



SUSTAINABILITY REPORT 2014-2015

Progress on...  **AXIS BANK**

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SUSTAINABILITY HIGHLIGHTS



2,443

tCO₂e

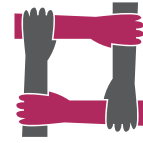
estimated annualised emissions reduction in 2014-15



₹ 1.23

billion

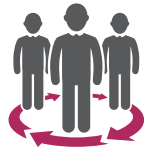
spends on Corporate Social Responsibility initiatives in 2014-15



0.5

million

cumulative beneficiaries of Axis Bank Foundation programs



8.9

million

financial inclusion customer base



12.56

percentage

increase in savings account customers over last year



1.76

million

overall Axis Mobile Banking registrations



3.02

million

overall Axis Internet Banking netsecure registrations

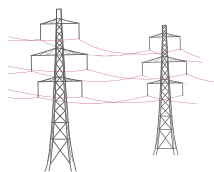


₹ 4.92

billion

micro-loans disbursed to women

SUSTAINABILITY HIGHLIGHTS



₹ **656**
billion

credit exposure to
vital growth sectors –
Infrastructure and
Power Industry



₹ **556**
billion

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



₹ **36.68**
billion

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



₹ **9.72**
billion

Government to Consumer
(G2C) payments facilitated



18.34
percentage

increase in Net Profit
over previous year



15.00
percentage

increase in Dividend Per
Share over last year



42,230
employees

for 2014-15



211,718
person-hours

of employee training
imparted in 2014-15



Message from the Managing Director & Chief Executive Officer

I am pleased to share with you the Bank's first Sustainability Report. Today while technology and connectivity are rapidly creating new, exciting opportunities for people across nations, issues such as poverty, inequality and climate change are posing challenges at a global level. The role of business – especially financial institutions - to be a part of the solution to some of these economic, environmental and social challenges has never been more relevant than today. As a Bank we acknowledge our role and responsibility in supporting economic growth, environmental sustainability and community development. During the year we undertook an exercise to prioritise material sustainability topics for the Bank and chalked out a Sustainability Framework that is underpinned by our vision to create long-term stakeholder value. The Sustainability Framework is stakeholder centric, addressing –

Customers, Shareholders & Investors, People, Environment and Communities.

Customer Centricity is at the core of our values and business strategy. Our philosophy has been to always provide the right products, solutions and experience to our customers. We have a national presence in India and a comprehensive suite of products and services catering to all sections of society - from affluent HNIs to underserved rural populace, from large corporates and Governments to small and micro businesses. Customer engagement for us is now underpinned by a single view of each customer, the use of data and analytics to gain deeper insight into customers' needs, and employing processes and systems to treat customers fairly and transparently. We have embraced technology with a view to simplifying banking and enhancing customer experience.

While the global economic environment continued to be volatile, the investor sentiment and business confidence in India has improved owing to several encouraging developments, even as the economic environment remained challenging. We are committed to supporting the vital sectors of growth while adopting prudent

and cautious approach. Notwithstanding such external economic environment, we fared well in our financial performance for the year owing to our strategies for diversifying the business mix, upgrading product and process capabilities and putting in place robust risk management frameworks.

Our people practices are based on principles of meritocracy, ethics and transparency. During the year, we grew to 42,230 committed employees. We strive to provide an exciting work environment to enable our young workforce achieve their potential while taking the Bank to greater heights. We continue to invest in talent management and leadership development to ensure that we have the right people for the right job across levels. There is zero tolerance for discrimination and harassment at workplace. We have institutionalised policies and procedures to that effect in the Bank.

We are aware of our role in ensuring environmental sustainability. By next year we propose to frame and implement 'Sustainable Lending Policy and Procedures' to assess environmental and social risks of our project finance and corporate loans. This will supplement our credit risk management framework. We also promote sustainable sectors such as renewable energy, clean tech, waste processing and mass rapid transportation through financing activities. On our own operations front, we have piloted the use of renewable energy in 25 of our locations during the year. We are looking to enhance energy efficiency through smart remote-managed energy control systems for our branches. Our corporate headquarters "Axis House" is a LEED Platinum certified building. Paper usage reduction in particular is targeted by leveraging digitisation of products, services and internal processes. The dry waste collected in Greater Mumbai region is recycled into notepads and other stationery, and e-waste is disposed through approved recyclers. All of these initiatives help us reduce our direct environmental impact and we will continue to explore more of such avenues. We have started measuring our carbon footprint and have reported to the CDP (earlier Carbon Disclosure Project) for the first time in 2014-15.

Through our products and services, we contribute to wider financial inclusion by enabling people to access formal banking channels. We are committed to the national priority of 'comprehensive financial inclusion' and have strived to create awareness among communities through financial literacy efforts. Support is provided to sectors such as agriculture and MSMEs through priority sector lending as well as

a few non-financial services. Women entrepreneurs are provided with micro-credit to help them improve their livelihood through our Microfinance activities. With rapid growth of our business in the mid-2000s, (we are a 21 years old Bank) a compelling need was felt to extend the business beyond banking. In 2006, we formed Axis Bank Foundation, a public trust, to align and implement our CSR work with 1% of our annual profit. In 2010, the Foundation decided to streamline all programmes under the broader goal of providing 'Sustainable Livelihood' to the socio-economically weaker and underprivileged sections of the society. This was also in alignment with the UN Millennium Development Goals of eradication of extreme poverty and hunger, promotion of gender equality and empowerment of women and ensuring environment sustainability. The livelihood program has different verticals like agricultural sector (farm and non-farm interventions), skill development, inclusive education. Foundation projects have benefitted a total of 0.59 million beneficiaries as on 31st March 2015, out of which 0.43 million are female beneficiaries, providing them dignified and sustainable livelihoods. We are immensely proud of the work done by our Foundation, but we also realise that we must continue to reflect on new opportunities, evolving stakeholder needs and the social challenges of our communities and work towards creating shared value.

We have embarked on the sustainable development journey but we know we can do more. We will continue to be responsive to emerging societal trends and environmental issues and deliver consistently on our brand promise of "progress" for all our stakeholders. We shall share information about our sustainability programs and performance through our annual Sustainability Reports. I would like to thank our stakeholders for the support rendered to the Bank and also ask you to share your thoughts on our performance and your ideas on how we can progress in this journey.

Shikha Sharma

Managing Director &
Chief Executive Officer

The level of empowerment of women is closely linked to gender roles that are defined at the individual, household and societal level. Axis Bank Foundation (ABF) has been working towards women empowerment through focused programs at multiple locations in India with the theme of creating sustainable livelihoods. ABF programs have benefitted close to 0.43 million women through skills and knowledge that have not only helped them enhance their livelihood but also contributed to improvement in women empowerment levels.



About Axis Bank

Axis Bank is the third largest private sector bank in India offering a comprehensive spectrum of financial services. Our offerings cover a wide range of customer segments including 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.

Values



Customer Centricity



Ethics



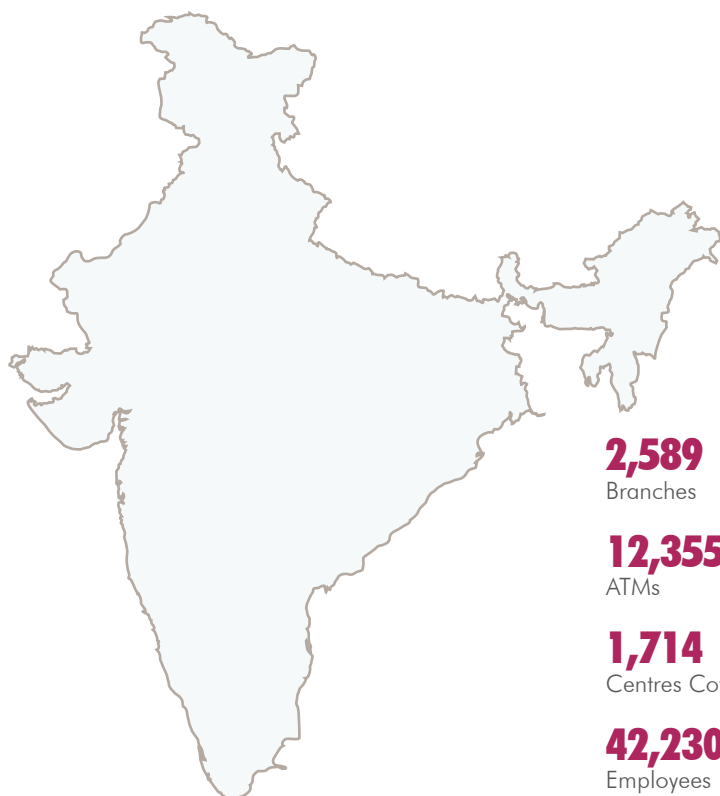
Transparency



Teamwork



Ownership



INTERNATIONAL PRESENCE



London, UK



Singapore



Shanghai,
Hong Kong



Dubai, Abu
Dhabi, DFIC



Colombo

Data as on 31st March, 2015



Know more about us

Business segments

Retail Banking



End-to-end retail banking services:

- Deposits
- Loans
- Investments
- Payment Solutions

- 14.94 million Savings Account customers*
- ₹ 883 billion Savings Bank deposits*
- ₹ 1,119 billion Retail Loans portfolio*
- 0.55 million Insurance Policies sold[#]
- 0.22 million Online Trading Accounts opened[#]
- US\$ 1.66 billion Outward Retail Remittance and US\$ 6.2 billion Inward Retail Remittance[#]

Corporate Credit



Composite credit facilities:

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

- ₹ 1,262 billion Corporate Credit portfolio*

Treasury



Integrated Treasury business:

- Asset Liability Management
- Global Markets
- Investments
- Trade Finance
- Debt Capital Markets

- ₹ 1,784 billion bonds and debentures arranged for various PSUs and corporates[#]

Business Banking



Payments and transaction banking solutions:

- Corporates
- SMEs
- Financial Institutions
- Government segments
- Small business customers

- 1.69 million current account customers*
- ₹ 561 billion current account deposit base*
- ₹ 31,313 billion transactions processed under cash management services[#]
- ₹ 1,135 billion Government business throughput[#]
- ₹ 133 billion assets under custodial services*

SME Business



Robust SME support:

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

- ₹ 430 billion SME advances*
- ₹ 23 billion non-retail agriculture loans*

* as on 31st March, 2015

[#] during the year 2014-15

Awards & Accolades

2014-15

BANK OF THE YEAR – INDIA

The Banker Awards, 2014



MOST TRUSTED PRIVATE SECTOR BANK (second year in a row)

Brand Equity,
Economic Times, 2014

ASIA'S FAB50 COMPANIES (fourth year in a row)

Forbes Asia, 2014

OUTSTANDING CORPORATE FOUNDATION – AXIS BANK FOUNDATION

Forbes India,
Philanthropy Awards, 2014

BEST BANK AWARD FOR IT FOR BUSINESS INNOVATION AMONGST LARGE BANKS

IDRBT Banking
Technology Awards, 2014

BEST BANK FOR ASIAN CURRENCIES

Euromoney FX Survey, 2014

BEST HR SYSTEM PROJECT

The Asian Banker Technology
Implementation Awards, 2015

BEST DOMESTIC BANK IN INDIA

Asiamoney Best Banks, 2014

EXCELLENCE IN FINANCIAL REPORTING IN THE PRIVATE SECTOR BANKS CATEGORY

ICAI Awards, 2014

BEST PERFORMING PRIVATE BANK

UTI MF & CNBC TV18
Financial Advisor Awards, 2014

BEST PAYMENT INITIATIVES – PRIVATE SECTOR BANKS

IBA Banking Technology
Awards, 2015

THE COMPLIANCE RISK TECH- NOLOGY IMPLEMENTATION OF THE YEAR

The Asian Banker Risk
Management Awards, 2015

BEST DEBT CAPITAL MARKET HOUSE

FinanceAsia Country
Awards, 2014

BEST CORPORATE PAYMENT PROJECT

The Asian Banker Technology
Implementation Awards, 2015

SUPERBRANDS 2014-15

About the report

This is the first sustainability report of Axis Bank Limited, covering the reporting period 2014-15. The report is prepared using Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and is 'in accordance' with G4 'core' reporting option. KPMG was engaged to provide external assurance and the report is also aligned to United Nations Global Compact (UNGC) Principles. Our reporting approach is based

on providing transparent and relevant information on the 'material aspects' that are of significance to both us and our stakeholders. Approach to materiality and stakeholder engagement is reported in subsequent sections. The reporting boundary is primarily limited to Indian operations of Axis Bank Limited and Axis Bank Foundation (ABF). As we mature in our reporting journey, efforts will be made to expand the

reporting boundary to include subsidiaries, associate companies and significant value chain partners. Relevant disclosures are made across the report to indicate the reporting boundary for performance and information presented.

We value constructive feedback that will enable us to better our reporting efforts. Please send in your comments and feedback to sustainability@axisbank.com.

Additional resources

axisbank.com



Axis Bank Annual Report 2014-15



Axis Bank Business Responsibility Report 2014-15



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.

We engage with myriad stakeholders through formal and informal channels to understand their evolving expectations and preferences. Stakeholder feedback is a vital input to our vision and strategy. During the year, Axis Bank Foundation has conducted Partners' Meet-cum-Workshop on 'Grant Management Framework of Axis Bank Foundation' to engage and seek feedback/suggestions from its partner NGOs. 34 NGO partners have attended the workshop and provided key inputs. The outcome of this consultative process resulted in roll out of Grant Management guidelines and manual.



Axis Bank Foundation's NGO partners attending the 'Partner Training Workshop on Grant Management Framework of Axis Bank Foundation' held at the Bank's Corporate headquarters in Mumbai.

SUSTAINABILITY @ AXIS BANK

Sustainability is an integral part of our ethos. We believe in creating enduring value for all our stakeholders while contributing to environmental sustainability and societal development.



Stakeholder Engagement





Stakeholder relationships are of the utmost priority at the Bank. Our vision and strategy is shaped by evolving stakeholder preferences and requirements. Over the years, we have developed various formal and informal engagement mechanisms to provide active communication pathways and channels. These aid our stakeholders to find a forum to express their expectations and concerns.

The channels of communication are customised for each individual stakeholder group based on considerations like individual stakeholder profiling and ease of engagement. They are also supplemented by a host of initiatives to proactively assess

the feedback at multiple levels within the Bank. The analysis delivers actionable insights and differentiated understanding, helping us to devise a more streamlined and concentrated strategy, products bouquet and process framework geared to

meet stakeholder expectations. The stakeholder engagement map presented below provides an overview of our continual efforts towards proactively engaging with key stakeholder groups:

Stakeholder group	Mode of engagement	Engagement frequency	Key engagement topics	Performance figures 2014-15
 Customers	One to one meetings, group meetings, surveys, e-mails, seminars, interaction programs, website, blogs and social media, grievance redressal mechanism.	Ongoing	Feedback on products and services, financial literacy, customer satisfaction, product development and design, brand communication, grievance redressal.	<ul style="list-style-type: none"> • 405 million page views for www.axisbank.com with 44 million unique visitors • 3 million facebook fans, 75 thousand followers on Twitter and 80 thousand followers on LinkedIn • 35% of customer query resolution within 24 hours • 14,924 'Let's Talk' customer meetings conducted at branches
 Employees	One-to-one meetings, group meetings, intranet, e-mails, training programs, leadership development programs, performance discussion, rewards and recognition programs, collaborative projects, satisfaction surveys, Town hall and Open House discussions, grievance redressal mechanism.	Ongoing	The Bank's vision and values, ethics and compliance, risk management, product design, market practices, competency building, safety and security, health and wellbeing, work-life balance, employee benefits, employee engagement activities, grievance redressal.	<ul style="list-style-type: none"> • 85% employee participation in follow-up survey of Axis Voices Dil Se 2013 • 45 Champions felicitated at 'Annual Axis Champions Awards Nite' • 85,706 employee queries resolved through 'H-Response' employee service portal • 2,367 ideas put forward by employees under 'Axis Bank Best Idea'(ABBI) initiative

Stakeholder group	Mode of engagement	Engagement frequency	Key engagement topics	Performance figures 2014-15
 <p>Regulators</p>	One-to-one meetings, group meetings, e-mails, letters.	Ongoing	Compliance, policy matters, risk management in terms of compliance to regulatory and voluntary guidelines, regulatory filings and reports, industry perspectives, collaboration for Government initiatives.	<ul style="list-style-type: none"> Regular coordination with Reserve Bank of India (RBI) and participation in RBI constituted committees
 <p>Shareholders and Investors</p>	Roadshows, investor meets, Annual General Meetings, website, e-mails, annual reports, investor grievance mechanism, earnings calls	Ongoing	Financial results, business strategies, shareholder returns, investor grievance redressal	<ul style="list-style-type: none"> 431 shareholder queries received and resolved 290 shareholder attendees at 20th Annual General Meeting 878 investors/analysts meetings/conference calls held
 <p>Communities</p>	One-to-one meetings, group meetings, focused group discussion, letters, e-mails, trainings/workshops, partner satisfaction surveys, programmatic reporting, website, blogs and social media.	Ongoing and need based	Community development initiatives, financial inclusion and literacy, program management activities, collaboration for Government schemes, capacity building of NGOs, cross-sharing of innovative program interventions, cross-interactions between customers and NGOs.	<ul style="list-style-type: none"> 5,92,327 beneficiaries of Axis Bank Foundation (ABF) programs since 2006 (inception) 36 NGO partners covered through 'Partner Satisfaction Survey' 34 NGO partners participated in 'Partners' Meet-cum-Workshop' for ABF Grant Management Framework More than 55,000 entries received for '#myideaofprogress' initiative 93,000 children participated in the Bank's annual painting competition – 'SPLASH' 364,216 page visits for financial literacy blog itsallaboutmoney.com More than 11,000 people participated in 'Swacch Bharat' (cleanliness and sanitation campaign) conducted by rural branches
 <p>Suppliers and Vendors</p>	One-to-one meetings, group meetings, e-mails, letters.	Need based	Techno-commercial negotiations; product/-service cost, quality, delivery; service escalations, compliance, labour wage payments, manpower deployment and training	<ul style="list-style-type: none"> 140 supplier auctions conducted through Strategic Sourcing Solution by Centralised Procurement Team

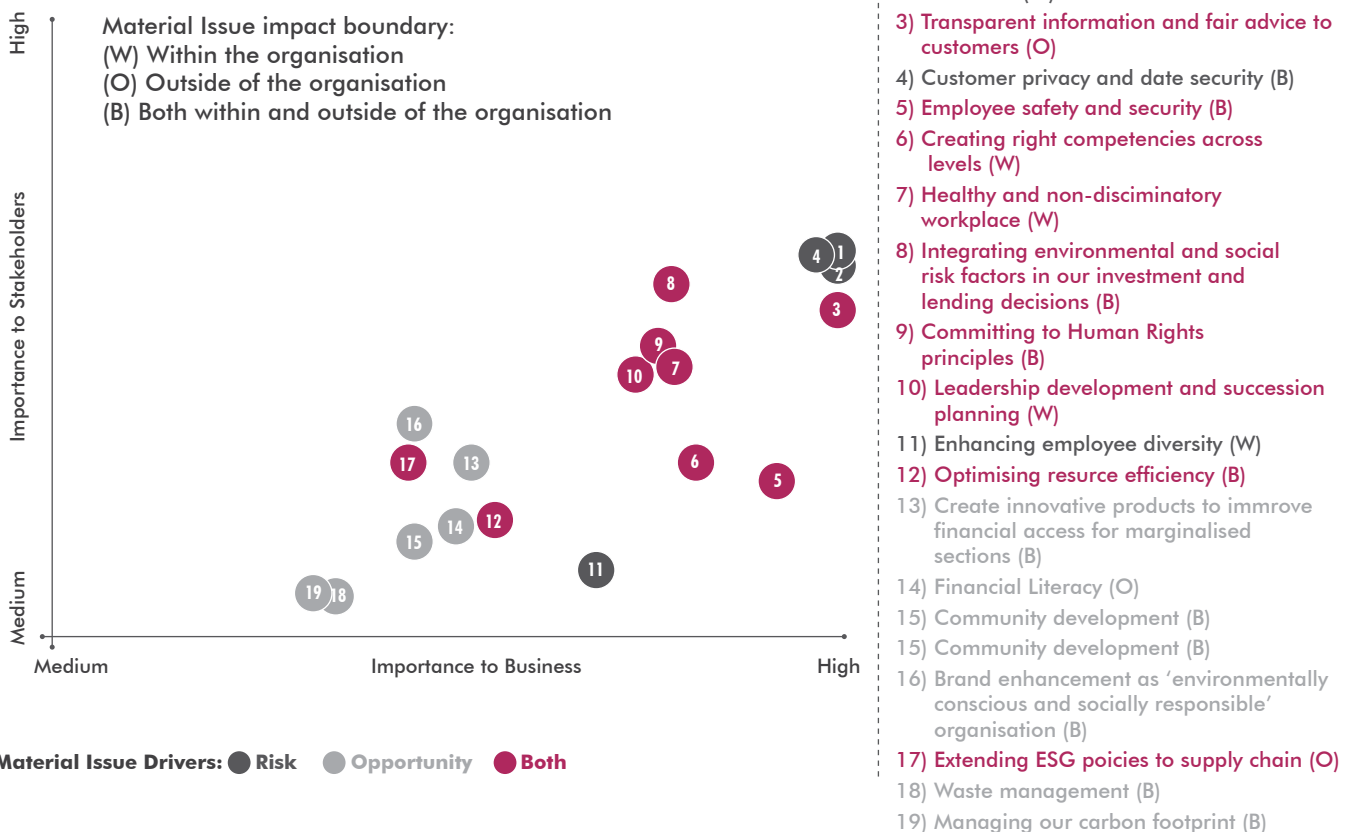
Materiality assessment

We have conducted a materiality assessment during the year to understand material sustainability topics that are of significance to both our business and stakeholders. The assessment sought inputs from senior management of the Bank through an analytical model to rate the relevant sustainability topics based on its significance to business and importance to stakeholders. The sustainability topics were identified based on our vision and strategy, international frameworks such as Global Reporting Initiative (GRI) aspects and Sustainability Accounting Standards Board (SASB) financial sector material topics, principles of National Voluntary Guidelines of Social, Environmental and Economic Responsibilities of Business (NVG-SEE), peer group reporting practices, industry thought

leaderships etc. Business drivers and growth opportunities along with an understanding of stakeholder expectations and concerns gathered from existing channels of communication were used by the senior management as key inputs to rate the topics. The assessment enabled us to draw a materiality matrix and assess the importance of these topics and served as key input for the Management Committee to develop the Bank's Sustainability Framework. As we continue to evolve in our sustainability journey, we further aim to strengthen our stakeholder engagement models to seek more specific feedback on relevant sustainability topics and comprehensively integrate the stakeholder engagement outcome with materiality assessment process.

Materiality matrix

This report attempts to address the material sustainability topics relevant to both the business and stakeholders. Certain material aspects were clubbed together to create a structured and cohesive Sustainability Framework.



Sustainability framework

Our Sustainability Framework is a stakeholder-centric framework, dovetailed into our long term vision and strategy.



CUSTOMERS

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



SHAREHOLDERS & PROVIDERS OF CAPITAL

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



PEOPLE

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



ENVIRONMENT

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



COMMUNITIES

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

Each pillar of the Sustainability Framework has clear objective statements and is reinforced by a plethora of initiatives. At the apex level, the Board's Committee of whole-time Directors oversees the sustainability agenda, while the Management Committee at the executive level reviews the implementation roadmap.



CUSTOMERS

Multi-channel delivery	Increase the reach and usage of digital channels for enabling superior customer experience and simplified banking solutions
Customised solutions	Develop a deeper understanding of the customer's banking needs through use of data and analytics, and bring customised, innovative products and programs that delight and engage them strongly with the Bank
Dependable technology	Ensure secure and streamlined processes, simplifying banking as well as ensuring customer safety and new technology deployment for superior customer experiences
Simplified processes	Make banking and money management easy across all behaviours and touch points



SHAREHOLDERS & PROVIDERS OF CAPITAL

Creation of economic value	Assess the economic value created and contributed by the Bank to shareholders and providers of capital
Engagement programs	Provide regular information, disclosures and timely updates, address concerns and create a platform for discussions with shareholders
Strategic vision on capital allocation	Ensure optimal utilisation of capital through capital allocation driven by Vision 2020 and Risk-adjusted Return on Capital (RAROC)
Governance and risk management	Ensure robust governance and risk management through policies and practices on transparency, accountability, ethics and risk control



PEOPLE

Committing to Human Rights principles	Integrate Human Rights principles into the workplace environment
Healthy and non-discriminatory workplace	Facilitate a workplace climate that espouses principles of fairness, meritocracy and non-discrimination
Leadership development and succession planning	Train and develop internal talent's knowledge, skills and leadership behaviours with a view to advance them into higher responsibilities or more challenging roles
Creating right competencies across levels	Extend functional, behavioural and leadership competencies for major roles in key business and support functions
Enhancing employee diversity	Enhance employee diversity by tapping alternate talent pools and plugging leakages in the pipeline through retention interventions, and working towards building a culture of inclusivity, that is based on fairness and meritocracy



ENVIRONMENT

Integrating environment and social factors into lending and investment decisions	Integrate environmental and social issues into risk analysis and decision making processes for corporate lending operations
Support transition to low carbon economy by increasing 'Environmental / Sustainable Financing'	Explore opportunities to increase financing in key sectors that promote low carbon economy
Managing our carbon footprint	Measure and manage the carbon footprint intensity [per Full-time Employee]
Optimising resource efficiency	Promote resource optimisation through internal operational efficiency and employee engagement / awareness
Waste management	Actively pursue waste management towards 'zero-waste' philosophy by adopting 3R (Reduce, Reuse, Recycle) principles



COMMUNITIES

Sustainable livelihoods

Create one million livelihoods

Financial literacy

Support progress of individuals and communities through financial awareness and literacy

Our Corporate Governance practices are aimed at guiding us in doing what is right for our stakeholders, underpinned by our values of ethics, transparency and ownership. The role of the Bank's Board of Directors is to provide effective guidance and oversight to the management so that it delivers enduring sustainable value, is fully compliant with extant laws and regulations, and consistently functions in an ethical and efficient manner.



CORPORATE GOVERNANCE

Corporate Governance is an integral part of our culture defined by values of ethics, transparency and ownership. We are committed to achieve the highest standards of corporate governance, and aspire to benchmark ourselves with international best practices in this regard.

Board Of Directors

The composition of the Board of Directors of the Bank is governed by the relevant provisions of the Companies Act, 2013, the Rules made thereunder, the Banking Regulation Act, 1949 and revised Clause 49 of the Listing Agreement relating to Corporate

Governance. Our Board has an optimum combination of executive and non-executive Directors. The Board presently comprises of 13 Directors and it provides diverse combination of professionalism, knowledge, expertise and experience as

required in the banking business. The Board has 7 Independent Directors constituting more than one-half of its total membership strength and three women Directors.



Sanjiv Misra: Chairman, Promoter - Nominee of SUUTI

Rohit Bhagat: Independent Director

Shikha Sharma: Managing Director & CEO

Usha Sangwan: Promoter - Nominee of the Life Insurance Corporation of India

K. N. Prithviraj: Promoter - Nominee of SUUTI

S. Vishvanathan: Independent Director

V. R. Kaundinya: Independent Director

V. Srinivasan: Executive Director & Head (Corporate Banking)

Prasad R. Menon: Independent Director

Sanjeev K. Gupta: Executive Director (Corporate Centre) & Chief Financial Officer

Samir K. Barua: Independent Director

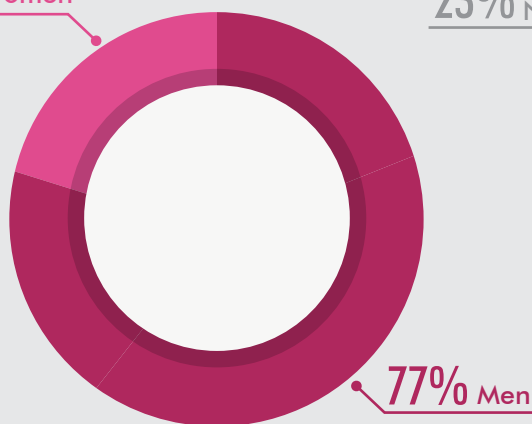
Som Mittal: Independent Director

Ireena Vittal: Independent Director

* Board of Directors as at 31st March, 2015

Board Diversity

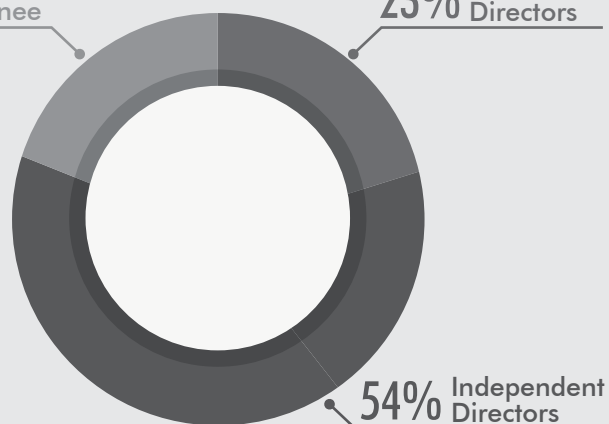
23% Women



Board Composition

23% Promoter Nominee

23% Executive Directors



The role of the Board is to provide effective guidance and direction to the management so that it may ensure enduring sustainable value creation, complete compliance with extant laws and regulations and consistently function in an ethical and efficient manner.

The duties and responsibilities of the Board are as stipulated by the Companies Act, 2013 and the Rules made thereunder, the Banking Regulation Act, 1949, the Memorandum and Articles of Association of the Bank, revised Clause 49 of the Listing Agreement and other applicable laws.

The responsibilities of the Board include overseeing the functioning of the Bank, monitoring legal, statutory compliance, internal controls and management of risks on the basis of information provided to it. The Board is responsible for approving the strategic direction, plans and priorities of the Bank, monitoring corporate performance against strategic business plans, including overseeing operating results on a regular basis to evaluate whether the business is being properly managed, overseeing the Bank's Corporate Governance framework and supervising the succession planning process of the Bank for its Managing Director & CEO and Whole-Time Directors etc.

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.

Selection and appointment of Directors

The Nomination and Remuneration Committee of the Board reviews the structure, size, composition, diversity of the Board, evaluation of existing skills, define gaps and make

necessary recommendations to the Board. The Board of the Bank is constituted in accordance with the provision of Section 10A of the Banking Regulation Act, 1949, Companies Act, 2013 and rules made thereunder and revised Clause 49 of the Listing Agreement. We have adopted the process and methodology as prescribed in the circular(s) issued by the Reserve Bank of India (RBI) in respect of 'Fit & Proper' criteria as applicable to Private Sector Banks. The same has been followed at the time of appointment and re-appointment of Directors.

Evaluation of the Board's performance

During the year, the Board has adopted a formal mechanism for evaluating the performance of its Committees, Independent Directors, Non Independent Directors including Chairman of the Board. A structured questionnaire was prepared after taking into consideration inter-alia the inputs received from the Directors. The structured questionnaire covered various aspects of the Board's functioning such as strategic alignment and direction, engagement alignment, composition and structure, dynamics and culture, ethical leadership and corporate citizenship, support to the Board, Committees evaluation and self-evaluation etc.

Remuneration policy and remuneration of Directors

Our compensation philosophy aims to attract, retain and motivate professionals in order to attain our strategic objectives and develop a strong performance

culture in the competitive environment in which we operate. To achieve this, we follow the principles of competitiveness in the talent market, pay for job through fixed pay, pay for performance to drive meritocracy through variable pay, employee stock options for long-term value creation and aligning the benefits and perquisites with market practices and affordability.

The compensation structure for the Managing Director & Chief Executive Officer, Whole-Time Directors (WTDs) and employees at the level of Vice President, and above, in Risk Control and Compliance functions of the Bank, is aligned to RBI's guidelines for sound compensation practices. It addresses the general principles of effective and independent governance and monitoring of compensation, alignment of compensation with prudence in risk-taking through well-designed and consistent compensation structures and clear and timely disclosure for facilitating supervisory oversight by all stakeholders.

Ratio of remuneration of the Bank's Managing Director & CEO to the median remuneration of the employees (excluding front line sales force) is 1:74.2. During the year, the percentage increase in remuneration for the Bank's Managing Director & CEO was 15% and the percentage increase in the median remuneration of employee of the Bank was 6.16%.

Board Committees

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
- Greivance Redressal Committee
- Acquisition, Divestments and Mergers Committee
- IT Strategy Committee
- Corporate Social Responsibility Committee
- Committee of Whole-Time Directors

Sustainability governance

Sustainability is governed at the apex level by the Committee of Whole-time Directors of the Board. The Management Committee of the Bank is responsible to review the implementation of the Sustainability Framework of the Bank. The Executive Director (Corporate Center) & Chief Financial Officer of the Bank oversees the implementation of the Sustainability Framework of the Bank and is supported by Business Responsibility & Sustainable Development Department. The Sustainability Framework is cascaded from the top management to individual departments to implement various initiatives. Elements of the Sustainability Framework 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. The Bank has also set-up a Board-level Corporate Social

Responsibility (CSR) Committee to oversee the CSR agenda. 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 organisation 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. Apart from the Board Committees, the Board also has periodic reviews of various functions of the Bank which include aspects of stakeholder feedback.

Additional resources
'Corporate Governance'
section of the
Annual Report
2014-15



Principles of Ethics and Risk Management form the bedrock of our operations and stakeholder relationships, and are an integral part of the Bank's culture. Our Code of Conduct and Ethics sets minimum requirements for ethical and acceptable employee behaviour and serves as an ethical compass for every employee of the Bank. The key components of our risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism based on approved policies and guidelines.



The Atrium at Axis House in Mumbai.

ETHICS & RISK MANAGEMENT

We accord highest importance to Ethics and Risk Management across our operations and dealings with various stakeholders. Deep-rooted principles of ethics and sound risk management processes have been important contributors to sustained growth in profits over the years and value creation for our stakeholders.

Codes and policies

Our Code of Conduct and Ethics sets minimum requirements for ethical and acceptable employee behaviour and serves as an ethical compass for every employee of the Bank. The Code mirrors our value system on aspects related to but not limited to ethics, conflict of interest, and bribery and corruption. The Business Gift Policy in specific, addresses acceptable employee behaviour on accepting and giving business gifts. Adherence to the Code by all employees is mandatory. All employees have to undergo mandatory e-learning module on the Code and confirm the acceptance of the Code. To effectively disseminate knowledge on application of the Code, scenario-based questions are flashed on the employees' desktops and laptops at the start of the day. We also conduct sessions and trainings on the

Code. The Code on Conduct and Conflict of Interest Norms in Respect of Board of Directors guides the Board Members towards ensuring transparency and high ethical standards in managing the affairs of the Bank. Similarly, a Code of Conduct & Ethics for Senior Management is in place. We have also adopted a voluntary Code of Commitment to Customers based on codes and standards of Banking Codes and Standards Board of India (BCSBI). The Code places customer interest at the core and elucidates banking practices followed by us to ensure fair and transparent dealings with its customers. A Whistle-blower Policy and Vigil Mechanism is established to encourage reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviour or practices by staff without fear

of retribution. To ensure smooth flow and management of complaints under Whistleblower Policy, a web-based application, 'Corporate Whistleblower', has been set up which also provides an option for anonymous reporting thereby enabling lodging of complaints online over a secure platform without fear of revelation of identity. We have also appointed an Ethical Counsellor to assist employees who have witnessed offences and are in need of counselling about their roles and responsibilities in seeking a redressal of the wrongdoings.

We have a comprehensive policy framework to guide organisational behaviour on various aspects. Well documented procedures support the effective implementation of policies.

Some of the key policies related to our material aspects are:



Policy on Prevention and Reporting of Frauds



Policy on Outsourcing of Financial Services



Anti-money Laundering Policy



Whistleblower Policy



Compliance Policy



Policy on Prevention of Sexual Harassment



Policy on Safety for Women at Workplace



Human Rights Policy



Policy on Environmental Management



Policy on Corporate Social Responsibility



Code of Right Sell



Financial Inclusion Practices



Corporate Credit Policy



Consumer Lending Credit Policy



Reputational Risk Policy



Business Continuity Policy



Information Systems Security Policies

Risk management

The key components of our risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism based on approved policies and guidelines. Our risk governance architecture focuses on the key areas of risk such as credit, market (including liquidity) and operational risk and quantification of these risks, 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. Overall risk appetite and philosophy is set by the Board. The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub committees of the Board, review various aspects of risk arising from the businesses of the Bank. Various senior management committees operate within the broad policy framework as illustrated below.

We have put in place policies relating to management of credit risk, market risk, operational risk, reputation risk, subsidiary risk

and asset-liability both for the domestic as well as overseas operations along with overseas subsidiaries as per the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and the Bank's risk appetite. A comprehensive Stress Testing Policy is formulated to measure impact of adverse stress scenarios on the adequacy of capital. The stress scenarios are idiosyncratic, market wide and a combination of both. We have put in place risk management processes for products and/or changes in products and processes. The Product Management Committee (PMC) is responsible to review and approve new products to ensure that new products are being 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) is responsible to review and approve change in any product and/or any process that might have a bearing on other products, customer base or on existing system in place. During the year, we have fully operationalised the Enterprise-wide Governance Risk

and Compliance Framework, an online tool, which is pivotal in addressing operational, compliance and financial reporting risks, bringing efficiency in processes and improvement in compliance levels besides facilitating annual assessment of said risks. The Business Continuity Policy frames guidelines to develop a resilient management framework and approach towards business continuity of our critical services /products during disaster while safeguarding the interest of our clients, protecting the life of our employees and minimising losses to our assets. Emergency Response Plan (ERP) and Crisis Management Plan (CMP) are put in place under Business Continuity Management framework to minimise losses during an emergency and strategise the recovery process after disaster. We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.



Additional resources
'Management's
Discussion and
Analysis' section
of the Annual Report
2014-15



Compliance

Accountability towards ensuring compliance to various regulatory and voluntary requirements is set at various levels within the Bank. Our Compliance function continually strives to instil a culture of compliance through monitoring and review of compliance levels backed by various enablers such as dissemination of regulatory changes and spreading compliance knowledge through training, newsletters and direct interaction. To ensure that all our businesses are operating within the ambit of Compliance Framework, the Compliance Department is involved in vetting all new products and processes. It evaluates the adequacy of internal controls and examines the systemic correction required, based on its analysis and interpretation of the regulatory doctrine and the deviations observed during compliance monitoring and testing programme. It ensures that internal policies address the regulatory requirements comprehensively. The Compliance function also updates the management as well as the Board of Directors on the status of compliance and changing regulatory environment. We have a comprehensive program on Compliance Monitoring, which consists of Compliance Testing apart from

theme-based reviews, key compliance indicators, self-certifications and tracking of open issues till resolution.

Fraud detection and mitigation

We have established a comprehensive Policy on Prevention and Reporting of Frauds. The Policy serves as a reference document for the internal oversight and fraud management framework with a primary objective to develop a secure, 'least vulnerable to fraud' environment in the Bank. The Policy is supported by procedures across operations and supporting policies on anti-money laundering, information security, outsourcing of financial services and whistle-blowing. Round-the-clock transaction monitoring happens 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). A Special Committee of the Board of Directors for Monitoring of Large Value Frauds is constituted to monitor and review all frauds of ₹ 10 million or above.

Sensitising and creating awareness among employees on ethics and prevention of frauds is a key process of our system to

proactively reduce instances of fraud. Employees are encouraged to report near misses and frauds. Periodic newsletters and employee communications such as 'Ethical Times', 'Fraud Awareness Series' and 'Compliance Ontrack' are disseminated to employees to provide information and insights on frauds detected by us and actions taken, incident analysis of industry fraud cases and latest regulatory updates. The employees are also informed of the investigations conducted by Discipline and Ethics Management function for alleged breaches of policies and the actions taken. Discipline and Ethics Management function, which was set up during the year, also shares case studies to disseminate learning to branches and conducts town-hall meetings periodically to develop a strong culture of ethics in the Bank.

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 system 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 payments.

Our direct and indirect economic contribution has a deeper impact beyond economic growth of the nation. Through our products, services and operations, we help businesses and individuals progress, contribute to transparent governance and promote environmental sustainability. Our focused community programs on Livelihoods, Education and Healthcare, undertaken by Axis Bank Foundation, contribute to poverty alleviation in communities in some of the poorest districts of the country.



ECONOMIC CONTRIBUTION

We acknowledge the transformational role banks play in economic well-being of society. Our economic contribution through our products, services and operations creates value for multiple stakeholders.

Direct economic contribution

2014-15 (in ₹ billion)

Direct Economic Value Generated (A)	421.37
Revenue	421.37
Economic Value Distributed (B)	356.20
Operating costs	59.66
Employee wages & benefits	31.15
Payments to providers of capital	223.48
Payments to Government	40.68
Community investments	1.23
Economic Value Retained (A-B)	65.16

Employee benefit obligation

Retirement and other employee benefits provided to employees include provident fund benefits, gratuity benefits, compensated absences and superannuation scheme benefits.

The retirement benefit is in the form of a provident fund – a defined benefit plan wherein the contributions are charged to the profit and loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

We contribute towards the

gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. On retirement, or termination of employment, the plan provides a lump sum payment to employees based on the individual salary and the years of employment with the Bank.

Liabilities in relation to gratuity fund are accrued based on actuarial valuation conducted by an independent actuary.

Short-term compensated absences are provided for based on estimates of encashment/availment of leave and provisions for long-term compensated absences are made based on actuarial valuation conducted by an independent actuary.

Employees of the Bank are entitled to receive retirement benefits under the Bank's superannuation scheme either via a cash-out option through salary or under a defined contribution plan. Superannuation contributions are recognized in the profit and loss Account in the period in which they accrue.

Additional resources
Employee Benefit
Obligations -
Pages 119-123,
190-196 of the Annual
Report 2014-15



Indirect economic contribution

Our products, services and operations have myriad indirect economic impacts:

- Through our Retail Banking business, we help people achieve their dreams, by providing relevant products and services that meet their lifecycle financial needs and aspirations.
- Our Financial Inclusion agenda has an extended societal ramification- bringing millions of people into the fold of the formal banking system and helping them save, earn livelihoods and avail social security. We promote Financial Literacy as a key enabler to achieve wider financial inclusion.
- Our corporate lending business aides the overall economic expansion by supporting vital sectors of growth. We also drive growth in sectors like MSME and Agriculture under the Priority Sector focus.
- We work with Governments to facilitate delivery of citizen services and social benefit schemes, thus contributing to effective and transparent governance.
- Our focused community programs on Livelihoods, Education and Healthcare, undertaken by the Axis Bank Foundation, aid and support communities in some of the poorest districts of the country.



Economic contribution highlights of 2014-15



Consumers

- Home Loans of ₹ 537 billion disbursed with a customer base of 0.25 million
- Retail Agriculture Loans of ₹ 18 billion disbursed with a customer base of 0.16 million
- Student Loans of ₹ 0.83 billion disbursed with student customer base of 2,285



Corporates

- Credit Exposure of ₹ 656 billion to vital sectors of growth - Infrastructure and Power industry
- Priority Sector Advances of ₹ 703 billion
- SME Sector Advances (including non-retail agriculture advances) of ₹ 430 billion



Products & Services with Environmental and Social Benefit

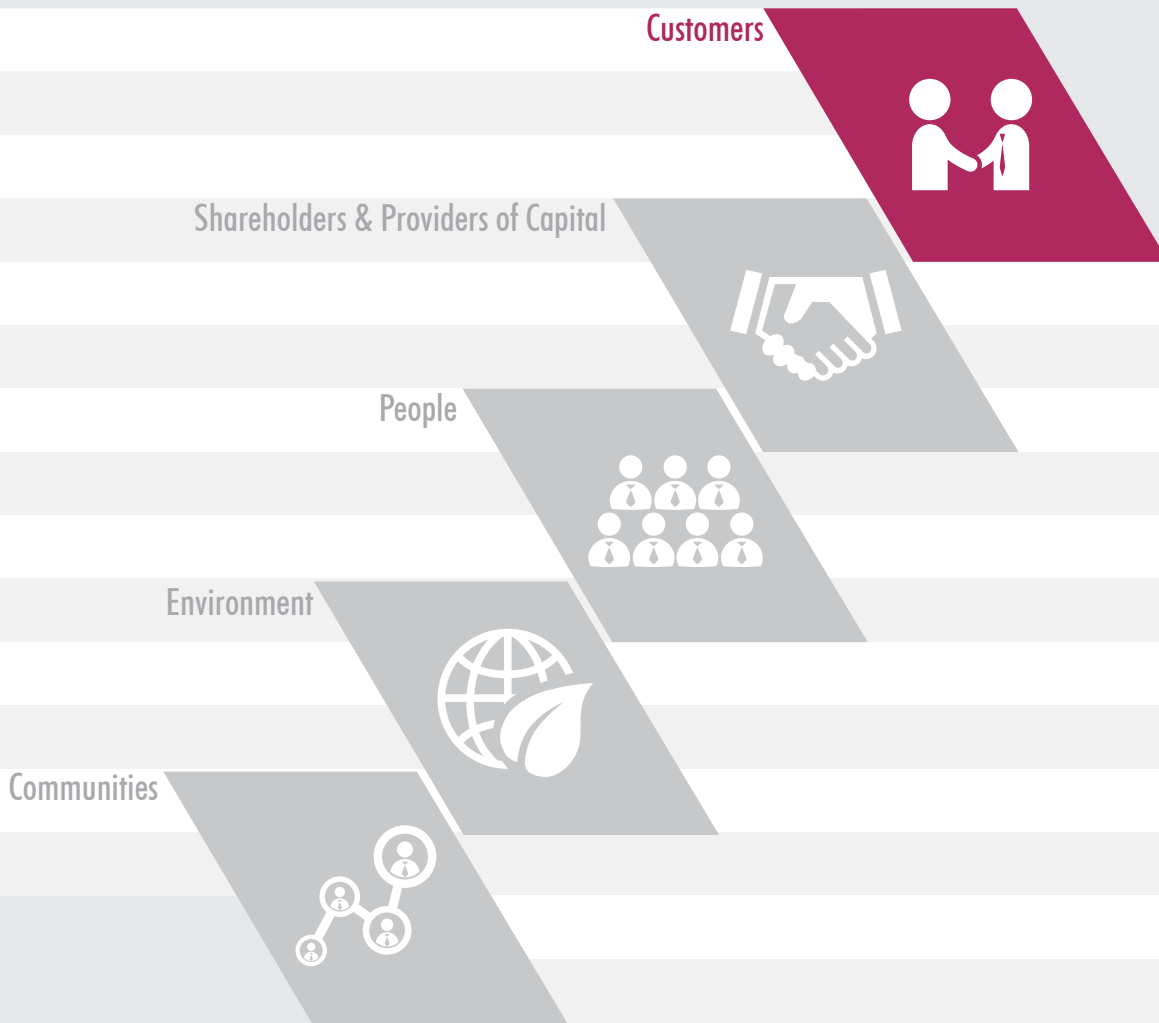
- Credit Exposure of ₹ 37 billion to renewable energy (solar, wind, biomass, mini-hydro), waste processing and mass rapid transportation sectors
- Committed to provide long-term financial assistance of ₹ 100 billion to renewable energy projects during the five-year period of 2015-19
- Financial Inclusion customer base of around 9 million customers, serviced through network of 575 rural branches and more than 53,000 Business Correspondent (BC) agents spread over 18,004 villages
- Facilitated ₹ 39 billion of domestic money transfers over nearly 11 million remittance transactions
- 293 thousand customer base served for microloans with cumulative disbursals of ₹ 4.92 billion
- Credit Exposure of ₹ 14.92 billion to NBFCs for onward microlending with estimated indirect customer base of 0.87 million¹
- Over 5,500 Low income group (LIG) customers served through 'Asha Home Loans' with ₹ 6.5 billion of affordable housing loan disbursals
- Facilitated disbursals of ₹ 9.72 billion of Government to Consumer (G2C) payments



Community Development

- 43 programs run by Axis Bank Foundation (ABF) in 239 districts covering 26 states in India
- Total cumulative grant of ₹ 2.56 billion given to Axis Bank Foundation since 2006 (inception)
- 5,92,327 beneficiaries reached through ABF programs since 2006 (inception)

¹Based on industry average of microloan size of ₹ 16,357 as published by MicroFinance Institutions Network



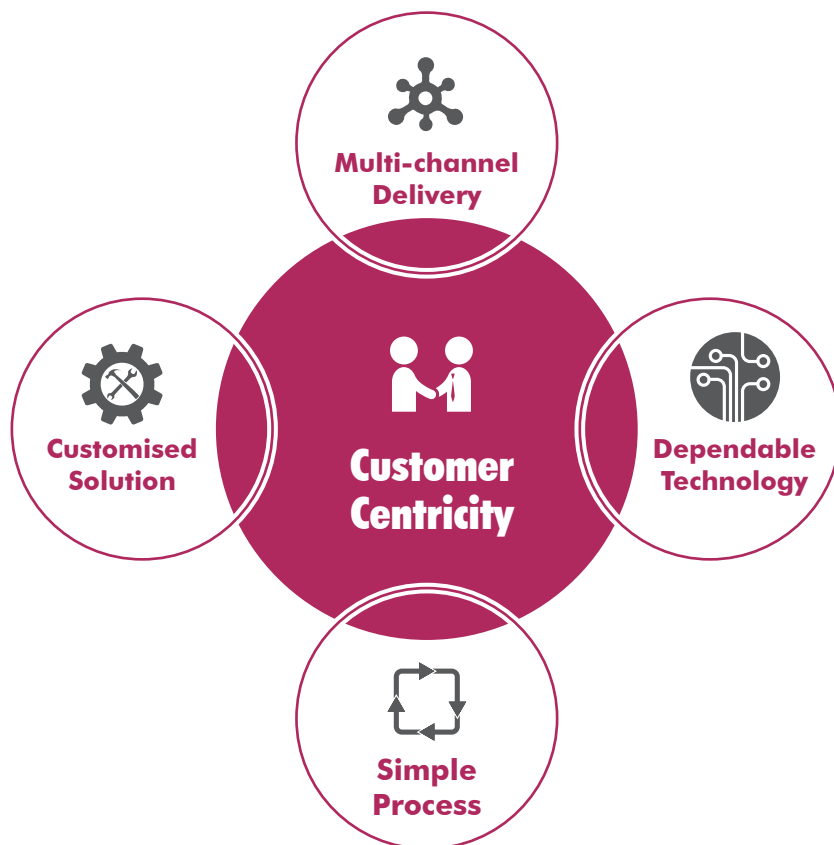
'Customers are at the core of everything we do. Our focus is on enhancing customer experience and building trust – offering our customers the products and services they need, and making their interactions with us easy, fair and secure. We provide our customers with banking that is simple to understand and deliver it with highest standards of integrity'

Rajiv Anand
Group Executive – Retail Banking



CUSTOMERS

Providing the quintessential superior Axis Bank experience to our customers is central to our vision and strategy. A 'life cycle' approach is adopted to understand customers' needs and preferences, and continual efforts are made to design products and services that not only meet but also exceed the expectations of customers. Our Customer Centricity model is one of the key pillars of our vision.



Products and services

New Products and Services Launched in 2014-15

Burgundy - Premium Banking Service for affluent High Networth Individuals

Chhota Recurring Deposit - Micro recurring deposit product for Financial Inclusion segment

Axis Internet Banking 2.0 - New Internet platform for enriched consumer experience and ease of operation with faster and better navigation



Asha Home Loan - Home loan for affordable housing

Inaam NRI Account - Customised account for Non-Resident Individuals

Our aim is to provide financial products and services at every level of economic pyramid of the society. Our Retail Banking segment caters to customers from High Networth Individuals (HNI) to economically disadvantaged sections of society. The product and service proposition is customised for each customer segment by understanding and anticipating customer needs through regular and proactive customer engagement. We are continually making efforts through a series of initiatives to enhance the way our customers experience us, including improvements in how we open and fulfil accounts, resolve service issues, manage our technology and data, onboard new customers, achieve transactional excellence, and recognise and reward long-standing customer relationships. We endeavour to provide right products to the customers based on their needs and preferences. A 'Product Suitability Matrix' is established for our retail products to ensure that the products are aligned to customer profile and minimise the risk of product mis-selling.

Our retail products and services help our customers achieve their goals by addressing their 'life cycle' financial needs. We offer a wide array of products ranging across deposits, loans, investments and payment solutions. We also offer a complete suite of banking and

investment products under our Non-Resident Indian (NRI) Services for Indians living and working overseas. Our award winning eDGE Loyalty Rewards program is a bank-wide loyalty program that rewards customers across their Savings Account, Credit card, Debit card, Current Account, Loans and Forex relationships.

We have a strong suite of products and services to cater to corporate and Government clients. During the year, we merged our large and mid-corporate customer groups to form the Corporate Relationship Group (CRG). The newly formed CRG further enhances the relationship banking model adopted in earlier years, which has successfully delivered a higher returns for us, across a wide range of banking products to our corporate customers. We leverage our relationship with highly-rated companies to fund their domestic

and international requirements. We continued our focus on fee-based, trade finance and treasury businesses. Our strategy to credit is based on sectoral approach with focus on identifying sector-specific opportunities and risks. Portfolio diversification is also ensured through the sectoral credit approach. We have an integrated Treasury business covering Asset Liability Management (ALM), Global Markets, Investments, Trade Finance and Debt Capital Markets. Our Business Banking division focuses on providing payments and transaction banking solutions across corporates, SMEs, financial institutions, Government segments and small business customers. The key product offerings of this business segment include current accounts, collection and payment solutions, custodial and demat services.

Women Power – 'All Women Branch'

Women play an important role in managing household savings and it is vital to enhance the participation of women in formal banking system. During the year, we have opened our first 'All Women Branch' in Patna city in a bid to promote women participation in banking system. This is yet another example of our extensive customer banking focus and reinforces our commitment to bring superior banking services, marked by convenience and closeness, to our customers.

Additional resources



Know more about our products and services

Multi-channel delivery

Multi-channel delivery is a vital component of our 'customer centricity' approach. The increasing digital and mobile connectivity in India coupled with the customer need for ease and safety of transactions has resulted in strong demand and high adoption of internet and mobile technologies in banking. To cater

to this demand, we have identified digital channels as focus areas for enabling superior customer experience.

We offer a multitude of direct banking channels for our customers through internet banking, phone and mobile banking and ATMs/self-service kiosks. The direct channels of

banking provide customers ease of transaction in real-time at their own convenience. We actively encourage our customers to opt for direct banking channels. Strategic investments were made in electronic and direct banking channels to make banking seamless.



Multi-channel delivery highlights



Mobile Banking

- 1.76 million overall mobile banking registrations (75% growth in Axis mobile users)
- ₹ 126 billion overall spends through mobile banking (324% growth in spends)
- 76% growth in transaction count



Internet Banking

- 3.02 million overall internet banking netsecure registrations
- ₹ 820 billion overall spends through internet banking (28% growth in spends)
- 29% growth in IRCTC transactions
- 28% growth in number of Bill Pay transactions



Digital Channels

- 0.23 million leads generated through digital channels across products
- Approximately 50% of overall leads generated for Personal Loans

Socia media presence

We have successfully leveraged social media to create digital connect with our customers and other stakeholders, and actively use social media platforms to

reach out to our customers for campaigns, new developments and achievements, among others. The platforms are also an avenue for our stakeholders to

provide feedback and reach out to the Bank directly.



3rd largest
Indian Banking brand
on **Facebook***

Top **5** Global Banking
brands on **social media***

1st Indian bank
to be on **Instagram**

*Source: thefinancialbrand.com during the period October to December 2014



Consumer awareness and privacy

We make every effort to provide transparent information about our products and services so that the customer makes informed choices. Our website contains detailed information on product features, service charges and fees applicable. The customers are also provided with detailed product information through the 'Most Important Document' that the customer is required to read and sign-off along with account opening/card application form. Interest rates are published on the website for various deposit schemes. Online tools are also available for customers to understand their eligibility, applicable interest rates and service charges for loan products such as home loans and car loans. SMS alerts are sent to customers when the charges or fees get triggered or levied in their account. For example, alerts are sent to the customers to maintain desired Average Quarterly Balance (AQB) before

quarter so that customers can avoid penalty charges. Similarly, customers are made aware of free monthly ATM transactions available through SMS alerts.

Consumer education and awareness is critical in safeguarding against frauds. We create awareness on safe banking practice through email alerts, SMS, ATM messages, blogs and website.

Protecting the privacy of the customers is of paramount importance to us and we have undertaken various measures towards this end. Well-defined Information Systems Security Policies drawn as per the requirements of international standards, Indian and overseas regulators in which the Bank has operations and the best practices followed globally is in place. A data privacy policy was rolled out to affirm our commitment to protect the privacy rights of individuals in accordance with

Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 under the IT Act, 2000. Similarly, the Data Life Cycle Protection Policy was developed to guide employees in protecting sensitive customer data. We have implemented a state-of-the-art data leakage protection solution for ensuring safety of confidential data such as customer identity and account information, intellectual property, financial results etc. 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.

IT'S ALL ABOUT
MONEY

Financial literacy and
consumer awareness blog

TAXAssist

Free online tax planning
resources and tools

ATM
Make your ATM
experience safer

Safe Banking messages
on ATM screens



Simple process

'Make Banking Simple' is the mantra at the Bank to make banking and money management exceptionally easy across all behaviours and touch points. We have taken host of measures to enable our

customers transact in an easy and simple manner. Our project, 'Pratham', is a key strategic initiative which aims at large-scale transformation through business process re-engineering that leads to

enhanced customer experience and reduced operational risks. The outcomes of project are key enablers to achieve 'make banking simple', a crucial pillar of our vision.

2014-15 Highlights



Aadhar linkage to bank account through SMS, ATM and Internet Banking
Direct benefit transfer for LPG through linking Aadhaar number or LPG customer ID to bank account



Smarter 'e-statements' with advanced analytics to enable customers better understand their savings and spends
E-statement registration available through Phone Banking & Internet Banking



On-boarding program on account opening focused on activating customers on speed banking



Intra-bank account portability through Phone Banking & Internet Banking



QR Code scanning on welcome kit to access and save important account-related information



Online pricing tools, tariffs, interest rates, charges available on Internet Banking



Insta replacement of Debit Cards
Insta PIN generation through Phone Banking & Internet Banking



Free Wi Fi service at branches

Customer service

We continually strive to enhance the customer service through various measures across the value chain, from product and services design to customer feedback and grievance redressal.



Our Customer Service Credo:

- Proactive in approach**
- Right for the customer**
- Own the solution**
- Go deeper**
- Remove the jargon**
- Error free**
- Simplify**
- Serve enthusiastically**

Various initiatives were undertaken to reinforce the service culture across levels of the organisation. The service culture framework consists of creating listening posts for capturing feedback, providing enablers like Dialogue Calls where experts join on calls and discuss process-related issues faced by frontline teams, and Alchemy workshops to enhance service orientation. Additionally, one of the key pillars in the service quality framework is Rewards and Recognition framework for service excellence. The PROGRESS Customer Service Excellence Awards felicitates those employees who have lived the values of our Customer Credo in their daily work and have thus, made a difference to the standards of customer service in the Bank. 'My Customer' survey was conducted during the year. This is a service-quality survey of the frontline teams and was

conducted with an objective to understand the factors that impact the Bank's service standard and ascertain its strengths and areas of opportunities. Also, structured mystery shopping audits were conducted across businesses and across all customer touch points as a formal mechanism to understand customer experience and quality of service. To support the service quality initiatives, we have implemented 'Axis One View' Customer Relationship Management (CRM) tool which provides 360 degree view of the entire liability relationship of the customer in single screen. It also has unified structure across channels that captures and tracks all the customer interactions across all touch-points.

Customers have various channels through which they can reach out to us. Customer helplines and email details are provided on the Bank's website. Customers can lodge their complaint on online complaint management system. They can also report their grievances at the branches. All the complaints are monitored centrally. Turn Around Time (TAT) and escalation matrix is well defined to ensure the complaints are resolved in minimum time possible. Three-level escalation matrix is established for domestic and overseas customers. Analysis of customer complaints is done in a proactive manner and feedback is provided to business teams to ensure that appropriate mitigation measures are taken. Assessment of quality of

complaint closures is undertaken on sample basis to highlight process adherence gaps by branches and backend processing teams. 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. Customer engagement is also part of the Standing Committee meetings wherein customers share their feedback by participating in the Committee meetings.

In a quest to deliver safe and simple banking experience to our customers, we have launched e-surveillance facility, a service that allows a 24x7, 365 days Centrally Monitored Automated Security of ATMs. Under the e-surveillance facility, our ATM premises will be monitored 24x7 from a centralised security operation centre. An immediate alert will be activated in case of detection of any unauthorised activity at the ATM site. The facility aims to prevent crimes, as well as provide an efficient alternative to the bank by taking care of all important activities at the ATMs like monitoring attendance of CRA, Housekeeping, Cheque Collection Agency, and Maintenance. E-Surveillance also has a reminder facility which helps us in avoiding misuse of ATMs/Branch premises by even the vendors.

	Pending as on 31 st March, 2014	Received during 2014-15	Redressed during 2014-15	Pending as on 31 st March, 2015
Customer Complaints*	7,697	2,31,466	2,29,650	9,513
Consumer Cases	1,266	214	163	1,317

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

Customer satisfaction

We conduct an annual Customer Satisfaction Survey (CSAT) to assess the perception and expectations of customers on various aspects of our products, services and brand. At the transaction level, Customer Transaction Survey (CTS) is an on-going survey that is conducted with a sampling of customers to understand their experience with different aspects of the Bank. The insights from the surveys are discussed in the Service Quality Council meetings.

SME focus

SME (Small and Medium Enterprises) sector is a key enabler for economic growth and

job creation, thus aiding in effective distribution of economic value. Our focus on SME sector is to support them through innovative financial products and help the sector growth through non-financial services. We extend working capital, term loan, trade finance and project finance facilities to SMEs. The wide range of fast-track and customised products ensure that customers get finance, which is best suited for their business. We have undertaken initiatives under our strategic project 'Pratham' initiative to further improve the turnaround time for credit delivery. During the year, we have also devised a structured customer interaction plan

through Relationship Managers to proactively engage with SME customers and have a continual dialogue. To further have a consistent approach across SME sector, we have merged the non-retail agriculture advances with our SME business. We also believe in enabling the SME sector growth through our non-financial services. We sponsor various exhibitions and trade fairs to support and cater to SMEs across India. Skill building through knowledge sharing sessions is another key initiative that we have undertaken which also supports the national priority of 'Make in India'.

SME sector enhancement

Some of the key initiatives undertaken by us towards SME sector enhancement are:

- SME 'Evolve': We have conducted a SME knowledge series across 30 Tier-II cities in India to disseminate knowledge and help SMEs understand the potential of innovation, marketing, technology and social media to expand their business. Expert organisation from domains of marketing, technology and social media were invited to speak at these knowledge sharing sessions. The program benefitted 1,675 participants from SME sector.
- Fx Clubs: Fx Clubs is a knowledge series focused on topics of international trade, regulations and foreign exchange. The knowledge sharing sessions had predominant participation from SMEs. 12 sessions were conducted during the year in Tier-II cities benefiting approximately 1,200 participants.
- The Bank was the title sponsor for 'Engineering Expo 2015' held in the Indian cities of Pune, Chennai and Ludhiana. 'Engineering Expo' is one of India's largest SME Gathering on Manufacturing & Engineering.

Financial inclusion & literacy

Our financial inclusion agenda aims to serve the unbanked and underserved areas of the country by providing access to formal banking system to millions of people who are currently excluded or minimally served. Our agenda is aligned with the four key pillars of financial inclusion promoted by the Government of India – savings, credit, remittances, and insurance and pension. We also

continually seek to explore opportunities to serve the excluded sections of society in a cost effective manner through specialised products and services designed for them. Financial literacy is a key enabler to ensure the success of our financial inclusion agenda.

Promoting savings through formal banking system

Linking the excluded sections of the society with formal banking systems through a savings account is the first crucial step to

achieve financial inclusion. We offer basic savings bank account with 'nil' or minimal balance to encourage people to use formal banking systems for saving. We leveraged technology to support the delivery of last mile services. We were the first Bank in the country to offer Aadhaar base paperless eKYC accounts for Financial Inclusion (FI) customers. This benefitted the customers with a hassle free, speedier process to open accounts.

speedier process to open accounts.

We have been an active partner for the ambitious comprehensive financial inclusion project 'PradhanMantri Jan DhanYojana'

(PMJDY) launched by the Government of India.

A comprehensive survey was conducted across 144 districts to map the levels of financial inclusion. The efforts were then

focused to create financial awareness and enable opening of PMJDY accounts.

Total customers served under Financial Inclusion



9 million customers

Number of accounts opened through eKYC



119 thousand accounts

Number of accounts opened under PMJDY



476 thousand accounts

Number of districts covered under PMJDY



551 districts

Providing customised credit services

We provide micro-loans to women groups under our 'Axis Sahyog' initiative that aims to empower women groups to undertake income-generation activities, which can supplement their overall household income and contribute to improvement in their standard of living. Women form Joint Liability Groups to access micro-loans from the Bank. The woman customer along with her spouse is also covered through insurance to manage emergency situations. The initiative is currently active in six states of Bihar, Madhya Pradesh, Uttar Pradesh, Odisha, Karnataka and Maharashtra. We tied-up with Business Correspondents to extend similar micro-loans in the state of Tamil Nadu and Gujarat. During the year, we launched 'Asha Home Loans' to serve the Low Income Group (LIG) segment. The product is tailored to suit the LIG segment with affordable housing loan options. Chhota Recurring Deposit product was launched with an aim to enable customers in financial inclusion space to save small amounts through

recurring deposits. We also provided credit related services to Non-Banking Financial Companies and Microfinance Institutions, which further cater to the excluded sections of society.

Remittance and payment services

We provide easy-access remittance and payment services catering to rural, migrant and economically backward population. The remittances can be made in three modes: cash to account, account to account, and account to cash. This is especially beneficial for migrant workers to send money to their dependents in villages. We also leveraged technology to promote mobile-enabled banking services in partnership with Suvidhaa Infoserve, retail chain aggregator and leading telecom operators – Airtel Money Services Limited and Idea m-Commerce. The remittance and payment services are powered by a network of Business Correspondents (BC) and Customer Service Points (CSP). Customers can also avail services such as mobile and Direct-to-home (DTH) recharges, utility bill payments and loans

re-payments through Customer Service Points.

We support credit and disbursement services for various Government benefits (wages/pensions) through Direct/Electronic Benefit Transfer schemes across 28 districts in the country. We secured mandate to credit and disburse Social Security Payments (pensions), wages under National Rural Employment Generation Act (NREGA) and subsidies like LPG cylinder subsidy across various states. 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.



0.29 million customer base served for microloans with cumulative disburseals of ₹ 4.92 billion



Credit exposure (fund based) of ₹ 14.92 billion to NBFCs for onward microlending with an estimated 0.87 million² indirect customer base served



Over 5,500 Low Income Group (LIG) customers served through 'Asha Home Loans' with ₹ 6.5 billion of affordable housing loan disburseals

	<p>Number of transactions covered for Government to Consumer (G2C) payments</p>	<p>352 thousand</p>
	<p>Total amount handled for G2C payments</p>	<p>₹ 9.73 billion</p>
	<p>Number of transactions for Consumer to Consumer (C2C) transfers</p>	<p>10.9 million</p>
	<p>Total amount handled for C2C transfers</p>	<p>₹ 39.24 billion</p>
	<p>Number of transactions through Aadhar Enabled Payment Services (AEPS)</p>	<p>2.28 million</p>
	<p>Total amount disbursed through AEPS</p>	<p>₹ 1.26 billion</p>

²Based on industry average of microloan size of ₹ 16,357 as published by MicroFinance Institutions Network

Financial literacy

Lack of financial literacy is one of the major hindrances to achieve wider financial inclusion. To address this issue, we undertook various financial literacy initiatives to educate people on basic financial concepts like need and importance of savings, insurance, investments for future, pension planning, loans, credit limits, repayments etc.

Financial literacy equips people with knowledge to manage their financial lifecycle needs better, and make informed decisions about various financial products based on their risks and returns. Our rural branches conduct atleast one financial literacy camp in a month using the broad based financial literacy module developed by Reserve Bank of

India. We have also been conducting 'Train the trainer' program on financial literacy for Business Correspondents who in turn disseminate the financial literacy in villages. Apart from these specific initiatives, we have constantly use digital and radio platforms to create consumer awareness on financial aspects.



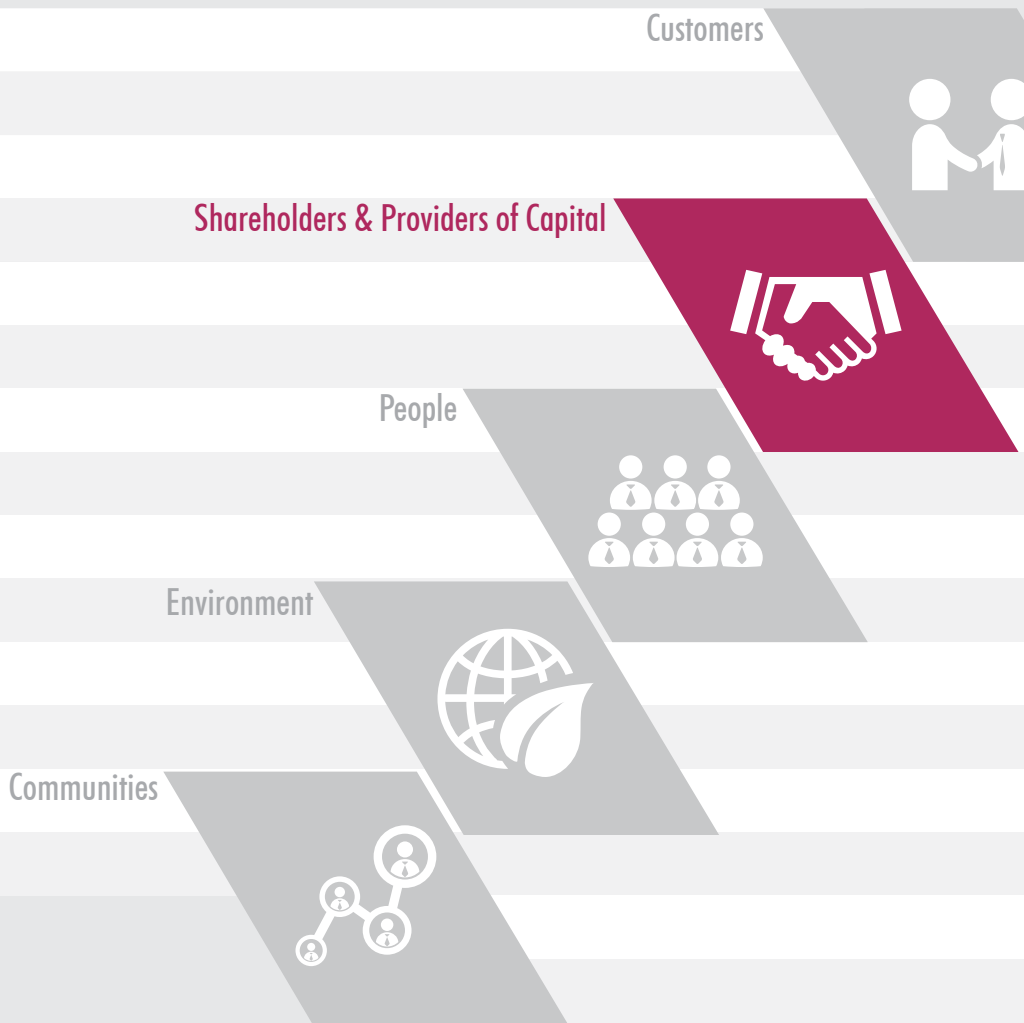
The Bank actively promotes financial literacy amongst rural poor, women and school children.

We endeavour to delight our customers by understanding their needs and preferences, and design products and services that meet their expectations. Our focus on multi-channel delivery is an example of our continual efforts to provide convenient, simple and secure banking solutions. We offer multitude of direct banking channels for our customers through internet banking, phone and mobile banking, and ATMs / self-service kiosks. The direct channels of banking provide customers ease of transaction in real time at their own convenience.



Our Financial Inclusion agenda has a wider societal impact by bringing millions of people into the fold of formal banking system and helping them save, earn livelihood and avail social security. We promote Financial Literacy as a key enabler to achieve larger financial inclusion. We leverage mobile technology to help migrant population make easy money transfer back home. The remittances can be made in three modes: cash to account, account to account, and account to cash.





'Our endeavour is to reward shareholders & providers of capital with sustainable returns through a long-term value maximisation strategy of profitable growth, prudent capital deployment and robust risk management.'

Sanjeev K. Gupta
Executive Director (Corporate Centre)
& Chief Financial Officer



SHAREHOLDERS & PROVIDERS OF CAPITAL

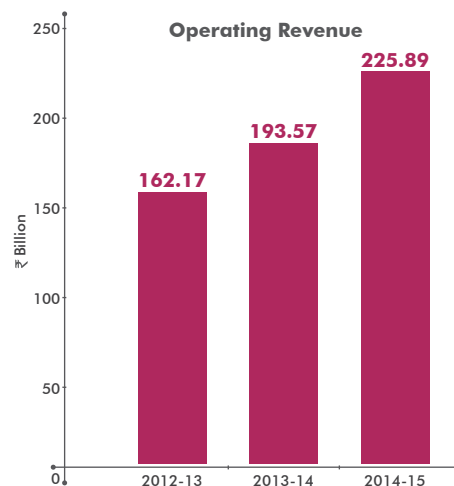
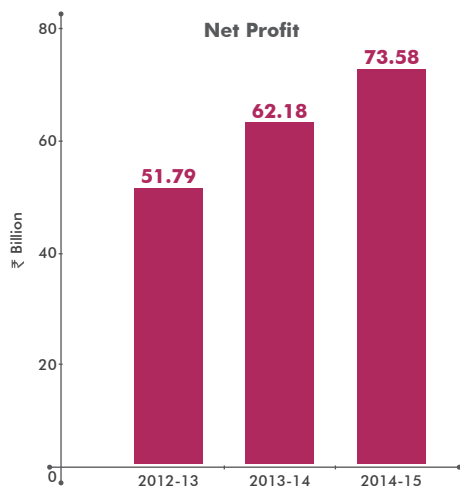
Profitable growth

The strategy to build our business upon strong customer franchises while adopting a prudent approach has continued to deliver good results. A net profit of ₹ 73.58 billion was reported for the year ended 31st March 2015, registering a growth of 18.34% over the net profit of ₹ 62.18 billion last year. The steady growth in earnings was achieved due to a much more balanced contribution from all business segments. We displayed

steady growth in key balance sheet parameters for the year ended 31st March 2015. The total assets increased by 20.53% to ₹ 4,619.32 billion, total deposits increased by 14.77% to ₹ 3,224.42 billion while total advances increased by 22.17% to ₹ 2,810.83 billion.

During the year, we continued to expand our network, with increased focus on the non-rural areas as last year we had

significantly expanded our footprint in the rural areas. The network expansion has continued to support the steady growth in Retail and SME segments. Our digital initiatives have continued to make significant progress and remain integral towards making banking simple through the adoption of lean processes for seamless multi-channel delivery.



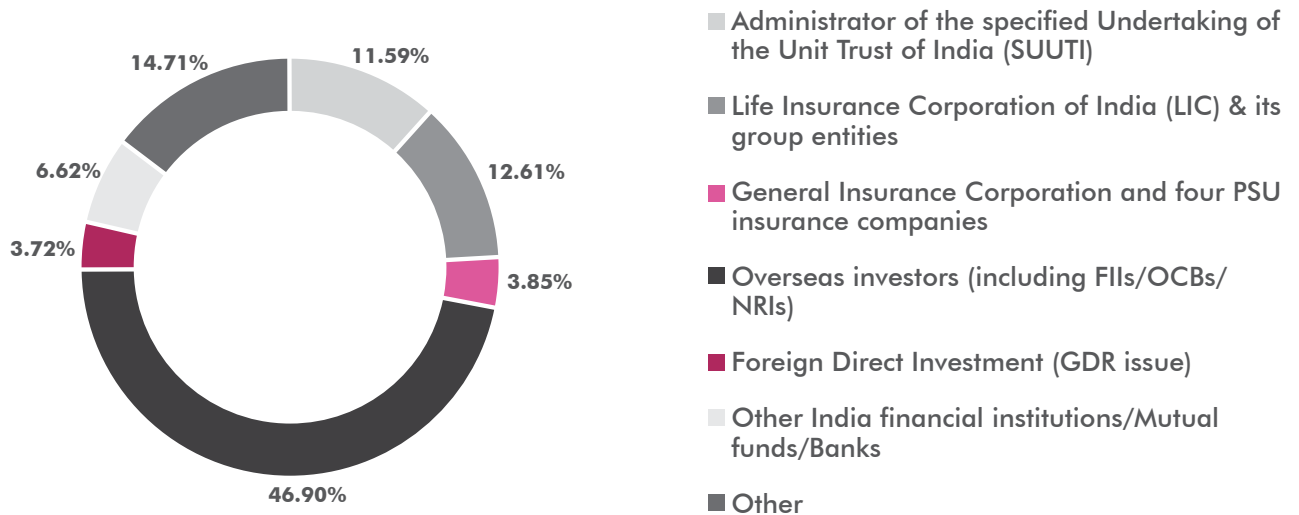
Capital management

We strive for continual enhancement of shareholder value by efficiently using capital in order to maximise return on equity. Aiming to achieve this objective, we endeavour to develop an asset structure that will be sensitive to the importance of increasing the proportion of low risk weighted assets. Our capital management framework helps ensure an appropriate composition of capital and an optimal mix of

businesses. We are well capitalised with an overall Capital Adequacy Ratio (CAR) of 15.09% as on 31st March 2015, computed under Basel III norms, which is well above the benchmark requirement of 9% stipulated by the Reserve Bank of India (RBI). Of this, the Common Equity Tier I CAR was 12.07% (minimum regulatory requirement of 5.50%) against 12.62% last year and Tier I CAR was 12.07% (minimum regulatory requirement

of 7.00%) against 12.62% last year. The Tier II CAR was at 3.02% against 3.45% last year. During the year, we raised capital of ₹ 8.5 billion by way of subordinated bonds (unsecured redeemable non-convertible subordinated debentures), qualifying as Tier II capital. The raising of this non-equity capital has helped us continue our growth strategy and has strengthened our overall capital adequacy ratio.

Shareholding Pattern (as on 31st March 2015)



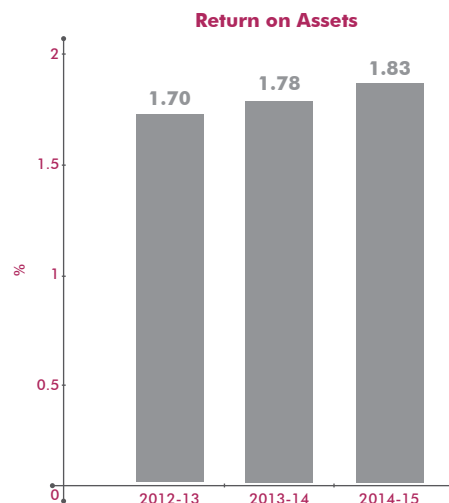
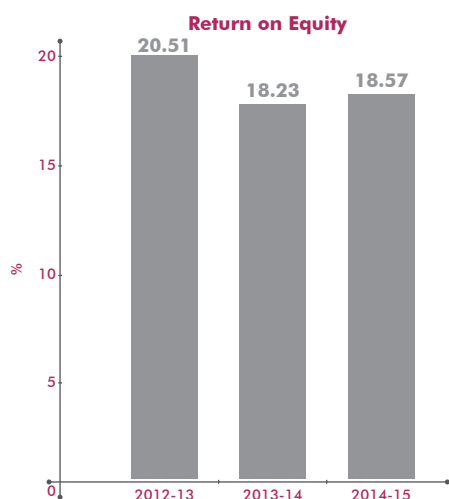
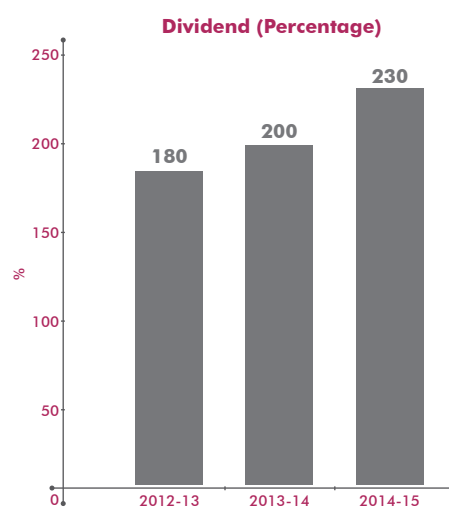
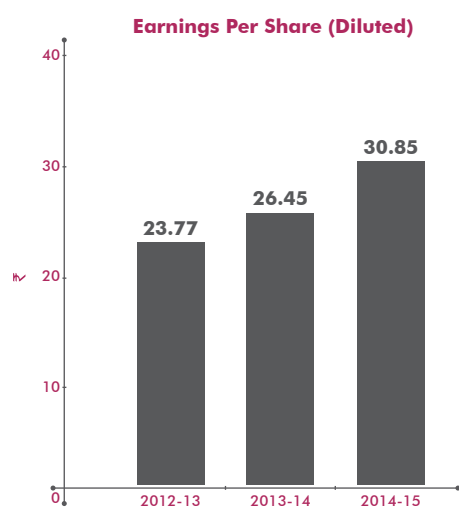
Axis Bank Board of Directors and Senior Management at the 20th Annual General Meeting.

Shareholder returns

We continued to enhance our shareholder value by delivering healthy financial return ratios. Basic Earnings Per Share (EPS) was ₹ 31.18 as on 31st March, 2015 compared to ₹ 26.51 last year, while the Diluted Earnings Per Share was ₹ 30.85 compared to ₹ 26.45 last year. Key return ratios continued to remain healthy, with Return on Equity (RoE) at 18.57% compared to 18.23% last year, and Return on

Assets (RoA) at 1.83% compared to 1.78% last year. The Net Interest Margin (NIM) for the year was 3.92% compared to 3.81% last year. The asset quality remained stable with ratio of Gross NPAs to gross customer assets at 1.34%, and Net NPA ratio (Net NPAs as percentage of net customer assets) was 0.44%. In view of the overall performance of the Bank and 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 higher dividend of ₹ 4.60 per equity share of ₹ 2 each for the year ended 31st March 2015, as compared to ₹ 4.00 per equity share of ₹ 2 each (adjusted for sub-division) declared last year.



Shareholder engagement

We engage with shareholders and providers of capital on a continual basis. Key updates are shared through investor and analysts meetings, investor calls, and quarterly and annual results announcements. Our website also contains shareholder information and updates. Annual

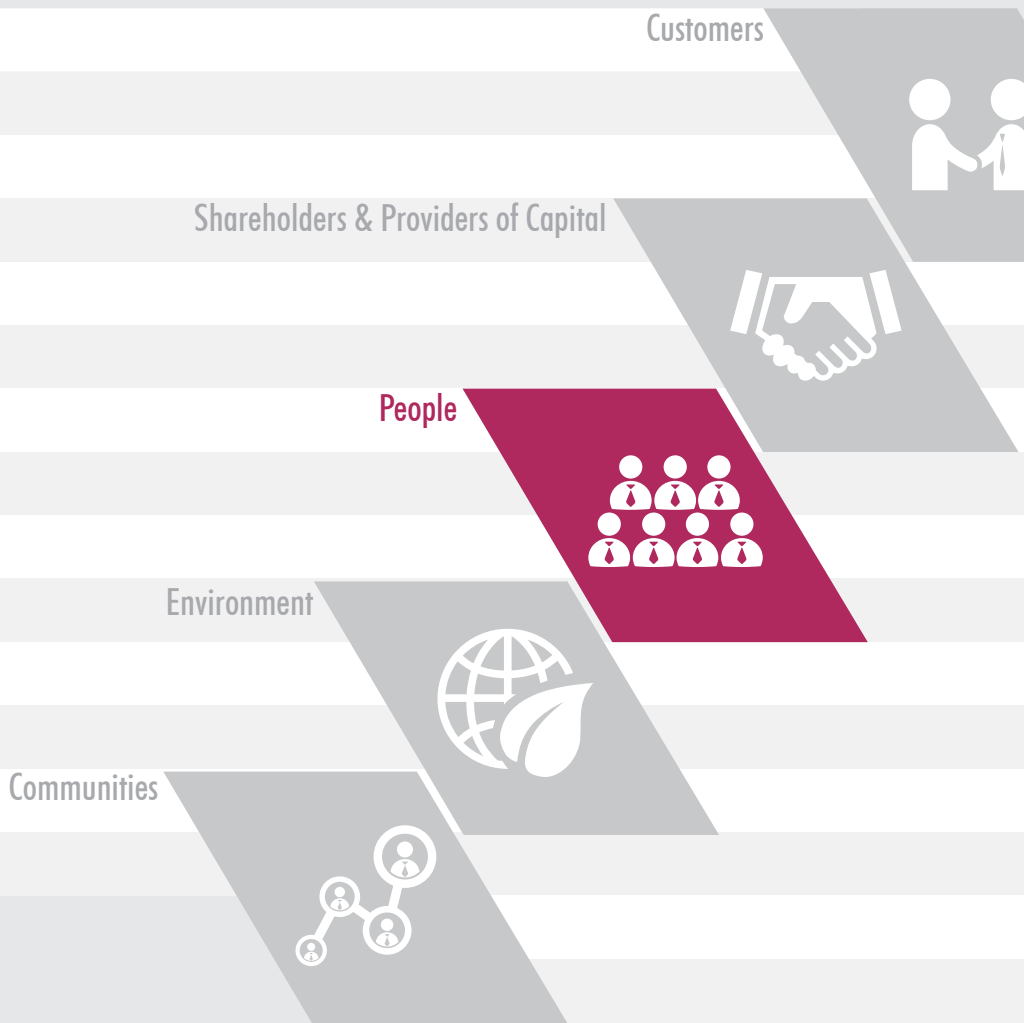
General Meetings are held to apprise shareholders on our performance and plans and seek shareholder approvals. In case of grievances, shareholders can reach us through email or by writing to us. The Board, through Stakeholder Relationships Committee, has an oversight on

redressal of the grievances of shareholders 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 st March, 2014	Received during 2014-15	Redressed during 2014-15	Pending as on 31 st March, 2015
Investor Complaints	0	431	431	0

We strive to provide an exciting, ethical and safe working environment that enables our people to achieve their true potential and contribute to their holistic growth – professional and personal. A young and engaged workforce with an average age of 30 years and our policy on being an equal opportunity employer continues to significantly contribute towards the Axis Bank brand. Several employee engagement programs are hosted through online and offline channels to foster a spirit of connectedness.





'Meritocracy, fairness and ethics are the principles on which our people agenda rests. We strive to provide our employees with rewarding careers and an engaging, safe and ethical work environment that enables people to achieve their potential. This helps us enhance organisational effectiveness, and maintain stability and sustainability amidst the rapidly changing business environment and growth.'

Rajesh Kumar Dahiya
Group Executive – Human Resources
& Compliance



PEOPLE







Employee diversity

We believe in diversity of workforce to create a vibrant and engaging workplace that promotes inclusion and innovation. We are an equal opportunity employer and have integrated principles of 'meritocracy, fairness and ethics' for people management as part of our vision. Our recruitment strategies are aimed to provide career opportunities irrespective of race, religion or gender.

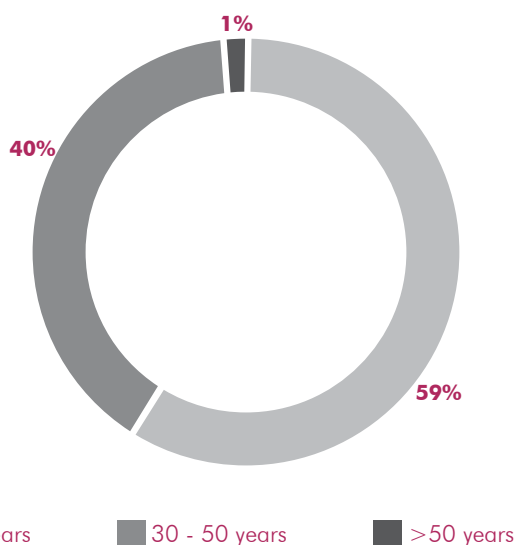
Enhancing gender diversity is a key focus area of our people development agenda. During the year, we launched 'Re-Connect', an Axis-Women Alumni Program. Re-Connect focuses on engaging with the Bank's women alumni who had taken a break in their career for various reasons and provides opportunities for those seeking avenues to re-start their career. To further build the diversity in the leadership talent

pipeline within the Bank, we have developed 'We Lead: Axis Bank – ISB Women Leadership Program', run in partnership with Indian School of Business (ISB). 'Embrace' is another initiative taken by us in association with Axis Bank Foundation to provide opportunities for the differently-abled by integrating them into the workforce in our branches.

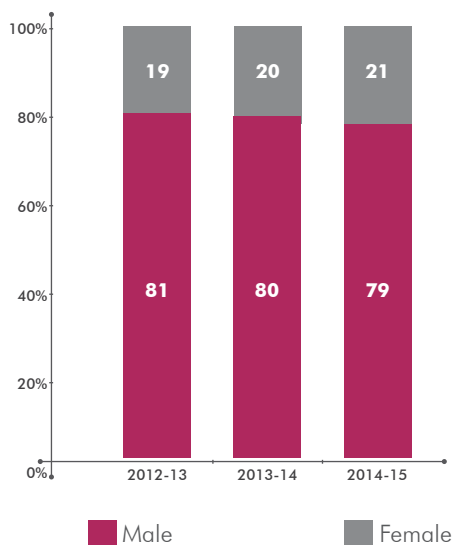
Workforce Diversity

Employee category	Age: <30 years		Age: 30-50 years		Age: >50 years	
						
Top Management	0	0	3	0	2	1
Senior Management	0	0	63	2	67	1
Middle Management	57	21	3,231	587	242	10
Junior Management	11,743	5,490	10,370	2,281	1	0
Sales Channel	7,243	270	536	9	0	0

Workforce by age









Gender diversity









Average age of workforce: 30 years







Workforce Turnover

Employee category	Age: <30 years		Age: 30-50 years		Age: >50 years	
						
Top Management	0	0	0	0	1	0
Senior Management	0	0	3	0	3	0
Middle Management	7	2	203	35	13	0
Junior Management	2,233	1,241	1,232	270	0	1
Sales Channel	2,608	138	90	3	0	0

New Hires

Employee category	Age: <30 years		Age: 30-50 years		Age: >50 years	
						
Top Management	0	0	0	0	0	0
Senior Management	0	0	3	0	0	0
Middle Management	6	4	104	17	0	0
Junior Management	3,212	1,616	794	119	0	0
Sales Channel	3,363	203	3	0	0	0

New Hires Turnover

Employee category	Age: <30 years		Age: 30-50 years		Age: >50 years	
						
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Middle Management	0	0	5	2	0	0
Junior Management	318	176	39	9	0	0
Sales Channel	771	60	2	0	0	0

Employee engagement

We regularly host several employee engagement programs through online and offline channels to foster a spirit of connectedness. 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 are some of the ways in which we continually engage with our employees on various aspects concerning their professional and personal development. Employee Engagement surveys are conducted periodically to seek

regular feedback from employees on the policies and practices to strengthen the journey towards creating a team of empowered employees oriented towards the realisation of the Bank's corporate vision.

We conduct the employee satisfaction study – Axis Voices Dil Se – in partnership with Great Place to Work. During the year, 85% of the employees participated in the follow-up survey of Axis Voices Dil Se 2013-14. The survey measures employee perceptions on work life balance, career opportunities, diversity, collaboration, communication and pride in the organisation. The results of the survey have been cascaded across Regions and Departments and have

prompted for strengthening of certain key areas such as enhancing work life balance, empowerment, and differentiated experience for high performers. Constant monitoring of branch closure timings, roster leave for branch employees, role-based training programs for employees, leadership development programs for mid-management level, diversified employee recognition platforms, launch of integrated employee portal and flexible compensation planning for better tax planning are some the key initiatives taken during the year. Details on some of these initiatives can be found in the subsequent sections.

Parental Leave

Gender

Male



1,479

Female



383

People who availed parental leave in FY 2013-14, returned to work and are still on company rolls as on 31st March 2015

Fostering a culture of excellence

We have various rewards and recognition programs to encourage and recognise excellence. During the year, we took concerted efforts to encourage a culture of excellence towards customer service, compliance towards processes, and innovation at work place across various levels, at frequent intervals. These recognitions finally culminate into Annual Axis Champions Awards Nite. This year, 45 Champions from across the organisation were felicitated for demonstrating excellence in ethics, innovation and customer service under separate award

categories. The winners are featured on the Bank's intranet iAXIS to inspire others to emulate these inspiring examples. One Axis Special Awards is awarded to celebrate the collaborative spirit of employees or teams that have demonstrated business continuity through teamwork during periods of crisis or disruption during natural calamities. Rewards and recognitions are also conducted at regional, departmental and individual levels at quarterly intervals.

Learning and development

We have built a learning infrastructure that facilitates the learning process across all levels

through a blended learning approach of classroom programs, external programs, certification programs as well as e-learning modules. The learning management system 'Axis Academy' allows us to reach out to employees across geographies in real-time with minimal cost to provide best-in-class learning solutions. To promote a culture of 'learning at your desk' and self-learning, we have built up user friendly e-learning platform, Axis Academy for easy access to training. 'Axis LEAP' is an e-initiative rolled out on the Axis Academy online platform that offers learning collaterals along with online assessments on products, processes, compliance and customer service to the



employees in the branches who form a major part of our workforce. The program aims to equip the branch resources with requisite knowledge to deliver consistent customer service while ensuring adherence to compliance and risk management guidance. We have partnered with leading online portals to impart capability development. We have an online performance management system 'EPACE' wherein employees and their supervisors can identify learning and

development needs. We have further institutionalised mid-year performance appraisal process to enable employees, and their supervisors assess the progress and make course corrections if required. Workshops were conducted for skill building of managers and cascade of philosophy of performance management. The learning and development needs are also drawn from competency frameworks. We have a comprehensive 'Competency Directory' for frontline roles like

Front Desk Officers and Relationship Managers to develop skills that ensure consistency in customer service and adherence to regulations. Various role-based and work-level trainings are conducted by internal and external faculty. We have also created alternate talent pipelines by entering into arrangements with reputed training and education institutes and tailoring the programs as per role requirements and competencies.

Employee category	Performance feedback (No. of employees eligible)	Performance feedback (No. of employees received)
Senior Management	540	540
Middle Management	8,362	8,362
Junior Management	22,773	22,773

Training Person-hours

Employee category	Male 	Female 
Top Management	16	0
Senior Management	1,531	48
Middle Management	41,928	7,993
Junior Management	433,762	135,281
Sales Channel	200,814	10,904

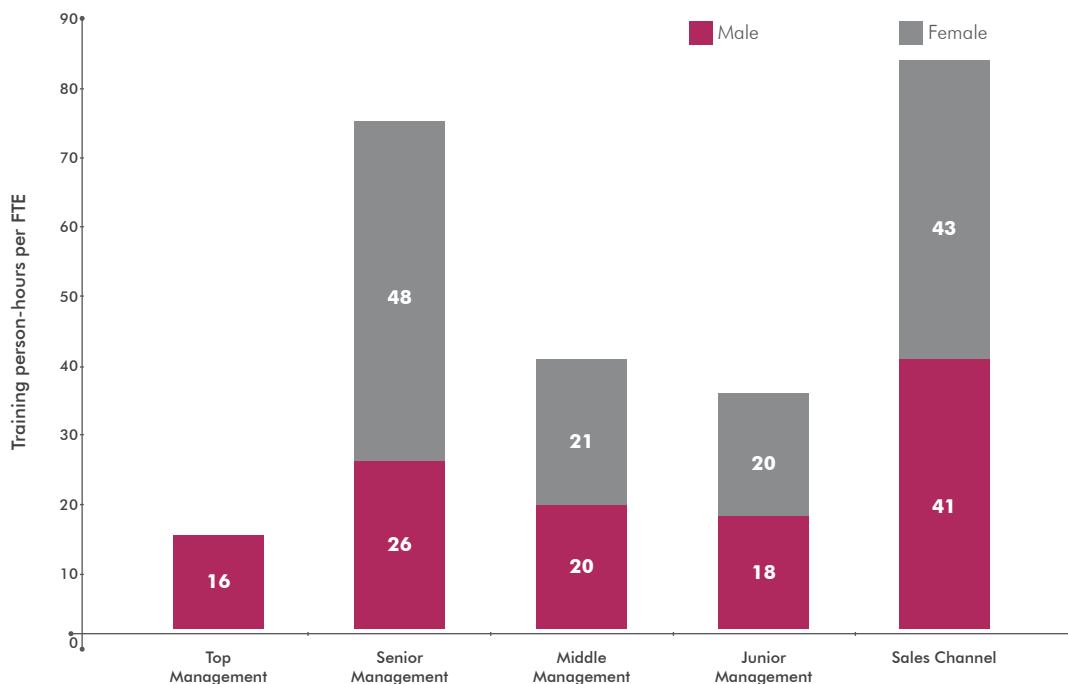
Talent acquisition

We focus on building talent pipeline by entering into tie-ups with universities of repute, for ensuring adequate supply of skilled manpower with day-zero productivity to support our growing business. Axis Ahead, the Management Trainee program, is designed to provide training across departments and locations for a holistic learning experience to the young managers who join us every year from premier B-schools across

India. Our Graduate Leadership Program (GLP) is a new focused initiative to attract best of talent from the country's top Graduate Campuses. 'We Lead: Axis Bank – ISB Women Leadership Program', run in partnership with Indian School of Business (ISB), was launched with the objective of building diversity in the leadership talent pipeline within the Bank. We have also tied-up with a select group of B-Schools through Axis Debut Program to feed manpower to the front line operations at branches. Axis

Bank Young Bankers (ABYB) Program is our endeavour in association with Manipal Global Education to nurture industry leaders of the future by imparting domain expertise and skill set in the field of Banking with the objective of creating a talent pool of young bankers. Our 'Careernext' internal job portal supports internal talent markets and external lateral hiring is done as per requirements.

Average Training Person-hour



Leadership development

We focus on 'Leadership Development' with particular focus on developing strategic leadership capabilities in future leaders. We have defined 'Axis Leadership Practices' (ALPs) for all employees to promote desired behaviours at different levels of the hierarchy and have promoted the ALPs by seamlessly integrating it to our various people-oriented processes like Talent Acquisition, Performance Management System, Leadership Development and Feedback.

We have a multi-tiered leadership development program to develop leaders at different levels in the Bank. We have recently launched Top Leadership Development Program, an endeavour to initiate a developmental journey of the top leaders in the organisation. For senior management, a comprehensive development program was launched 2 years ago including a tie-up with Duke University's Corporate Education arm and India School of Business for classroom sessions. With the aim of creating talent management initiatives for

middle management, we have launched 'Axis Aspire' which aims towards building our leadership edge and accelerating employee performance and potential for future roles. Talent Appreciation Committees (TAP) meet periodically to discuss employees' career growth and their potential for various future roles. Development plans are then accordingly designed. The talent management and succession policy and process for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers one level below the Board and other key roles is reviewed by the Nomination and Remuneration Committee and recommended to the Board for approval.

Safe, secure and harassment-free workplace

Safeguarding people and assets is of prime importance to us and is one of the elements of our Business Continuity (BC) objectives. We have institutionalised a Business Continuity Management (BCM)

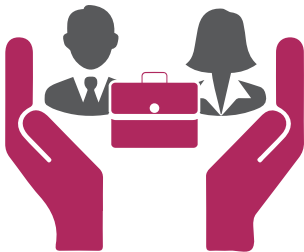
framework that identifies potential threats to the Bank and provides for building organisational resilience with the capability for an effective response that safeguards the interests of our key stakeholders, reputation, brand and value-creating activities. An Emergency Response Plan (ERP) is prepared for critical locations to protect the lives and minimise damages to the assets in a crisis situation. We have also developed a Crisis Management Plan (CMP) for the analysis of possible emergency and crisis situations, development of response strategies for recovery and monitoring of countermeasures.

Periodic communication and alerts are sent to employees on safety-related aspects. Regular fire drills and audits are conducted to ensure that risks related to fire are mitigated. We have also made procedures for fire and security reviews of third-party premises such as leased premises, hotels and resorts that the Bank may use for conducting its business, trainings or events. Incident analysis on industry fire incidents and security

breaches is communicated to employees to alert them and take safeguarding measures.

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 behaviour 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.

Safety of women employees, in particular, is of utmost importance to us. A Policy on Safety of Women at Workplace was rolled out during the year. The policy details safety measures and precautions to be observed at workplace or off-site



on work or travel. Escalation points are established at Corporate and Branch level for female employees to raise issues and alert the management. Guidelines on safety aspects related to workplace infrastructure, travel arrangements after 8 pm, emergency helpline and stay arrangements for women employees traveling on work are detailed in the policy. It also provides a forum to report and make suggestions on issues relating to different aspects of safety at workplace. We have tied-up with a reputed institute based out of Mumbai to provide emergency helpline services iCALL for immediate safety response to women employees during any emergency or distress

situation. Through BESAFE campaign, we sensitise female employees on use of the helpline. Self-defense workshops were also organised across at various locations to impart awareness on essentials of self-defense to women employees.

There is zero tolerance towards discrimination and harassment at workplace. We have renewed the Policy for Prevention of Sexual Harassment at Workplace. The Policy seeks to create a healthy, safe and secure work environment that enables employees to work free from unwelcome, offensive and discriminatory behaviour. We have put in place reporting and redressal mechanism 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. In order to further sensitise employees on safe and ethical workplace behaviour, we conduct Town-Hall/Awareness sessions for Senior Leaders and Branch Heads, and also conduct theatre workshops/roadshows for all employees across the organisation.

Health and wellbeing

We launched an umbrella program 'Fit & Fine' in 2014 to provide employees with the opportunity to pursue their health, fitness, sports and recreational interests. Under the



Fit & Fine program, various Central and Regional level programs are anchored such as Stepathlon, Marathon, free screenings for common diseases,

health talks by clinical specialists, sports training, hobby clubs, etc. We have tied up with Striders, an agency providing specialised training to aspiring marathon athletes.

To encourage the culture of walking and promote wellness, we have put into place various sponsorship schemes for Stepathletes with top scores, most engaged team, most regular Stepathletes, etc. In-house gym facility, yoga centre and aerobic sessions have been provided for employees at the Axis House, the Corporate Headquarters. Medical facilities are available at the Corporate Office and other large offices where employee strength is greater than 500 to ensure that any health concerns are adequately addressed. We regularly conduct training interventions for safety and security measures like emergency evacuation drills, fire/life safety training, first-aid training.

Human rights

We are committed to upholding the dignity of every individual engaged or associated with us. We have put a Policy on Human



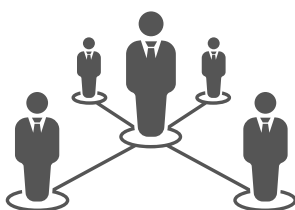
Rights in place to reaffirm our commitment to human rights. The Policy on Human Rights supplements the Bank's Code of Conduct and Ethics, which lays down the acceptable employee behaviour on various aspects including human rights. Awareness and trainings on Code of Conduct and Ethics are conducted through e-learning modules and classroom sessions/talks to promote a culture of ethics. Scenario-based questions are also posed to employees on their desktops

to assess their understanding of the Bank's Code of Conduct and Ethics. Employees are provided with incident reporting and grievance redressal mechanism to raise 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. 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.

no employees' union or association. We ensure that employee grievances are received and addressed through various means such as the Whistle blower portal and H-Response (a virtual help desk for addressing employee's queries). We have also provided various reporting options for employees in the form of Ethics Officer, Chief Compliance Officer, Chief of Internal Vigilance and other such designated authorities for timely escalations.

Employee associations



While we respect the right of 'Freedom of Association', there is



Axis Executive Leadership Program conducted in association with Duke University's Corporate Executive Education arm.

We take pride in our employees who relentlessly strive to provide exceptional customer service, demonstrate integrity and commitment, and win as a team. We recognise and reward such exemplary employees who set new benchmarks and take the Bank to greater heights.

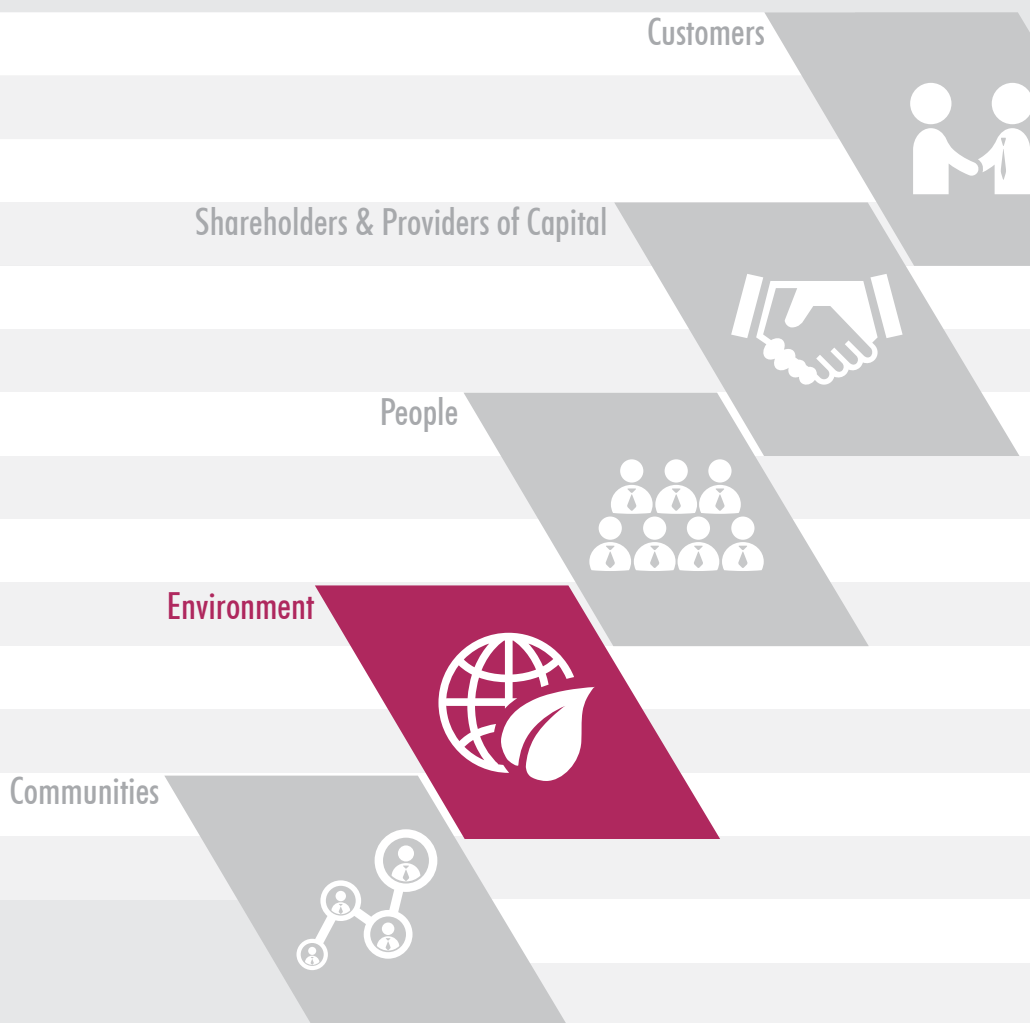


Axis Champions pose for a group photograph with Mr. S. S. Mundra, Deputy Governor, RBI (Chief guest for the event), Shikha Sharma, MD & CEO and other senior Executives after being felicitated at the Annual Axis Champions Nite.

Women play an important role in managing household savings and it is vital to enhance the participation of women in formal banking system. During the year, we have opened our first 'All Women Branch' in Patna city in a bid to promote women participation in banking system. This is yet another example of our extensive customer banking focus and reinforces our commitment to bring superior banking services, marked by convenience and closeness, to our customers.



A customer lighting the lamp at inauguration of an 'All Women Branch' at Patna, Bihar.



'We are cognisant of our role towards ensuring environmental sustainability. Our approach towards environmental management is to promote sustainable lending practices, actively manage direct environmental impacts and support customers in making "green banking" choices.'

P Mukherjee
Group Executive – Corporate Relationship Group
& International Banking



ENVIRONMENT

Sustainable lending

We aspire to promote and support environmentally-sound businesses and technologies through our lending business. All the project applications are assessed for negative screening list on environment to ensure these projects are not amongst others:

- i. Dealing in banned wildlife related products
- ii. Polluting industries unless the units have clearance from pollution control authorities and have installed effluent treatment plants, and
- iii. Setting up new units consuming/producing Ozone Depleting Substances (ODS) such as ChloroFluoro Carbon (CFC), Halons and units manufacturing aerosol products using CFCs.

We do not finance/refinance businesses engaged in the above-mentioned products. The project appraisal stage generally includes site visit of the project to assess any adverse impact on the environment and appointment of Lenders' Independent Engineer to advise lenders, on aspects

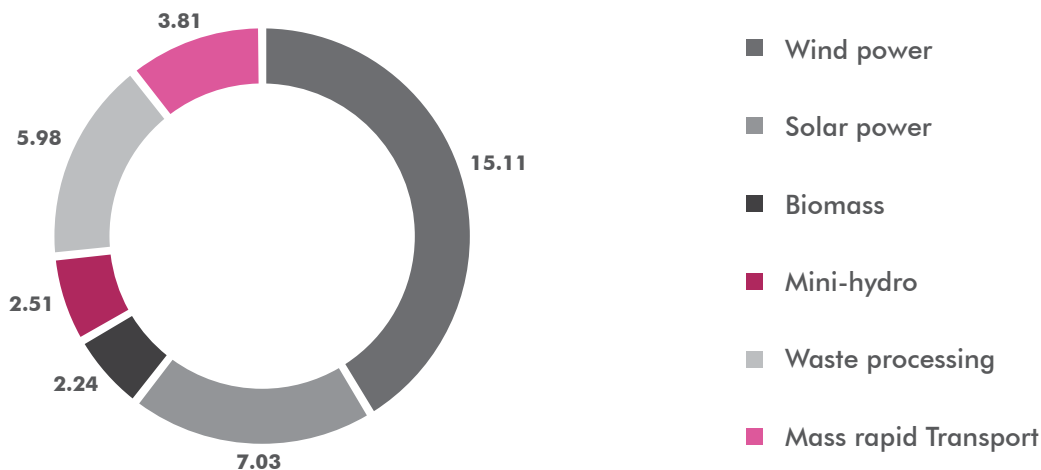
including environmental issues, if any, and its mitigation strategies. Appropriate covenants are stipulated to ensure that the projects have put in place requisite environmental safeguards to have minimum impact on the environment.

We have been actively funding projects in areas of clean technology, renewable energy, energy-efficiency and sustainable infrastructure. Environmental and social due diligence as per Bank's 'Environment and Social Safeguard Policy' (ESSP) is carried out for all projects funded through IFC Line of Credit. The ESSP guides us in applying in relevant Environment & Social (E&S) considerations in appraising and financing projects to avoid, minimise and mitigate adverse impacts and risks to the environment and people who may have been affected. As a minimum, we review and expect compliance by project proponents to all statutory environmental approvals while funding projects. We have initiated the process of framing 'Sustainable Lending Policy and

Procedures' (SLPP) to further strengthen our Environmental & Social Credit Risk Assessment. Our SLPP shall be developed by taking into cognisance the international environmental and social risk management frameworks.

We also have exposure to sectors like renewable energy, waste to energy, waste management, mass rapid transportation, sustainable urban infrastructure etc. which contribute to sustainable development. We extend corporate banking/credit related services to organisations that are engaged in such sectors. We have committed to provide long-term financial assistance of ₹ 100 billion to renewable energy projects during the five year period of 2015-19.

'Sustainable Lending' - Outstanding Amount (in ₹ billion)



As on 31st March, 2015

Climate change is one of the biggest environmental concerns of current times. As a responsible corporate, we are committed to

climate change mitigation and adaption. While SLPP is intended to guide us in making conscious sustainable lending decisions, we

also undertake various initiatives to reduce our direct environmental impacts.

Key climate change risks and opportunities

	Potential Risk/Opportunity	Description
R	International agreements, carbon taxes, cap and trade mechanisms, uncertainty surrounding new regulations, change in precipitation extremes and droughts, Sea-level rise, tropical cyclones (hurricanes and typhoons)	<ul style="list-style-type: none"> • Potential impact on our credit risk due to implications of such outcomes on our clients
	Emissions reporting obligations, fuel/energy taxes and regulations	<ul style="list-style-type: none"> • Potential impact on our operations due to implications of such measures resulting in higher operational costs • Potential impact on our credit risk due to implications of such measures on our clients
	Change in precipitation extremes and droughts, Sea-level rise, tropical cyclones (hurricanes and typhoons)	<ul style="list-style-type: none"> • Potential impact on our operations due to implications of such outcomes on our business continuity resulting in higher operational costs
O	International agreements, cap and trade mechanisms, fuel/energy taxes and regulations, renewable energy regulations, change in precipitation extremes and droughts	<ul style="list-style-type: none"> • Potential to tap opportunities to provide financing for climate change mitigation and adaptation measures, renewable energy, energy efficiency and cleantech projects
	Fuel/energy taxes and regulations, renewable energy regulations	<ul style="list-style-type: none"> • Potential to enhance our operational efficiency and reduce costs
	Customer behaviour	<ul style="list-style-type: none"> • Potential to enhance Digital Banking services to provide safe and convenient services for customers and also reduce operational costs

R – Risk, O - Opportunity

Direct environmental impacts

We make concerted efforts to manage our direct environmental impacts and are guided by our 'Policy on Environmental Management'. The primary focus areas of our environmental management initiatives are energy efficiency, material resource efficiency and renewable energy.

Energy efficiency is one of the vital components of our environmental agenda to reduce environmental and carbon footprint. Electricity drawn from grids forms the primary component of our energy consumption while we use fuels such as diesel to generate on-site electricity to supplement the energy requirements of offices and branches. Continual

improvement measures such as monitoring and control of energy consumption, green Information Technology (IT) initiatives, use of green/star-rated energy efficient equipment and exploring usage



of renewable energy are undertaken to enhance energy efficiency and reduce environmental impacts.

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, motion sensors for lighting, recycling and reuse of waste-water through sewage treatment plant, sensors for urinals and wash basins to regulate water use, rainwater harvesting system, 'Greenguard' compliant furniture/fixtures and low toxicity levels of carpets and furniture. Preference is also given for green features in the leased premises for branches and other offices.



The Bank employees pose with a group of children at one of the many 'Plant A Sapling' programs initiated by the Bank.

Renewable and smart energy efficient branches

Air Conditioning (AC) systems at branches contribute to significant energy consumption at branches. Ensuring optimal AC setting and timing is critical in enhancing the efficiency of AC systems and thus saving energy. During the year, we have implemented a Smart Energy Management system at 100 branches. This enables us to centrally monitor and regulate energy use at our offices and branches. The architecture of this service comprises of GPRS-based controlling mechanism enabled by software. Through this system, we can centrally monitor the office energy consumption on a real-time basis, benchmark energy performance and send reports to different unit managers for proactively improving energy efficiency.

Renewable energy such as solar power is a good alternative to reduce the dependency on electricity drawn from grid or electricity generated on-site through diesel generator sets. To tap this potential, we have installed solar panels at 25 of our operational locations to generate on-site green energy. We currently have an installed capacity of 324 Kw of solar power. We further intend to expand the Smart Energy Management systems and renewable energy systems to other branches.

Energy usage for Information Technology (IT) infrastructure like Data Centres is one the major contributors to the Bank's carbon footprint. Concerted efforts are taken to continually improve the efficiency for IT infrastructure. Energy consumption of the Data Centre is significantly reduced by shifting to solid-state storage of data which is 80% energy efficient compared to hard disk storage technology. Cold aisle containment measures have been implemented to minimise the energy requirements for cooling purposes. We have also undertaken major server consolidation initiative, which would further help in reduction of energy consumption and cooling requirements. Energy efficient Virtual Desktop Infrastructures (VDI) are used which eliminate the use of processors for individual desktops. We also



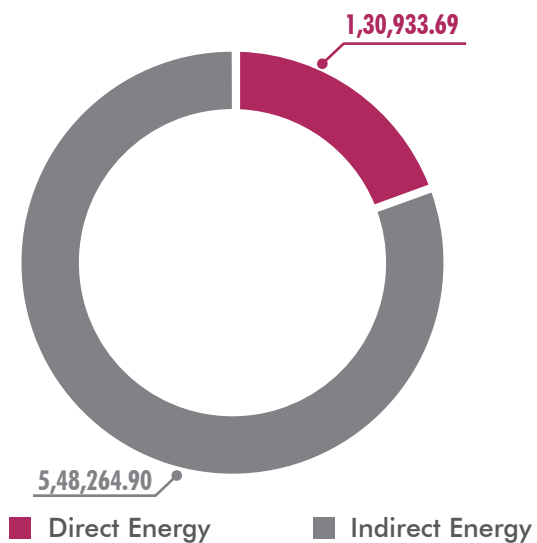
consciously procure only energy efficient desktops and laptops to reduce the energy consumption.

Our primary source of energy is electricity drawn from grids. We use fuels such as diesel, where necessary, to generate on-site electricity through generator sets to supplement the electricity from grids. We have initiated an exercise to map our carbon footprint and shall actively pursue opportunities to further reduce our carbon footprint. The estimated annualised Green House Gas (GHG) emissions reduction due to initiatives

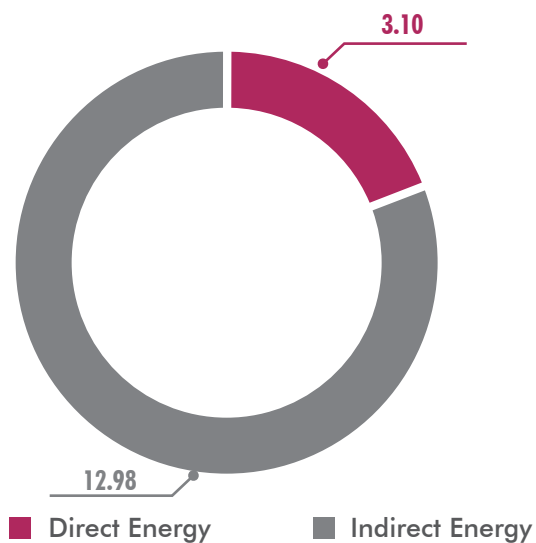
undertaken as mentioned below during the year is 2,443 tonnes of CO₂e.

- Renewable energy installation at branches
- Smart remote-managed energy management systems for branches
- Paper usage reduction due to digital banking services – e-statements, e-welcome kits, e-copies of annual reports
- Wheat straw-based paper procurement
- 'Plant-a-sapling' tree plantation drive

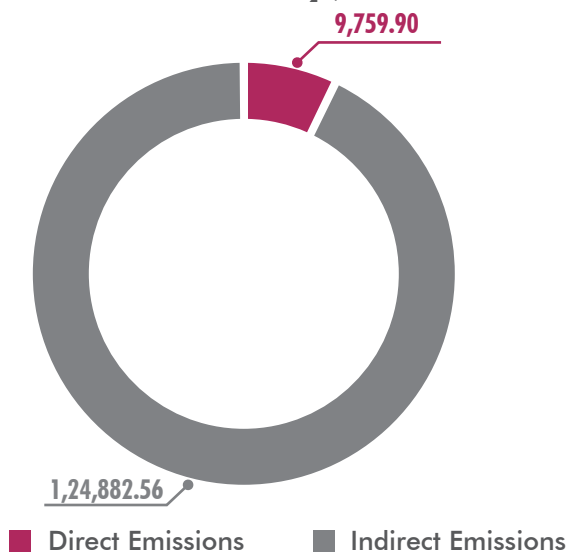
Energy Consumption 2014-15
(in Giga Joules)



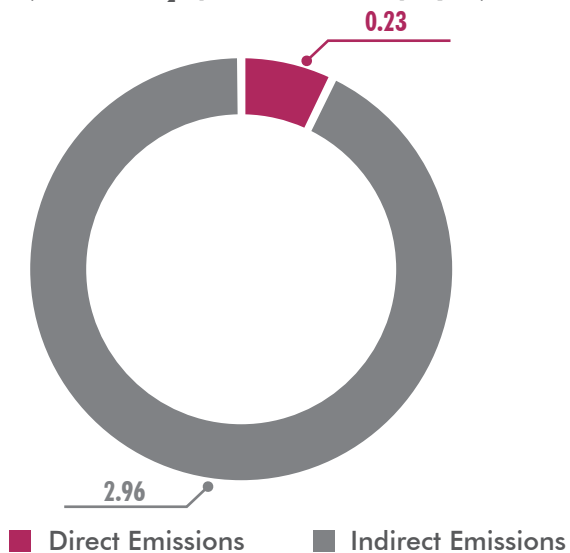
Energy Intensity 2014-15
(Giga Joules per full-time Employee)



GHG Emission 2014-15
(in tonnes CO₂e)



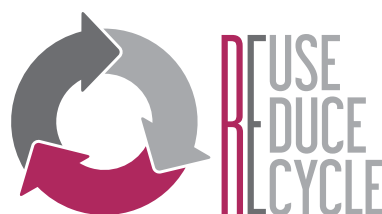
GHG Emissions Intensity 2014-15
(tonnes CO₂e per Full-time Employee)



The other GHG emissions (Scope 3) relating to employee business air travel, company provided shuttle bus services for employees and paper consumption during the year were 3,183.60, 670.04 and 8,557.24 tonnes of CO₂e respectively.

We adopt 3R (Reduce, Reuse, Recycle) principles for managing our material consumption and waste generation. Paper is one of the key materials that is consumed in our operations. Paper saving is vital aspect of our operations management. We are increasingly focusing on digitisation of banking services and internal processes to reduce the paper consumption while enhancing customer service and internal process efficiency. Access controlled printing services are made available at the corporate office and other key office locations to monitor the paper consumption at department and individual employee level. Paper procurement is centralised

through online procurement portal. To further reduce the environmental impact of paper consumption, we also procure wheat straw-based paper which is a greener alternative to the conventional wood-based paper. During the year, we procured 3,641 tonnes of paper based products comprising of 735 tonnes of wheat straw-based paper. We are conscious of the environmental impacts of waste generation and disposal. Dry waste (primarily paper waste)



and e-waste are primary waste categories generated in our operations. Dry waste generated at offices and branches including at corporate office is recycled into notepads, notebooks and

envelopes. Currently, over 80 offices and branches of the Bank in Greater Mumbai and Thane regions are covered under this initiative. Since its inception in August 2011, the program resulted in recycling of 233 tonnes into 10,360 notebooks, 24,650 notepads, 1,000 envelopes and 4,000 bookmarks. During the year, 31 tonnes of dry waste was recycled. Our Information Asset Management Policy spells out clear guidance on managing and disposing e-waste. Buy-back arrangements are made with suppliers/manufacturers where possible. Batteries are covered through buy-back arrangements to reduce waste to landfill. E-waste is disposed in an environmentally sound manner through Pollution Control Board approved vendors. The other waste categories such as wet waste (canteen waste), discarded furniture/office infrastructure and other materials are disposed through competent vendors.

E-waste disposed through approved vendors in 2014-15

Waste category	Quantity disposed
CPU (Nos.)	411
Laptops (Nos.)	21
Loose or additional haddisks (Boxes)	2
CRT / LCD / TFT Monitors (Nos.)	171
Printers – below 25 kg (Nos.)	31
Cables (Boxes)	4
Switches, hubs, telecom equipment etc. (Kgs)	10
Computer peripherals (keyboards, mouse etc.) (Kgs)	1,086

Green banking

We strive to reduce environmental impacts incidental to our products and services through 'Green Banking' practices. Digitisation of products, services and processes is vital for both reducing environmental impacts and providing superior customer service by enhancing the safety, ease and convenience of banking. 'Pratham' is our strategic initiative aimed at large scale transformation by re-engineering several processes across retail and wholesale verticals of the Bank aimed at enhancing customer experience and reducing operational risk. Digitisation is key enabler for success of 'Pratham'. Key initiatives such as tablet based instant savings, current and NRI account opening; tablet-based instant credit card application and processing; speed banking services through tab devices at branches, insta kits for savings and NRI accounts; and instant replacement of debit cards, not

only help in improving customer service but also contribute to significant reduction in usage of paper. Customers are encouraged to subscribe for e-statements. Frequent communications are sent to the customers on availing e-statements in an easy and secure manner. 'Green Banking' message at the ATM alerts the user to avoid printing of transaction slip, if not needed. Customers can set their debit card/credit card PIN at the Bank's ATM or through phone banking in a secure manner, thus eliminating the use of paper for PINs sent through post. The Bank continues to reach out to its shareholders to subscribe for

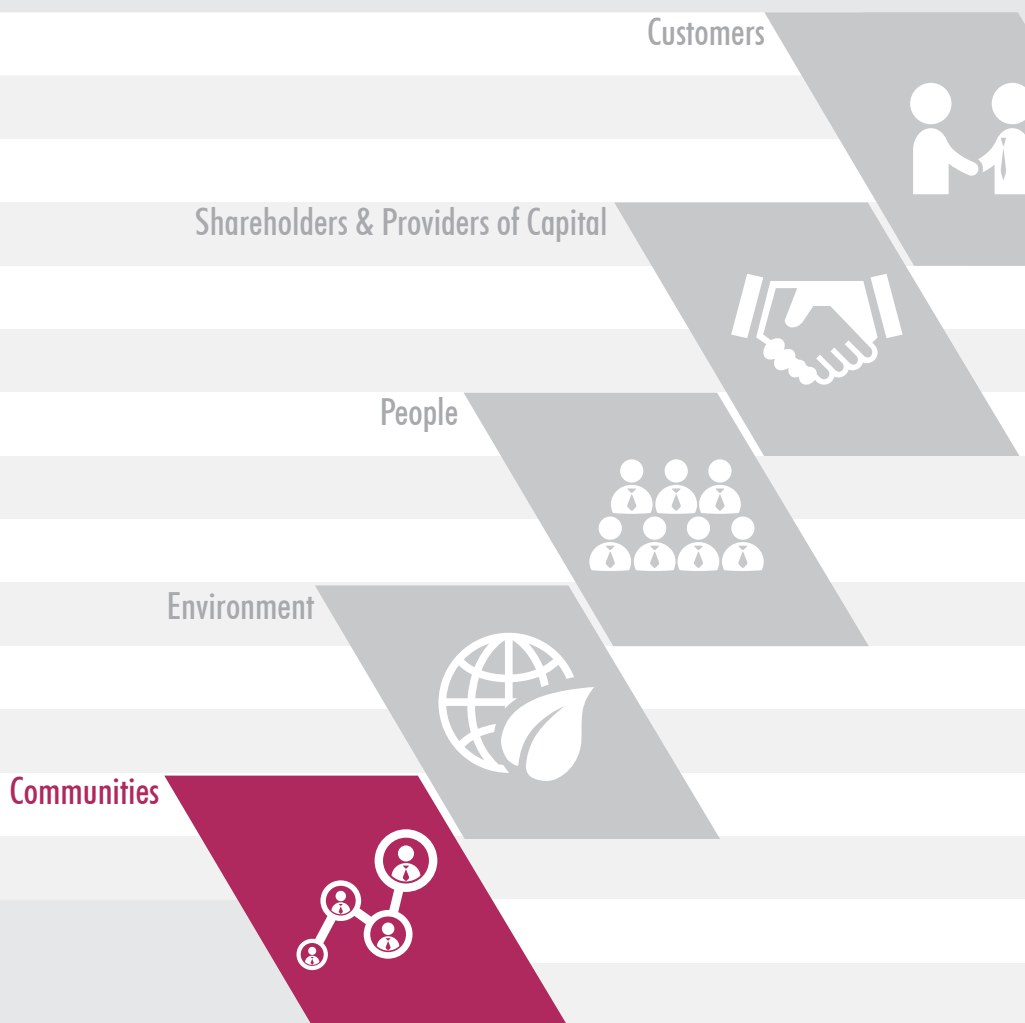


e-copies of its Annual Report, in accordance with 'go green' initiative of Ministry of Corporate Affairs.

An estimated 21 million paper sheets, equivalent of 2,306 trees cut, were avoided during the year due to initiatives mentioned in the table below.

We engage with customers, employees and communities on environmental aspects. Employees are sensitised on environmental and energy efficiency issues through regular emailers. Employees are encouraged to carpool. Annual 'Plant-a-sapling' initiative is conducted to engage with wider community on environment preservation. This year, 'Plant-a-sapling' initiative was conducted in 24 cities with over 73,000 sapling being planted. Axis Bank Foundation (ABF) engages with communities on sustainable agriculture practices leading to environmental sustainability.

Initiative	Impact
E-statements (Savings accounts, Current accounts, Other retail liabilities/assets products)	29% of total statements are issued electronically
E-statements (Demat accounts)	83% of statements issued through electronic medium
Demat E-welcome kit	92% of Demat welcome kits sent as e-welcome kit
E-copies of Annual Report	71% of shareholders registered



'As an integral part of the society, we intend to make meaningful and measurable impacts on the lives of economically, physically and socially-challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities.'

V Srinivasan
Executive Director & Head (Corporate Banking)



COMMUNITIES

We have developed a 'Policy on Corporate Social Responsibility' to guide our community development efforts. Community development initiatives are undertaken by Axis Bank Foundation (ABF) or by us directly. ABF was created in 2006

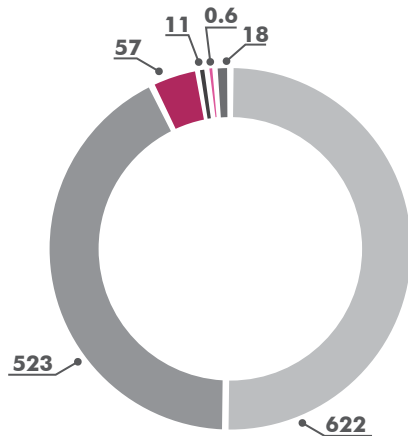
to create a positive impact on society and environment through focused initiatives in the areas of sustainable livelihoods, education and healthcare. Since then, ABF has grown to serve 239 districts across 26 states in India. ABF has worked with over

100 NGOs across India to reach out to more than 0.5 million beneficiaries.

During the year, we have spent ₹ 1.23 billion on various community development initiatives.



Community Investment (in ₹ million)



- Contribution to ABF for education, sustainable livelihood and healthcare
- Financial Literacy and Inclusion Program
- Environmental Sustainability Program
- MSME Sector Building Program
- Cleanliness and Sanitation Program
- Administrative Expenses

Sustainable livelihoods

Creating sustainable livelihoods is a key thrust area of ABF. It focuses on a multitude of areas such as agriculture promotion, vocational skills building, women empowerment and preserving arts and culture through its initiatives to create sustainable livelihoods. ABF's initiatives on the promotion of agriculture focus primarily on natural resource management to help farmers better utilise natural resources to improve farm productivity.

Initiatives on sustainable agriculture practices such as organic farming, prevention of soil erosion, renewable energy use for irrigation etc., have been undertaken under agriculture interventions. The success of such projects has inspired national and state-level functionaries to promote similar concepts and projects. For example, the 'PashuSakhi' model of building

cadre of community animal care service providers (mostly illiterate women of the villages) implemented by ABF's partner NGO has been adopted for replication under National Rural Livelihood Mission (NRLM). Another example is the tank development model being implemented by ABF's partner NGO DHAN. The project was recognised as an illustrated institutional model by the Ministry of Water Resources, Government of India and was mentioned in the guidelines on irrigation work issued by the Ministry. Vocational skills' training is another key intervention area to promote sustainable livelihoods. Vocational training is provided to the unemployed youth, persons with disability, tribal communities originally associated with poaching etc. to promote sustainable livelihood by helping the beneficiaries secure jobs or

pursue entrepreneurial activities. The Foundation also serves extremely marginalised groups like poor and destitute, victims of commercial sex exploitation and trade etc., by providing them a livelihood asset and relevant skill training to enhance their livelihood opportunities. Women Self-Help Groups (SHGs) are formed through ABF activities. The SHGs are provided with financial access through bank linkages and supported with market linkages to help them sell their products. This is also a key initiative of ABF in association with the Bank towards financial inclusion of these beneficiaries. ABF has also undertaken a healthcare training program which promotes livelihood and is independent of Government subsidy scheme like Asha workers.

Sustainable Livelihood Programs (Cumulative as of 31st March, 2015)

Category	Programs (Nos.)	Beneficiaries (Nos.)
Agriculture	13	2,92,281
Vocational Training	6	58,596
Artisans	1	21,368
Co-operatives	1	7,636
Others	3	37,365
Total	24	4,17,606

Success Story - Empowering women

ABF has collaborated with People's Rural Education Movement to conduct life skills and leadership training camps in rural areas, under PREMA project. Ms. Bijoylaxmi Raito of Bodokolakote, Gumma Block, Gajapati District, Odisha was part of the Grihini life skills and leadership training camp for women held under Axis Bank Foundation's PREMA project. Encouraged by the training camp and her co-trainees, Ms. Bijoylaxmi contested for the position of Sarpanch in the three-tier Panchayati elections and subsequently won. After she became the Sarpanch, Bijoylaxmi started with bringing in many of the government social schemes for the benefit of the village community. Within a year, she was successful in allotting houses under Indira Awas Yojana and implementing food

security schemes for 192 families. She also ordered a survey to assess the number of families using toilets and those who are in need in order to facilitate the construction of toilets for these families. Now she monitors many village-level service centres such as schools, PDS and ICDS to keep a check on the proper functioning of these services.

A natural leader with social welfare on her mind, Ms. Bijoylaxmi just needed the push which was provided by PREMA's training camps. The rest, she knew how to do.



Axis Bank Foundation through its partner NGOs supports livelihood programs for women through distribution of livestock. More than 70% of its Sustainable Livelihood program beneficiaries are women.

Impacts of sustainable livelihood program

ABF has conducted impact assessments for eligible livelihood projects by engaging reputed independent institutions/agencies. Some of the key impacts for livelihood projects, as highlighted by the study, are:

Financial Impact

- Increase in income (Target of 50% increase in incomes was overachieved in most cases)
- Placement of trainees (Target of 70% of placements of trainees which was achieved in most cases)
- Increase in savings
- Increased linkages with banks and other financial institutions
- Increase in household assets

Social Impact

- Woman empowerment, primarily in terms of an increase in,
 - Social inclusion
 - Decision making (local-level bodies)
 - Financial independence
 - General awareness levels
- Education for children
- Health and sanitation

Project Parivartan

In association with a Hyderabad based NGO, Youth 4 Jobs, ABF launched a skills training program for the disabled. The program aims to train around 8,000 people with speech, hearing and movement disabilities across 18 training centres across various states of the country over next 4 years. An integrated course in aspects like basic communication skills, life skills, computer skills, physiotherapy and more would be provided to the participants through residential programs.



Shikha Sharma (C), MD & CEO with Project Parivartan beneficiaries.

Education

ABF's education programs focus on primary and secondary education, special education for children with disabilities and vocational skills for children.

ABF programs support anganwadis and government schools

in improving quality of primary education. The children in some rural areas are also provided support in terms of supplementary education to help them in their progress. Initiatives towards providing special

education for children with disabilities are undertaken. To prepare school children for livelihood opportunities, vocational skills training is provided for children from VIII to X standards.

Success Story - Empowering the specially abled

Noida Deaf Society (NDS) is one of Axis Bank Foundation's partners that work in the space of Hearing Impairment. Ms. Geeta, a girl with hearing disability from Hisar, lost both her parents but her brother, who himself is hearing impaired, supported and encouraged her to join NDS, moving out from Hisar. At NDS, she did courses in MS Office, English Communication and Data Entry. She became of role model for all the students at NDS showcasing great dedication and motivation. After completing her courses she went through a screening process post which she was offered a job in Axis Bank. Today she is quite happy that she can now support herself and her family too. Ms. Geeta and Ms. Ruma Roka, Founder and General. Secretary of NDS were invited by America India Foundation to speak about NDS' cause at their Annual Gala held in Washington, New York and Chicago. Geeta's story of defying the odds through her strong will and spirit is an inspiration for many.

Education Initiatives (cumulative as of 31st March, 2015)

Category	Programs (Nos.)	Beneficiaries (Nos.)
Primary & Secondary Education	3	51,023
Supplementary Education	2	33,493
Special Education	8	7,571
Vocational Training	2	2,505
Others	4	40,599
Total	18*	1,35,191

*Some of the programs operate in two different categories

For the education programs, the impacts highlighted by the impact assessment study are given below:

Supplementary Education

- Increase in academic performance in Senior Secondary Certificate (SSC) exams,
 - Decrease in failure rate
 - Increase in students securing First Division
- Increased awareness levels
 - Prevention of child marriage
 - Literacy extending beyond girl child into the family

Primary/Secondary Education

- Increase in attendance from 79% to 84%
- Reduction in child labour and greater enrolment in schools in age-group (6-14 years)
- Participatory model, including community, parents, gram panchayat members, school management committee etc., in school processes

Healthcare

We have been partnering with Lifeline Foundation since 2004 and continue to support them now through Axis Bank Foundation. Through Lifeline Foundation, ABF provides support for highway accident management and evacuation of accident victims to nearest care centers.

Highway Rescue Initiatives (cumulative as of 31st March, 2015)

	Rajasthan	Maharashtra	Gujarat	West Bengal	Kerala	Total
Accident Intervened	1,925	1,664	5,919	NA	NA	9,508
Seriously Injured Victims	2,801	1,915	7,211	501	681	13,109
Minor Injured Victims	472	265	6,083	568	149	7,537
Total Victims	3,273	2,180	13,294	1,069	830	20,646

Through this initiative, First Responder's Training is imparted to relevant stakeholders such as Police personnel, Toll Operations personnel etc. in the science of first aid/pre-hospital trauma care.

First Responder Training Initiative (cumulative as of 31st March, 2015)

	Gujarat	Rajasthan	Maharashtra	Total
Police	1,959	-	-	1,959
Hazmat	909	872	-	1,781
Toll Plaza Functionaries	784	173	255	1,212
Village Task Force	760	250	757	1,767
Others	341	37	-	378
Total	4,753	1,332	1,012	7,097

Environmental sustainability

Sustainable livelihood initiatives of ABF in the area of promotion of sustainable agriculture contribute to environmental sustainability. The initiatives intend to support farmers to improve farm productivity by focusing on natural resource

management. Initiatives on sustainable agriculture practices such as organic farming, prevention of soil erosion, renewable energy use for irrigation etc., have been undertaken under agriculture interventions. We also accord importance to environmental sustainability initiatives in the Bank's operations. Renewable

energy solutions were explored for the branches to utilise clean energy and reduce GHG emissions. Similarly, 'Smart Energy Management Solutions' are being implemented in branches in a phased manner to improve energy efficiency and contribute to fewer GHG emissions.

MSME sector development

Medium Small and Micro Enterprises (MSME) sector is vital for the economic growth of India. It is estimated that this sector contributes about 45% of manufacturing output and 40% of total exports of the country and employs about 69 million persons in over 29 million units throughout the country³. We are committed to the MSME sector

development. A Code of Commitment to Micro and Small Enterprises is put in place to give a positive thrust to the Micro and Small Enterprise (MSE) sector by providing easy access to efficient banking while promoting good and fair-banking practices. The commitment is also supported through Priority Sector Lending practices. While we have

customised financial solutions to cater to MSME sector, we also engage with MSME sector to support the sector capability enhancement through non-financial services such as skill building and knowledge sharing. Such initiatives are aligned to support the Government of India's ambitious 'Make In India' campaign.



Sanitation

The Government of India has undertaken sanitation as a national priority under 'Swachh Bharat Abhiyan' with an aim to make a clean India by 2019 as a tribute to Mahatma Gandhi on his 150th birth anniversary. In

support of this initiative, we conducted a cleanliness and sanitation drive in the vicinity of 438 rural branches. 'Swachh Bharat Saptah' was observed in December, 2014. Our staff along with local administration and communities cleaned local areas in support of 'Swachh

Bharat Abhiyan', registering a participation of more than 11,000 people apart from our own employees.

³Twelfth Five Year Plan (2012-2017) – Economic Sectors Volume II, Government of India

Stakeholder engagement and volunteering

We provide employees with opportunities to volunteer and contribute to community development initiatives. Activities are conducted by ABF throughout the year wherein employees volunteer to help out the disadvantaged people of the society. 'Axis Cares' is a payroll giving programme through which

the employees can make voluntary contributions. Some of the key engagement

and volunteering initiatives during the year include:

Blood donation drives	1,685 units collected through 26 drives
Exhibitions	Sale value of ₹ 5.2 million through 103 exhibitions by NGOs
Basket of Hope	10,000 kgs of goods (clothes, toys etc.) have been collected through 10 drives



Blood donation camp conducted at Axis House, Corporate headquarters of the Bank.

ABF also conducts talks and sessions by experts, partner NGOs and beneficiaries to discuss and share their experience with the Bank employees on pertinent social issues.

We engage with vulnerable and marginalised sections of society through our products and

community engagement initiatives. Through the Rural and Inclusive banking initiatives, we engage with these sections of the society to create financial literacy and further the agenda of financial inclusion through specialised products. During the year, we have launched 'Asha

Home Loans' which caters to low income segment for affordable housing loan options. 'Chhota Recurring Deposit' was launched to enable customers to save small amounts through recurring deposits.

We also engage with the disadvantaged and marginalised communities through the Axis Bank Foundation (ABF) to create a positive impact through community development initiatives. Some of key initiatives as of 31st March, 2015 include:

- 49,815 families provided with livestock as livelihood asset
- 10,282 people provided with non-farm interventions such as kumbaya, kantha work, bamboo, embroidery etc.
- 2,97,690 families reached out under health education
- 1,862 community health facilitators trained
- 1,017 artisans were given training and their goods were sold through an online portal resulting into a sale of ₹ 8.4 million

- 15,428 sex workers have been provided with alternate livelihood under ABF's livelihood programs. 2,571 bank accounts opened for them and 10,726 children enrolled in schools.
- 1,359 visually and hearing impaired adults were placed in various jobs
- 51 special children were trained and placed in various jobs
- 148 drug-addicted children were rehabilitated and educated
- 346 disabled students were assisted with aids and appliances

During the year, ABF conducted a Partners' Meet-cum-Workshop on 'Grant Management Framework of ABF' to engage and seek feedback/suggestions

from its partner NGOs. 34 NGO partners have attended the workshop and provided key inputs. The outcome of this consultative process resulted in roll out of Grant Management guidelines and manual. This will enable the partner NGOs to bring in systems and processes to meet the requirements of statutory accounting standards and adopt good practices. ABF has also conducted a Partner Satisfaction Survey of its NGO partners to demonstrate a model of partnership and gain feedback of NGO partners on the seven year journey of ABF. The feedback has enabled ABF to strengthen the relationship with NGO partners by customising the existing approach and methodology, and augmenting internal systems and processes.



Axis House, the Corporate Headquarters of the Bank is a LEED certified Platinum rated Green Building.

KPMG (Registered), Lodha Excelus, 1st Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011, India
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Independent Assurance Statement

To the Management of Axis Bank Limited, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, India

Introduction

We were selected by Axis Bank Limited ('Axis Bank' or 'AB' or 'the Company') to provide independent assurance on the Sustainability Report ('the Report') for the Financial Year (FY) 2014-15. Our responsibility was to provide "limited assurance" against International Standard on Assurance Engagements (ISAE) 3000 on the report contents as described in the assurance scope.

Assurance scope

Our assurance engagement is intended to provide limited assurance on whether the Sustainability information is presented fairly, in all material respects, in accordance with the reporting criteria. Our scope of assurance included verification of selected data and information on material aspects and performance thereof provided for the period 01 April 2014 to 31 March 2015 based on Global Reporting Initiative's (GRI) G4 Guidelines and Financial Sector Disclosure. The General and Specific Standard Disclosures subject to assurance were as follows:

General Standard Disclosures:

- Strategy and Analysis (G4-1, G4-2)
- Organisational 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 G4-33)
- Governance (G4-34 to G4-49, G4-51 to G4-55)
- Ethics and Integrity (G4-56 to G4-58)

Specific Standard Disclosure

- Economic
 - Economic Performance manner (G4-EC1 to G4-EC3), Indirect Economic Impact (G4-EC7 to G4-EC8)
- Environmental
 - Materials (G4-EN1), Energy (G4-EN3 – G4-EN7), Emissions (G4-EN15 – G4-EN19), Effluents and Waste (G4-EN23), Products and Services (G4-EN27), Compliance (G4-EN29), Transport (G4-EN30).
- Social
 - Labour Practices and Decent Work, Human Rights
 - Employment (G4-LA1, G4-LA3), Occupational Health and Safety (G4-LA6), Training & Education (G4-LA9 – G4-LA12, G4-LA16), Equal Remuneration for Men and Women (G4-LA13), Non-discrimination (G4-HR1 to G4-HR6), Indigenous Rights (G4-HR8)
 - Society
 - Local Communities (G4-SO1 to G4-SO4), Compliance (G4-SO7, G4-SO8)
 - Product Responsibility
 - Customer Satisfaction (G4-PR3 to G4-PR5), Marketing Communications (G4-PR6 to G4-PR7), Customer Privacy (G4-PR8), Compliance (G4-PR9).
- Financial Sector Supplement
 - Percentage of the portfolio for business line by specific region, monetary value of products and services designed to deliver social benefit, environmental benefit (FS-6 to FS-8), financial inclusion (FS-13, FS-14).



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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 data and information outside the defined reporting boundary and period
- Verify the Company's financial statements & economic performance
- Verify the Company'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 Company

Assurance criteria

We conducted our engagement in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) and in compliance with the requirements of IFAC Code of Ethics for Professional Accountants. The Code 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.

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 undertaken:

- Review of materiality and stakeholder engagement framework deployed at Axis Bank Limited
- 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
- Verification visits to the Company's corporate office
- Interviews with Axis Bank personnel responsible for data collection, collation and reporting
- Testing of the sample data and the supporting evidences through a risk based approach
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all information mentioned in the report is supported by underlying data
- Review of the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings

Conclusion

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 the financial year ended 31 March, 2015 is presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4) and Financial Sector Supplement (applicable for Financial Business) of the Global Reporting Initiative and conforms to GRI G4 'In-accordance' – Core disclosure criteria

Key observations

Without affecting the conclusion presented above, we would like to draw readers' attention to the following:

- The Company is in the process of framing 'Sustainable Lending Policies'. The Company should set mid to long term targets to align its policy to internationally accepted guidelines like 'Equator Principles', UNPRI and IFC.
- The present stakeholder engagement can be enhanced by extending coverage to stakeholders' views on Sustainability context with respect to the Axis Bank's operations.



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- Axis Bank may extend its policies on Environment, Social and Governance and its related aspects to its supply chain, to pro-actively engage with significant suppliers on such issues.

Management's responsibility

The Management of Axis Bank is responsible for developing the Report and the information and statements within it. This responsibility includes designing, implementing and maintaining systems and processes relevant for the development of the report.

Our responsibility

Our responsibility is to express our conclusions in relation to the assurance scope listed above. We conducted our engagement with a multi-disciplinary 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 report is made solely to Axis Bank in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Axis Bank those matters we have been engaged for. 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 we have reached.

Santhosh Jayaram

Director

KPMG India

18 September 2015

GRI Content Index

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Pages 6-7	Y
G4-2	Provide a description of key impacts, risks, and opportunities	Pages 6-7, 14-20, 65	Y
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organisation.	Page 9	Y
G4-4	Report the primary brands, products, and services.	Page 10	Y
G4-5	Report the location of the organisation's headquarters.	Back Cover	Y
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Pages 9-10	Y
G4-7	Report the nature of ownership and legal form.	Page 49 Page 11 AR 2014-15	Y
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Page 10, Pages 35-40 AR 2014-15	Y
G4-9	Report the scale of the organisation, including: Total number of employees - Total number of operations - Net sales (for private sector organisations) or net revenues (for public sector organisations) - Total capitalisation broken down in terms of debt and equity (for private sector organisations) - Quantity of products or services provided	Pages 9-10 Pages 7, 10, 11 AR 2014-15	Y
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 organisation'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>Pages 54-55</p> <p>There is no substantial portion of the Bank's work performed by workers who are legally recognised 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>	Y

General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Page 60	Y
G4-12	Describe the organisation's supply chain.	Our supply chain primarily comprises of IT products and services providers, human resource service providers, utilities providers, technology partners, office stationary suppliers and office infrastructure vendors	Y
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	Pages 11,20-27 AR 2014-15	Y
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Precautionary approach is implicit in our environmental management approach	Y
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	None	Y
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> - Holds a position on the governance body. - Participates in projects or committees. - Provides substantive funding beyond routine membership dues. - Views membership as strategic. 	Pages 16-17 BRR 2014-15	Y
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	Page 12 Page 166 AR 2014-15	Y
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	Page16	Y
G4-19	List all the material Aspects identified in the process for defining report content.	Page16	Y
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	Page16	Y
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	Page16	Y
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	This is the first year of reporting.	Y

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General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
STAKEHOLDER ENGAGEMENT			
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	This is the first year of reporting.	Y
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Pages 14-15	Y
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Pages 14-15	Y
G4-26	Report the organisation'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 14-15	Y
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation 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.	Pages 14-15, 18-20	Y
REPORT PROFILE			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2014-15	Y
G4-29	Date of most recent previous report (if any).	This is the first year of reporting	Y
G4-30	Reporting cycle (such as annual, biennial).	Annual	Y
G4-31	Provide the contact point for questions regarding the report or its contents.	sustainability@axisbank.com	Y
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	'In accordance' – Core option Pages 82-99	Y
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	Pages 82-84 Executive Director (Corporate Centre) & Chief Financial Officer has the oversight on the assurance for sustainability report.	Y
GOVERNANCE			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Page 24	Y

General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
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.	Page 24	Y
G4-36	Report whether the organisation 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	Y
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.	Page 24	Y
G4-38	Report the composition of the highest governance body and its committees.	Pages 22, 24	Y
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 organisation's management and the reasons for this arrangement).	Page 22	Y
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 23	Y
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.	Page 23 Pages 111-118 AR 2014-15	Y
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Pages 23-24	Y
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Page 23	Y
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 organisational practice.</p>	Page 23	Y

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General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
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 23-24	Y
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	Pages 23-24, 27	Y
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	Y
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered.	Committee of Whole-time Directors and Management Committee	Y
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.	Y
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>	Page 23 Pages 31-32, 139-140 AR2014-15	Y
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 organisation.	Page 23 Pages 31-32, 139-140 AR2014-15	Y
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.	Page 23 Pages 31-32, 139-140 AR2014-15	Y
G4-54	Report the ratio of the annual total compensation for the organisation'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 Pages 31-32, 139-140 AR2014-15	Y
G4-55	Report the ratio of percentage increase in annual total compensation for the organisation'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 Pages 31-32, 139-140 AR2014-15	Y

General Standard Disclosures	Disclosure item description	Page / Reference	External Assurance
ETHICS AND INTEGRITY			
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Pages 9, 26	Y
G4-57	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Page 26	Y
G4-58	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	Page 26	Y

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
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CATEGORY: ECONOMIC**MATERIAL ASPECT: ECONOMIC PERFORMANCE**

G4-DMA	Disclosure on management approach	Pages 30, 65	-	Y
G4-EC1	Direct economic value generated and distributed	Page 30	-	Y
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Page 65	-	Y
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Page 30 Pages 189-196 AR 2014-15	-	Y

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

G4-DMA	Disclosure on management approach	Page 31	-	Y
G4-EC7	Development and impact of infrastructure investments and services supported	Pages 31-32	-	Y
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Pages 31-32	-	Y

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DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: MATERIALS				
G4-DMA	Disclosure on management approach	Pages 17, 63	-	Y
G4-EN1	Materials used by weight or volume	Page 69	-	Y
MATERIAL ASPECT: ENERGY				
G4-DMA	Disclosure on management approach	Page 66	-	Y
G4-EN3	Energy consumption within the organisation	Page 68	-	Y
G4-EN4	Energy consumption outside of the organisation	Page 68	-	Y
G4-EN5	Energy intensity	Page 68	-	Y
G4-EN6	Reduction of energy consumption	Pages 67-70	-	Y
G4-EN7	Reductions in energy requirements of products and services	Pages 67-70	-	Y
MATERIAL ASPECT: EMISSIONS				
G4-DMA	Disclosure on management approach	Pages 17, 63, 65	-	Y
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Page 68	-	Y
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	Page 68	-	Y
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Page 69	-	Y
G4-EN18	Greenhouse gas (GHG) emissions intensity	Page 68	-	Y
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Pages 67-70	-	Y
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	Disclosure on management approach	Page 69	-	Y
G4-EN23	Total weight of waste by type and disposal method	Page 69	-	Y
MATERIAL ASPECT: PRODUCTS AND SERVICES				
G4-DMA	Disclosure on management approach	Page 70	-	Y
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Page 70	-	Y

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	Disclosure on management approach	Page 28	-	Y
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	-	Y
MATERIAL ASPECT: TRANSPORT				
G4-DMA	Disclosure on management approach	Page 69	-	Y
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	Page 69	-	Y
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA	Disclosure on management approach	We plan to initiate dialogue with key suppliers on Environment & Social topics in subsequent years	-	-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		-	-

CATEGORY: SOCIAL**SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK****MATERIAL ASPECT: EMPLOYMENT**

G4-DMA	Disclosure on management approach	Page 54	-	Y
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Page 54-55	-	Y
G4-LA3	Return to work and retention rates after parental leave, by gender	Page 56	-	Y

MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS

G4-DMA	Disclosure on management approach	Page 56, 60	-	Y
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.	-	Y

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DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	Disclosure on management approach	Pages 58-59	-	Y
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	We regret the loss of life of one male employee during the year due to a fire incident at a third-party training venue. We have conducted Fire & Safety Hazard Audits of our locations and third-party locations such as training venues to avoid reoccurrence of such incidents.	-	Y
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	Disclosure on management approach	Pages 56-57	-	Y
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Page 57	-	Y
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Pages 56-57	-	Y
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Page 57	-	Y
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	Disclosure on management approach	Page 54	-	Y
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 22, 54	-	Y
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA	Disclosure on management approach	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	-	Y
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		-	Y

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA	Disclosure on management approach	We plan to initiate dialogue with key suppliers on Environment & Social topics in subsequent years.	-	-
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria		-	-
MATERIAL ASPECT: LABOUR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA	Disclosure on management approach	Page 26	-	Y
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	Page14 Page 142 AR 2014-15	-	Y
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: INVESTMENT				
G4-DMA	Disclosure on management approach	We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-	Y
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		-	Y
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 rolled out 'Policy on Human Rights' during the year. 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 694 person-hours of classroom training on Code of Conduct & Ethics.	-	Y
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	Disclosure on management approach	Pages 59-60	-	Y
G4-HR3	Total number of incidents of discrimination and corrective actions taken	There have been no incidents of discrimination reported during the year.	-	Y

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DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA	Disclosure on management approach	Page 60	-	Y
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	-	Y
MATERIAL ASPECT: CHILD LABOUR				
G4-DMA	Disclosure on management approach	Our direct operations do not have significant risk of child labor. All the suppliers are required to abide by all applicable laws and regulations including those on child labour.	-	Y
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Our direct operations do not have significant risk of child labor. All the suppliers are required to abide by all applicable laws and regulations including those on child labour.	-	Y
MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR				
G4-DMA	Disclosure on management approach	Our direct operations do not have significant risk of forced or compulsory labour. All the suppliers are required to abide by all applicable laws and regulations including those on forced or compulsory labour.	-	Y
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Our direct operations do not have significant risk of forced or compulsory labour. All the suppliers are required to abide by all applicable laws and regulations including those on forced or compulsory labour.	-	Y
MATERIAL ASPECT: INDIGENOUS RIGHTS				
G4-DMA	Disclosure on management approach	Our direct operations have no reported incidents of violations involving rights of indigenous peoples. We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-	Y
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Our direct operations have no reported incidents of violations involving rights of indigenous peoples. We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-	Y
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA	Disclosure on management approach	We plan to initiate dialogue with key suppliers on Environment & Social topics in subsequent years.	-	-
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	We plan to initiate dialogue with key suppliers on Environment & Social topics in subsequent years.	-	-

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-DMA	Disclosure on management approach	Page 60	-	-
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Nil for direct operations.	-	-
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	Disclosure on management approach	Pages 19, 71-72	-	Y
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 71	-	Y
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.	-	Y
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	Disclosure on management approach	Pages 26, 28	-	Y
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 also framed policies and procedures to counter risks related to fraud and money laundering.	-	Y
G4-SO4	Communication and training on anti-corruption policies and procedures	Page 26	-	Y
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA	Disclosure on management approach	Page 26	-	Y
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	Nil	-	Y
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	Disclosure on management approach	Page 28	-	Y
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Page 96 AR 2014-15	-	Y

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DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: PRODUCT AND SERVICE LABELLING				
G4-DMA	Disclosure on management approach	Page 38	-	Y
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Page 38	-	Y
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Page 96 AR 2014-15	-	Y
G4-PR5	Results of surveys measuring customer satisfaction	Page 41	-	Y
MATERIAL ASPECT: MARKETING COMMUNICATIONS				
G4-DMA	Disclosure on management approach	Page 27	-	Y
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.	-	Y
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	-	Y
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	Disclosure on management approach	Page 38	-	Y
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Page 38	-	Y

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	Disclosure on management approach	Page 28	-	Y
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Page 96 AR 2014-15	-	Y

FINANCIAL SERVICES SECTOR SUPPLEMENT

FS-DMA	Policies with specific environmental and social components applied to business lines		-	Y
FS-DMA	Procedures for assessing and screening environmental and social risks in business lines	We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-	Y
FS-DMA	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions		-	Y
FS-DMA	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines		-	Y
FS-DMA	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities		-	Y
FS-6	Percentage of the portfolio for business lines by specific region, size (e.g. Micro/sme/large) and by sector		Pages 80,81,207 AR 2014-15	-
FS-7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Pages 32, 41-44	-	Y
FS-8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Pages 32, 64	-	Y
FS-DMA	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	We are in the process of framing 'Sustainable Lending Policy & Procedures', which in conjunction with credit risk policies will enable us to assess environmental and social risks associated with Project Finance activities of certain size and actively engage with clients towards ensuring adequate safeguards.	-	-
FS-10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues		-	-
FS-11	Percentage of assets subject to positive and negative environmental or social screening		-	-

DMA and Indicators	Disclosure item description	Page number / Reference	Omission(s) identified and Explanation	External Assurance
FS-13	Access points in low-populated or economically disadvantaged areas by type	Pages 41-44	-	Y
FS-14	Initiatives to improve access to financial services for disadvantaged people	Pages 41-44	-	Y
FS-DMA	Policies for the fair design and sale of financial products and services	Pages 27,38	-	Y
FS-DMA	Initiatives to enhance financial literacy by type of beneficiary	Page 44	-	Y

AR- Annual Report | BRR- Business Responsibility Report

UNITED NATIONS GLOBAL COMPACT (UNGC) PRINCIPLES MAPPING

UNGC Principles	Statement	Reference	Explanation
HUMAN RIGHTS			
Principle-1	Businesses should support and respect the protection of internationally proclaimed human rights;	Pages 59-60	-
Principle-2	Make sure that they are not complicit in human rights abuses.	Pages 59-60	-
LABOUR			
Principle-3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Page 60	-
Principle-4	The elimination of all forms of forced and compulsory labour;	Pages 59-60	-
Principle-5	The effective abolition of child labour;	Pages 59-60	-
Principle-6	The elimination of discrimination in respect of employment and occupation.	Pages 59-60	-
ENVIRONMENT			
Principle-7	Businesses should support a precautionary approach to environmental challenges;	Pages 64-70	-
Principle-8	Undertake initiatives to promote greater environmental responsibility;	Pages 64-70	-
Principle-9	Encourage the development and diffusion of environmentally friendly technologies.	Pages 64-70	-
ANTI-CORRUPTION			
Principle-10	Businesses should work against corruption in all its forms, including extortion and bribery	Pages 26-28	-

Notes

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Notes

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