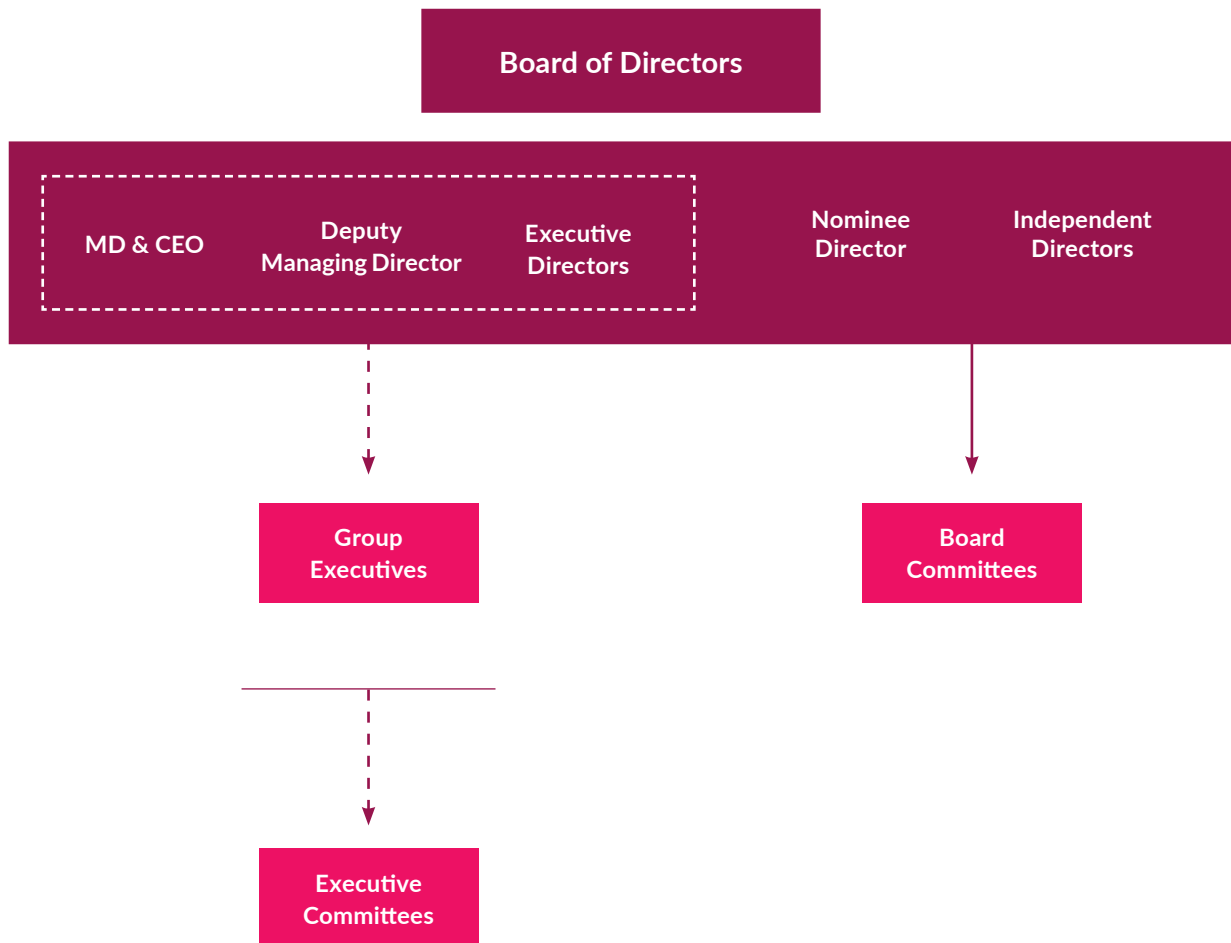


FOSTERING STRONGER CORPORATE GOVERNANCE

# Furthering Transparency and Accountability

*We abide by exemplary standards of corporate governance and best practices. Our primary objective is to uphold the long-term interests of our shareholders through robust policy frameworks and prudent risk management practices.*



Note: The details of the committees are provided on the next page.



4 1

### Audit Committee of the Board

Monitoring audits, internal systems, compliance, related party transactions, financial reporting, and engaging with the Group Chief Compliance Officer and Group Chief Audit Executive

3 2

### Risk Management Committee

Guiding risk strategy, overseeing risk appetite, ensuring robust risk management policies, monitoring risk categories, and reviewing cybersecurity measures and CRO appointment

2 2

### Stakeholders Relationship Committee

Addressing grievances of security holders, review of complaints, adherence to service standards, and measures to reduce unclaimed dividends

3 1

### Nomination and Remuneration Committee

Evaluating talent management, setting performance benchmarks, reviewing remuneration policies, recommending Board composition changes, and overseeing HR strategy

3 2

### Special Committee of the Board of Directors for Monitoring of Large Value Frauds

Monitor and oversee effective investigation of fraud cases exceeding ₹10 million, fix systemic gaps, ensure examination of staff accountability, and review reporting to the regulatory bodies

2 3

### Customer Service Committee

Supervise functioning of customer sub-committees, address complaints, approve policies, monitor regulatory compliance, and review initiatives for enhanced customer experience

3 1

### Committee of Directors

Provide approval for loans as per the limits, review credit policy, exposures, settlements, treasury investments, and business proposals across departments

3 2

### IT and Digital Strategy Committee

Approve IT strategy, review cyber incidents, ensure alignment of IT strategy with business, assess IT and cybersecurity risks, oversee IT operations, and evaluate digital banking progress

3 2

### Corporate Social Responsibility Committee

Formulate and recommend CSR strategy, themes, and review mechanisms, approve CSR projects, allocate funds, and ensure alignment with the Bank's social and environmental activities

2 3 1

### Review Committee

Review and confirm orders identifying willful defaulters and non-cooperative borrowers, ensure information submission to CRILC

3 2

### Acquisitions, Divestments and Mergers Committee

Consider proposals relating to mergers, acquisitions, strategic investments, and divestments and recommend/approve them

2 1

### Environmental, Social and Governance Committee

Guide in setting ESG strategy, highlight material ESG topics, review ESG policies for regulatory compliance, and advise on adopting ESG performance metrics and targets

4

### Committee of Whole-Time Directors

Review and approve routine administrative matters such as issuance of power of attorney, allotment of securities, and such other matters as may be delegated to it by the Board or Board Committee

■ No. of Independent Directors

■ No. of Directors other than Independent Directors

## Board Expertise

Our Board comprises accomplished professionals with extensive expertise spanning various fields crucial to our industry. With a customer-centric focus and a commitment to ethical practices, our Board excels in crisis management and innovation,

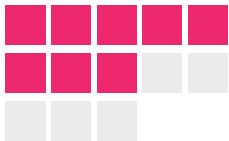
enabling us to navigate challenges effectively and embrace cutting-edge technologies. The diverse skill set of our Directors is invaluable, particularly given the sector's unique complexities, regulatory environment, and rigorous risk management requirements.



## Board Skills and Experience\*

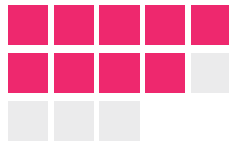
(No. of Directors with experience)

Risk Management



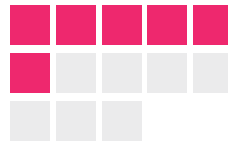
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Business Management



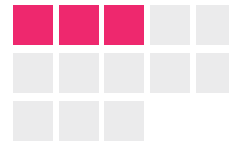
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Accountancy



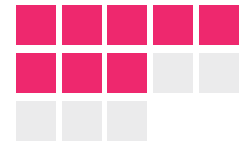
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Economics



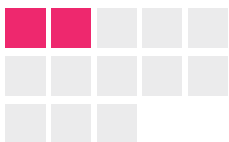
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Banking



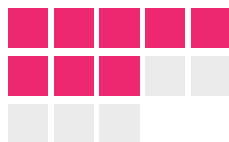
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Co-operation



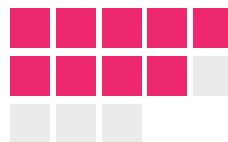
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Information Technology



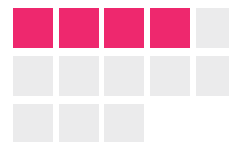
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Human Resources



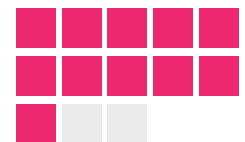
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Agriculture and Rural Economy



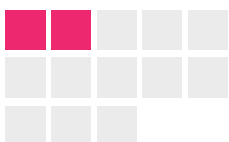
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Finance



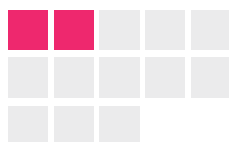
11

Small Scale Industry



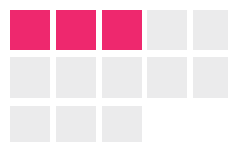
2

Law



2

Payment and Settlement Systems



3

\*as per Banking Regulation Act



## Policies and Frameworks

### Code of Conduct

Our Code of Conduct and Ethics reflects our unwavering dedication to ethical conduct and integrity, reinforced by our core Values. It outlines the expected behaviour of all employees to ensure ethical decision-making in their roles. Additionally, it stresses compliance with regulatory standards and establishes procedures for detecting and reporting ethical violations. New hires must acknowledge the Code, while existing staff reaffirm it annually.

### Tax Policy

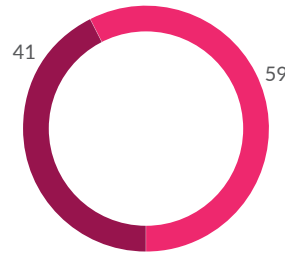
This policy ensures Axis Bank's responsible handling of tax affairs, compliance with laws, and disclosure obligations, incorporating international standards like OECD guidelines. It strategically aligns tax management with the commercial approach to uphold long-term shareholder value and a reputable taxpayer image.

### Whistleblower and Vigil Mechanism

We uphold a strict zero-tolerance policy for breaches of our Code of Conduct and Ethics. Our Whistleblower Policy and surveillance mechanisms encourage reporting of any illegal, unethical, or inappropriate conduct by employees, ensuring anonymity and protection against retaliation. Protected Disclosures/Complaints can be reported anonymously through our dedicated web-based platform, with the option to escalate concerns regarding senior management directly to the Chairperson of the Audit Committee. In fiscal 2024, 494 incidents were reported under the Whistle Blower Policy.

### Whistle Blower Complaints

(%)



- Specific complaints
- Anonymous complaints

### Anti-corruption and Anti-bribery

The Bank's Vigilance Function operates under a Board-approved Internal Vigilance Policy, delineating its framework and the Chief of Internal Vigilance's (CIV) responsibilities. The CIV assists in policy formulation, cultivates a preventive vigilance ethos, and submits requisite reports to the Board's Audit Committee. Initiatives include annual vigilance declarations by staff, a Vigilance Awareness Week, and an online Anti-Bribery and Anti-Corruption Policy. Training modules and agreements with service providers reinforce vigilance standards.

### Number of Cases Addressed in Fiscal 2024



- Vigilance confirmed
- Vigilance pending

Number of cases where Disciplinary Action taken against officers charged for Vigilance and Non Vigilance issues: 172

### Conflict of Interest Policy

Our Conflict of Interest Policy aims to identify, prevent, and manage conflicts between employees and stakeholders. Employees are advised to avoid business with relatives, prioritise the Bank's interests, and report conflicts to the Ethics Department.

### Human Rights

As a company, we are dedicated to upholding globally acknowledged human rights principles and standards. We establish systems and procedures to prevent human rights violations in all aspects of our operations. Our approach is guided by the Human Rights Policy, which aligns with prominent international human rights frameworks set forth by the UN, ILO, and OECD.

### Staff Accountability

We have devised a framework for holding employees accountable for breaching Bank policies, including the Code of Conduct and Ethics, Prevention of Sexual Harassment, Conflict of Interest, and Anti-Bribery and Corruption Policies. Severity is assessed by relevant committees, with penalties imposed in accordance with the Bank's Code of Conduct and Ethics Policy.

### Information Technology and Cyber Security Policy

The Bank prioritises data security, investing in robust capabilities and adhering to stringent cyber security policies aligned with industry best practices and regulations. Executive oversight, through the Information System Security Committee, ensures regular assessment and validation of controls against cyber threats aligning with ISO 27001 and PCI DSS standards.

All employees received cyber security training, with additional workshops conducted for 1,000+ mid and senior managers.

**800+/900**

BitSight Rating

No customers experienced any impact from a data breach, and no fines or penalties were incurred in connection with cyber security incidents in fiscal 2024.

### Customer Privacy and Data Security

We fortified our customer privacy trust framework in preparation for emerging regulations like the Data Protection Bill in India. The update to our Privacy Policy incorporates crucial elements of data privacy and security within our framework.

### Measures to Strengthen Customer Privacy and Data Security

Conducted comprehensive assessments to identify and mitigate data privacy risks.

Introduced privacy assessments for vendors during onboarding to minimise data processing risks.

Provided live training sessions for 200+ employees and 20 vendor organisations on personal data protection and risk management.

Organised 'Privacy Week' with Bank-wide contests, receiving 400+ participatory responses.

Axis Bank prioritises customer privacy and innovation in banking, addressing all privacy-related concerns promptly. No privacy complaints were received in fiscal 2024. Customers can use a dedicated email for requests such as 'request to forget' and 'data subject access requests', monitored daily. The Privacy Policy enhances customer awareness and complies with regulatory norms.



Detailed information on all our policies, including the ones mentioned above can be accessed on our website at <https://www.axisbank.com/shareholders-corner/corporate-governance>

## Subsidiary Governance

Axis Bank oversees its subsidiaries to ensure they adhere to corporate governance principles. The Bank is committed towards continuously improving internal controls and overseeing its subsidiaries as a Financial Conglomerate (FC).

To ensure the alignment of governance practices at the Group (Axis Bank and its subsidiaries) level and to positively engage the Group, the Bank has

established a Subsidiary Management Committee (SMC). This committee also helps implement the 'One Axis' theme by sharing uniform practices and building synergies between Group entities. The Bank continues to undertake several initiatives to strengthen the Governance Framework under the supervision of the SMC. The framework also helps align key functions within

the organisation, such as Risk, Compliance, Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing, and Secretarial Practices.



Further details of above policies can be found at: <https://www.axisbank.com/shareholders-corner/corporate-governance>

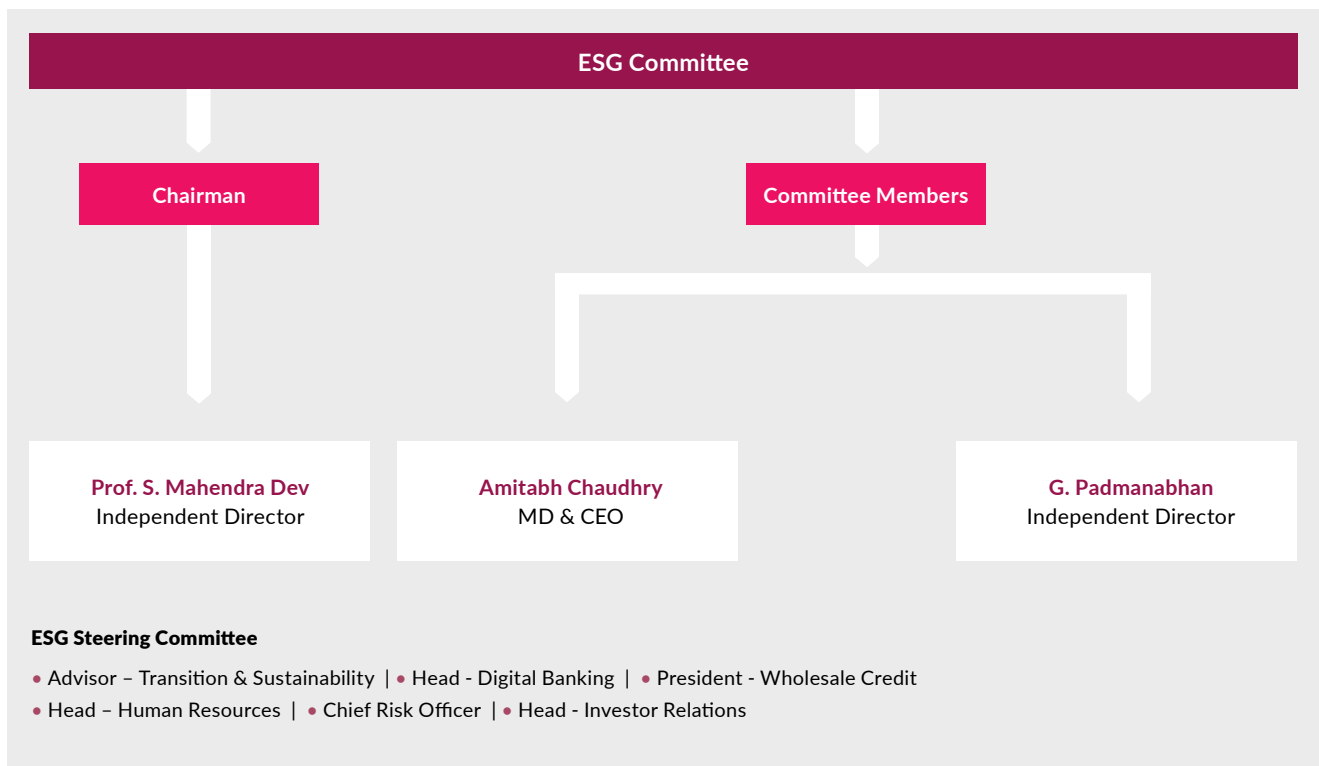


## ESG Governance

While the Bank’s leadership has overseen its ESG strategy for over a decade, the formal inclusion of the strategy in the CSR Committee’s Charter was carried out in fiscal 2021. Additionally, an ESG Steering Committee was established at the

management level. In fiscal 2022, we adopted a purpose statement – ‘Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet’ – leading to the formation of the first standalone ESG Committee in

the Indian banking sector. To address specific ESG themes, management-level groups, such as the ESG Working Group for Sustainable Financing and the Diversity, Equity & Inclusion (DEI) Council were established.



Pioneering sustainability in the Indian banking sector, we have ingrained ESG principles at every level of the organisation. Together with establishing the country’s first

dedicated Board-level ESG Committee in the banking sector in 2021, we introduced the Sustainable Financing Framework, securing the first-ever Second Party Opinion. Continuously

recognised for our commitment, Axis Bank is the sole Indian bank featured in the FTSE4Good Emerging Index for six consecutive years.

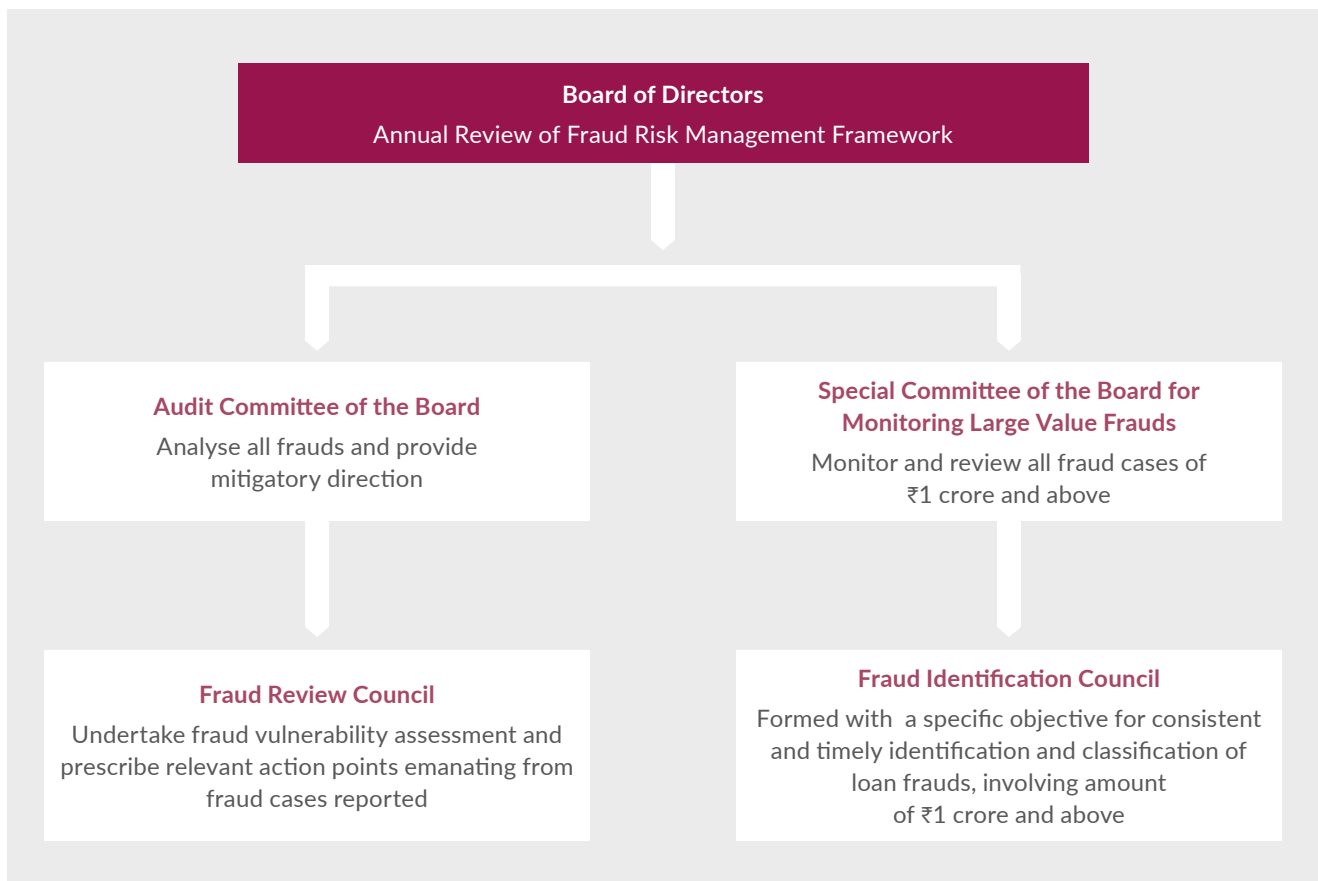
## Fraud Risk Management and Reporting

We have been expanding our reach, customer base, and product offerings together with the increased adoption of digitalisation, which has increased digital transactions but also introduced complexities in the banking environment. While ensuring the integrity of our ecosystem is paramount, we urge customers to

stay vigilant against fraudsters and heed RBI/bank advisories. Fraud detection and mitigation are top priorities, overseen by our Board of Directors. Our comprehensive framework focuses on deterrence, prevention, detection, investigation, staff accountability, recovery, and reporting, with independent oversight

on Fraud Risk. We continuously strengthen the Bank's prevention and detection measures, analyse incidents to implement control measures, and enhance transaction monitoring to mitigate fraud risks. The framework also helps us identify vulnerabilities and address gaps proactively.

### Governance Framework for Fraud Risk Management



## Fraud Awareness

The Bank is committed to raising awareness among customers and employees on safe banking practices in the age of digital payments. In this connection, there were several initiatives carried out in fiscal 2024 which are enumerated below:

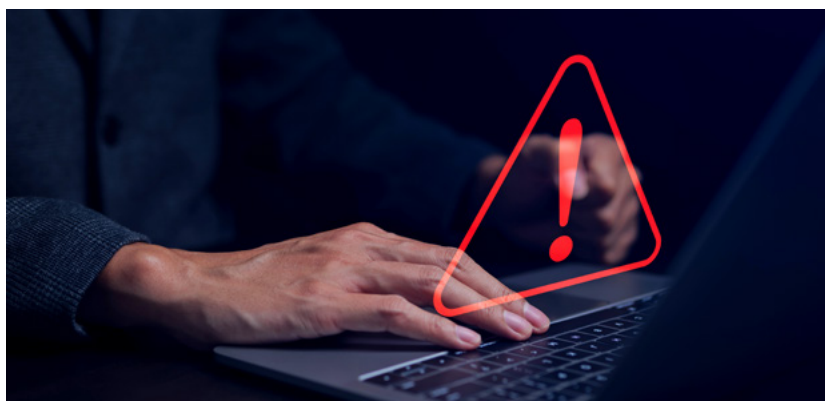
- » 'Safe Banking Awareness' messages via SMS and emails to our customers
- » Fraud awareness campaign on recent frauds and safeguarding measures through emails, SMS, website banners, mobile app push alerts and all social media platforms to our customers
- » 'Muh Pe Taala' safety video on branch LED screens to reinforce safe banking practices
- » Customer Education & Awareness section available under support section of our website providing safety tips to help individuals safeguard themselves against digital frauds
- » Fraud awareness campaigns using EDMs, screensavers, the One Axis app, and Digi Wall at the Corporate office educate employees on recent fraud methods and safeguards, empowering them to teach customers safe banking habits
- » A webcast was conducted featuring our Chief Information Security Officer (CISO) addressing our employees on 'Phishing' and 'Cyber

Security Awareness' to enhance their understanding on cyber security measures

- » Employee awareness campaigns via email & SMS were run through 'Sparsh initiative' on 'Understanding Digital Banking', 'Digital Banking Frauds' and 'Let us combat frauds in Digital Banking'
- » Fraud Awareness Week campaign was run in November 2023 as mentioned below:
  - for all employees where personalized messages from senior Bank officials were disseminated, emails on recent frauds and safeguarding measures were sent and screensavers on laptop / desktop, One Axis app, LED screens at branches, Digi Wall at Corporate Office were deployed reinforcing the importance of fraud prevention among our work force

- for customers on recent frauds and safeguarding measures through emails, SMS, website banners, mobile app push alerts, web blog and all social media platforms

In addition, the Bank collaborates with law enforcement agencies in conducting workshops and training sessions to train them on banking products and services and associated frauds which aid in combating fraud effectively. There is also a healthy engagement with leading payment networks, such as VISA, Master Card and NPCI to imbibe best practices and stay tuned to the dynamic market trends. These fraud awareness initiatives are aimed at making customers aware and fostering their confidence to transact in a safe and secure manner.



## Combating Financing of Terrorism (CFT)

The Prevention of Money Laundering Act, 2002 (PMLA), enforced by the Government of India since July 1, 2005, is a pivotal legislation aimed at thwarting money laundering and terrorism financing. With clear definitions and guidelines, the Act

steers the Bank's strategies for Anti-Money Laundering (AML) and counter-financing of terrorism efforts. The Bank's approach to Anti-Money Laundering, Combating Financing of Terrorism and Know Your Customer (KYC) can be accessed in its AML Statement.

The Statement includes the Standards adopted by the Bank, the AML governance structure, and internal capacity-building and control measures.