential of beneficiaries by at least 50% of current existing levels on a sustainable basis.

G4-FS7,8

G4-EC7,8

## Economic contribution to society in 2016-17



Consumers

- ₹ 264.49 billion interest expended on deposits
- Home Loans of ₹ 704 billion disbursed, with a customer base of 0.29 million
- Retail Agriculture Loans of ₹ 272 billion outstanding amount, with a customer base of 1.23 million
- Education Loans of ₹ 4.16 billion disbursed, with student customer base of 9,966



Corporates

- Credit Exposure of ₹ 715 billion to vital sectors of growth - Infrastructure and Power industry
- Priority Sector Advances of ₹ 938.74 billion
- SME Sector Advances (including non-retail agriculture advances) of ₹ 491.72 billion



Shareholders

- Dividend payments of ₹ 14.04 billion



### Products & Services With Environmental And Social Benefit

- Credit Exposure of ₹ 37.63 billion to sustainable sectors - renewable energy (solar, wind, biomass, mini-hydro), waste processing and mass rapid transportation
- Financial Inclusion customer base of around 10 million customers, serviced through network of 538 rural branches and more than 53, 187 Business Correspondent (BC) agents spread across villages
- 0.53 million customer base served for microloans with cumulative disbursements of ₹ 10.01 billion
- Over 25, 800 LIG customers served through 'Asha Home Loans' with ₹ 29.4 billion of affordable housing loan disbursements
- Facilitated disbursements of ₹ 0.7 billion of Government to Consumer (G2C) payments



### Employees

- 56,617 employee base with ₹ 38.91 billion in employee related payments and provisions
- 29.71 million outstanding Employee Stock Options



### Community Development

- 23 programmes run by the Axis Bank Foundation (ABF) in 221 districts covering 21 states in India
- ₹ 1.35 billion spent on Corporate Social Responsibility
- Total cumulative grant of ₹ 4.11 billion given to ABF and its partner NGOs since 2006
- 1.08 million beneficiaries reached through ABF programmes since 2006 (inception)



# CUSTOMERS

Consistently enhance customer service by focusing on customer experience, innovation and quality assurance to deliver superior Axis Banking Experience

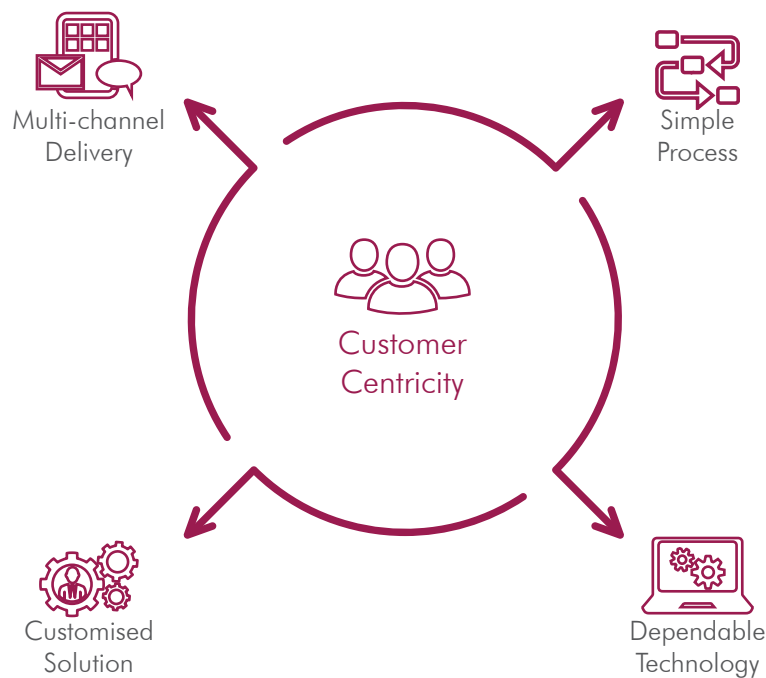


Scan the QR Code to know more about our SDG alignment

## CUSTOMERS

Consumer centricity constitutes the core of our business philosophy. The emergence of the omnichannel era, combined with changes in demand as a result of demographic and economic shifts, has led to a major transformation in the our banking value proposition – from retail to corporate – providing a one-stop-shop to everyone for their banking needs. We have grown towards providing a world of seamless banking where financial services and offers are extended to customers at the place and time of need.

These services are especially customised for every customer segment in the market, to financially enable and empower their life goals. Over the last year, the Bank has built recognition in the space, and has won several awards. We have also been successful in widening our network across the country, reaching and serving not only the urban and semi-urban growth centers, but the under-banked rural areas as well.



### Products and services

We endeavour to provide a full range of financial products and banking services which cater to all levels of the economic pyramid. Our approach to 'customer centricity' helps us continually evolve our product and service models to provide customers with choice and convenience. Customer engagement continues to be an integral component of our approach to understand customer needs, and provide solutions that not only meet but also exceed their expectations.

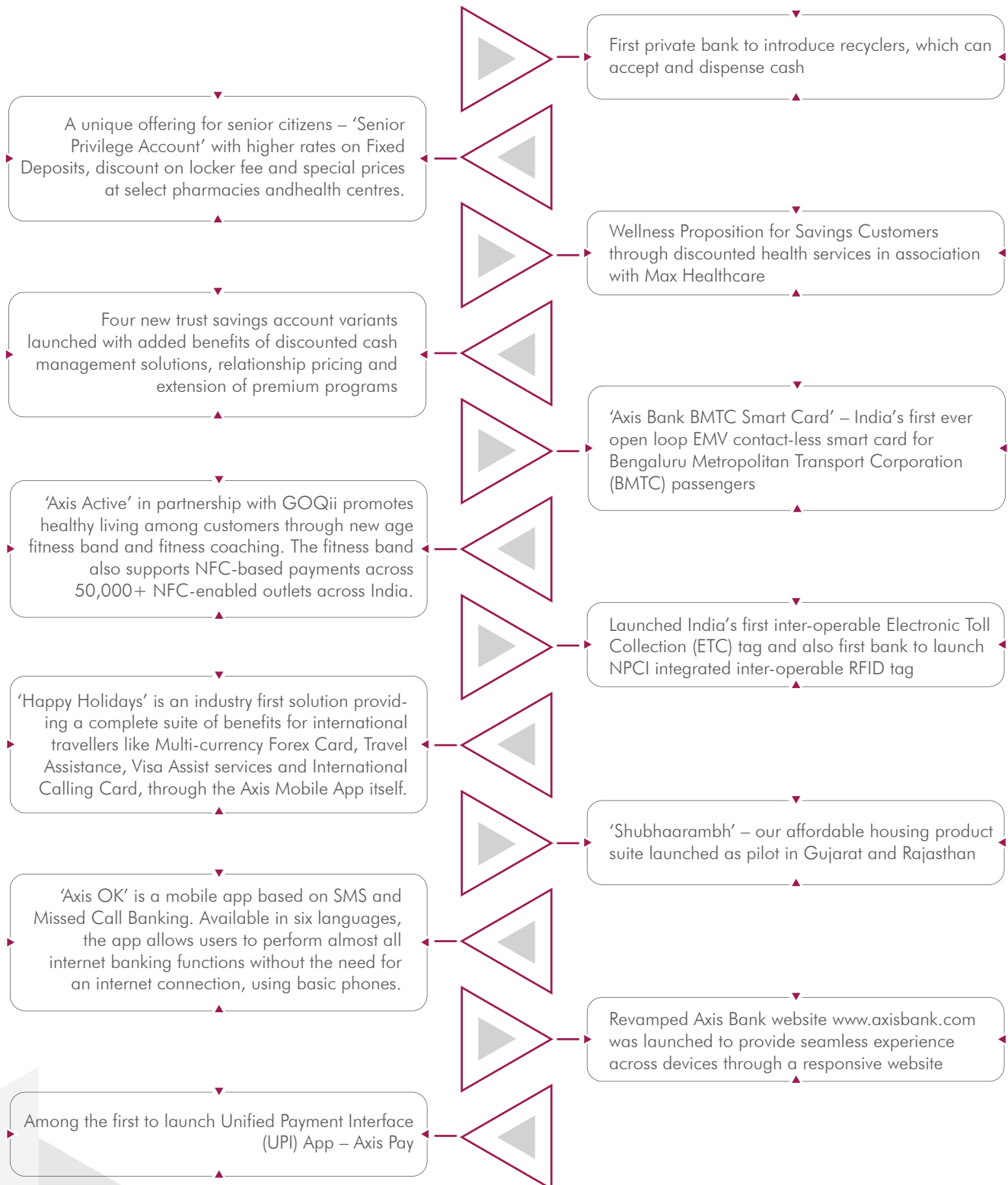
We are continually expanding our bouquet of offerings to provide a greater range of product and services leveraging up-to-date technology – ensuring maximum customer satisfaction.



Mr. Rajiv Anand, Executive Director (Retail Banking) (Right) at the launch of BMTC Smart Card

G4-PR3

## New Products And Services Launched



## Digital Future

We have invested in cutting edge digital banking solutions to enable our customers transact seamlessly across various channels. It is our constant endeavor to be ahead of the innovation curve by anticipating customer needs and providing innovative solutions. Digital banking products and service complement our branch channels, and helps ensure that we reach the remote corners of the country to provide a seamless banking experience.

### 'Digital is the future' – Experience it now

We have digitally empowered our customers by integrating technology into all our services.

The following snapshots reveal how our digital banking services are simplifying financial transactions and customer interactions.

- **Happy Holidays:** An industry-first solution which unlocks a suite of benefits for the international travellers. With a few clicks on the Axis Mobile app, the customer is able to get comprehensive solution in form of Multi-currency Forex Card, Travel Insurance, Visa Assist services and International Calling Card. Available on the Axis Mobile app, the solution has won the Bronze Award at the EFMA Global banking innovation awards in the Customer Experience Category
- **Axis Active:** With an objective of leveraging the growing prominence of wearable technology and a marked consumer preference shift towards fitness, Axis Bank has partnered with GOQii Technologies Pvt. Ltd., and integrated contactless payment technology to launch an integrated solution – Axis Active – which promises benefits around fitness, payments and rewards. The solution is available to existing Axis Bank customers on the Bank's mobile app and at our branches
- **Other Digital Initiatives:**
  - **Account opening through TAB:** In line with the object of keeping customer at centre of our objectives, Axis Bank has empowered on-ground resources with TAB, which supports online account opening, ensuring that customer experience is enhanced and customer convenience is given utmost importance
  - **For Mobile app:**
    - Pre-login page Recharge and Bill Pay options have been modulated. Enhanced features for standalone credit card users and standalone loan users have been introduced, where the credit card/loan users can register using the credit Card / loan credentials.
    - Ability to tweet and email feedback, or call Axis Bank right from the application
    - Ability to save 10 frequent transactions as Favourites, and repeat them in one click in future.

Additional resources



Scan the QR Code to know more about our products and services

### Multi-channel delivery

The wave of technological innovation in recent years has opened up new possibilities for leveraging digital technologies such as mobile, wearables, analytics and tele-presence. This means that the financial sector can no longer rely only on traditional branch channels to serve customers and have to expand their horizons to adopt

the evolving digital technology solutions. We have been at the forefront in embracing an effective multi-channel delivery model for ensuring customer delight. Towards this objective, we have focused on three main topics:

- **A secure digital strategy** to build a front end for our customers, move beyond basic banking services on the mobile, and become a part of their lifestyle through mobile apps

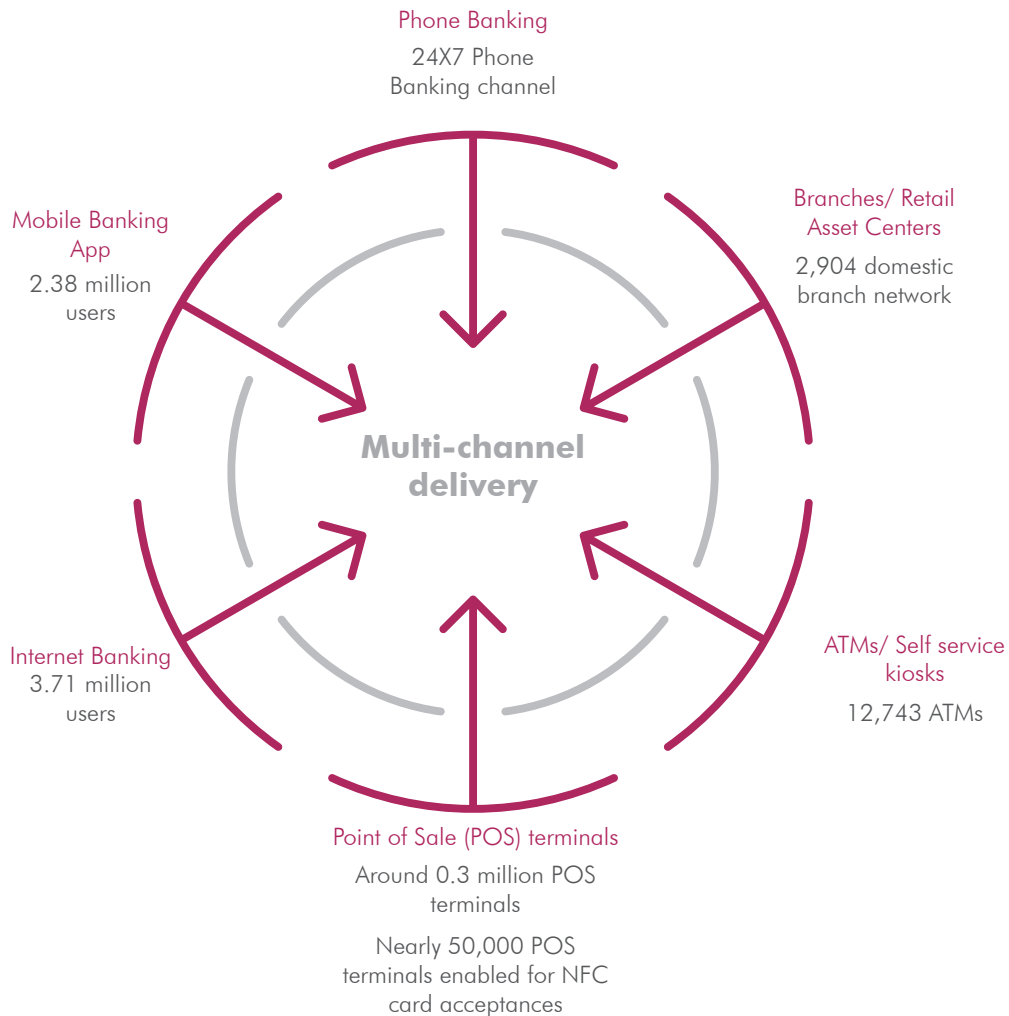
- **Internal digitisation** of the Bank, and continuously improve on our turnaround time where users can start differentiating our services with peer organisations
- **Advanced data management and analytics** to build a rich data repository, and create an analytics workbench

We have made strategic investments in electronic and digital channels to strengthen our multi-channel delivery model. Projects focusing on enhancing the user experience and making banking seamless by leveraging digital platforms including the Mobile App, Internet Banking and Website have been undertaken to help provide a true multi-channel experience – expediting the growth of service excellence.

We have adopted a multifaceted strategy to integrate service excellence with multi-channel delivery model,

which includes:

- **Invest in a future-proof, omnichannel-ready infrastructure** that accommodates new interaction channels and is integrated into existing core banking apps
- **Strengthen our Innovation DNA** by initiating an innovation acquisition and incubation structure, with an open innovation mind-set that involves other innovative participants, and simplifies business and operating models to create customers centric paradigms
- **Actively pursue operational productivity initiatives** to help enhance the customer-facing transformation journey. The measures undertaken include internal collaboration and analytical leveraging of big data, virtualisation schemes, paperless/thin desktops, and more



## Multi-channel delivery highlights:



Mobile  
Banking

- 4.2 million overall registrations (77% growth in Axis mobile users)
- ₹ 966 billion overall spends through mobile banking (75% growth in spends)
- 99 million transaction count



Internet Banking

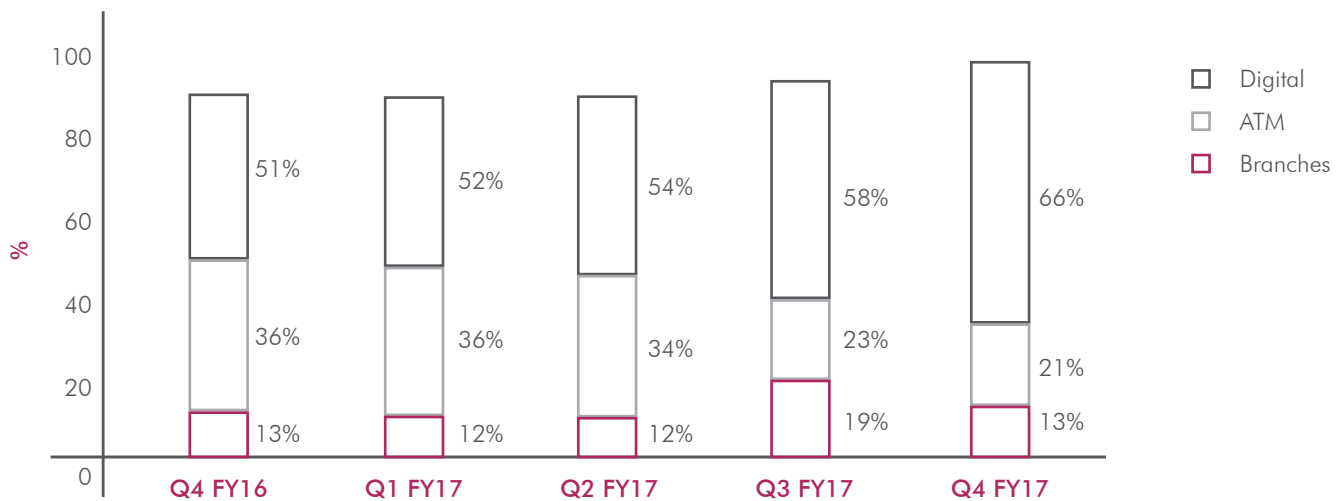
- 4.9 million overall Netsecure registrations (31% growth in Axis internet banking users)
- ₹1,314 billion overall spends through internet banking (38% growth in spends)
- 74 million transaction count



Digital  
Channels

- 1.11 million leads generated through website across products

## Channel transaction mix\*



\*Based on all financial transactions by individual customers

## Social media presence

We enjoy high visibility on the different social media platforms, and regularly leverage these channels as an important tool to connect and have a dialogue with our customers, stakeholders, and the public at large. We actively use channels like Facebook, Twitter, LinkedIn etc. to reach out to our customers with information about new products/launches, new developments and achievements, among others. We also use these platforms as an avenue for seeking feedback from our stakeholders, allowing them to contact the Bank directly.



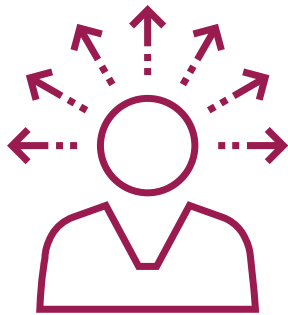
## Consumer awareness and privacy

G4-PR8

We aim to provide relevant and transparent information to customers to enable them in making informed decisions about our products and services. The details on product features and charges are explained to the customer during the transaction.

The 'Most Important Document' contain terms of conditions including disclosures on any important disclaimers and grievance redressal procedures. The customer is required to read and sign this important document along with account opening / card application form. Where required by Regulators, or as an industry practice, the product labelling also includes the 'risk rating' of the product.

We also provide online tools to customers to understand their eligibility, applicable interest rates and service charges for loan products, including home loans and car loans. SMS alerts are sent to customers when the charges or fees get triggered or are levied in their account.



Similarly, customers are made aware of free monthly ATM transactions available through SMS alerts.

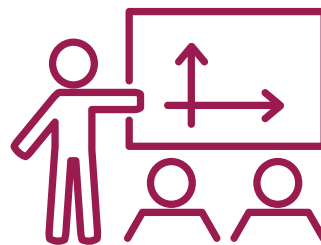
We have well-defined 'Information Systems Security Policies (ISSP)' to guide us on the key aspects of information security and data privacy. The robust ISSP framework helps us meet regulatory requirements, voluntary industry standards, and streamlines the adoption of best practices towards managing information security and data privacy.

All the recommendations of the RBI Working Group issued on 29 April, 2011 as applicable, related to Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds have been implemented and independent assessment has been done to verify and

evaluate the implementation status. We have adopted and are certified for ISO 27001:2013 Information Security Management Systems and the Payment Card Industry Data Security Standard (PCI DSS) 3.2.

We ensure that the IT infrastructure stays protected round-the-clock, by implementing appropriate perimeter defense solutions and protection tools for employee desktop and laptops. All critical information is monitored for any suspicious activities. Periodic Vulnerability Risk Assessments are conducted across key assets to assess the potential risks and adopt mitigating strategies.

We have deployed state-of-the-art solutions for Data Leakage Protection, Information Rights Management, Mobile Device Management, Mobile Application Management, and Advanced Persistent Threat to ensure that the data and information is stored, accessed and transferred in a controlled and secure environment. All



electronic data information transmitted to third party agencies is stringently monitored, and data encryptions are used to secure the use of such data. Employees are periodically trained on information security policies and measures, and all employees are required to undergo a mandatory e-learning module on information security.

## Simple Process

Our endeavor is to make the banking as simple as possible for our customers. The 'Simple Process' approach is aimed to make banking and money management easy to manage and yet extremely efficient. We have designed internal programs across businesses to continually evaluate the opportunities to simplify products and processes, with an objective to serve our customers better. Digitisation and technology enablement continue to be the key pillar to drive such initiatives.



## 2016-17 Highlights:



Instant e-Merchant loans for quick loan disbursement for merchants and service establishments



Simplified customer agreement, with 50% less signatures and removal of notarisation for auto loan



Updated brochure for home loans – One-pager; contains product details, processes and documentation



Customised passbooks along with welcome kits for rural loans



Revamped customer communication process for SMS alerts on overdraft (OD) utilisation and renewal intimation



Customer onboarding on digital platforms, including application for add-on credit card through TAB banking



Pre-approved auto-loans for existing and eligible customer, eliminating KYC submission



India's first bank to launch image based disbursement of tractor loans



Auto allocation of waitlisted lockers



First Indian bank to digitise the submission of Form 15G/H through a mobile application, ensuring customers a hassle-free experience, while streamlining tax exemption claims

## Customer service

Our customers are the focus of whatever we do. The Bank aspires to provide them with a fulfilling and enriching service experience.

'PROGRESS', our customer service credo, defines basic tenets of customer service that we believe in and aspire to live daily.

### Our Customer Service Credo

**P**roactive in approach

**R**ight for the customer

**O**wn the solution

**G**o deeper

**R**emove the jargon

**E**rror free

**S**implify

**S**erve enthusiastically



The 'customer service excellence' journey is one that every Axis Bank employee undertakes throughout their work roles as a part of multifarious initiatives and programmes. Our 'PROGRESS' service culture framework has also been embedded in the organisational culture via various mechanisms, including continuous stakeholder feedback, employee suggestions, etc. A few highlights of our customer service initiatives taken during last year:

- Introduced 'Saksham' (our loan servicing centre), which provides a 360-degree view of customers, enabling instant fulfilment of various deliverables, changes in demographic details and instant part payment with speed
- Set up a specialised call centre (for handling multiple customer requests, and limiting the customer's needs to visit branches) for rural lending
- Kept open branches for extended hours in the first week of demonetisation, and were open till 6 pm on weekends
- Facilitated fuel surcharge waiver on Axis debit and credit cards.
- Streamlined customer onboarding by introducing loan origination for Loan Against Securities (LAS) through Finnone software, resulting in reduced TAT, leading to an enhanced customer experience.

## Enhanced Customer Engagement

In November 2016, India witnessed an economic reform – Demonitisation of a scale that had not been attempted in recent times. As the designated move to change the country's financial ecosystem was put in place, there were multiple challenges for banks to ensure its implementation.

At Axis Bank, we devised and implemented an action plan as part of our emergency response initiatives to mitigate customer inconveniences, and support them during this phase.

Key initiatives undertaken:

- A 24X7 surveillance and control room was set up for monitoring system controls, addressing branch queries, interpreting guidelines, and ensuring compliance.
- Regular updates were sent to customers through SMS, emails, social media and website.
- Our branches remained open for extended hours in the first week of demonetisation, and were open till 6pm on weekends.
- We facilitated a fuel surcharge waiver on Axis debit and credit cards.
- We reduced waiting time at branches as customers were intimated in advance to carry necessary documents.
- Our rural branches were equipped with micro ATMs to enable cash deposit/withdrawals.
- We helped more than 250 corporates with cash withdrawal for their employees.

Apart from these key initiatives, we have also been employing advanced customer-centric analytics extensively to reach out to our customers and serve them even better. For instance, we have disbursed ₹ 75 billion of home loans by reaching out to existing customers using data analytics. Additionally, to have a deep assessment of customer experience and quality of service, structured mystery shopping audits were conducted, and the outcomes analysed to address the service gaps, and identify further opportunities of improvement.

We believe that a holistic approach to customer experience will be the key differentiator to remain

relevant in the financial service industry. During the year, we have created a central Customer Experience division to streamline and enhance the way different business divisions serve and deal with customers. The Customer Experience team, will periodically review internal processes, customer service and sales practices, policies etc., keeping the customer interest as their guiding principle.

We enable our customers to reach us through multiple channels by using the most convenient options. Details of customer helplines and email are provided on the Bank's website, product brochures, statements, and at branches. We have also launched a support section on our website with intent to help customer self-serve themselves at their convenience. The support section was developed by creating a knowledge pool of resolutions and guidance for 380 of most common queries received through multiple channels.

We have developed an online complaint management system to enable customers lodge their complaints electronically, in addition to the existing mechanism available at our branches. All complaints are monitored centrally, with well-defined processes (with TAT and escalation matrix) being put in place to resolve the concerns in the least possible time. A three level escalation matrix has been established for domestic and overseas customers. Additionally, the business teams have been provided with analysis of complaints to trigger corrective measures and process improvements. The quality of closure of complaints is also assessed on sample basis to ensure adherence with the laid out processes for customer grievance redressal systems.

The customer service and grievance redressal initiatives are reviewed at the highest level by the Customer Service Committee of the Board. At the executive level, Standing Committee on Customer Service reviews customer service and grievance redressal initiatives. Customers are also invited to the Standing Committee meetings to share their feedback, and engage with senior management of the Bank.

G4-PR5

## Customer satisfaction

Our Annual Customer Satisfaction Survey (CSAT) study provides vital insights into the perception and expectations of our customers across our product segments. The CSAT survey conducted during the year have showed consistent results compared to last year for the Retail Banking segment.



The Customer Transaction Survey (CTS) is an on-going customer sampling survey conducted to understand the customer experience with different aspects of the transaction undertaken by them. The insights from the surveys are discussed in the Service Quality Council meetings.

## SME Focus

Small and Medium Enterprises (SME) sector contributes significantly to growth of Indian economy. We continue to support the growth of this vital sector by providing the widest range of fast-track and customised products designed to meet the special needs of the sector. Currently we operate 54 SME Centres and 15 SME Cells, spread across the country to service customers, effectively covering around over 2,000 branches. In order to serve the SME sector better, we have further divided our SME proposition into 3 segments –

1. Medium Enterprises Group (MEG),
2. Small Enterprises Group (SEG)
3. Supply Chain Finance (SCF)

Our SME business continues to contribute significantly to the Priority Sector Lending (PSL) portfolio of the Bank. As part of the strategy to focus on select important industrial clusters, we have also launched a new product catering to the Education sector. Streamlining of various internal processes on the digital platforms has further led to a seamless bouquet of services being offered to the SME customers.

Beyond our products and services, we engage with SME sector through various knowledge based initiatives aimed at capacity building of the sector on various topics.

1. 'Evolve' is our flagship SME knowledge initiative. Through the 'Evolve' program, we reached to more than 5,000 SMEs across 35 cities during the year.
2. We have also partnered with India SME Forum to create a platform for SMEs to share their learnings and success stories and felicitate best performing SMEs through 'SME 100' awards.
3. These initiatives are also aligned to national priority programs such as 'Make in India', 'Skill India' and 'Digital India'.



The Evolve sessions conducted by the Bank

## Financial Inclusion & Literacy

Our Financial Inclusion agenda is aligned with the financial inclusion program of the Government of India, which focuses on four key themes –

1. Savings
2. Credit
3. Remittances
4. Insurance and pension

We continue to serve various sections of society through our financial inclusion agenda by leveraging technology and our widespread network rural branch and Business Correspondents (BCs) network. Promoting financial literacy is an inherent component of our financial inclusion plans to bring millions of underserved people into the ambit of formal banking system, and empower them with knowledge and tools to be financially literate and digitally aware.

### **Promoting savings through formal banking system**

We believe that financial inclusion is indispensable for enabling an equitable and inclusive growth paradigm. The idea has assumed renewed focus through the massive push by the Government of India to transform

India into a 'less-cash' society. We provide basic Savings Accounts which enable people to access various financial services and social benefits, in the process contributing to an overall inclusive growth.

Through our wide spread network of 538 rural branches across the country and the network of Business Correspondents (BCs) and Customer Service Points (CSPs), we facilitate financial inclusion by bringing more and more customers into the fold of formal banking system. Modern technology through eKYC and micro-ATM is leveraged to provide convenient and secure financial inclusion services. We are also active participants in the Government's 'Pradhan Mantri Jan Dhan Yojana' (PMJDY) comprehensive financial inclusion program.

G4-FS14



G4-FS13

### **DigiPrayas – initiative to digitally transform rural villages**

'DigiPrayas' is our endeavour to support rural villages in digital transformation by enabling them to be financially literate, digitally aware, and adopt and be active on various modes of digital banking including mobile applications, UPI and USSD-based solutions. In the first phase of the project, we plan to cover 24 villages by providing intensive financial and digital literacy programs and set-up enabling ecosystem through Business Correspondents, EDC/POS devices, Micro ATMs in the merchant premises around these villages. The project aims to impact 80,000 lives in 24 villages across the country through active participation in digital modes of financial transactions.

**10.01 million**  
Financial customer base

**56 thousand**  
Accounts opened through eKYC route

**0.7 million**  
Account Opened under PMJDY

**579**  
Districts served through PMJDY

Additional resources



Know more about PMJDY

### Providing customised credit services

Our micro-loan initiative, 'Axis Sahyog', focuses on empowering women groups to pursue income generation activities. The micro-loans are provided to women through formation of Joint Liability Groups (JLGs). Women groups are imparted financial literacy to make them understand the basics of banking such as savings, interest rates, credit score etc. The program is currently active in 14 states of Bihar, Madhya Pradesh, Uttar Pradesh, Odisha, Karnataka, Maharashtra, Jharkhand, Gujarat, Chattisgarh, Uttarakhand, Tamil Nadu, Kerala, Goa and West Bengal, and is extended in the states of Tamil Nadu, Gujarat through Business Correspondents (BCs).

'Axis Pragati' is our initiative to provide Self – Help Group (SHG) lending. We have partnered with Self Help Promot-

ing Institutions (SHPIs)/NGOs engaged in SHG promotion & livelihood development. These SHPI/NGOs act as our business correspondent/business facilitator to offer SHG loans which helps the members of SHGs enhance their livelihood. We also offer credit related services to well-established Non-Banking Financial Companies and Microfinance Institutions, which further cater to the excluded sections of society through micro-loans.

We serve the rural communities through our focused products catering to the Agriculture sector. Our products are designed to meet the specific needs of rural and agriculture sector like cultivation needs, tractors, cattle, commodity storage, contract farming etc. We also engage with farmer community through agriculture expert talks to enable them to increase their productivity and earning.

Our 'Asha Home Loan' is an affordable housing loan product catering to the needs of economically weaker sections, and rural and semi-urban areas. Also, this year, we have launched 'Shubhaarambh', an affordable housing product suite as a pilot in Gujarat and Rajasthan to help address the needs of people who neither have formal income documents for their income, nor banking habits.



Axis Sahyog



Agriculture loans



Asha Home Loans

**0.53 million**  
million customer base served for microloans with cumulative disburseals of  
**₹10.08 billion**

**1.9 million**  
customer base served for agriculture loans with disburseals of  
**₹149 billion**

**25,800**  
Low Income Group (LIG) customers served through 'Asha Home Loans' with  
**₹29.4 billion**  
billion of affordable housing loan disburseals

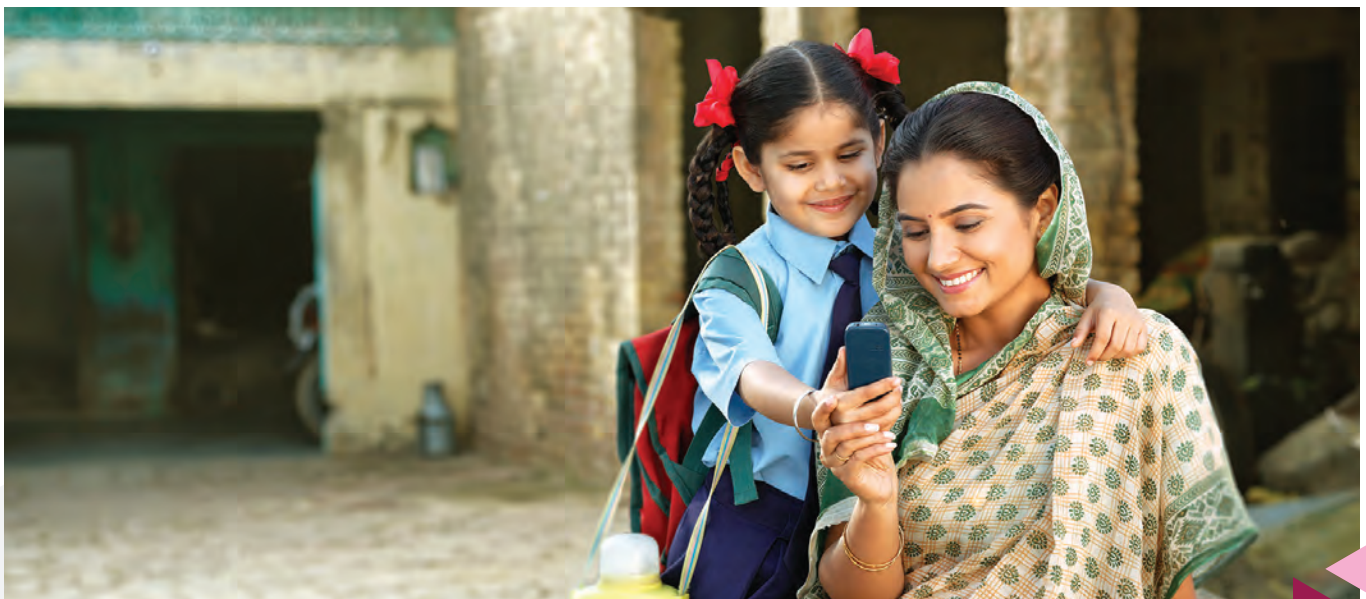
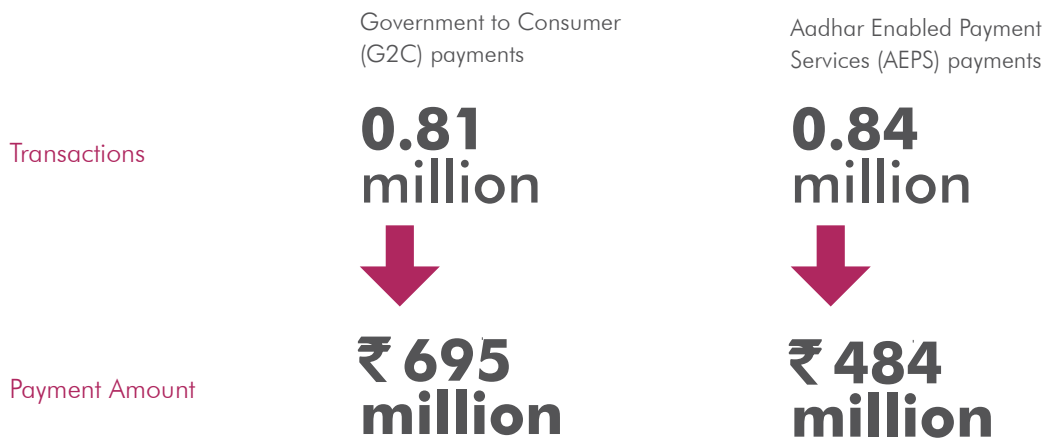


### Remittance and payment services

We leverage technology to provide easy access Remittance and Payment services. These are especially beneficial for the rural, the economically weaker, and the migrant population to send and receive money through a secure and convenient channel. We provide these services through our branch network and also through network of Business Correspondents (BC) and Customer Service Points (CSPs).

Our network of BCs and CSPs help us also serve geographical areas which are not currently served by the branches. Customers can also avail of small ticket payment services such as mobile and Direct-to-home (DTH) recharges, utility bill payments and loans re-payments at CSPs.

We continue to partner with various Government agencies to support Direct/Electronic Benefit Transfer schemes pertaining to wages, pensions, subsidies and other social security benefits. This contributes to transparent governance and ensures that deserving beneficiaries avail such benefits in a safe and timely manner. The beneficiary accounts are linked to benefit schemes through Aadhar-enabled bank accounts. The beneficiaries can avail disbursements in cash through Aadhar authentication mechanism after benefits are credited in their accounts. The disbursements are supported by network of BCs and CSPs who are provided with micro-ATMs (biometric handheld device) to facilitate door-step banking.



### **Insurance and pension schemes**

Government sponsored insurance (Pradhan Mantri Jeevan Jyothi Bima Yojana (life cover) and Pradhan Mantri Suraksha Bima Yojana (accidental death and disability cover) and pension (Atal Pension Yojana) schemes are important tools for providing social security to millions of citizens, especially the poor and under-privileged. We continue to support these schemes by facilitating the enrolment of citizens to these schemes via banking channels.

We help create awareness on these schemes through posters, leaflets and standees at branches, enrolment camps and messages sent to customers. During the year, we were able to enrol 1.13 million people for these schemes.

### **Financial Literacy and Digital Awareness**

Financial literacy and digital awareness have never been more important than in the recent years. The Government's massive push to promote 'less-cash' economy, with its primary focus on enabling widespread use of alternate and digital channels for transactions, requires a concerted effort to impart financial literacy and digital awareness to general public across geographies, especially in the rural communities.

We have significantly bolstered our efforts towards this cause to reach out to as many people as possible. As a part of this focus, we have been conducting Financial Literacy Camps (FLCs) in rural areas to create awareness on basic financial concepts like the need and importance of savings, insurance, investments for future, pension planning, loans, credit limits, repayments etc.

During the year, we have also enhanced the financial literacy sessions to focus on digital awareness. 'Pragatishala' is our umbrella initiative to promote digital financial inclusion which aims to bring technology driven banking services to the hinterland, especially in the unbanked districts and states, and promote financial and digital literacy.

During FY 2016-17, we have conducted 15,240 FLCs covering more than 0.2 million people, and have partnered with the National Bank for Agriculture and Rural Development (NABARD) for the program Digital Financial Literacy Awareness Program (dFLAP). dFLAP aims to conduct focused financial literacy sessions on the topic of digital awareness and transactions. Under this program, we are covering 300 villages across three states of Odisha, Gujarat and Chattisgarh. The dFLAP sessions in these three states is estimated to reach out to nearly 0.9 million participants.

### **Pragatishala**

Pragatishala is our umbrella program to promote Digital Financial Inclusion and Literacy. Adopting an innovative approach to disseminating financial literacy, we have run a campaign to engage b-school students to undertake financial literacy programs in villages.

The b-school students were required to form teams and come out with an action plan to conduct financial literacy programs in rural areas. They were then required to execute their plans and the entire journey – from conceptualising to delivering of financial literacy programs – was to be recorded into a short film. 42 teams from 14 b-schools across the country participated in this initiative. We assessed the short films on various parameters to adjudicate top three teams which were rewarded. The students had adopted innovative approaches such as street plays, interactive games, small group training, home visits etc. to impart financial literacy to the widest possible sections of the people.



# SHAREHOLDERS & PROVIDERS OF CAPITAL

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Actively engage with Shareholders and Providers of Capital  
to create enduring value

## SHAREHOLDERS & PROVIDERS OF CAPITAL

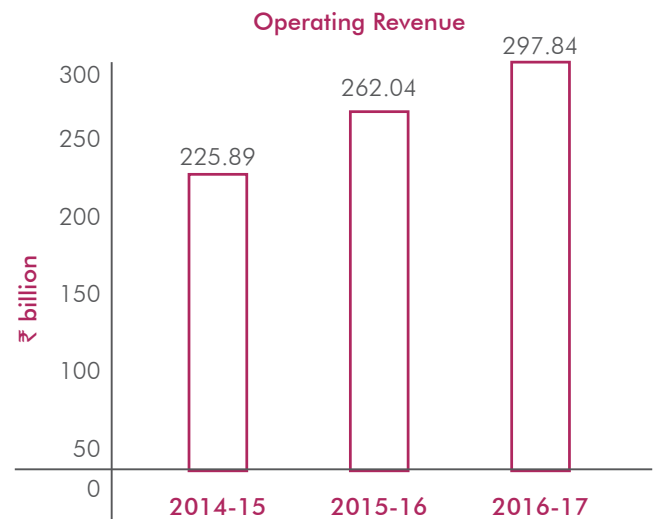
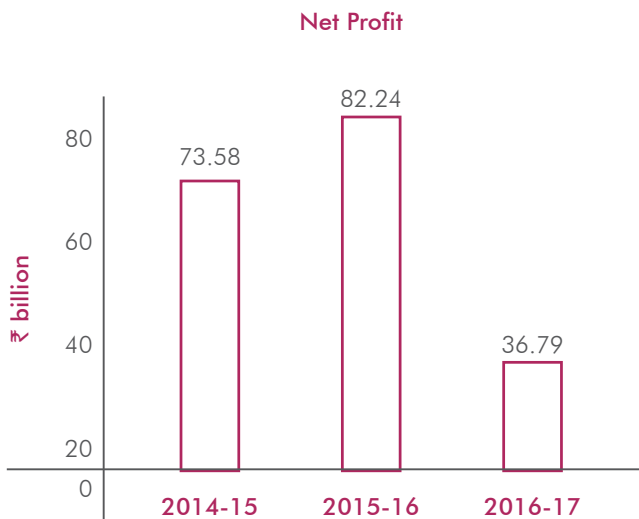
### Profitable growth

The year under review has been a challenging one for us but we continued to deliver steady growth by continuing to focus on our customer-first approach backed by strong wide-spread branch network and innovative electronic channels, robust retail franchise and multiple key corporate and SME relationships.

- Operating revenue grew by 13.66% and operating profit grew by 9.20%. This growth in earnings was achieved owing to contribution from all business segments.
- Net profit of ₹ 36.79 billion was reported for the year ended 31<sup>st</sup> March 2017.

- We displayed a steady increase in key balance sheet parameters till the end of the financial year.
- The total assets surged by 11.42% to ₹ 6014.68 billion, total deposits rose by 15.76% to ₹ 4143.79 billion while total advances increased by 10.12% to ₹ 3730.69 billion.

Retail Banking has been the mainstay of our overall growth and strategy in the last few years. We continued to post good growth numbers across retail deposits, retail advances and payments, ably supported by a blend of physical branch network and digital channels. We have been cautious in our corporate lending practices and have avoided sectors with imminent stress or unviable business models.



Shareholders attending Axis Bank's 22<sup>nd</sup> AGM held in Ahmedabad, India.

G4-7

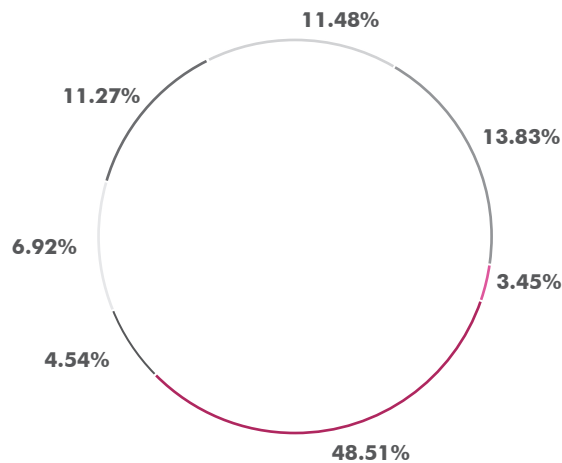
## Capital management

We continue to place emphasis on greater capital efficiency and shoring up our capital adequacy to enhance shareholder value. In order to achieve this objective, the focus has been to increase the proportion of lower risk weighted assets. Our capital management framework ensures proper allocation and utilisation of capital for an optimal mix of businesses.

non-performing assets. Given the inherent improvement in the underlying strength of the our franchise over these years, it is only a matter of time that the return ratios improve again, as the benefits of lower slippages and credit costs begin to reflect.

- Basic Earnings Per Share (EPS) was ₹ 15.40 compared to ₹ 34.59 last year, while the Diluted Earnings Per Share was ₹ 15.34 compared to ₹ 34.40 last year.

### Shareholding Pattern (as on 31<sup>st</sup> March 2017)



- Administrator of the specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC) & its group entities
- General Insurance Corporation and four PSU insurance companies
- Overseas investors (including FIIs/OCBs/ NRIs)
- Foreign Direct Investment (GDR issue)
- Other Indian financial institutions/Mutual funds/Banks
- Other

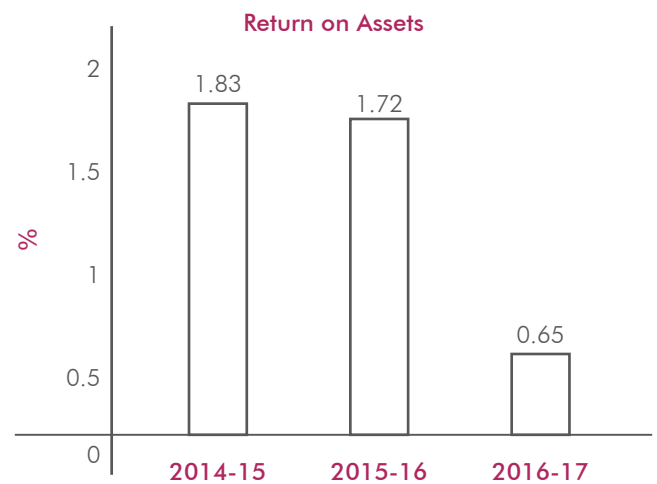
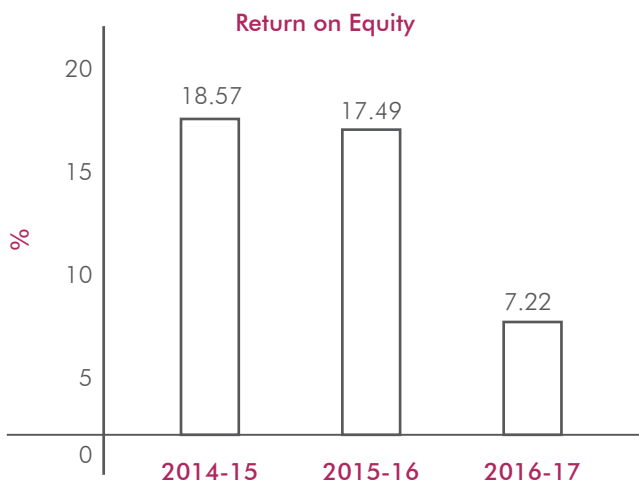
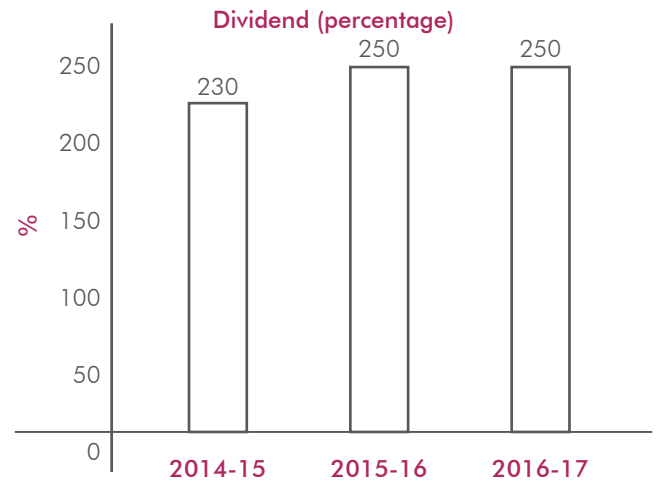
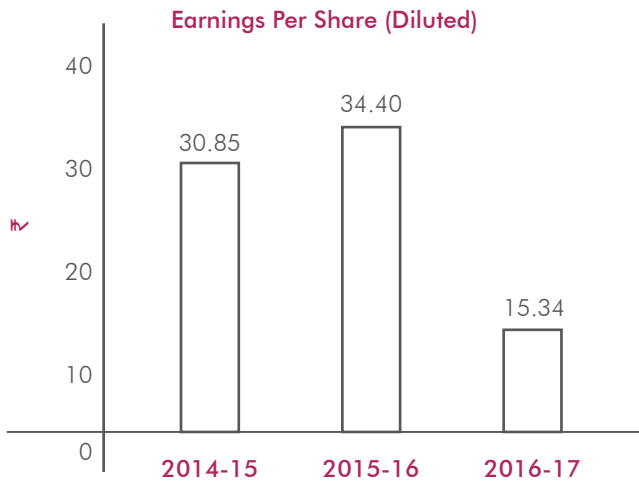
- We are well capitalised with an overall Capital Adequacy Ratio (CAR) of 14.95% as on 31<sup>st</sup> March 2017, computed under Basel III norms – which is well above the benchmark requirement of 10.25% stipulated by the Reserve Bank of India (RBI).
- The Common Equity Tier I CAR was 11.13% (minimum regulatory requirement of 6.75%) against 12.48% last year, and Tier I CAR was 11.87% (minimum regulatory requirement of 7.00%) against 12.51% last year. The Bank raised Additional Tier I capital in the form of perpetual debt instruments amounting to Rs. 3,500 crores during the year.
- The Tier II CAR stood at 3.08% against 2.78% in 2015-16. In accordance with RBI's guidelines on issuance of long-term bonds for financing of infrastructure and affordable housing, the Bank successfully raised ₹ 5,000 crores of long-term infrastructure bonds during the year.

- Return on Equity (RoE) stood at 7.22% and Return on Assets (RoA) stood at 0.65%.
- The Net Interest Margin (NIM) for the year was 3.67% compared to 3.90% last year.
- Ratio of gross NPAs to gross customer assets stood at 5.04% and Net NPA ratio (Net NPAs as percentage of net customer assets) was 2.11%.

Considering the overall performance of the Bank, and with the objective of rewarding shareholders with cash dividends, while retaining capital to maintain a healthy Capital Adequacy Ratio to support future growth, the Board of Directors has recommended a dividend of ₹ 5 per equity share of ₹ 2 each for the year ended 31<sup>st</sup> March 2017, similar to dividend declared last year.

## Shareholder Returns

The key financial return ratios witnessed moderation during the year on account of higher provisions for



## Shareholder Engagement

We engage with shareholders and investors continually. Key updates are shared during investor and analyst meetings and calls, and quarterly and annual result announcements.

Our website also contains shareholder information and updates. Annual General Meetings are held to apprise shareholders of our performance and plans, and seek shareholder approvals. In case of grievances,

shareholders can reach us through email or by writing to us.

The Board, through Stakeholder Relationship Committee, has an oversight on the redressal of the grievances of security holders of the Bank, inter alia relating to non-receipt of dividend/interest, refund order/redemption, transfer/transmission, non-receipt of annual report and other grievances.

	Pending As on 31.3.2016	Received during 2016-17	Redressed during 2016-17	Pending As on 31.03.2017
Investor Complaints	0	768	768	0



# PEOPLE

.....

Create and sustain a diverse work culture through improving organisational effectiveness, providing a safe and ethical work environment, maintaining stability and sustainability amidst the rapidly changing business environment and growth



Scan the QR Code to know more about our SDG alignment

# PEOPLE

G4-10

## Employee Diversity

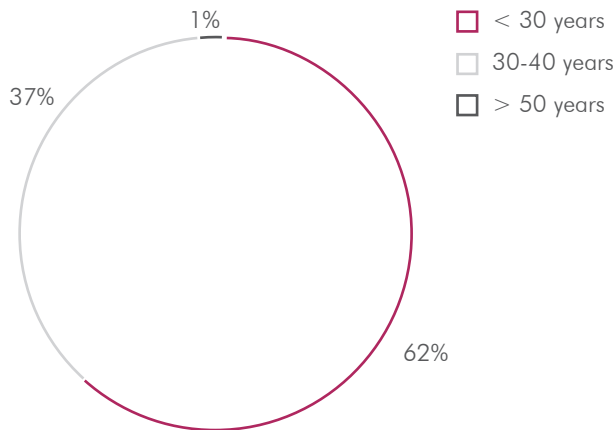
We believe that nurturing our 'people capability' is key to driving business excellence and achieving the short term and long term goals of the organisation. Meritocracy, fairness and ethics are tenets upon which the culture of the Bank has been established.

We are constantly making efforts to make the workforce diverse and inclusive, and provide an environment where every individual can contribute, learn and grow. Through

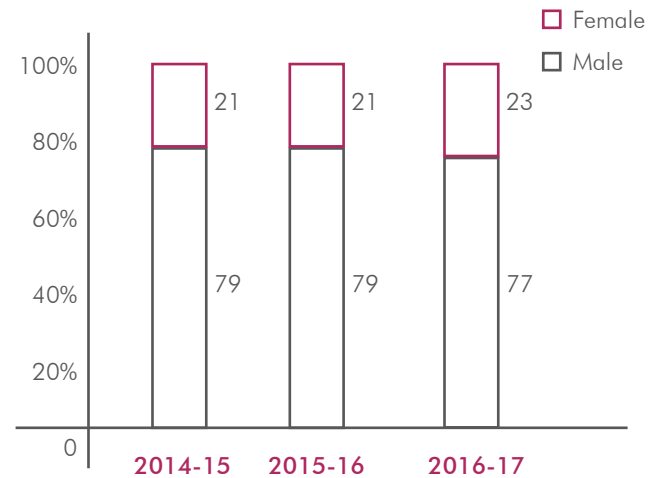
programs like 'We Lead: Axis Bank – ISB Women Leadership Program', run in partnership with Indian School of Business (ISB), we aim to further build the diversity in the leadership talent pipeline. While we provide a healthy and safe workplace to the employees, they are also motivated to take cognisance of their physical and mental health via various interventions. There is zero tolerance for any kind of discrimination at the workplace.

## Workforce diversity

Workforce by age



Gender diversity



## Employee Engagement

Employee engagement is intertwined with day-to-day operations of the Bank.

- We have regular communication through emails and intranet, team off-sites, performance management discussions, town-hall meetings by senior management, trainings, employee suggestion schemes, rewards and recognition programs, key events and festival celebrations, health awareness sessions and fun-at-workplace activities.
- Occasions such as International Women's Day, International Yoga Day etc. were marked with focused events conducted at various office locations.
- The 'Flying Free' initiative is an informal networking platform for women senior leaders to engage with the MD & CEO, and aims to promote collaboration and engagement.

- A new initiative named 'Million stories' was launched with the objective of celebrating the Bank's rich culture through stories that inspire and motivate the employees.

Additional initiatives were undertaken to enhance employee experience through personalised human connect, as well as technology enabled connect. Best-in-class technology was deployed to automate HR processes, and the internal employee portal, My Connect, was revamped to provide employees with a seamless and digitally enhanced HR experience. The enhanced experience was extended to prospective employees as well with the Bank becoming one of the first few organisations in the country to introduce 'faceless interviewing'.

## Fostering a Culture of Excellence

G4-LA10

Banking institutions are built on public trust, and their deep commitment to continued excellence is a quintessential element for gaining and maintaining the

- 'Axis Champions Awards' is the flagship recognition program which celebrates the passion, commitment and dedication of employees to deliver our brand promise to customers.
  - In its fourth edition now, the event, adjudicated by esteemed jury, has grown even bigger, and garnered over 12,000 nominations from across the Group.
- Axis Blitz was launched as a circle level platform to reinforce role model behaviours through storytelling and experience sharing with Senior Leaders of the Bank.
  - Axis Blitz sessions were conducted at 26 locations at regional level to felicitate more than 5,400 Blitz Champions.
  - The program culminated into 'Axis Champions Awards Nite', where 45 champions from across the organisation were felicitated.

Various other rewards and recognitions programs are also conducted at regional and departmental levels.

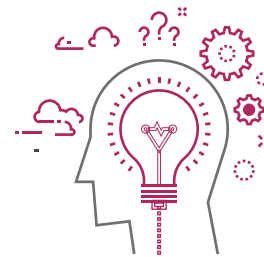
## G4-LA11 Learning and Development

We believe in broad-based capability development of our employees. We incorporate a healthy mix of various learning modes such as classroom programs, external programs, certification programs and e-learning modules to facilitate the learning process across all levels.

We have introduced a learning platform, the 'Axis Competency Profiler' to manage employee careers in a

manner which provides them training interventions aligned to their skill-set.

- Through the medium of proctored assessments, the profiler evaluates knowledge and application in five core areas viz., Products & Services, Processes, Systems, Risk & Compliance and the organisational landscape.
- It provides in-depth analysis of one's core strengths as well as showcase how one is placed across the cohort in the organisation.
- The Profiler comprises three proficiency levels – Cornerstone (Basic), Prime Key (Intermediate) and Master Key (Advanced).



- The candidate's score in the assessment determines the proficiency level, which will determine subsequent learning interventions for the candidate.
- This platform would be leveraged for conducting Knowledge and Application Based profiling for employees working in Branch Banking, SME, Transaction Banking, Retail Lending and Treasury departments.



Ms. Shikha Sharma, MD&CEO, Axis Bank, addressing attendees at Axis Champions Awards Nite.





Mr. Arjun Ram Meghwal, MoS (Finance), Government of India and Mr. Sanjiv Misra, Chairman, Axis Bank, with the winners of Axis Champions Awards.

### Banking on Compliance – an innovative learning intervention

Following the learnings emerging out of demonetization, we have introduced **'Banking on Compliance'** – a training intervention to reinforce the status of compliance standards as an important element of the Bank's way of conducting business.

The programme focused on advanced concepts of Know Your Customer (KYC) and Anti – Money Laundering (AML), including the regulatory and our internal framework for AML and enhanced due diligence. The programme also addressed the issue of ethical decision – making and building a culture of compliance.

The programme, which had been co-created with Deloitte Touche Tohmatsu India Ltd., was delivered personally by leaders across multiple levels, further driving the message that the compliance and governance agenda is critical.

Overall a total of 44,872 employees were certified through this programme over a 3-month period.

'Axis Academies' is another learning intervention designed to cater to the complex nature of the banking business environment, as the staff working in various verticals of the organisation (comprising both business as well as support functions) need to be equipped with up to date technical knowledge of their area of work. Learning Academies have been launched in the following domains:

- Axis Bank – INSEAD Academy of Digital Leadership (in partnership with INSEAD)
- Axis Bank – CRISIL Academy of Credit (in partnership with CRISIL)
- Axis Bank – CRISIL Academy of Risk (in partnership with CRISIL)
- Axis Bank Academy of Trade and Foreign Exchange (in partnership with an external forex expert)
- Axis Bank – INSOFE Academy of Analytics (in partnership with Indian School of Engineering)

The structure of each Academy is designed as a combination of e-learning content and Instructor-led training, and is divided into three levels – Basic, Intermediate and Advanced. The course curriculum is designed in consultation with stakeholders within the Bank, and the course content is customised to ensure relevance to our organisational context and learning requirements. The mentioned partners jointly with Axis Bank, certify the candidates successfully clearing the certification examinations.

During the year, our employees were introduced to new age learning solutions including Artificial Intelligence, Virtual Reality, gamification and Machine Learning, leveraging over 35 unique learning pedagogies and cross-country roadshows as a part of the 'Learning Binge' initiative.

Apart from the specific initiatives, ongoing knowledge management by way of mailers on diverse topics like management best practices, role-model behaviour and building a culture of excellence is a part of our employee development culture.

### Axis Bank – Coursera Tie-up

We endeavor to up-skill our employees through flexible access to world-class learning content from leading global universities. Towards this objective, we have partnered with Coursera – the world’s largest online education company. Through first of its kind partnership, we aim to bring customised relevant courses from leading global universities to the reach of our employees in a flexible and cost effective manner. In the first phase, major areas of focus would be developing skills based on Leadership, Big Data, Analysis and Customer Service.



Mr. Rajesh Dahiya, Executive Director, Axis Bank (left) and Mr. Nikhil Sinha, Senior Advisor, Coursera (right) executing the MOU

Our integrated Performance Management & Capability Development system – ACElerate (Axis Capability Enhancement Programme) helps in fostering high employee performance as well as building capability. Capability development interventions are provided to high performing employees to hone their skills further. Over 28,000 employees underwent a 2-day behavioral training programme customised to their grade and their role challenges. Enhancement programmes were offered to employees who performed below par, as a lever to opt for stretch targets and have a chance at upgrading their performance rating retrospectively.

### Talent Acquisition

As part of the talent acquisition strategy, we engage with universities and institutions of repute to ensure adequate supply of skilled manpower with day-zero productivity.

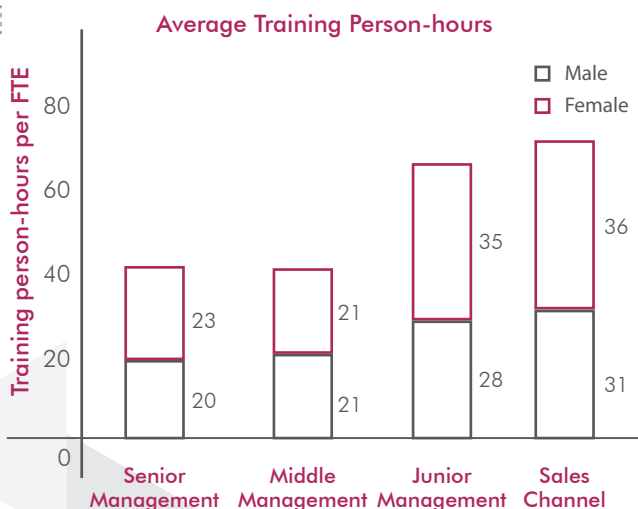
- During the year, focus was placed on strategic resourcing in alignment with our business strategy and creation of new verticals.
- Management Trainee programmes have been developed to provide differentiated career pathways for students from various groups of business schools.
- Graduate Leadership Program (GLP) has been designed to attract top talent from the country’s best graduate campuses.
- ‘We Lead: Axis Bank – ISB Women Leadership Program’, run in partnership with Indian School of Business (ISB), is women centric programme to build diversity in leadership talent pipeline.
- Axis Bank Young Bankers (ABYB) Programme, in association with Manipal Global Education, focuses on imparting domain expertise and skill set in the field of Banking to create a talent pool of young bankers.
- Through ‘Careernext’, internal job portal, we promote internal job rotations. external lateral hiring is done as per business needs.

### Leadership Development

Developing leadership skills across various levels is one of the key focus areas for capability building within the organisation. We follow an institutionalised approach for identifying individuals with the potential to become future leaders.

We have partnerships with corporate education arms of various elite institutes to custom design offerings for senior executives.

G4-LA9





- TLDP (Top Leadership Development Program), which was launched last year, continues to serve as a structured programme for building the Bank's leadership capabilities. As a part of this programme, executive coaching was provided to the Senior Leaders of the Bank.
- Executive Leadership Program (ELP) and Business Leadership Program (BLP) focus on senior management development.
- At the middle management level, 'Axis Aspire' programme is created to develop leadership capabilities for future roles. Targeted interventions are planned under this programme based on Talent Needs Analysis. Development plans are then accordingly designed.
- A structured succession planning process of the Bank is

in place which focuses on ensuring business continuity for identified critical roles – at top and senior management levels. Potential successors - Ready Now and Ready Future - are identified for each of these critical roles basis certain parameters.

- Further, a succession heat map is created to ascertain succession cover for each of the critical roles. This is reviewed at periodic intervals, or whenever there are major structural changes in the organisation.

### **Safe, Secure and Harassment-free Workplace**

We continuously strive to provide a safe and secure workplace to our employees, customers and other relevant stakeholders while at our premises. This is one of our primary objectives, and constitutes a key element of our Business Continuity Management (BCM) framework. The framework has been designed to enable identification of potential threats to the Bank and provide for building organisational resilience, with the capability for an effective response that safeguards the interests of our key stakeholders, reputation, brand and value-creating activities.



To protect the lives and minimise damages to the assets in a crisis situation, an Emergency Response Plan (ERP) has been prepared for critical locations. The Crisis Management Plan (CMP) within BCM framework enables

analysis of possible emergency and crisis situations, development of response strategies for recovery, and monitoring of countermeasures.

Fire hazards and incidents are one of key primary risk areas for safety of our people, assets and premises. A Fire Prevention and Protection Policy is in place. The policy covers procedures and guidelines that are to be adhered to, covering aspects of prevention, saving lives, mitigation of damage to assets, quick reaction, and constant vigilance and awareness. Over the past two years, we have been conducting Fire Life Safety Audits across all branches, through empaneled third party agencies. The audits covered six key areas of fire prevention, management and safety preparedness – electrical, UPS/ Batter bank, DG sets, fire detection, fire suppression / fighting systems and emergency preparedness. The auditors also impart basic Fire life safety information and training to our staff in the branches and conduct an emergency evacuation drill. Fire and security reviews are also extended to third-party premises such as leased premises, hotels and resorts that the Bank may use for conducting its business, trainings or events.

We continually strive to provide best-in-class customer service and treat all our customers with politeness, courtesy and respect at every interaction. However, instances of aggressive behavior by customers directed towards our employees can adversely impact their morale and efficiency. In such compelling cases, we may advise the customers who are found to be offensive in their interaction with us to close their entire relationship with the Bank.

- Our Policy on Safety of Women at Workplace continues to guide and ensure that all female workforce feels safe and secure in the work environment.
- The Policy covers various aspects of women safety at workplace including safety measures and precautions related to workplace infrastructure, travel arrangements after 8 pm, emergency helpline and stay arrangements for women employees traveling on work.
- Female employees are provided with escalation points both at Corporate and Branch level to raise any concerns.

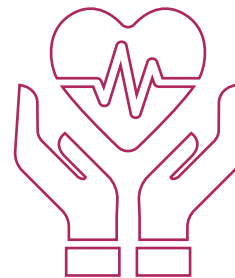
- Further, we have provided a 'CRISIS' button on 'MYAxis' which is the mobile application for employees. They could call for help through that button if stuck in any difficulty.

We have zero tolerance approach towards discrimination and harassment at workplace, and the same is articulated in the Code of Conduct and Ethics.

- Policy for Prevention of Sexual Harassment at Workplace is put in place and it aims to create a healthy, safe and secure work environment that enables female employees to work free from unwelcome, offensive and discriminatory behavior.
- Reporting and redressal mechanism are defined within the Policy to deal with such issues and enforce strict disciplinary action in case of violation of the Policy.
- All employees were required to undergo mandatory e-learning module on the Policy.

## Health and Well-being

Health and well-being of our employees is an integral part of our employee engagement practices. In this direction, 'Fit & Fine' is an umbrella health and well-being programme that provides employees with the



opportunity to pursue their health, fitness, sports, and recreational interests. Our corporate headquarter Axis House is equipped with in-house gym facility and fitness centre for yoga and aerobics.

Additionally, our day care centre, 'Little Steps', at Axis House helps employees manage their professional and personal commitments. In-house medical facilities are available at the Axis House and other large offices where employee strength is greater than 500. All the employees are covered through adequate medical insurance policies.

We regularly conduct training interventions for safety and security measures like emergency evacuation drills, fire / life safety training, first-aid training.



## Human Rights

We uphold basic human rights and the dignity of every individual engaged or associated with us any manner. The Bank has a Policy on Human Rights in place, which is an articulation of our commitment to human rights and supplements the Code of Conduct and Ethics to guide employees in exhibiting ethical and acceptable behaviour on aspects including human rights.

Employees are made aware of the Code of Conduct and Ethics through e-learning modules and classroom sessions/talks to promote a culture of ethics. They are also empowered with an effective incident reporting and grievance redressal mechanism to raise and voice concerns on non-adherence to Code of Conduct and Ethics, including concerns on human rights violations.

We and all our subsidiaries do not engage child or forced labour. Conditions pertaining to compliance with labour laws including no employment of child or forced labour, providing defined benefits like provident fund contribution, social security such as employee's state insurance, payment of minimum wages, etc. are stipulated in contract agreements with suppliers and vendors.

The Axis Bank Foundation also has specific clauses

related to human rights, prevention of sexual harassment and non-discrimination described in Memorandum of Understanding (MoU) signed with its partner agencies or NGOs.



## Employee Associations

We respect and uphold the right to 'Freedom of Association', but currently there is no employees' union or association at the Bank. There are proper channels to ensure that employee grievances are received and addressed, for example through Whistle blower portal and H-Response (a virtual help desk for addressing employee's queries). Employees have also been provided with various options in the form of Ethics Officer, Chief Compliance Officer, Chief of Internal Vigilance and other such designated authorities for timely escalations.



# ENVIRONMENT

Promote environmental sustainability and equitable growth through sustainable lending practices; Reduce impact on environment on account of own operations by actively managing our environmental footprint and supporting customers to make 'green banking' choices



Scan the QR Code to know more about our SDG alignment

# ENVIRONMENT

G4-EC2,  
FS8

## Sustainable Lending

We are aware of the indirect environmental impacts of our corporate lending operations, and have put in place 'Sustainable Lending Policy and Procedures' (SLPP). The SLPP acts as an environmental and social risk management framework for corporate lending business, and guides our efforts in assessing environmental and social risks for qualifying projects, engaging with project proponents to put mitigation plans in place, and monitoring and reviewing the implementation of mitigation plans.

The framework draws the environmental and social risk management aspects from international frameworks including the Equator Principles, IFC Performance Standards Framework for Environmental and Social Sustainability, the World Bank Group General Environment, Health & Safety (EHS) Guidelines and Sector Specific Guidelines, and other applicable national and local regulatory requirements / multilateral agreements. During the year, 16 proposals were assessed under SLPP.

Notwithstanding the SLPP, we assess all projects for legal permits as required by applicable regulations, as per the

Bank's Credit Policy which also envisages environmental and social regulations and compliances. Under the SLPP, We remain committed to not finance / refinance firms engaged in 'exclusion list' activities, which amongst others include:

- Dealing in banned wildlife related products;
- Polluting industries, unless the units have clearance from pollution control authorities and have installed effluent treatment plants;
- Setting up of new units consuming/producing ozone depleting substances (ODS), including chlorofluorocarbon (CFC) and halons, and units manufacturing aerosol products using CFCs;
- Production or trade in radioactive materials<sup>1</sup> ;
- Production or trade in unbonded asbestos fibres<sup>2</sup> ;
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length; and
- Production or trade of wildlife or products regulated under CITES<sup>3</sup> .

1 This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is assessed to be trivial and/or adequately shielded

2. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%

3. Convention on International Trade in Endangered Species of Wild Fauna and Flora

## Implementation of Sustainable Lending Policy and Procedures (SLPP)

Our SLPP applies to all new funding projects (except for sanction of cost overrun or additional funding for the existing project) subject to the threshold criteria for qualifying projects as set in the SLPP. An Environmental and Social Management Group (ESMG) comprising of subject matter experts has been setup to implement the SLPP and it works closely with the Credit Team. The SLPP through use of tools has integrated environmental and social considerations in the screening and decision making processes to sanction loans and disburse funds.

As part of the credit appraisal process, after being initially screened against the Exclusion List, the credit proposal is screened for the sector, location and inherent environmental and social sensitivities to assess the E&S risk category of the project. This risk category of credit proposals is mainly 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). An example of the project assessed under SLPP is given below.

We have sanctioned term loan for a brownfield expansion project for a petroleum refinery based in Punjab, India. As per Axis Bank's SLPP, based on the E&S risk category of the project, an Environmental & Social Due Diligence study has been undertaken internally by the ESGM team. The assessment included desk review and visit to the project site. The risk assessment identified opportunities for improvement on below aspects.

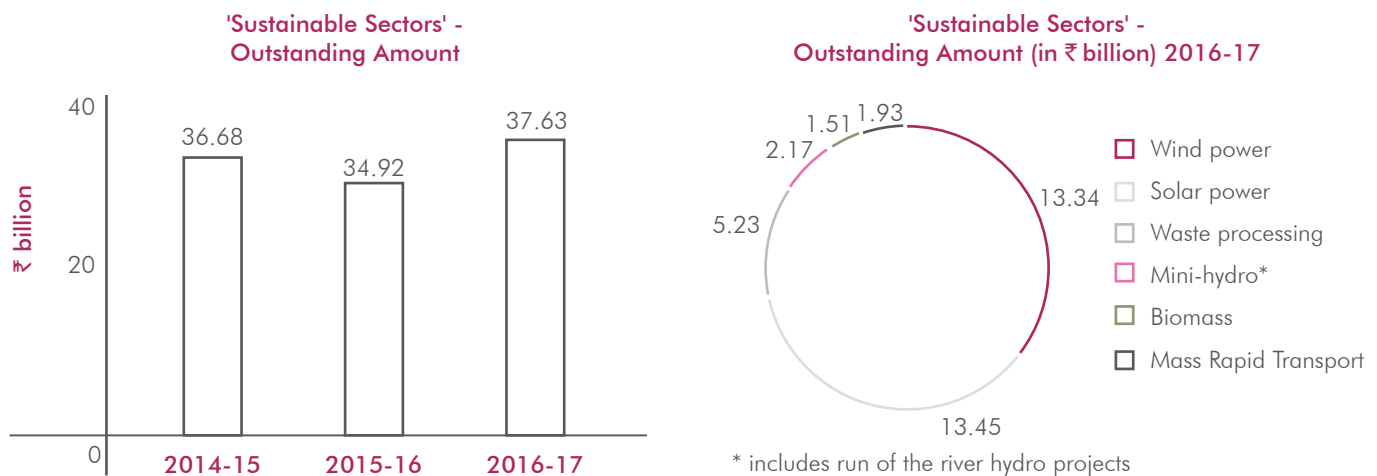


- Environmental & Social Management System including stakeholder engagement and grievance redressal mechanism
- \* Impact on local air quality - emissions such as PM, SO<sub>x</sub>, NO<sub>x</sub> due to extraction and re-use of by-products
- \* Occupational health and safety-suitable management and operational controls to avoid major incidents including fatalities

Basis the assessment conducted, we engaged with the project proponent to develop appropriate mitigation plans and corresponding terms and conditions were documented in the loan document. We will regularly monitor the progress of the implementation of various mitigation plans as agreed with the project proponent.

We promote sustainable sectors such as renewable and clean energy, low carbon transport, and effective waste management and recycling through various corporate banking solutions.

Our overall exposure to sustainable sectors remained at ₹ 37.63 billion as of 31<sup>st</sup> March, 2017.



G4-FS8

## Green Bonds

We believe that climate finance plays an important role in promoting climate change mitigation and adaptation. With an objective of leveraging market debt instrument for financing green projects, we have introduced and implemented a Green Bond Framework.

In accordance with the provisions of the Framework, we have issued Green Bonds during FY '17. The Green Bonds, valued at US\$ 500 million, are the first certified green bonds issued by an Indian bank, and have been listed internationally. The issue was over subscribed and many core 'green' only investors have subscribed to the bonds, some of whom were first-time subscribers to Indian issuance. As per the Green Bond Framework, the proceeds from the issue shall be used to finance, and/or refinance, projects spanning renewable energy, energy efficient buildings and low carbon transport sectors in accordance with the relevant Climate Bonds Initiative (CBI) standards.



Ms. Shikha Sharma, MD & CEO, Axis Bank (center) with officials from Axis Bank and London Stock Exchange at the ceremonial listing of Axis Bank Green Bond at London Stock Exchange.

The use of proceeds as on 31.03.2017 is given below:

Sector	Allocation (US\$ Million)	Count of Projects
Energy Efficient Building	118.19	1
Solar	55.98	11
Urban Mass Transport	29.74	1
Wind	188.13	11
Total	392.04	24

Unutilised Proceeds:

As per the Green Bond Framework, any shortfall in allocation of Green Bond proceeds is permitted to be invested in money market instruments and government securities. Accordingly, as on 31<sup>st</sup> March 2017, the Bank has US\$ 107.96 Million of 'Unutilised proceeds' which have been temporarily parked into liquid Indian Government Bonds

We also assess the positive environmental impacts of the green projects. Some of the key impacts are:

- Renewable Energy of 1,148 Million Units Generated
- 1.1 Million tCO<sub>2</sub> GHG Emission Savings Achieved by projects funded using Green Bond
- 25 Tonnes of dry waste collected from Axis House is recycled and 42 Tonnes of wet waste is composted at Axis House.



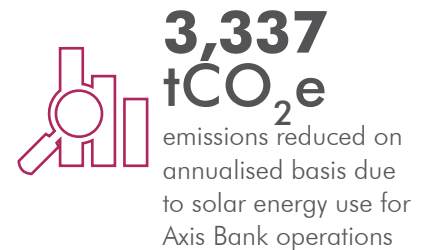
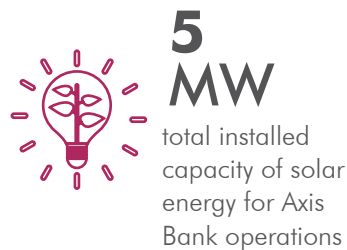
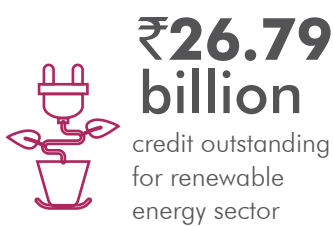
Scan the QR Code to  
read the Green Bonds  
Impact Report

## RE focus

The renewable energy sector is a quintessential component of low-carbon growth, and with the Government's relentless focus to make the country energy self sufficient, the sector is poised to grow rapidly. We have a dual approach towards the renewable energy sector. Through our corporate banking and credit related services, we support the continued growth of the Sector.

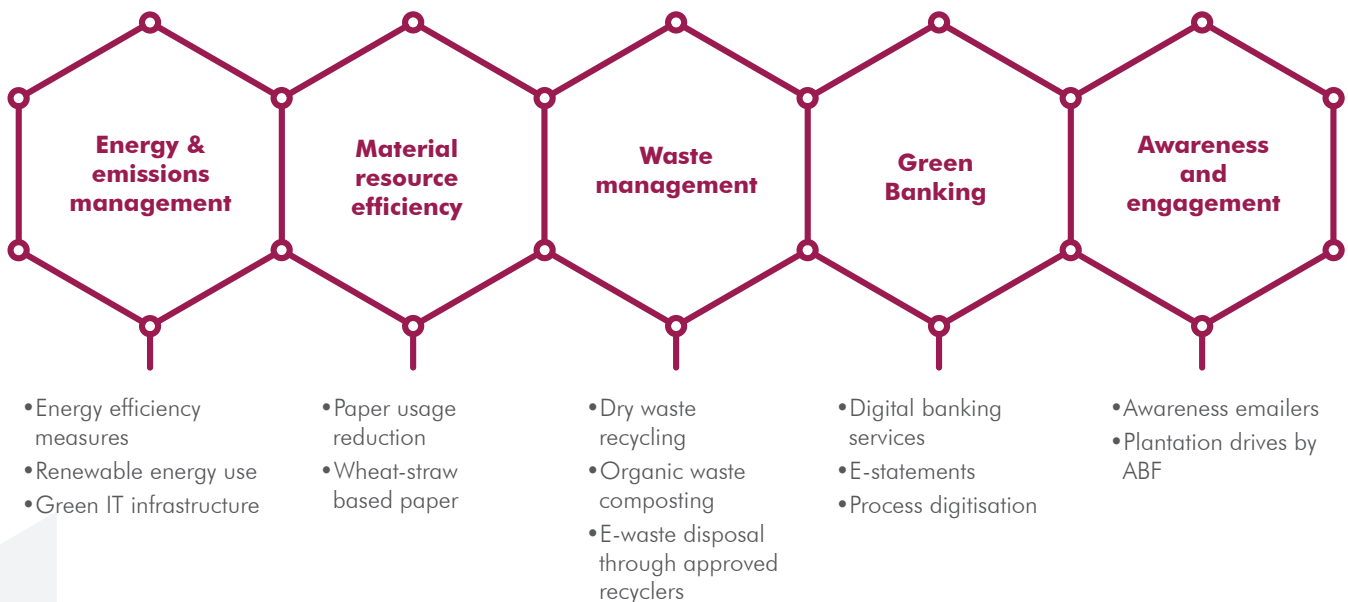
At the same time, we have also been strategically investing in solar energy for our own operations – boosting our clean energy generation, and reducing our carbon footprint simultaneously.

During the year, we have added 2 MW of solar energy generation capacity to take the total installed capacity to 5 MW. The solar power generation caters to 175 of our locations.



## Direct Environmental Impacts

Our 'Policy on Environmental Management' constitutes the broad framework that guides our efforts towards managing our direct environmental impacts. Energy efficiency, material resource efficiency, renewable energy use and employee awareness are key components of this policy.



Being a service oriented industry, our environmental footprint primarily stems from large office buildings and branches, especially the use of energy to run our operations. We are dependent on the power drawn from the grid for our energy needs, and also use diesel generator sets for meeting on-site power requirements as a backup option. We have made incremental investments in renewable energy (solar) installations at our larger office and select branches, and will continue to increase our investments in green power.

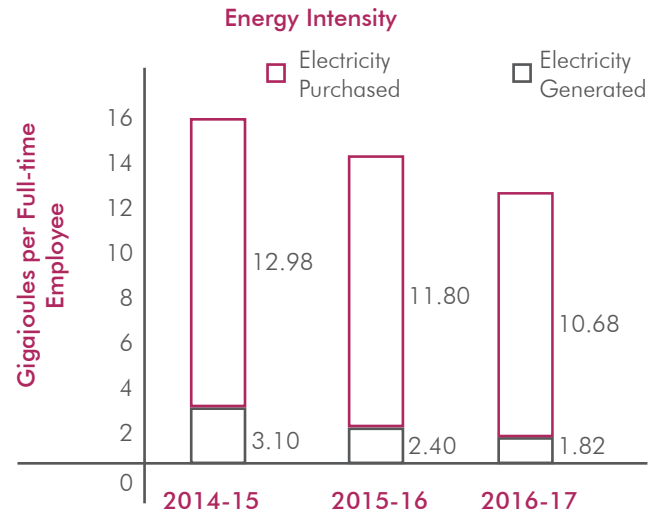
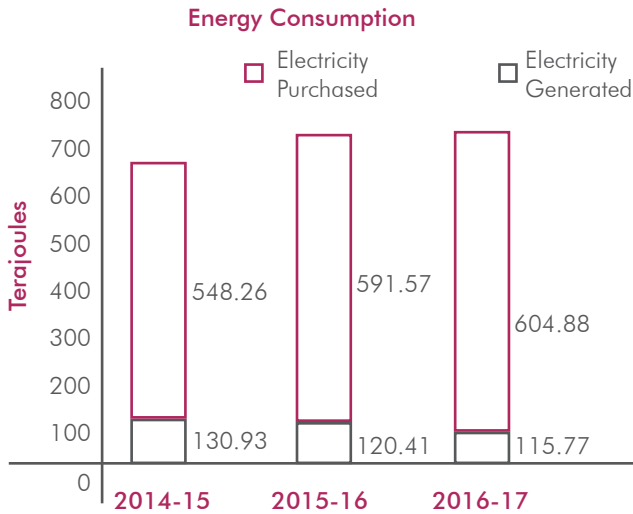
Energy efficiency projects are being pursued in earnest to reduce and optimise energy consumption at 'Axis House', our corporate office building. Axis House is a Platinum rated LEED (Leadership in Energy and Environment Design) certified green building, and has incorporated a multitude of green features from the design stage-up to help lower its overall environmental impact.

As a part of our continued focus on ensuring energy efficiency, we have also identified this idea as an important criterion for procurement of assets including ACs, laptops, desktops etc. This has helped us reduce our energy consumption, and minimised our impact on the environment.

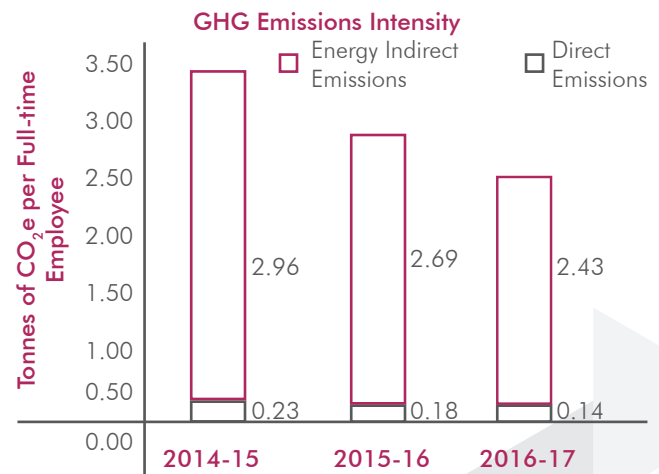
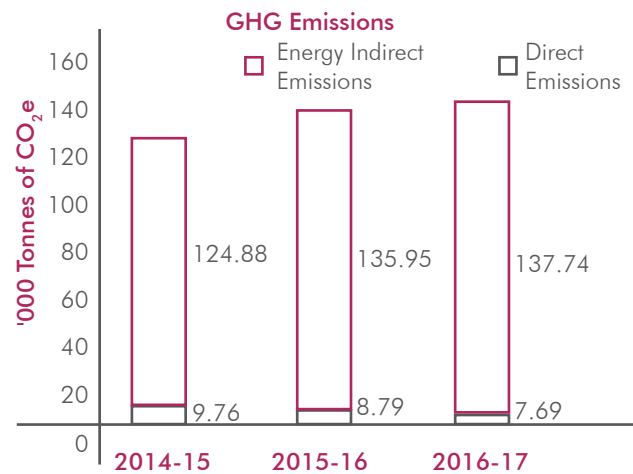
Our total energy intensity [per full-time employee] has reduced by 0.25 % compared to previous year. The focus on various energy initiatives such as renewable energy use, remote managed energy control systems at branches, lighting conversion to LED, and maintaining unity power factor at Axis House has yielded results in lowering the energy intensity. The estimated annualised total energy savings accrued during 2016-17 are to the tune of 9,542 Mwh leading to emissions reduction of 7,824 tCO<sub>2</sub>e.

G4-EN6

G4-EN3,5



G4-EN16-18





15.3 kw Solar Power Plant at the Bank's Hyderabad Currency Chest, Begumpet, Hyderabad, India

### Emissions Reduction Initiatives

The estimated annualised greenhouse gas (GHG) emission reduction due to initiatives undertaken as mentioned below during the year is 13,478 tonnes of CO<sub>2</sub>e which is equivalent to 9.27% of our carbon footprint (direct and indirect emissions).

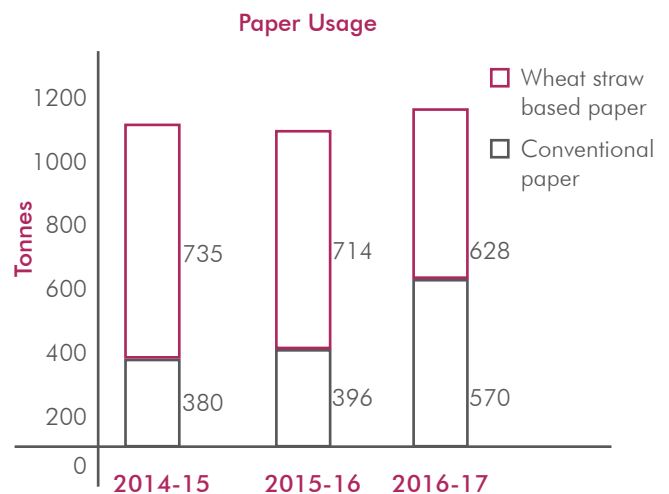
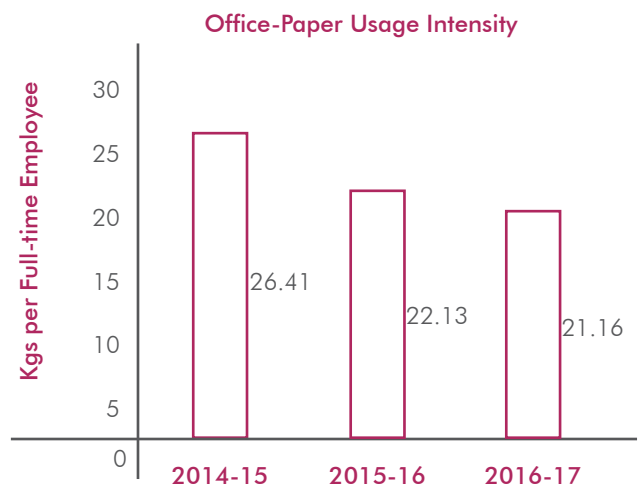
- Renewable energy installation at branches
- Smart remote-managed energy management systems for 889 branches and HVAC efficiency measures at Axis House, NPC II
- Paper usage reduction due to digital banking services – e-statements, e-welcome kits, e-copies of annual reports
- CFL lights replacement with LED lights
- Wheat straw based paper procurement

The other GHG emissions (Scope 3) relating to employee travel - employee business air travel, company provided shuttle bus services for employees and paper consumption during the year were 3454, 624 and 6349 tonnes of CO<sub>2</sub>e respectively.

Paper is one of the key materials used in daily operations, and we are continually focusing to minimise its usage by digitising more products, services and processes. We leverage technology for digitisation of products, services and processes to deliver safe, secure and convenient banking, and have initiated procurement of wheat-straw based office paper, which is a greener alternative to conventional wood based paper, and reduces the overall environmental impact.

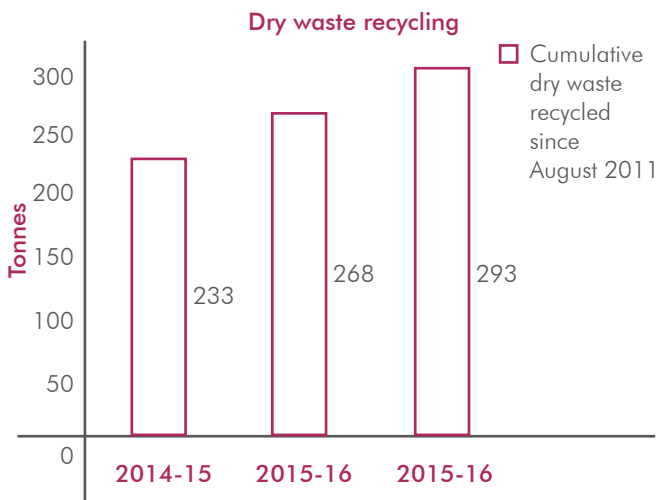
Owing to various measures, we have been able to

reduce of paper usage intensity by 4% compared to last year.



G4-EN1,6,7,18,19,23

The primary categories of waste generated in our operations are e-waste and dry waste (primarily paper waste). We have put in place an Information Asset Management Policy which details guidelines on responsibly managing and disposing e-waste in accordance with applicable statutory rules and regulations. Where possible, we enter into buy-back agreements with suppliers/manufacturers to enhance recycling efforts and reduce waste to landfill. E-waste is disposed in an environmentally sound manner through Pollution Control Board approved recyclers. Through our Axis Bank Foundation, we run a dry waste recycling program to recycle all the paper waste collected in over



80 offices and branches of the Bank in Greater Mumbai and Thane regions.

To further augment our efforts in reducing waste to landfill, we have initiated organic waste composting program at our Corporate Headquarters – Axis House.

The cafeteria waste generated at Axis House is converted into organic manure through an organic waste composter. A total of 42.24 tons of wet waste was collected and processed through the composting machine during 2016-17.

The other waste categories such as discarded furniture / office infrastructure and other materials are disposed through competent vendors.

## Green Banking

We continue to make significant investments in the digitisation of our products and services to empower and enable the customer in adopting 'Green Banking' practices. Reduction in usage of paper is one the key focus areas for our internal operational efficiency improvements. Our digital banking services, including tablet-based account opening using eKYC, instant replacement of debit cards, insta-PIN generation through phone banking and internet banking, e-statements, transaction features on mobile banking app and internet banking etc. help in not only providing speedy and secure services, but also helpful in the reduction of paper usage and avoidance of branch visits – contributing significantly to environmental sustainability.

We engage with customers through e-mailers, 'Green Banking' messages on ATM and special campaigns to adopt paperless transactions. In the quest to provide customers with 'Green Banking' choice, we are in the process of evaluating options for making bio-degradable cards available for select product segments. Our endeavour is to continue encouraging our shareholders to subscribe for e-copies of the Annual Report, in accordance with 'Go Green' initiative of Ministry of Corporate Affairs.

G4-EN27

### Initiative

### Impact

E-statements (Demat accounts)

92% of statements issued through electronic medium

Demat E-welcome kit

54% of Demat welcome kits sent as e-welcome kit

E-copies of Annual Report

81% of shareholders registered

An estimated 155 million paper sheets, equivalent of 16,320 trees cut, were avoided during the year due to above-mentioned initiatives.



# COMMUNITIES

Create and sustain a mechanism that will propagate sustainable livelihoods and contribute to society across various segments



Scan the QR Code to know more about our SDG alignment



# COMMUNITIES

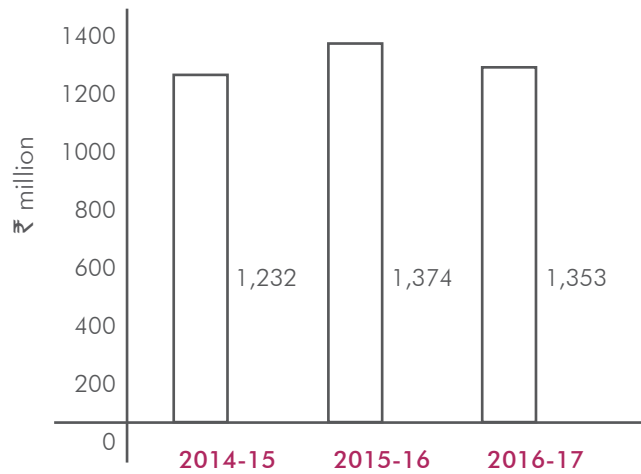
G4-SO1

We believe that our role in partnering for progress is not just limited to our customers but extends beyond that to contribute significantly to community development and welfare. Our approach to community development focuses on creating sustainable livelihoods through Axis Bank Foundation (ABF) programs and leveraging our geographical spread to undertake 'shared value' projects.

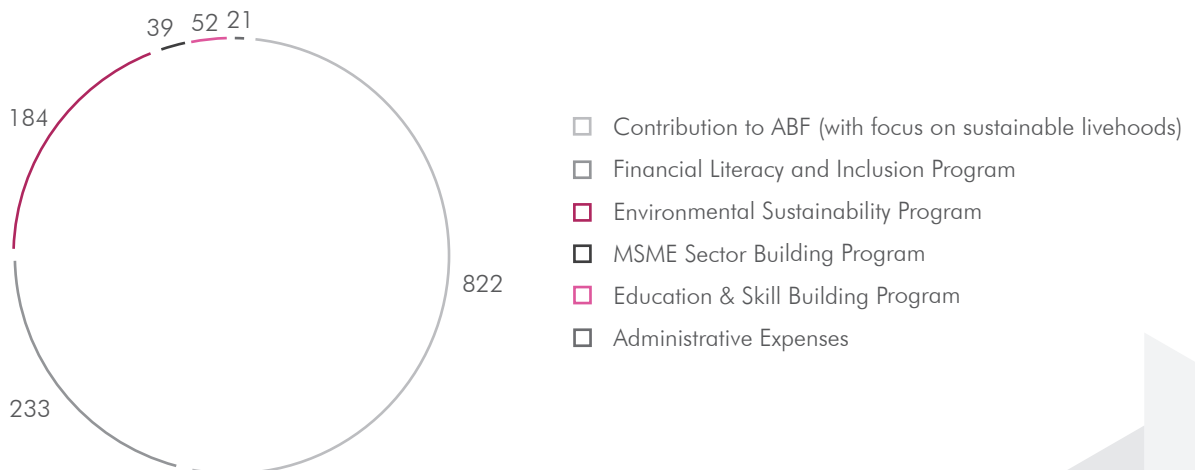


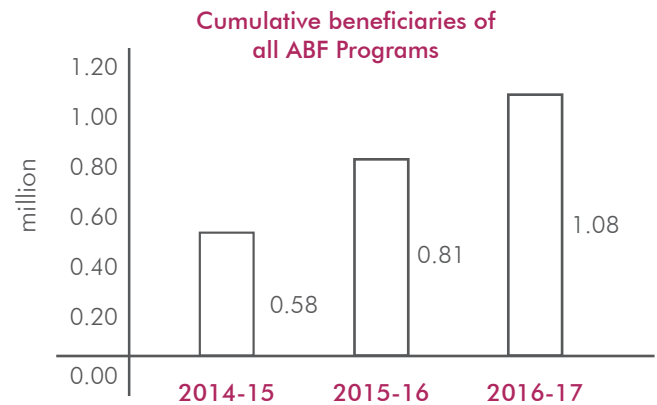
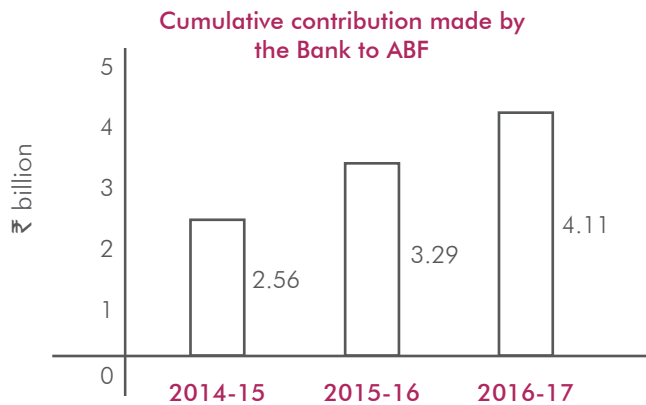
Scan the QR Code to access the Bank's Policy on Corporate Social Responsibility

## Community Investments



## Community Investments (in ₹ million) 2016-17





### A decade of making a difference

The year 2006 witnessed the humble beginnings of the Axis Bank Foundation (ABF), with a commitment to serve the underprivileged sections of society. Over the past decade, ABF has relentlessly worked to reach out to some of the poorest districts of the country through multiple programs which benefited more than a million people. Through a strong network of over 23 grass-root level Non-Governmental Organisations (NGOs), ABF programs today are spread across 221 districts in 21 states across the country. In 2010, ABF sharpened its focus in the area of livelihoods and set itself an ambitious target of creating 1 million sustainable livelihoods by 2017 year-end and is poised to achieve the target within the target date.

“My association and journey with the Axis Bank Foundation has provided me with an opportunity to positively influence the lives of several lakhs of people. Not only do we need to influence lives, but we also need to ensure that an enabling environment is created to sustain the influence of our interventions. The same is achieved by drawing up sustainability parameters in the project design where a framework is also created to measure the outcomes/ impacts objectively.

It gives me great pleasure to share with you that the Foundation has embarked on several new programmatic initiatives, some of which you would

read in this report. At the Axis Bank Foundation, we design, develop and support programs, projects and activities that focus on creating conditions suitable for sustainable livelihoods that in turn create meaningful socio-economic impact in the lives of the vulnerable and underprivileged sections of the society”



Mr. S Ramadorai  
Chairman, Axis Bank Foundation



Scan the QR code to know more about  
Axis Bank Foundation

## Sustainable Livelihoods

'Sustainable Livelihoods' as a thematic area is the fulcrum of ABF programs. A holistic approach is adopted towards creating sustainable livelihoods by enabling and enhancing rural ecosystems for income generation activities through self-sustaining models. The programs, with women empowerment as an integral component, reach out to vulnerable and disadvantaged sections of society in some of the poorest districts of the country. While income generation and enhancement are primary objectives of these programs, the holistic approach of ABF programs also contributes to environmental sustainability. Some of the key initiatives undertaken by ABF include:

- Enhanced water conservation, security, and access for agriculture and drinking purposes through watershed management and rainwater harvesting
- Expedited improved agricultural practices through capacity building initiatives.
- Helped generate sustainable income through off-farm activities like goat rearing, poultry, horticulture etc.
- Encouraged women empowerment through Self Help Groups (SHGs) and provided them institutional finance.
- Promoted 'Farmer Federations' to provide collective bargaining power to farmers and better access to markets.
- Supported rural livelihood by broadening skill-sets of marginalised and tribal youth.
- Worked to enable differently-abled individuals and enhance their employment opportunities

Category	No. of programs	Cumulative beneficiaries
Watershed Management & Agriculture Productivity	14	7,10,367
Vocational Training	5	1,08,095
Livelihood for differently-abled	3	7,433
Others	1	86,332
<b>Total</b>	<b>23</b>	<b>9,12,227</b>

Key highlights of ABF programs and engagement with vulnerable and marginalised sections of society:

- 57,617 families provided with livestock as livelihood asset
- 25,137 Victims of Commercial Sexual Exploitation and Trafficking (VOCSETs) have been provided with alternate livelihood under ABF's livelihood programs – 2,843 bank accounts opened for them and 13,409 children enrolled in schools
- 30,454 SHGs/Micro Finance Groups formed with a membership of 3,75,920 members

## Sustainable Integrated Development

In the Vidharbha and Marathwada regions of the Maharashtra state, ABF aims to promote sustainable integrated development through Natural Resource Management (NRM) initiatives and skill development through Self-Help Groups (SHGs). It has partnered with Dilasa Sanstha in this region to implement these initiatives.

The primary objective of the program is to improve the living conditions of rural poor and tribal households on a sustainable basis, and enhance the baseline annual income of targeted participant family by at least 50%. Bank linkages are also provided to SHGs to reduce the dependency on money lenders for credit.

The core of ABF's interventions in these regions revolves around strengthening agricultural development by making water available for irrigation. As part of the project, Dilasa Sanstha has designed and modified several structures for rainwater harvesting to enhance the availability of water not only for irrigation but also for drinking purposes.

- **The Phad system:** Under this model, irrigation channels or pipelines are constructed from existing check dams (surface water storage) for irrigation, to help mitigate the risk of crop failure in traditionally rain-fed areas. These are cost effective structures built in the undulated areas of Maharashtra. There is no electricity required for pumping the water, as the water flows naturally to the fields under the influence of gravity. Usually it is constructed for a group of 8-10 farmers.
- **Doha model:** In the Doha Model, trenches are excavated throughout the length of the streams, and used for storing water. These are eco-friendly structures that improve the storage capacity of water, making it available even after the stream is dry
- **Bodi model:** Bodi is a farm tank, or a small water reservoir, constructed by using available natural materials like soil or stones to store rainwater collected from a small catchment or a stream. The stored water is then used for protective irrigation in the monsoons as well as for Rabi and summer crops
- **Soil water conservation / farm bunding:** With a few farmers, the project has taken up soil water conservation measures like farm bunding. It is a measure of soil conservation, used for creating an obstruction across the path of surface runoff to reduce the velocity of flowing water in the agricultural field. These are embankment like structures, constructed across the land gradient. It retains the run-off water, enhances soil moisture and helps to control soil erosion
- **Lift irrigation:** Lift Irrigation is a method where water is lifted from a downstream water reservoir to the agricultural fields at a higher level. Like other water harvesting structures, the purpose of lift irrigation is to provide water to the crops for protective irrigation and to support the farmers during Rabi and summer crops whenever sufficient water is available in the reservoir. An electric/diesel pump of suitable power can be used to lift/pump the water from a few hundred meters to few kilometers.

ABF has conducted a mid-term impact assessment of the program and key results are as below.

- Average 70% increase observed in household income
- Average ₹ 0.5 million has been circulated per SHG against an average savings of ₹ 47,000.
- Improved access to the irrigation and increase in agricultural production
- Improvement in perception about abilities to access loans
- Improved food security
- Reduction in migration
- Improvement in education
- Strengthening household asset base—productive assets and better lifestyle
- Empowerment: civil participation
- No suicides & sustaining the agriculture based livelihoods
- Resilience and risk management

### Success Story – Multiple income generating interventions

Ms. Kanchan lives with her husband and two children. She has 0.8 acre farm land. Before the livelihood intervention by ABF Partner - DHAN, Kanchan was dependent on income from agriculture. Through the livelihood intervention, she secured a loan from the SHG group to purchase a new machine for the printing business and another machine for making leaf plates. Post the intervention, she was able to earn ₹ 700-1,000 per month from leaf plate making business.

Also as a result of the agriculture interventions, Kanchan has witnessed increased production of paddy from 15 quintals to 20 quintals. Currently Kanchan is able to harvest 2 crops in a year. Pulses such as black gram, oilseed, etc. are also cultivated. With more number of crops, increased agriculture produce, and the leaflet making business, she is able to earn between ₹ 45,000 to ₹ 50,000 annually. Apart from supporting her husband with a home based printing business, she currently has a bank savings of ₹ 12,000 and group savings of ₹ 2,800.

### Skill development for differently-abled

Axis Bank Foundation (ABF) has partnered with Youth4Jobs Foundation (Y4JF) to provide vocational training courses to Persons with Disabilities (PwDs) across 18 training centres in the states of Andhra Pradesh, Telangana, Maharashtra, Gujarat, Odisha, Tamil Nadu, Uttar Pradesh, Rajasthan and Jharkhand.

Y4JF conducts vocational training courses focusing on skills for sectors including BPO, Hospitality, Retail, Banking, etc. The training course is focused on soft skills, life skills, computer classes and basic English speaking proficiency. The training program runs for eight hours per day, over a period of two months each. Average total number of trainees per batch is around 15-25 and approx. 5 batches per training course are run in a year at each center.

The program aims to achieve the following:

- a) Enable PwDs to avail better livelihood opportunities by market linked trainings and jobs in the organised sector.
- b) Enable a sense of understanding among employers on the topic of hiring PwDs by spreading awareness about the topic that it is not only ethically and morally correct, but it is also sound business practice.
- c) To work with a focus on training and placement of Persons with Speech & Hearing and Movement disability.

### Success story

Mr. Amol Santosh Sukatkar is partially blind (40%) which makes daily life difficult for him. His father runs a small shop while his mother is a housewife. His father is the sole earner of the family, supporting the family of 5, with an annual income of almost ₹ 60,000 per annum. During his school days, it was very difficult for Amol to get along with other students as he was mocked for his disability. As a result of mocking, Amol developed an inferiority complex and lost self-confidence. He passed his senior secondary with great difficulties.

Amol came to know about ABF supported Youth4Jobs (Y4J) program through alumni from the first batch of Youth4Jobs who advised Amol to enroll into the Ahmednagar centre in Maharashtra state. Amol aspired to achieve more in life and enrolled into the centre. He was trained in English, computers, grooming and retail after which he was shortlisted to appear for an interview with Central Mall, Pune. Amol cracked the interview and was hired as a Salesman at the Central Mall located near Garware College, Karve Road, Pune. Initially the employers as well as Amol's family were not confident about Amol and his ability to perform well but with his positive attitude, he was able to build confidence in his superiors and family about his abilities. Amol wants to capitalise on his experience of working in the mall by learning techniques of selling, customer handling and marketing, which he can later apply in his father's shop thereby increasing and expanding the shop. His family was amazed to hear of the depth of thought applied to his ambitions. His proud parents are truly thankful to ABF and Y4J for developing a positive behavior and attitude in their son.

## Conference on 'Rural Livelihood and Sustainability'

The Bank along with ABF organised a Conference on the theme of 'Rural Livelihood and Sustainability'. The conference featured several thematic focused discussions that included

- a Round Table on water conservation and security
- a debate on 'Sustainability of the Development Sector – Grant Funding or Impact Investing'
- panel discussions on 'Combatting Agrarian Distress' and 'Rural Innovation' with panelists from India and abroad.

The conference included keynote speeches by Dr. Tushaar Shah, Senior Fellow in the International Water Management Institute and Dr. Anil K Gupta, professor at the Centre for Management in Agriculture, Indian Institute of Management, Ahmedabad and founder of Honey Bee Network.

A research paper titled '**Water- The Lifeline of Rural Livelihood**' was released during the Conference. The paper based on the Foundation's projects on water security and its influence on livelihoods, demonstrates various models of water conservation, security and access, challenges and opportunities. ABF as part of our CSR agenda, supports promotion and sustenance of rural livelihoods in the rain-fed regions of the country. The conference serves as an industry platform that encourages open discussions on topics of relevance on rural livelihoods and its sustainability.

The conference was attended by ABF's partner NGOs, thought leaders from social sectors, development sector professionals and practitioners, academicians, students and media.



Panel Discussion during the Conference on Rural Livelihood and Sustainability

### 'Water- The Lifeline of Rural Livelihood'

Axis Bank Foundation (ABF) started working with sustainable livelihood partners in the year 2011.

The foundation decided to consolidate its programs under the broader goal of providing 'Sustainable Livelihood' for the socio-economically weaker and underprivileged sections of the society. Based on this, the Foundation decided to strategically focus its efforts more in the direction of addressing the issues of rural poverty.

While focusing on the rural poverty issues, it became evident that high level of poverty exists in many parts of the country but there were several poverty hotspots within central India. These areas depend solely on rains for their water requirements, making them highly vulnerable to the vagaries of weather conditions. ABF decided to focus its work through livelihood interventions for the small and marginal farmers.

It was observed that although many of the households had land ownership, net cultivable land was less owing to topography of the land. Similarly, agricultural practices primarily followed traditional approaches which lacked modern technological application and were low in productivity. In the absence of irrigation, relying on rain fed agriculture meant low cropping intensity. This limited the agriculture produce and was just adequate for sustenance



with little surplus for sale. It is in this context that ABF chose to enter this area through its various interventions under watershed management and enhanced agricultural productivities.

Highlighting the extensive work done in the area of Livelihood, ABF released a report on 'Water' at the 2<sup>nd</sup> Annual Conference, organised in December 2016. The report emphasises the heavy dependence on water as a basic necessity for rural livelihoods, agriculture being the predominant occupation. The research report is a compilation of case studies of Axis Bank Foundation supported projects on water security and sustainable livelihood. With 60% of agriculture being dependent on rainfall, water-conservation is critical for livelihood and consequently for food security of the rural population.

The report demonstrates and highlights the different models of water-conservation, security and access along with critical findings regarding impact and challenges. Various water conservation structures have been implemented depending on climate and topographical features of those locations. This has seen increase in land under cultivation thereby increase in crop production cascading to increase in income. This has consequently led to acquiring household and other income generating assets and promotion of savings and credit groups. The interventions and solutions discussed in the report essentially focus on the benefits for the poor, vulnerable and marginalized sections of the society.



Release of the report, "Water - The Lifeline of Rural India" by Mr. S Ramadorai, Chairman, Axis Bank Foundation (3rd from left) and other dignitaries

### ABF Board of Trustees visit NGO Partner

The ABF's Board of Trustees annually visit an ABF supported project. Their visit to the project location includes interactions with the community members, interaction with the NGO partner and other stakeholders. During the year, they visited the project run by ABF NGO Partner – Dilasa Sanstha at Dhangarwadi, Yavatmal district, Maharashtra. During the visit they interacted with several women SHG members, micro entrepreneurs and farmers who have benefited from watershed and micro irrigation works.

ABF has partnered with Dilasa Sanstha since 2011. Over the years, the project has supported close to 75,000 households with access to opportunities for financial and economic inclusion. Financial inclusion and women empowerment are enabled through the SHG program and economic inclusion is enabled through access to water



on the back of customised, cost-effective solutions like Doha, Phad etc., improved farm and non-farm livelihood and access to finances and markets.

“It is heartening to see the social investments of Axis Bank Foundation bear fruits through a participatory approach where communities are not mere beneficiaries but are active partners in ensuring long-term sustainability of the community programs. The active involvement of women, who form a significant proportion of participants in the ABF programs, has helped in increasing the household livelihood income levels and has also contributed to social transformation in project regions through women empowerment. The strong ground-level stakeholder engagement to galvanize everyone towards a common objective is the hallmark of the success of ABF supported projects.”

- Mr. Som Mittal, Trustee – Axis Bank Foundation and Director – Axis Bank Limited



ABF Board of Trustees interacting with community members

## Impact assessments

ABF conducts regular impact assessments of its programs to assess the socio-economic impacts, quantitative and qualitative, created against target impacts listed as part of program objectives. Credible institutions with expertise in the development sector are engaged to carry out the impact assessments. These assessments are generally carried out once during the program period (mid-term) and at the end of the program.

## Social Return on Investment (SROI)

Axis Bank Foundation (ABF) through its partner, Samaj Pragati Sahayog works in Dewas and Khargone districts of Madhya Pradesh to promote livelihoods, formation of community institutions, undertake health and related activities among small, marginal and landless tribal women farmers. The region is affected by multiple issues including:

- Difficult topography
- Limited access to irrigation facilities
- Minimal access to credit

Keeping these issues in mind, the project was designed to ensure an integrated approach in providing livelihood security to the beneficiaries by creating water resource structures, managing dry land agriculture, creating SHGs and other forms of collectives such as Kumbaya, commodity aggregation, livestock rearing, etc. Through this partnership, ABF has reached out to 50,100 tribal households across 90 villages in two districts in the state of Madhya Pradesh.

This year, ABF undertook a study to understand the Social Return on Investment (SROI) using a defined methodology. The study revealed that economically, the number of households in the annual income and savings brackets had increased due to rise in agricultural production and employment opportunities.

The project was aimed at improving the productivity of small and marginal farmers by implementing interventions in water structures. Kumbaya and Self Help Groups (SHGs) have been established for increasing savings and access to credit. It has helped to reduce the debt burden of households. Farmers were able to move from single rain-fed crop to multiple crops as well as drinking water availability increased for both animals and human beings. The community has better economic stability and food security post interventions.

With irrigation facilities being very limited in the project districts, all activities were aimed at increasing production and bringing more land under cultivation by building check dams, field bunding, digging fish ponds, contour trenches, bunds, gabion structures and offering other local solutions like Doha, Phad etc. This has led to increase in cultivable land through soil improvement measures. Adaptive and drought proofing strategies have improved the condition of this area.

A marked difference in the lives of the community members was observed, as distressed migration fell with the rise in sustainable and alternate income generating sources. The quality and standard of living saw significant improvements as the beneficiaries built pucca and semi-pucca houses and bought household assets. Women started contributing to the families' income, which contributed to enhanced self-confidence and well-being. With the increased income, 20% of women were able to free their husbands of bonded labour. Additionally, Kumbaya supported women to get trained and they now have an additional source of income.

Through the project activities, the community was trained to oversee the implementation of Government schemes such as ICDS and PDS so as to ensure delivery of entitlements to the economically deprived sections of the community.

Key impact recorded through SROI study:

- Increase in irrigated area from less than 20 percent during the project inception to over 40 percent land as per the primary research
- More than 18 percent beneficiaries reported shift from single rain-fed to multiple-cropping pattern.
- Increase in productivity of wheat, maize, soybean by 15 to 40 percent, depending on the extent of intervention the beneficiary received
- Combining the savings and amount obtained through bank linkage, the total amount of money held by 2,343 SHGs' is over ₹ 39.60 crores. This indicates an access to savings of average of ₹ 10,955 by each family
- Kumbaya beneficiaries now earn between ₹ 2,000 to ₹ 10,000 per month, depending on the availability of work, beneficiaries' joining date and their skill set, amount of time spent by them and other factors.

### Social Return on Investment (SROI) [contd.]

- Initiatives like distribution of LPG connections or purchase of day-to-day household items have not only helped them save money due to lower costs, but has also reduced the drudgery involved in collecting wood; and reduced health expenditures, which were otherwise high due to various health problems including respiratory diseases resulting from release of noxious and hazardous product from indoor combustion.
- Increased incomes helped around 20 percent of the women to free their husband from bonded labor. This is significant achievement given the baseline surveys which indicated that about 30-40% of households had at least one member of their family working as a bonded laborer.
- Proportion of households in the higher income level (households with annual income of ₹ 36,000 and above) has increased from 40 percent in year 2011 to 86 percent at present.

SROI Evaluations: The Social Return on Investment (SROI) Value is expressed as a ratio of the value of the impact to the value of the investment which translates into monetary social value created for every ₹ invested

Parameter	Evaluative SROI (2016)
Net Present Value of Social Value Created (in ₹)	2,42,37,03,110
Total Investment by ABF (in ₹)	18,71,00,000
SROI Value	12.95
SROI Ratio	1 : 12.95

### Environmental Sustainability

Environmental Sustainability is an important element of our community development agenda. ABF's sustainable livelihood programs largely focus on agriculture and allied interventions to achieve livelihood generation and enhancement, and also have an inherent environmental sustainability aspect embedded in them.

Nearly 78% of beneficiaries of ABF's sustainable livelihood programs are impacted by agriculture and allied interventions. Awareness amongst farmers is created on topics such as organic farming, natural resource conservation, prevention of soil erosion, watershed management, use of renewable energy for irrigation etc., to promote sustainable agriculture practices.

We also focus on reducing environmental footprint of our own operations through enhancing renewable energy use and improving energy efficiency through host of measures.



For additional information on our environmental initiatives, please refer to 'Environment' section of this report

### MSME Sector Development

We continue to promote MSME sector development through our skill development and knowledge sharing initiatives. 'Evolve' is our annual program to engage with MSME sector through series of knowledge sharing sessions on topics that are pertinent to the growth of MSME sector. This year we engaged with MSME sector on the one of the key economic reforms 'Goods & Service Tax (GST)' that will have significant implications for MSME sector. We also conduct knowledge sessions on topics of global trade and finance.



For additional information, please refer to 'Customers' section of this report

## Skill building programmes

Entrepreneurship is a vital tool towards achieving the larger goal of economic development and job creation, contributing to an overall development of the society. Start-ups by young entrepreneurs are bringing in innovative ideas and business models, which have the potential to drive large scale economic development.

However, the start-ups require support in terms of mentorship and investments to scale the innovative idea into a potential enterprise. The Government of India also recognises the need to extend support to start-ups by building a strong eco-system for nurturing innovation that will drive sustainable economic growth and generate large scale employment opportunities. This mission of the Government is articulated in the Action Plan of its flagship program 'Startup India'.

We are committed to supporting entrepreneurial skills development. During the year, we have launched our innovation lab 'Thought Factory' in Bengaluru. The primary objective of 'Thought Factory' is to support the entrepreneurial skills development through mentorship and acceleration of promising start-ups, especially in the technology space.

Five promising start-ups were selected for the programme, which provided them with a platform to undergo a structured three-month mentorship program. The platform also provided them with an opportunity to do a proof of concept with Axis Bank.

The program shall culminate in an 'Investor Day' for facilitating funding for the start-ups.

We also conduct skill building programs which aim to promote employable and entrepreneurial skills, especially among youth. Through the 'Udaan' initiative, we engage with youth from underprivileged sections of society to impart them employable skills in the BFSI sector domain, including debt recovery, and also provide soft skills training which enhance their chances to be employed in not only banks and NBFCs but also in BPOs, call centers and customer service teams of telecom companies, hospitals etc. This year under Udaan initiative, 47 people were trained.

### Axis Moves 2.0

India has a demographic advantage, with more than 54% of the total population below 25 years of age, and over 62% of the population in the working age group (15-59 years). However, it also faces a shortage of skilled workforce, with estimates suggesting that only 2.3 % of the workforce in India has undergone formal skill training. The Government of India, through its National Skill Development Mission, has placed a renewed focus on skilling Indian youth. At the same time, technology is rapidly transforming the business landscape. With the rise in digital adoption, automation, big data analytics and crowd sourcing amongst others, the jobs of future require enhanced skill sets.

'Axis Moves' is our platform to engage with youth and college students to stimulate ideation of solutions for some of the societal challenges. This year, the second edition of Axis Moves was designed to ideate on the topic of 'Future of Jobs'. Ideas in the form of research oriented business proposals were sought online from the citizens of the country in the age bracket of 18-30 years. The participants were allowed choose any sector of their

choice, and provide solutions in the form of an implementable, scalable and sustainable idea. More than 21,800 proposals were received and screened. The top 5 out of 180 shortlisted teams were invited to Mumbai to present their business



One of the winning teams of 'Future of Jobs' initiative



idea. The winning teams shall receive mentorship through master classes at our incubation centre 'Thought Factory' towards facilitating the realization of winning ideas.



Mr. Amitabh Kant, CEO, NITI Ayog (Right) and Ms. Shikha Sharma, MD & CEO, Axis Bank (Center) at a panel discussion during the 'Future of Jobs' final event

## Stakeholder engagement and volunteering

ABF conducts various programs throughout the year where employees can participate or volunteer. Through our payroll giving program 'Axis Cares', our employees can make voluntary contributions to support social causes.

Some of the key engagement and volunteering initiatives during the year include:



Gift of Life Initiatives -  
Blood donation drives

1,354 units collected through 10 drives



Gift of Life Initiatives –  
Thalassemia Minor screening  
camp & awareness

1,126 employees got themselves screened for Thalassemia Minor in camps conducted at four locations



Exhibitions – Shop for  
A Cause

58 exhibitions by NGOs at Axis Bank Premises



Basket of Hope

5,668 items which included garments, books, school bags, footwear, toys etc. were collected. All the items collected were distributed to the underprivileged individuals through a NGO partner



### Joy of Giving – Dhaan Utsav

342 snack items donated by Bank staff at Axis House, and matching contribution made by snack vending machine partner. The snack goodie bags were distributed to children of Dharavi slum area in Mumbai.

Funds were raised through 'wish tree' purchases by the Bank staff at NPC I – Airoli to support the cause of children affected by cancer



### Refurbished footwear for school children

We partnered with GreenSole to provide refurbished footwear for school children. A donation drive was conducted at Axis House, Mumbai and NPC I, Navi Mumbai office to collect old shoes. These shoes were refurbished by the partner organisation GreenSole.

During the year, 2,078 pairs of shoes were collected from employees through a collection drive. We further sponsored the refurbishment of 10,076 pairs of shoes, which were distributed to children in 87 schools across Lucknow and Varanasi. The activity also resulted in emissions offset to the tune of 22.68 tons of CO<sub>2</sub>e.



Participating kids at the footwear donation event organised by Axis Bank in association with Greensole.

## Fostering a culture of community giving

'Axis Bank Young Bankers' (ABYB) Program is our intensive training program to nurture industry leaders of the future by imparting domain expertise and skill set in the field of Banking. It is a one year full-time residential program. We believe that fostering a culture of community giving is as important as imparting technical skills for holistic development of young candidates entering our workforce through this program.

During the year, 706 Probationary Officers undergoing ABYB Program at Manipal Academy of Banking in Bengaluru undertook various community initiatives as a part of their second-term project work during the weekends. The project was initiated by the faculties of Behavioral Skills course in collaboration with 11 NGOs. The activities conducted by the Young Bankers in association with the NGOs include training the inmates on computer literacy and educating them on English language skills and numerical ability, conducting quiz programs, counseling children on academics, organising drawing and painting competitions, conducting cultural activities, and providing emotional support to senior citizens and serving food and snacks.

As a part of the project, in addition to the donation of groceries, stationery, clothes, fruits and vegetables, the Axis Bank Young Bankers have also made monetary contribution as well.



# PERFORMANCE REVIEW

	Units of measurement	2016-17	2015-16	2014-15
<b>Economic Contribution</b>				
Economic Value Generated (A)	₹ billion	447.86	466.21	421.37
Revenue	₹ billion	447.86	466.21	421.37
Economic Value Distributed (B)	₹ billion	404.37	384.29	356.2
Operating costs	₹ billion	81.47	65.77	59.66
Employee wages & benefits	₹ billion	38.92	33.76	31.15
Payments to providers of capital	₹ billion	264.49	241.57	223.48
Payments to Government	₹ billion	18.14	41.8	40.68
Community investments	₹ billion	1.35	1.37	1.23
Economic Value Retained (A-B)	₹ billion	43.49	81.92	65.16
<b>Customers</b>				
<b>Customer complaints<sup>4</sup></b>				
Pending as on previous year end (31 <sup>st</sup> March)	Numbers	9,499	9,513	7,697
Received during the year	Numbers	3,37,673	2,27,676	2,31,466
Redressed during the year	Numbers	3,04,988	2,27,690	2,29,650
Pending as on current year end (31 <sup>st</sup> March)	Numbers	42,184	9,499	9,513
<b>Consumer cases</b>				
Pending as on previous year end (31 <sup>st</sup> March)	Numbers	1,356	1,317	1,266
Received during the year	Numbers	169	262	214
Redressed during the year	Numbers	134	223	163
Pending as on current year end (31 <sup>st</sup> March)	Numbers	1,391	1,356	1,317
<b>Shareholder &amp; Providers of Capital</b>				
Net profit	₹ billion	36.79	82.24	73.58
Operating revenue	₹ billion	297.84	262.04	225.89
Earnings per share (Diluted)	₹	15.34	34.4	30.85
Dividend	Percentage	250	250	230
Return on equity	Percentage	7.22	17.49	18.57
Return on assets	Percentage	0.65	1.72	1.83

	Units of measurement	2016-17	2015-16	2014-15
<b>Investor complaints</b>				
Pending as on previous year end (31 <sup>st</sup> March)	Numbers	0	0	0
Received during the year	Numbers	768	797	431
Redressed during the year	Numbers	768	797	431
Pending as on current year end (31 <sup>st</sup> March)	Numbers	0	0	0
<b>People</b>				
<b>Workforce diversity – age and gender wise</b>				
Male				
<30 years	Numbers	26,044	23,435	19,043
30-50 years	Numbers	17,464	15,648	14,203
>50 years	Numbers	322	288	312
Female				
<30 years	Numbers	8,995	7,422	5,781
30-50 years	Numbers	3,774	3,324	2,879
>50 years	Numbers	18	18	12
<b>Workforce diversity – employee category wise</b>				
Top management	Numbers	6	4	6
Senior management	Numbers	142	134	133
Middle management	Numbers	4,873	4,353	4,148
Junior management	Numbers	37,632	33,654	29,885
Sales channel	Numbers	13,964	11,990	8,058
<b>Workforce turnover<sup>5</sup> – age and gender wise</b>				
Male				
<30 years	Numbers	10,363	7,071	4,848
30-50 years	Numbers	2,547	2,342	1,528
>50 years	Numbers	37	73	17
Female				
<30 years	Numbers	2,796	1,972	1,383
30-50 years	Numbers	468	397	308

	Units of measurement	2016-17	2015-16	2014-15
>50 years	Numbers	3	1	1
<b>Workforce turnover<sup>5</sup> – employee category wise</b>				
Top management	Numbers	0	2	1
Senior management	Numbers	13	29	6
Middle management	Numbers	362	386	260
Junior management	Numbers	7,832	6,759	4,977
Sales channel	Numbers	8,007	4,680	2,839
<b>New hires– age and gender wise</b>				
Male				
<30 years	Numbers	11,014	10,753	6,581
30-50 years	Numbers	2,034	1,408	904
>50 years	Numbers	2	0	0
Female				
<30 years	Numbers	3,994	3,511	1823
30-50 years	Numbers	291	192	136
>50 years	Numbers	0	0	0
<b>New Hires– employee category wise</b>				
Top management	Numbers	0	0	0
Senior management	Numbers	5	6	3
Middle management	Numbers	249	158	131
Junior management	Numbers	10,355	8,984	5,741
Sales channel	Numbers	6,726	6,716	3,569
<b>New hires turnover– age and gender wise</b>				
Male				
<30 years	Numbers	4,545	3,087	1,089
30-50 years	Numbers	145	67	46
>50 years	Numbers	0	0	0
Female				
<30 years	Numbers	1,044	729	236

	Units of measurement	2016-17	2015-16	2014-15
30-50 years	Numbers	36	14	11
>50 years	Numbers	0	0	0
<b>New hires turnover – employee category wise</b>				
Top management	Numbers	0	0	0
Senior management	Numbers	0	0	0
Middle management	Numbers	16	4	7
Junior management	Numbers	1,355	1,147	542
Sales channel	Numbers	4,399	2,746	833
<b>Employee training – employee category and gender wise</b>				
<b>Male</b>				
Top management	Person-hours	1	0	16
Senior management	Person-hours	2,128	492	1,531
Middle management	Person-hours	81,377	51,460	41,928
Junior management	Person-hours	7,40,362.4	5,97,919	4,33,762
Sales channel	Person-hours	5,43,949.5	5,62,899	2,00,814
<b>Female</b>				
Top management	Person-hours	0	0	0
Senior management	Person-hours	210.5	20	48
Middle management	Person-hours	14,095	9,554	7,993
Junior management	Person-hours	3,79,247.5	2,86,092	1,35,281
Sales channel	Person-hours	52,495	35,430	10,904
<b>Performance feedback – employee category wise</b>				
<b>Eligible</b>				
Senior management	Numbers	140	133	540
Middle management	Numbers	4,672	4,186	8,362
Junior management	Numbers	31,912	27,261	22,773
<b>Received</b>				
Senior management	Numbers	140	133	540
Middle management	Numbers	4,672	4,186	8,362

	Units of measurement	2016-17	2015-16	2014-15
Junior management	Numbers	31,912	27,261	22,773
Parental leave <sup>6</sup>				
Male	Numbers	1,746	1,656	1,479
Female	Numbers	613	500	383
<b>Environment</b>				
Sustainable Lending – Outstanding				
Wind power	₹ billion	13.34	19.98	15.11
Solar power	₹ billion	13.45	4.86	7.03
Biomass	₹ billion	1.51	2.41	2.24
Mini-hydro	₹ billion	2.17	2.21	2.51
Waste processing	₹ billion	5.23	3.47	5.98
Mass Rapid Transport	₹ billion	1.93	1.99	3.81
Energy				
Energy generated	Tera Joules	115.77	120.41	130.93
Green electricity	Tera Joules	12.64	2.64	0.11
Electricity purchased	Tera Joules	604.88	591.57	548.26
Energy intensity				
Energy generated	Giga Joules per FTE	1.82	2.40	3.10
Electricity purchased	Giga Joules per FTE	10.68	11.80	12.98
GHG Emissions <sup>7</sup>				
Direct emissions (Scope 1)	Tonnes of CO <sub>2</sub> equivalent	7,687.16	8,778.28	9,759.90
Energy indirect emissions (Scope 2)	Tonnes of CO <sub>2</sub> equivalent	1,37,777.35	1,34,746.82	1,24,882.56
Other indirect emissions <sup>5</sup> (Scope 3)	Tonnes of CO <sub>2</sub> equivalent	10,427	7,884.78	7,142.92
Emissions saved / avoided <sup>6</sup>	Tonnes of CO <sub>2</sub> equivalent	13,478	10,348.53	2,813.24
GHG Emissions intensity				
Direct emissions (Scope 1)	TCO <sub>2</sub> e per FTE	0.14	0.18	0.23
Energy indirect emissions (Scope 2)	TCO <sub>2</sub> e per FTE	2.43	2.69	2.96
Materials				
Office-Paper <sup>8</sup> (conventional)	Tonnes	570	355.28	286.32

	Units of measurement	2016-17	2015-16	2014-15
Office-Paper <sup>8</sup> (wheat straw based)	Tonnes	628	713.95	734.83
<b>Waste</b>				
Dry waste <sup>9</sup> (Recycled)	Tonnes	25	32.1	31
E-waste <sup>10</sup>	Tonnes	11.3	1.34	5.35
<b>Communities</b>				
<b>Community investments</b>				
Contribution to ABF and its partner NGOs	₹ million	822	736	622
Other programs	₹ million	510	621	592
Administrative expenses	₹ million	22	17	18
ABF Beneficiaries (cumulative)	Number	10,80,000	8,14,621	5,80,540

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

5. Includes retirement cases

6. Number of employees who availed parental leave last year, returned to work and are on the Bank's rolls at the end of current year

7. Emissions for direct fuel use have been calculated using IPCC emission factors and emissions for grid electricity have been calculated using Central Electricity Authority (Government of India) Guidelines (Version 10)

8. Refers to daily paper usage in various offices/branches

9. Dry waste collected at Greater Mumbai and Thane regions

10. Disposed through recyclers. The E-waste for previous year has been stated in numbers/boxes/MT in last year's report and same has been reported in consistent unit of MT in this year's report

tCO<sub>2</sub>e – Tonnes of CO<sub>2</sub> equivalent

FTE – Full Time Employee



# AWARDS AND ACCOLADES



Mr. Jacob Ninan, Deputy CEO - Axis Bank Foundation receiving the award for Excellence in Corporate Social Responsibility at CII - ITC Sustainability Awards 2016



Mr. Som Mittal (Director, Axis Bank) (2<sup>nd</sup> from left) & Mr. Anil Kumar (ET & CEO, Axis Bank Foundation) (extreme left) receiving the award for 'Socially Aware Corporate of the Year' at the Business Standard Corporate Social Responsibility Awards 2016 in the presence of Hon. Finance Minister, Mr. Arun Jaitley.



Awarded the Bank of the Year in India at The Banker Awards 2016



Recognised as the 'Socially Aware Corporate of the Year' by Business Standard's Corporate Social Responsibility Awards 2016



Received award for Excellence in Corporate Social Responsibility by CII-ITC Sustainability Awards 2016



Won the Best Domestic Bank in India award from Asiamoney Best Domestic Bank Awards 2016



Won the 'Best Rewards Programme' for the third consecutive year at the Loyalty Awards 2017



Winner of 'Best Use of Partnership in a Loyalty Programme' at the Loyalty Awards 2017



Runner-up in the 'Best Bank Category' at the Outlook Money Awards 2016



Runner-up in the Best Use of Digital and Channels Technology among Large Banks by the IBA Banking Technology Awards 2017



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**Independent Assurance Statement to Axis Bank Limited on their Sustainability Report for Financial Year (FY) 2016-17**

To the management of Axis Bank Limited, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025.

**Introduction**

We ('KPMG in India, or 'KPMG') have been engaged by Axis Bank Limited ('The Company' or 'Axis Bank') for the purpose of providing assurance on its sustainability report ('the Report') for the financial year (FY) 2016-17. The report was prepared by Axis Bank according to the Global Reporting Initiative's (GRI) G4 guidelines 'In-accordance' – Core option including the Financial Services Sector Disclosures for sustainability reporting.

**Assurance Standards**

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Under this standard, we have reviewed the information presented in the report against the characteristics - relevance, completeness, reliability, neutrality and understandability.

**Scope and Boundary of the Assurance Engagement**

The scope of assurance covers the sustainability disclosures of Axis Bank for the period 01st April 2016 to 31st March 2017. The boundary of report covers the economic, environmental and social performance of Axis Bank's operations in India. We have carried out the assurance visit to the corporate office, Axis House.

The assurance process was limited to the sustainability disclosures made in the Report. The General Standard Disclosures that were subjected to assurance are as follows:

- Strategy and Analysis (G4-1, G4-2)
- Organizational Profile (G4-3 to G4-16)
- Identified Material Aspects and Boundaries (G4-17 to G4-23)
- Stakeholder Engagement (G4-24 to G4-27)
- Report Profile (G4-28 to G4-31)
- Governance (G4-34 to G4-55)
- Ethics and Integrity (G4-56, G4-57)



The Specific Standard Disclosures that were subjected to assurance are as follows:

- Economic
  - Economic Performance (G4-EC1 to G4-EC3), Indirect Economic Impacts (G4-EC7 to G4-EC8)
- Environmental
  - Materials (G4-EN1), Energy (G4-EN3 to G4-EN7), Emissions (G4-EN15 to G4-EN19), Effluents and Waste (G4-EN23), Products and Services (G4-EN27), Compliance (G4-EN29), Transport (G4-EN30)
- Social
  - Labor Practices and Decent Work
    - Employment (G4-LA1, G4-LA3), Occupational Health and Safety (G4-LA6), Training and Education (G4-LA9 to G4-LA11), Diversity and Equal Opportunity (G4-LA12), Equal Remuneration for Men and Women (G4-LA13), Labour Practices Grievance Mechanisms (G4-LA16)
  - Human Rights
    - Investment (G4-HR1, G4-HR2), Non-discrimination (G4-HR3), Freedom of Association and Collective Bargaining (G4-HR4), Child Labor (G4-HR5), Forced or Compulsory Labor (G4-HR6), Indigenous Rights (G4-HR8)
  - Society
    - Local Communities (G4-SO1, G4-SO2), Anti-corruption (G4-SO3, G4-SO4), Anti-competitive Behavior (G4-SO7), Compliance (G4-SO8)
  - Product Responsibility
    - Product and Service Labeling (G4-PR3 to G4-PR5), Marketing Communications (G4-PR6, G4-PR7), Customer Privacy (G4-PR8), Compliance (G4-PR9)
- Financial Services Sector Disclosures
  - Product Portfolio (FS-6 to FS-8), Local Communities (FS-13, FS-14)

#### Limitations in Conducting the Assurance

Our assurance process was subject to the following limitations:

- Verification of claims was limited to data and information presented in the Report for the period 01<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. Data and information in the Report outside this reporting period was not subject to verification





- Any statement/ remarks/ comments indicating intention, opinion, belief and/ or aspiration by Axis Bank were excluded from the scope of assurance
- The Assurance Statement does not include verification of financial performance indicators/information that was sourced from Axis Bank's FY 2016-17 annual report
- Determine which, if any, recommendations should be implemented

#### Work Undertaken

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated. We have adopted the following process.

- Discussion on sustainability with senior executives/ management at corporate office to understand the risk and opportunities from sustainability context and the strategy Axis Bank is following
- Review of Company's approach to identify material issues and stakeholders engagement framework
- Assessment of stakeholder engagement and materiality assessment process for determining material aspects
- Discussions with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the report
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by Axis Bank for data analysis
- Evaluating the appropriateness of the quantification methods and models used to arrive at the data presented in the report
- Assessment of the systems used for data collection and reporting of the General Standard Disclosures and Specific Standard Disclosures of material aspects as listed in the assurance scope above
- Testing on a sample basis, the evidence supporting the data and information
- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance indicators included in the report
- Evaluating the report's content to ascertain the 'In-accordance' option as per Global Reporting Initiative's G4 Guidelines

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected due to sensitive nature of the information, our team verified the same at Axis Bank's premise.



### Conclusions

Based on the procedures performed, nothing has come to our notice that causes us not to believe that the sustainability report of Axis Bank for FY ending 31 March 2017 is presented fairly, in all material respects, in accordance with the sustainability reporting guidelines (G4) and financial services sector disclosures of the Global Reporting Initiative.

### Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

### Responsibilities

Axis Bank is responsible for developing the Report contents. Axis Bank is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of Axis Bank in accordance with the terms of our engagement and as per scope of assurance.

Our work has been undertaken so that we might state to Axis Bank those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Axis Bank for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

**Prathmesh Raichura**

**Director**

Sustainability Services

9<sup>th</sup> November 2017



# GREEN BOND IMPACT REPORT

Axis Bank issued its inaugural Green Bond of USD 500 mn (ISIN XS1410341389) in June 2016. The bond was the first external-party certified Green Bond by an Asian Bank – Axis Bank’s Green Bond was certified by Climate Bonds Initiative standards. It was also the first bond issued from India to be listed on the London Stock Exchange.

The Bank issued the bond under the ‘Green Bond Framework’ established by the Bank. The framework defined the bond’s use of proceeds, selection and evaluation of projects, monitoring the utilisation of proceeds and reporting. The framework was assured by KPMG to be in compliance with the Climate Bonds Initiative standards.

Accordingly, the proceeds of the Green Bond were allocated to renewable energy projects, low carbon transport projects and energy efficient buildings. In order to monitor the proceeds, a Green Bond Committee was constituted during the year. Proceeds are tracked monthly and shortfall, if any, was timely parked in government securities and other money market instruments.

Post the issuance we engaged KPMG to provide assurance that the utilisation of proceeds and the internal controls for tracking the allocation are as per our Green Bond framework.

KPMG has conducted their review and assessment in March 2017 and the Assurance Report of KPMG is provided in the appendix to this report. We have also obtained certification from Climate Bonds Initiative for same.



## Green Bond Allocation Details

Sector	Allocation as of 31 <sup>st</sup> March 2017 (USD mn)
Energy Efficient Building	118.19
Solar	55.98
Urban Mass Transport	29.74
Wind	188.13
<b>Total</b>	<b>392.04</b>

## Number of Projects to which the funds have been allocated

Sector	Count of Projects
Solar	11
Wind	11
Urban Mass Transport	1
Energy Efficient Building	1
<b>Total</b>	<b>24</b>

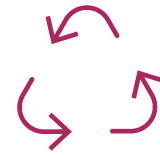
## Impact Assessment from the projects to which funds are allocated



Renewable Energy of  
**1,148 million**  
units generated



**1.1 Mt**  
**CO<sub>2</sub> GHG**  
Emission Savings Achieved  
by projects funded using  
Green Bond



**25 tonnes**  
of dry waste collected from  
Axis House was recycled, and  
**42 tonnes** of wet waste was  
composted at Axis House.

### Unutilised Proceeds

As per the Green Bond Framework, any shortfall in allocation of Green Bond proceeds is permitted to be invested in money market instruments and government securities.

Accordingly, as on 31<sup>st</sup> March 2017, the Bank has USD 107.96 mn of 'unutilised proceeds', which have been temporarily parked into liquid Government of India Bonds.

### Select Case Studies

#### A. Doddanavar Global Energy

Some regions in the state of Karnataka suffer from acute power shortage. Conventional sources of energy were unfeasible due to rising fuel costs, and the resultant pollution.

Doddanavar Energy therefore decided to harness wind energy, which is found in abundance in the region. The Government also supported the project by permitting 'Wheeling and Banking of Wind Energy' which helps in supplying of power directly to industries making sale of power easy and more profitable.

The group has already commissioned a 15MW wind energy project and are in process to commission another 32 MW wind energy project.



Windmill installed at Doddanavar Global Energy

## B. Axis Bank Corporate Office “Axis House”

Our corporate office building ‘Axis House’ is platinum-rated LEED (Leadership in Energy and Environment Design) certified green building. The building has incorporated a multitude of green features at the design stage to help lower its environmental impacts. Some of the key features of the building include

- maximum use of natural light
- use of renewable energy for part energy load requirement
- recycling and reuse of waste-water through sewage treatment plant
- rainwater harvesting system
- ‘Greenguard’ compliant furniture/fixtures
- low toxicity levels of carpets and furniture.

Heating Ventilation and Conditioning (HVAC) system in Axis House was optimised and retrofit of Air Handling Unit (AHU) at NPC II was completed.

Apart from the Head Office, preference is also given for green features in the leased premises for our branches and other offices. Overall Axis bank has 5 MW of rooftop solar capacity. We have installed total of 5 MW of solar energy across all our operations which translates to an annualized reduction in emissions of 3,377 tCO<sub>2</sub>e.



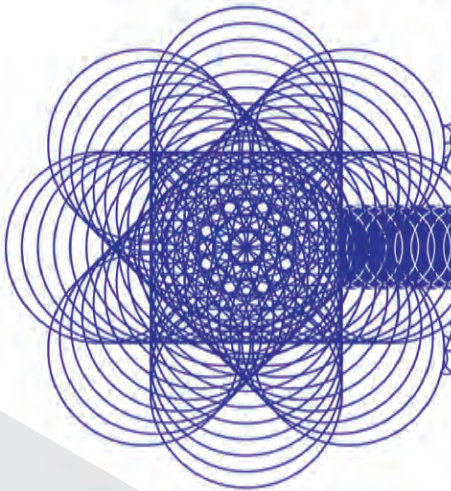
Axis House, Mumbai

### Notes

1) The Central Electricity Authority, a statutory body under Ministry of Power, Govt. of India has published CO<sub>2</sub> baseline database for the Indian power grid under the Clean Development Mechanism (CDM) of UNFCCC Kyoto Protocol. The CO<sub>2</sub> emission factor of Indian power grid indicates the carbon intensity of the grid. ([http://www.cea.nic.in/reports/others/thermal/tpece/cdm\\_co2/user\\_guide\\_ver11.pdf](http://www.cea.nic.in/reports/others/thermal/tpece/cdm_co2/user_guide_ver11.pdf))

2) As per Energy Modelling Report for baseline conventional building of similar size and capacity as that of Axis House, the baseline electricity consumption is 7,878 MWh. This data is as per submission made to the US Green Building Council (USGBC) for LEED Certification of Axis House premises. However, the actual electricity consumption for the premises during FY16-17 is 6388 MWh. The difference in electricity consumption is multiplied with CO<sub>2</sub> emission of Indian power grid to arrive at the CO<sub>2</sub> emission reduction achieved by Axis House.





# Certification



This is to certify that the

*First green senior unsecured term notes to be issued  
under the Global Medium Term Notes programme*

Issued by

*Axis Bank Ltd.*

Has met the criteria for certification by the Climate Bonds Standard Board  
on behalf of the Climate Bonds Initiative

*Sean Kidney*

SEAN KIDNEY

*Chair of the Climate Bonds Standard Board*

*14.05.2016*





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## Independent Assurance Statement

To the management of Axis Bank Limited, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai - 400025, India.

### Introduction

Axis Bank Limited (Issuer) has issued a green bond for USD 500 million on 1 June 2016. We were engaged by the Issuer to confirm that they and their bond are in conformance with the post-issuance requirements of the Climate Bonds Standard Version 2.1.

### Assurance Standards

We conducted our engagement in accordance with requirements of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

### Assurance scope and level of assurance

Our scope of assurance included information on material aspects of the green bond based on post-issuance requirements of the Climate Bonds Standards Version 2.1 as listed below:

#### Part A: General Requirements

- Nominated projects and assets
- Use of proceeds
- Non-contamination of proceeds
- Confidentiality
- Reporting

#### Part B: Eligible Projects & Assets

- Climate Bonds Taxonomy
- Technical Criteria

#### Part C: Requirements for Specific Bond Types

- Project Holding
- Settlement Period
- Earmarking

### Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer





### Work undertaken

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in more detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Checked the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds; investment areas for green bond proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Read sections of the bond disclosure documentation that also support the objects of the green bond issue, investment areas, earmarking of proceeds, reporting on use of proceeds and intended types of temporary investment instruments for the management of unallocated proceeds;
- Conducted interviews with management and key staff responsible for the green bond to understand how the processes, systems and controls defined in the Green Bond Framework have been implemented post issuance of the bond;
- Checked the list of projects to which bond proceeds have been allocated and their conformance with the criteria defined in the Green Bond Framework, bond disclosure documentation and Part B of the Climate Bonds Standard;
- Checked a sample set of loan proposal documents approved by Issuer's management for disbursement to project developers that includes the description of the nominated projects and assets and purpose of the loan disbursed;
- Confirmed the amount of bond proceeds allocated to nominated projects and assets through examination of Issuer's internal system for tracking use of proceeds and subsequently reported in the Issuer's Green Assets Register;
- Confirmed the investment of unallocated bond proceeds to government securities through examination of Issuer's internal systems; and
- Recalculated estimated annualized greenhouse gas (GHG) emission reductions from projects using information collected by the Issuer.

### Conclusions

The following conclusion is based on the work performed and evidence obtained and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the Issuer and their green bond issued on 1 June 2016 are not, in all material respects, conforming to the post-issuance requirements of the Climate Bonds Standard Version 2.1.

### Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due



care, confidentiality and professional behaviour. We have systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. We apply ISQC 1 and comply with the applicable independence and other ethical requirements of the IESBA code.

#### **Management's responsibility**

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the Climate Bonds Standard Version 2.1. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

#### **Our responsibility**

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard.

This assurance report is made solely to Issuer in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to Issuer those matters we have been engaged to state in this assurance report and for no other purpose. Our assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Issuer for any purpose or in any context. Any party other than Issuer who obtains access to our assurance report or a copy thereof and chooses to rely on our assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Issuer for our work, for this independent limited assurance report, or for the conclusions we have reached.

**Santhosh Jayaram**  
Partner  
KPMG India  
31 March 2017

# GRI CONTENT INDEX

## GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Disclosure item description	Page / Reference
STRATEGY AND ANALYSIS		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Pages 3-4 SR 2016-17
G4-2	Provide a description of key impacts, risks, and opportunities.	Pages 3-4, 10-12, 14-19 SR 2016-17
ORGANIZATIONAL PROFILE		
G4-3	Report the name of the organization.	Page 5 SR 2016-17
G4-4	Report the primary brands, products, and services.	Page 6-7 SR 2016-17
G4-5	Report the location of the organization's headquarters.	Back Cover
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Page 5 SR 2016-17
G4-7	Report the nature of ownership and legal form.	Page 48 SR 2016-17 Page 28 AR 2016-17
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Pages 5-6 SR 2016-17 Pages 44-52 AR 2016-17
G4-9	Report the scale of the organization, including: - Total number of employees - Total number of operations - Net sales (for private sector organizations) or net revenues (for public sector organizations) - Total capitalization broken down in terms of debt and equity (for private sector organizations) - Quantity of products or services provided.	Page 5-7 SR 2016-17, Pages 3,6-7, AR 2016-17

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General Standard Disclosures	Disclosure item description	Page / Reference
G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>	<p>Page 51, 81 SR 2016-17</p> <p>There is no substantial portion of the Bank's work performed by workers who are legally recognized as self-employed, by individuals other than employees or supervised workers, including employees and supervised employees of contractors. The employment numbers of the Bank is based on the current size and future growth of the Bank and is not subject to significant variations.</p>
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Page 56 SR 2016-17
G4-12	Describe the organization's supply chain.	Our supply chain primarily comprises IT products and service providers, human resource service providers, utilities providers, technology partners, office stationary suppliers and office infrastructure vendors.
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Pages 29-30,100-111 AR 2016-17
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Precautionary approach is implicit in our environmental management approach.
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	None

General Standard Disclosures	Disclosure item description	Page / Reference
G4-16	<p>List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> <li>- Holds a position on the governance body.</li> <li>- Participates in projects or committees.</li> <li>- Provides substantive funding beyond routine membership dues.</li> <li>- Views membership as strategic.</li> </ul>	Pages 20 SR 2016-17, Pages 17-18 BRR 2016-17
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	Page I SR 2016-17, Page 220 AR 2016-17
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	Refer 'Materiality Matrix' in the following web link: <a href="https://axisbank.com/csr/csr-sustainability-framework">https://axisbank.com/csr/csr-sustainability-framework</a>
G4-19	List all the material Aspects identified in the process for defining report content.	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	The restatements if any, along with reasoning are provided in the performance review section
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant changes in scope and aspect boundaries.
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	Provide a list of stakeholder groups engaged by the organization.	Pages 12-13 SR 2016-17
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Pages 12-13 SR 2016-17, Pages 14-16 SR 2014-15

General Standard Disclosures	Disclosure item description	Page / Reference
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Pages 12-13 SR 2016-17, Pages 14-16 SR 2014-15
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	
REPORT PROFILE		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2016-17
G4-29	Date of most recent previous report (if any).	Latest report was for the reporting period 2015-16
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	sustainability@axisbank.com
G4-32	<ul style="list-style-type: none"> <li>a. Report the 'in accordance' option the organization has chosen.</li> <li>b. Report the GRI Content Index for the chosen option.</li> <li>c. Report the reference to the External Assurance Report, if the report has been externally assured.</li> </ul>	'In accordance' – Core option, Page I SR 2016-17
G4-33	<ul style="list-style-type: none"> <li>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</li> <li>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</li> <li>c. Report the relationship between the organization and the assurance providers.</li> <li>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</li> </ul>	Page I SR 2016-17, The Executive Director (Corporate Center) of the Bank oversees the implementation of the Sustainability Framework of the Bank including reporting and assurance, and is supported by Ethics & Sustainability Department.



General Standard Disclosures	Disclosure item description	Page / Reference
<b>GOVERNANCE</b>		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Pages 23-24 SR 2016-17
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Pages 23-24 SR 2016-17
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Page 24 SR 2016-17
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Pages 23-24 SR 2016-17,
G4-38	Report the composition of the highest governance body and its committees.	Pages 21-22 SR 2016-17, Pages 60-80 AR 2016-17
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Page 21 SR 2016-17
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Page 22 SR 2016-17; Pages 30, 70-71 AR 2016-17
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	<a href="http://www.axisbank.com/download/Code-of-Conduct-for-directors.pdf">http://www.axisbank.com/download/Code-of-Conduct-for-directors.pdf</a> Pages 190-195 AR 2016-17
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Pages 21-24 SR 2016-17

General Standard Disclosures	Disclosure item description	Page / Reference
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	The Board as well as its specific committees, during meetings and/or strategy meets, are apprised of and deliberate on emerging trends and issues including those on economic, environmental and social topics and their impact on the industry and the Bank.
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	Pages 22-24 SR 2016-17, Page 84 AR 2016-17
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	Pages 21-24 SR 2016-17
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Pages 23-25 SR 2016-17
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	As per schedule of Board meetings and meetings of Board committees
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Committee of Whole-time Directors and Management Committee
G4-49	Report the process for communicating critical concerns to the highest governance body.	Critical concerns on various governance, economic, environmental and social topics are communicated to the Board and its committees as part of the periodic review of various functions of the Bank.

General Standard Disclosures	Disclosure item description	Page / Reference
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	The typical topics reported to the Board of Directors and its various sub-committees may include aspects of but not limited to business strategy, risk management, credit policies, remuneration, compliance, audit, customer service, shareholder relationship, CSR etc. Critical concerns, if any, identified during the year are reviewed during the relevant committee meetings and documented as part of the minutes of the meetings. Appropriate action plans are developed to address such critical concerns and actions taken are reported to the relevant committee.
G4-51	<p>a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration.</p> <p>b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	Pages 22-23 SR 2016-17, 80-84, 112-115 AR 2016-17
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Pages 22-23 SR 2016-17, 80-84, 115-116 AR 2016-17
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Pages 22-23 SR 2016-17, 80-84, 115-116 AR 2016-17
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Page 23 SR 2016-17, 80-84, 115-116 AR 2016-17
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Page 23 SR 2016-17, 80-84, 115-116 AR 2016-17

General Standard Disclosures	Disclosure item description	Page / Reference
<b>ETHICS AND INTEGRITY</b>		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Pages 5,25 SR 2016-17, <a href="https://www.axisbank.com/investor-corner/code-conduct-for-employees.aspx">https://www.axisbank.com/investor-corner/code-conduct-for-employees.aspx</a>
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Page 25 SR 2016-17
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Pages 25 SR 2016-17

## SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
CATEGORY: ECONOMIC			
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>			
G4-DMA		Page 29 SR 2016-17; Page 65 SR 2014-15	-
G4-EC1	Direct economic value generated and distributed	Page 29,80 SR 2016-17	-
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Pages 59-62 SR 2016-17; For additional information, please refer to the Bank's CDP response on <a href="http://www.cdp.net">www.cdp.net</a>	-
G4-EC3	Coverage of the organization's defined benefit plan obligations	Page 29 SR 2016-17; Pages 197-201 AR 2016-17	-

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General Standard Disclosures	Disclosure item description	Page / Reference	
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>			
G4-DMA		Page 30 SR 2016-17	-
G4-EC7	Development and impact of infrastructure investments and services supported	Page 30-31 SR 2016-17	-
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Page 30-31 SR 2016-17	-
<b>CATEGORY: ENVIRONMENTAL</b>			
<b>MATERIAL ASPECT: MATERIALS</b>			
G4-DMA		Pages 14, 58 SR 2016-17	-
G4-EN1	Materials used by weight or volume	Page 64, 84-85 SR 2016-17	-
<b>MATERIAL ASPECT: ENERGY</b>			
G4-DMA		Pages 63-64 SR 2016-17	-
G4-EN3	Energy consumption within the organization	Page 63, 84 SR 2016-17	-
G4-EN4	Energy consumption outside of the organization	Energy consumed on account of (conventional) paper usage and employee commute is 87,020 GJ and 8,425 GJ respectively.	-
G4-EN5	Energy intensity	Page 63, 85 SR 2016-17	-
G4-EN6	Reduction of energy consumption	Pages 62-65 SR 2016-17; Energy savings reported are estimated annualized energy savings in terms of the potential of electricity savings that could be achieved.	-
G4-EN7	Reductions in energy requirements of products and services	Pages 61-65 SR 2016-17; The nature of banking products is service oriented and not energy intensive however the Bank through its digital banking initiatives, aims to reduce the environmental impacts of its product and services.	-



General Standard Disclosures	Disclosure item description	Page / Reference	
<b>MATERIAL ASPECT: EMISSIONS</b>			
G4-DMA		Page 65 SR 2016-17	-
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 63, 85 SR 2016-17	-
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Page 63, 85 SR 2016-17	-
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Page 63 SR 2016-17	-
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 63 SR 2016-17	-
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Pages 62-64, 85 SR 2016-17	-
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>			
G4-DMA		Page 65 SR 2016-17	-
G4-EN23	Total weight of waste by type and disposal method	Page 65, 85 SR 2016-17	-
<b>MATERIAL ASPECT: PRODUCTS AND SERVICES</b>			
G4-DMA		Page 65 SR 2016-17	-
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Page 65 SR 2016-17	-
<b>MATERIAL ASPECT: COMPLIANCE</b>			
G4-DMA		Page 27 SR 2016-17	-
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	During the year, there were no significant fines or non-monetary sanctions levied on the Bank for non-compliance with environmental laws and regulations.	-

General Standard Disclosures	Disclosure item description	Page / Reference	
<b>MATERIAL ASPECT: TRANSPORT</b>			
G4-DMA		Page 62-63 SR 2016-17	-
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	The GHG emissions (Scope 3) relating to company provided shuttle bus services for employees during the year was 624.32 tonnes of CO <sub>2</sub> e.	-
<b>MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
G4-DMA		During the year, we have implemented Vendor Management Framework towards strengthening our vendor management systems. Sustainability related aspects shall be integrated into the vendor management system in subsequent years.	-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		-
<b>CATEGORY: SOCIAL</b>			
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>			
<b>MATERIAL ASPECT: EMPLOYMENT</b>			
G4-DMA		Page 51 SR 2016-17	-
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Page 51 SR 2016-17	-
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Pages 197-201 AR 2016-17	-
G4-LA3	Return to work and retention rates after parental leave, by gender	2,359 employees availed parental leave (Male- 1,746, Female- 613). Out of this 2,359 (Male- 1,746, Female - 613) returned to work and are still on company rolls as on 31 <sup>st</sup> March 2017.	-

General Standard Disclosures	Disclosure item description	Page / Reference	
<b>MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS</b>			
G4-DMA		Page 57 SR 2016-17	-
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The operational changes at branches are conducted in accordance with applicable regulations and RBI guidance, and prior notice is given to relevant employees.	-
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>			
G4-DMA		Page 55-56 SR 2016-17	-
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	There have been no work related employee fatalities during the year.	-
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>			
G4-DMA		Page 52-53 SR 2016-17	-
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Page 54, 83 SR 2016-17	-
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Pages 51-54 SR 2016-17	-
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Pages 50-52 SR 2016-17; during the year 100% of eligible employees (Male – 23,636, Female – 13,094) received the performance feedback.	-
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>			
G4-DMA		Page 51 SR 2016-17	-
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Pages 21-22 SR 2016-17	-

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DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
<b>MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>			
G4-DMA		We follow the principle of meritocracy and there is no difference in basic salary and remuneration of women to men compared at similar experience and employment grade.	-
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		-
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>			
G4-DMA		During the year, we have implemented Vendor Management Framework towards strengthening our vendor management systems. Sustainability related aspects shall be integrated into the vendor management system in subsequent years.	-
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria		-
<b>MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS</b>			
G4-DMA		Page 26 SR 2016-17	-
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Page 84 AR 2016-17	-

#### SUB-CATEGORY: HUMAN RIGHTS

#### MATERIAL ASPECT: INVESTMENT

G4-DMA		We have framed 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies enables us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		-

DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	We have a 'Policy on Human Rights' in place. Aspects of Human Rights are also covered under the 'Code of Conduct & Ethics'. All employees have to undergo mandatory e-learning module on the Code and confirm the acceptance of the Code. During the year we have imparted 2,574 hours of classroom based training on Code of Conduct & Ethics.	-
MATERIAL ASPECT: NON-DISCRIMINATION			
G4-DMA		Page 56 SR 2016-17	-
G4-HR3	Total number of incidents of discrimination and corrective actions taken	There have been no incidents of discrimination reported during the year.	-
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
G4-DMA		Page 57 SR 2016-17	-
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Our direct operations do not have significant risk of violation of the right to exercise freedom of association and collective bargaining.	-
MATERIAL ASPECT: CHILD LABOR			
G4-DMA		Page 57 SR 2016-17	-
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	During the year, we have implemented Vendor Management Framework towards strengthening our vendor management systems. Sustainability related aspects shall be integrated into the vendor management system in subsequent years.	-

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DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
<b>MATERIAL ASPECT: FORCED OR COMPULSORY LABOR</b>			
G4-DMA		During the year, we have implemented Vendor Management Framework towards strengthening our vendor management systems. Sustainability related aspects shall be integrated into the vendor management system in subsequent years.	-
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		-
<b>MATERIAL ASPECT: INDIGENOUS RIGHTS</b>			
G4-DMA		Our direct operations have no reported incidents of violations involving rights of indigenous peoples. We have framed 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies enables us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		-
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>			
G4-DMA		We have initiated vendor risk assessment as part of vendor Management Framework Human Rights aspects are interrogated in this risk assessment.	-
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		-
<b>MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>			
G4-DMA		Nil for direct operations.	-
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		-



DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
<b>SUB-CATEGORY: SOCIETY</b>			
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>			
G4-DMA		Page 67 SR 2016-17	-
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Pages 67-68 SR 2016-17	-
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Our direct operations do not have significant actual and potential negative impacts on local communities.	-
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>			
G4-DMA		Pages 25-26 SR 2016-17	-
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	All the operations of the Bank are covered through 'Code of Conduct & Ethics' and 'Business Gift Policy' which address issues of bribery and corruption. We abide by RBI guidance on these topics and have also framed policies and procedures to counter risks related to fraud and money laundering.	-
G4-SO4	Communication and training on anti-corruption policies and procedures	Page 25 SR 2016-17	-
<b>MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR</b>			
G4-DMA		The Bank's Code of Conduct & Ethics, guides the Bank to conduct its operations in an ethical manner addressing the aspects of trade and competitions. Refer Page 25 SR 2016-17 for Bank's Code of Conduct & Ethics.	-
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Nil	-
<b>MATERIAL ASPECT: COMPLIANCE</b>			
G4-DMA		Page 27 SR 2016-17	-

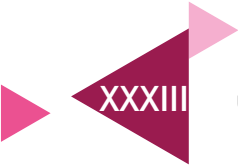
DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Pages 172-173 AR 2016-17	-
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>			
G4-DMA		Page 33 SR 2016-17;	-
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Page 34 SR 2016-17	-
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Pages 172-173 AR 2016-17	-
G4-PR5	Results of surveys measuring customer satisfaction	Page 41 SR 2016-17	-
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>			
G4-DMA		Page 38 SR 2016-17	-
G4-PR6	Sale of banned or disputed products	We do not sell products that are banned by relevant authorities. We are guided by the Negative Screening List of RBI in our lending activities to not finance/refinance certain banned sectors. Further, we have a Code of Right Sell and Product Suitability Matrix to guide us in selling appropriate products to customers based on their profile and needs.	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	During the year, there were no significant incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	-

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DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>			
G4-DMA		Page 38 SR 2016-17	-
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Page 38 SR 2016-17	-
<b>MATERIAL ASPECT: COMPLIANCE</b>			
G4-DMA			-
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Pages 172-173 AR 2016-17	-
<b>SUB-CATEGORY: FINANCIAL SERVICES SECTOR SUPPLEMENT</b>			
FS-DMA	Policies with specific environmental and social components applied to business lines	We have framed 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies enables us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards. During the year, 16 proposals were screened under SLPP. During the year, 169 credit officers from different regions were trained on SLPP	-
FS-DMA	Procedures for assessing and screening environmental and social risks in business lines		-
FS-DMA	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions		-
FS-DMA	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		-
FS-DMA	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities		-
FS-6	Percentage of the portfolio for business lines by specific region, size (e.g. Micro/SME/Large) and by sector		Pages 152, 153, 155, 260 AR 2016-17
FS-7	Monetary value of products and services designed to deliver A specific social benefit for each business line broken down by purpose	Pages 30, 31, 42-45 SR 2016-17	-
FS-8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Pages 30, 31, 59-62 SR 2016-17	-

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DMA and Indicators	Disclosure item description	Page / Reference	Omission(s) identified and Explanation
FS-DMA	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	We have framed 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies enables us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards. 16 proposals were screened under SLPP.	-
FS-10	Percentage and number of companies held in the institution's Portfolio with which the reporting organization has interacted on environmental or social issues		-
FS-11	Percentage of assets subject to positive and negative Environmental or social screening		-
FS-13	Access points in low-populated or economically disadvantaged areas by type	Pages 42-45 SR 2016-17	-
FS-14	Initiatives to improve access to financial services for disadvantaged people	Pages 42-45 SR 2016-17	-
FS-DMA	Policies for the fair design and sale of financial products and services	Pages 25, 37-39 SR 2016-17	-
FS-DMA	Initiatives to enhance financial literacy by type of beneficiary	Page 45 SR 2016-17	-



## UNITED NATIONS GLOBAL COMPACT (UNGC) PRINCIPLES MAPPING

UNGC Principles	Statement	Reference	Explanation
<b>HUMAN RIGHTS</b>			
Principle-1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Page 56 SR 2016-17	
Principle-2	Make sure that they are not complicit in human rights abuses.	Page 56 SR 2016-17	
<b>LABOUR</b>			
Principle-3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Page 57 SR 2016-17	
Principle-4	The elimination of all forms of forced and compulsory labour;	Page 57 SR 2016-17	
Principle-5	The effective abolition of child labour; and	Page 57 SR 2016-17	
Principle-6	The elimination of discrimination in respect of employment and occupation.	Page 57 SR 2016-17	
<b>ENVIRONMENT</b>			
Principle-7	Businesses should support a precautionary approach to environmental challenges;	Pages 59-65 SR 2016-17	
Principle-8	Undertake initiatives to promote greater environmental responsibility; and	Pages 59-65 SR 2016-17	
Principle-9	Encourage the development and diffusion of environmentally friendly technologies.	Pages 59-65 SR 2016-17	
<b>ANTI-CORRUPTION</b>			
Principle-10	Businesses should work against corruption in all its forms, including extortion and bribery.	Pages 25-28 SR 2016-17	

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