



Sustainability Report 2018-19

Awards & Recognition



'Best Digital Bank'
at the Financial Express
India's Best Banks Awards



**'Best Debt Arranger on
Electronic Bidding Platform'**
at the NSE Market Achievers Awards



'Best Mobile App' for One Raipur
at the BW Businessworld 6th Smart
Cities Conclave & Mega Awards



**'Best Use of Data Analytics for
Business Outcome'**
at the IBA Banking Technology Awards



**'Winner in BFSI category for Cross
Border Remittance'**
at The Economic Times BFSI
Innovations Tribe Awards & Summit



**'Best Media Innovation-
Sponsorship'**
for Axis Bank-Kaun Banega Crorepati
(KBC) integration at Emvies Awards



'Best Performing Bank'
at the CNBC UTI Financial Advisor
Awards



**'Best Contactless Payments
Project' and 'Best Prepaid card
of the Year'**
at the Payments & Cards Awards



**'Excellence in Corporate Social
Responsibility' for the
second time'**
at the CII-ITC - Sustainability Awards



Banking on Sustainable Growth

A nation's banking system can be considered the lifeblood of its economy, as it channelises financial resources into diverse economic sectors and across regions, and plays a critical role in ensuring such resources support economic growth and development efficiently and adequately.

As one of the country's first new-generation private sector banks, it has since then emerged as India's third largest private sector bank, playing a leading role towards building an economy that is not only open and resilient, but also one that is capable of serving the diverse needs of a 1.3 billion Indians. With over 4,000 branches and over 61,000 employees working across the length and breadth of the country, Axis Bank is now the preferred banking partner to millions of Indians from all walks of life.

As India is poised to be counted among the world's top five economies, it boasts of a diverse services sector, possesses a robust environment for innovation and entrepreneurship, has responsive regulatory structures in place, is driven by strong consumer demand, is witnessing a dynamic digital adoption, and is progressively integrating with the global economy. As a financial institution, Axis Bank caters to the entire spectrum of India's economic activity and its multifarious requirements, offering a wide range of financial solutions to a diverse range of customer segments spanning retail, small and medium enterprises, government, and corporate businesses.

Even as India has been successful in bringing millions of Indians out of chronic poverty in the last decade alone, millions of others still await their turn. Notwithstanding its economic priorities to bring millions out of poverty, spur investment in critical infrastructure and provide meaningful employment to the millions who enter the workforce annually, India has demonstrated strong leadership on the

adoption of the Sustainable Development Goals and ratifying the Paris Agreement, thus committing to a pathway of equitable and sustainable development.

Axis Bank remains strongly aligned with India's developmental goals and aspirations, continuing to facilitate the country's efforts towards the creation of critical and sustainable infrastructure, supporting entrepreneurs and businesses, driving the digital revolution, scaling up financial inclusion, and taking financial solutions to its remotest corners. Specifically, its business activities in critical sectors such as MSMEs, rural banking, digital and transaction banking, infrastructure finance, Smart Cities, e-governance, among others, not only have a strong financial impact, but also result in positive socio-economic and environmental impact in rural and urban India. The Bank's impact is complemented by its subsidiaries, which are emerging as leaders in their respective domains.

Through its multi-faceted initiatives and activities across business operations, Corporate Social Responsibility and Human Capital, the Bank further extends its role in partnering for the holistic progress of communities it serves and the environment.

The theme of this year's report, 'Banking on Sustainable Growth', aims to convey Axis Bank's unwavering commitment to catalysing India's socio-economic transition and the belief that the country has barely achieved a fraction of its potential. As an institution, Axis Bank looks towards the future with optimism and a deep sense of responsibility.

About the Report

'Banking on Sustainable Growth' is our fifth Sustainability Report, for the annual financial cycle of the Bank from April 2018 to March 2019. The Report adheres to the Global Reporting Initiative's GRI Standards for sustainability reporting, and has been prepared in accordance with the GRI Standards – Comprehensive option.

It adheres to the GRI's Reporting Principles for defining report content – Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. The Report does not include any significant restatements from the previous report.

Our previous Sustainability Report was for FY 2017-18, from April 2017 to March 2018 which was aligned with the Integrated Reporting (<IR>) framework of the International Integrated Reporting Council. This year, too, the Bank aligned its Sustainability Reporting with the Integrated Reporting (<IR>) framework.

The Report is also in alignment with the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/10, dated 6 February 2017, on "Integrated Reporting by Listed Entities." As per the Integrated Reporting framework, the Report will include our performance under the six capitals – Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. Integrated Reporting allows us to better communicate the value creation we have been able to achieve across our wide spectrum of stakeholders, and impact created through our financial and non-financial activities. The reporting boundary for this Report is the Indian operations of Axis Bank and the Axis Bank Foundation (ABF). The GRI Content Index, which specifies each of the GRI Standards used and lists all disclosures included in the report, has been provided on our website and can be accessed at <https://www.axisbank.com/csr/csr-reports-and-disclosures>.

Sustainability Reporting aims to report on the issues and concerns that matter most to our internal and external stakeholders and makes the best effort to address all the qualitative requirements of the GRI and Integrated Reporting frameworks. This Report has been prepared internally and includes data and information from our Annual Report 2018-19 as well as that shared by various business verticals, and has been reviewed by the leadership and Board members. We welcome all feedback and comments from our stakeholders, which may be addressed to sustainability@axisbank.com

This Report can also be accessed online on our website at <https://www.axisbank.com/csr/csr-reports-and-disclosures>

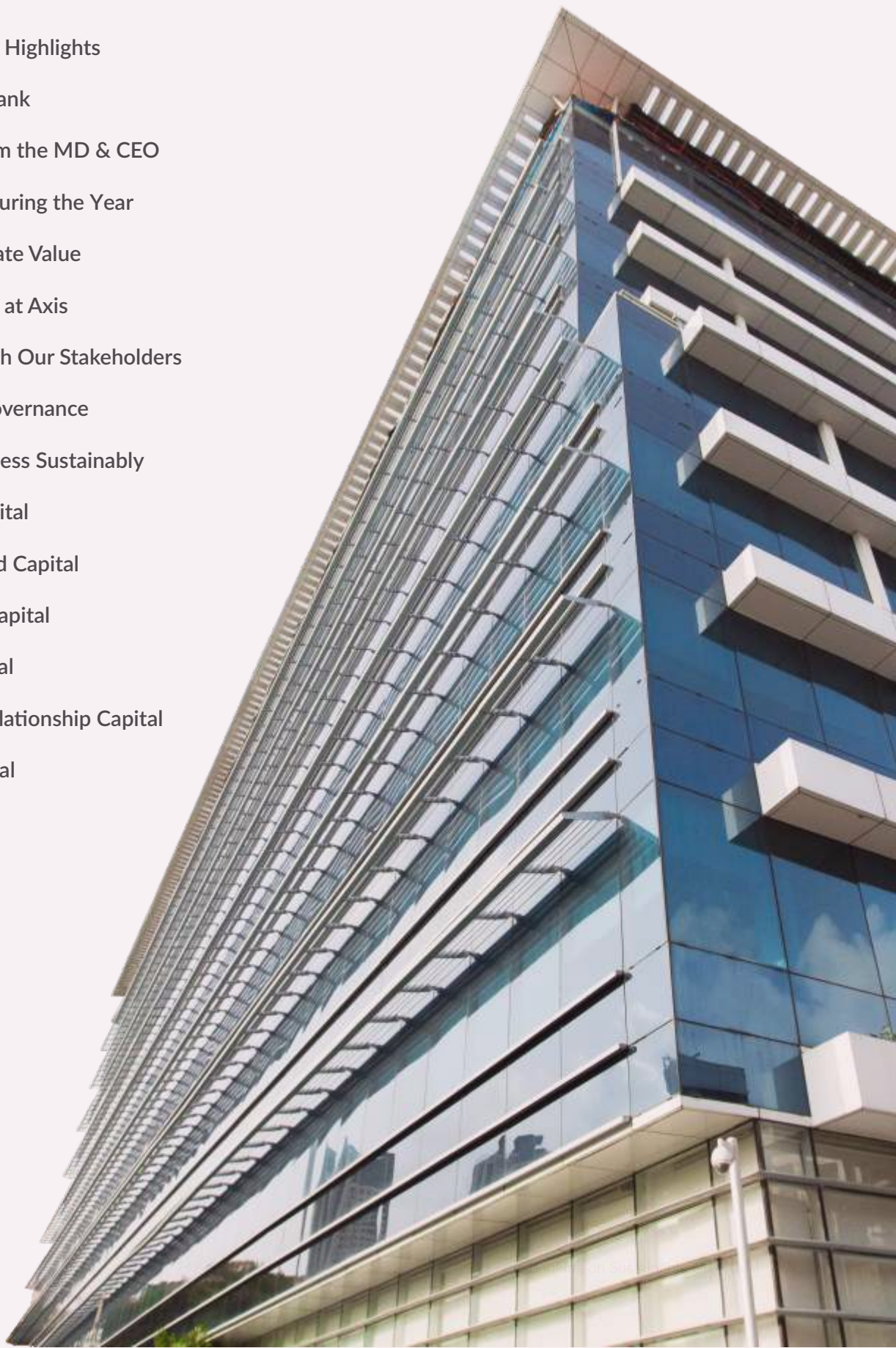
Independent Assurance

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

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

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Sustainability Highlights

Financial Capital

₹ 800,997 Crores Total Assets, 16% growth year on year	₹ 65,584 Crores SME Advances, 12% growth year on year	₹ 5,573 Crores Book size of Asha Home Loans for low-income segments, customer base of over 51,600	₹ 4,677 Crores Net Profits	₹ 7.61 Lakhs Profit per employee
₹ 288,168 Crores Size of Placement and Syndication of Debt issues, Axis Bank ranked 1 st in the market with 32.3% share	26 million Savings Account customers	82% Of Corporate exposure is rated 'A' and above	₹ 199,881 Crores Market capitalisation	

Manufactured Capital

4,050 domestic branches Covering 2,366 centres in 665 districts	16,718 ATMs & Cash Deposit/Withdrawal machines	7.05 MW Installed solar power generation capacity at 248 locations	25,000+ On-field tablets offering paperless customer onboarding experience	78 Dedicated SME Centres catering to SME clients	507,409 Installed POS terminals, 3 rd largest market share in India
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Intellectual Capital

38% Market share in Forex Cards, 1 st in the industry	30.47 million Debit and credit cards issued	10 million+ Registered Axis Mobile users	77% Share of Digital in Bank's retail transaction mix, up from 68 percent in the previous year	55% Proportion of savings accounts sourced through digital sourcing (Tab Banking)
45 million Registered UPI customer base	90,000+ UPI on-boarded merchants	300+ Members in the Bank's dedicated analytics team	1.1 million Service requests processed under Saksham customer experience initiative	

*All figures reported above are as on 31 March 2019

Social and Relationship Capital

447,182

Households and Trainees impacted as part of Axis Bank Foundation's Mission 2 Million (M2M) programme

3,200+ SMEs

Participated in Evolve, the Bank's signature initiative for building SME capacity

200,000+

Registered users on the Project Akshar platform for digital financial literacy

5,000+

Students in Ladakh directly covered under Axis DilSe

151 districts

Reach of Axis Bank Foundation's programmes, spreading across 23 states & union territories

11

Buddha Fellows supported

Human Capital

35

Differently abled candidates hired under 'Access' initiative, with an aim to hire 100+ candidates in 2020-21

61,940

Employees

37,982

Employees qualifying under Axis Competency Profiler, the Bank's online certification programme

24,600+

Employees undergoing 2 day customised training under ACElerate

23%

Percentage of women in total workforce

1.78 million+

Total training man-hours for over 66 thousand participants

Natural Capital

₹ 5,498

Crores

Exposure under sustainable lending portfolio

9,162 tCO₂e

Emission savings through internal resource efficiency initiatives

225,000

saplings

Planted by ABF's NGO partners in Gujarat & Rajasthan

2.2 million

Sheets of paper saved approximately, through Saksham initiative

1.4 million

tCO₂e

Emissions saved from the Bank's green bond funded projects

1.6%

reduction

In y-o-y Scope 1 & 2 emissions per employee, to 2.39 tCO₂e

*All figures reported above are as on 31 March 2019

About Axis Bank

As one of the largest private sector banks in one of the world's fastest-growing economies, Axis Bank offers a wide spectrum of financial solutions to a diverse range of customer segments spanning retail, small and medium enterprises, government and corporate businesses.

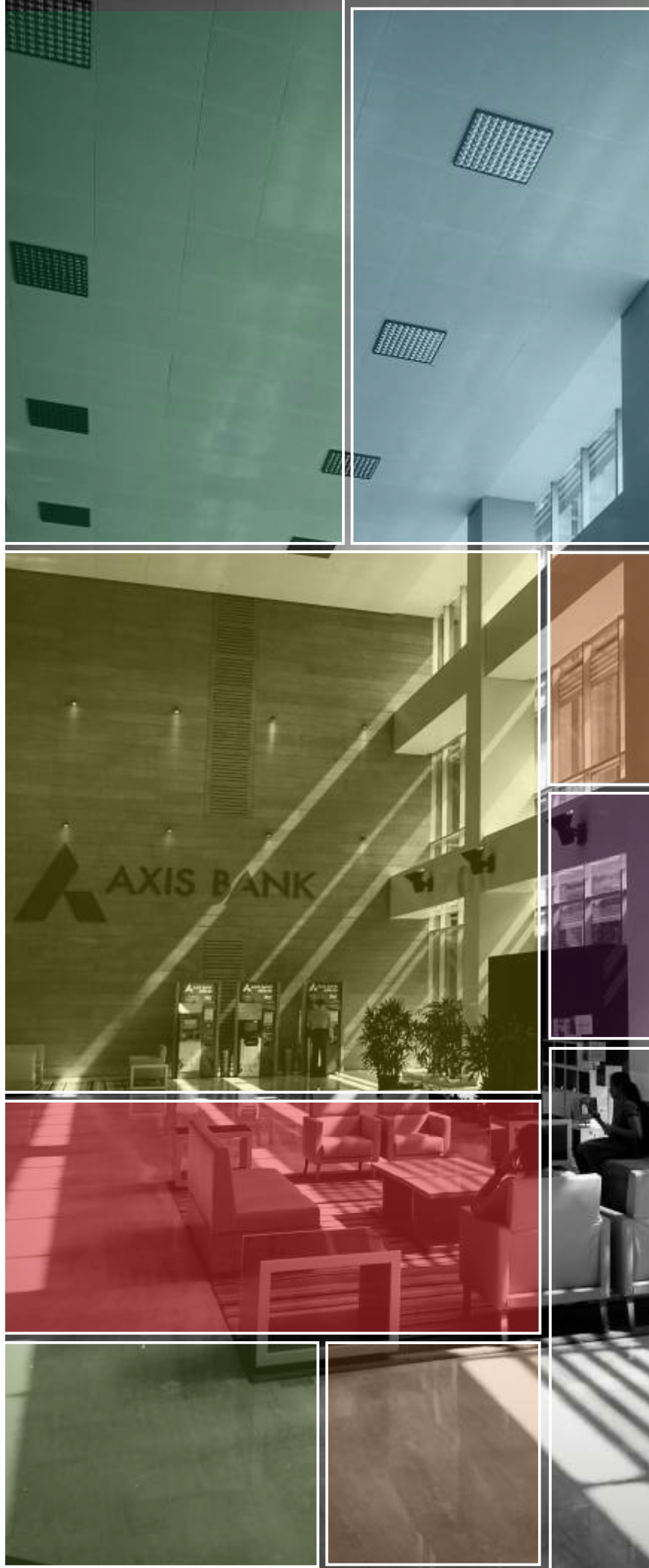
For over 25 years, Axis Bank has strived to meet the expectations of individuals, businesses and communities across generations and socio-economic landscapes, addressing the needs of both urban and rural India, from the salaried to the entrepreneur, from the individual to the corporate.

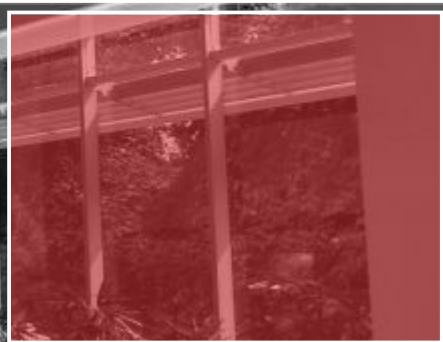
Axis Bank has presence across 29 states and 6 union territories in India, operating 4,050 branches in 2,366 Centres in 665 districts. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank is publicly listed on the BSE (532215) and NSE (AXISBANK). The Bank's ownership structure, shareholding pattern, list of subsidiaries and other material information has been provided in the Bank's Annual Report 2018-19 on pages 37-49.

Axis Bank's business performance for FY 2018-19 has been provided in the Business Overview section of the Management's Discussion and Analysis in the Bank's Annual Report 2018-19 on pages 57-64.

The Bank's Annual Report 2018-19 can be accessed online at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-2019.pdf>





FTSE4Good

Axis Bank included in FTSE4Good Emerging Index for 2018

Following its inclusion in the FTSE4Good Index series for the first time in 2017, Axis Bank has once again been included as a constituent in the prestigious global index for 2018. Created by the global index provider FTSE Russell, the FTSE4Good Index series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

Our continued inclusion is an affirmation of our progress in meeting the aspirations and expectations of our stakeholders, and staying true to our core values of Customer Centricity, Ethics, Transparency, Teamwork and Ownership.

Message From the MD & CEO



Dear Stakeholders,

I am pleased to share with you Axis Bank's fifth Sustainability Report, 'Banking on Sustainable Growth'.

Throughout our organisational journey, we have dedicated ourselves to being a dependable partner to our millions of customers across the country, offering the solutions they need to meet their goals and aspirations. When I joined the Bank, I could immediately sense the feeling of warmth and friendliness reflected in the Bank's culture and in each of its employees. I believe our culture is one of our biggest strengths and will be an important catalyst in building a glorious institution founded on trust and customer centricity.

In its journey, the Bank has gone from strength to strength, building impressive franchises across diverse business verticals in both retail and wholesale banking. These include, for example, emerging from scratch as the fourth largest player in the credit cards business in the last nine years, the number three player in the UPI space with close to 33 million UPI IDs on-boarded, and the largest issuer of foreign exchange cards in the country with a market share of 38 percent. Similarly, in Wholesale Banking, we have one of the largest franchises amongst the private banks in dealing with the Government and its various arms, and have consistently remained at the top in Debt Capital Market segment for the last thirteen years.

Our focus in the SME segment, which now comprises 13 percent of our total advances, remains on building a high rated and

predictable lending book. Axis Evolve, our initiative to strengthen the Indian SME sector's competitiveness, saw active participation from over 3,200 SMEs across 31 cities in its fifth edition. Our flagship property, India SME 100 Awards, is considered one of the most prestigious awards platforms for recognising the achievements of the SME fraternity.

We are taking positive strides towards defining our goals and priorities, as well as the sharply defined pathway to achieve them. Earlier in the reporting year, we adopted a GPS-2022 strategy that pivots around delivery of three important vectors – Growth, Profitability and Sustainability.

In addition, we have embarked on and are making rapid progress on the 'One Axis' ideology for the Bank and its subsidiaries, focusing on bringing together the strengths of our various businesses and subsidiaries as 'One', thereby offering a comprehensive suite of products and solutions to the customer. We have also streamlined our organisational structure with a view to ensure we can deliver on the GPS- 2022 strategy.

To briefly touch upon our financial performance for the year, I am pleased to note that there has been a material improvement in our profitability as well as asset quality metrics in the fiscal year. The Bank has delivered a healthy operating performance with both solid growth in operating revenue and moderation in operating expenses growth. This has been backed by stronger risk management architecture and significant enhancements in our technological capabilities. Since we inaugurated our first branch at Ahmedabad in April 1994, we have grown organically and now have the third largest branch network and the highest number of ATM machines among the private sector banks today. During the year, we added 347 branches, taking our total branch strength to 4,050, covering 2,366 centres and 665 districts in India.

A dependable partner to our millions of customers across the country, offering the solutions they need to meet their goals and aspirations.

We remain committed towards promoting a less-cash, digital economy in India and continue to enjoy a strong market position across most digital payment spaces in India. During the year, the Bank's Kochi1 Card, launched in partnership with the Kochi Metro Rail Corporation, became the country's first inter-modal transit card. We also unveiled the Raipur Smart Card, allowing citizens to make cashless payments across government services, retail and commuting. We launched India's first of its kind in-home 'Smart bill pay' initiative in collaboration with New Delhi Municipal Corporation (NDMC) that allows users to pay their utility bills by scanning a QR code. We also launched 'Axis Tap & Pay', a mobile application that allows customers to transact by just tapping their NFC-enabled android mobile devices on contactless merchant terminals.

Our employees remain our most strategic assets. We continue to invest in learning and development to keep enhancing our employee capabilities. We also provide diverse career development choices to our 61,000+ employees, by opening up opportunities across departments and subsidiaries within the Axis Group through our job posting programme Catalyst.

As an organisation, we have always believed that our long-term success depends on the progress of communities we serve and protection of the environment we live in. Through Axis Sahyog, our retail microfinance vertical, we continue to play an active role in extending banking solutions to India's under-banked rural populace, particularly women. Axis Sahyog is associated with approximately 1.7 million women borrowers in 18 states and 1 union territory. The Bank continues to drive central social security schemes across rural India, opening 8.65 lakhs accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY) and enrolling 3.05 lakhs customers under the Atal Pension Yojana, as on 31 March 2019.

In response to the rising incidences of natural calamities in various parts of the country, the microfinance vertical has launched 'Axis Sahaayata' to proactively deliver direct relief measures in disaster-affected areas as well as support on-going relief efforts. During the Kerala floods in July and August 2018, Axis Sahaayata provided direct relief to over 2,600 families over two phases, and to 700 households affected by cyclone 'Titli' that struck Odisha in October 2018. Similarly, in 2019, the Bank reached out to Odisha victims of cyclone 'Fani' with additional funds and relief measures.

We are striving to help India become a financially literate and integrated society through multi-dimensional interventions. Project Akshar, a gamified e-learning platform on financial knowledge launched in 2017, has already enriched over 5 lakh people.

Axis DilSe, the Bank's CSR initiative to transform over 100 schools in Leh and Kargil districts of Ladakh, J&K, completed its second phase during the year. 'DigiLabs', a unique, solar-powered, digital

learning platform, was installed in each of the supported schools, covering over 5,000 students. In its third phase, the initiative will aim to create model 'anganwadis' in each of the villages and provide age-appropriate classroom furniture to the schools.

Axis Bank Foundation (ABF), now in its 13th year of operations, continues to work towards providing sustainable livelihoods and creating value through its varied, integrated rural programmes that covered 151 districts in 23 states as on March 2019. Towards its target of impacting 2 million households by 2025, ABF has impacted 447,182 households, including trainees from its skilling initiatives, of which 210,050 were in FY 2018-19 alone.

Our employee engagement platform, Axis Cares, actively promotes a culture of giving and inclusiveness across the Axis Group, enabling employees to support and engage with diverse social and environmental causes across the country. The Axis Cares platform was broad-based during the year, bringing more NGO partners on board and making it easier for employees to donate to the causes of their choice.

As a financial institution, we remain cognizant of our role in furthering environmental sustainability and climate action within the organisation and externally. The Bank's cumulative sustainable lending portfolio stood at approximately ₹ 5,500 crores, comprising exposure to renewable energy generation, mass rapid transport and energy efficient buildings. We continue to invest in making our operations energy and resource-efficient through digitisation, energy efficiency and clean power generation, resulting in saving over 9,100 tCO₂e of emissions in the year.

I am proud to share that the Bank continues to be included in the prestigious FTSE4Good Emerging Index for the second consecutive year in 2018 in recognition of its Environmental, Social and Governance (ESG) practices. The Bank also won the 'Excellence' certificate in Corporate Social Responsibility category at the prestigious CII ITC Sustainability Awards 2018.

To conclude, I believe India continues to present us with significant opportunities and untapped possibilities. Having a great product mix, vast physical footprint, cutting-edge digital capabilities, robust governance practices, a strong commitment to community and being one of India's most valuable brands, Axis is committed to adding real value in building a progressive and inclusive India.

I would like to take this opportunity to thank my colleagues for believing in Axis and the vision of the Bank. I am also deeply grateful to all our valued stakeholders for steadfastly standing by us and reposing their faith in the Bank over the years.

Warm Regards,
Amitabh Chaudhry
MD & CEO

Milestones During the Year



April, 2018

Axis Bank signs a Memorandum of Undertaking (MoU) with the Indian Army on Defence Salary Package.



June, 2018

Axis Bank wins its 1st Smart City mandate, tying up with Raipur City for providing common payment card system and e-governance app



August, 2018

- Moody's Investors Service assigns a Green Bond Assessment of GB1 (Excellent) to Axis Bank Ltd's debut \$500 million green bond issued in June 2016
- Term Deposits from Axis Bank's Individual Customers cross the significant milestone of ₹ 1 lakh crores



January, 2019

- Amitabh Chaudhry takes over as Axis Bank's Managing Director & CEO
- Axis Bank appoints Deepak Maheshwari as its Chief Credit Officer



December, 2018

- Shikha Sharma, Managing Director & CEO retires from the services of the Bank
- V Srinivasan, Deputy Managing Director retires from the services of the Bank



October, 2018

Axis Bank raises USD 50 million through issue of 3.25% Notes due 2020



March, 2019

- Axis Bank inaugurates its 4,000th branch, at Kharadi, Pune
- Axis Bank names Rakesh Makhija as its new Non-Executive Part-Time Chairman
- Ganesh Sankaran joins Axis Bank as Group Executive - Wholesale Banking Coverage Group



August, 2019

Pralay Mondal appointed as Executive Director (Retail Banking)



How We Create Value



We are bankers to diverse stakeholders, from retail customers, SMEs and corporates to working closely with the Government, both at the centre as well as the states. Over the last 25 years the trust that our stakeholders have put in us has always remained the purpose of our actions.

As we embrace the 'One Axis' ethos, we are moving forward towards creating an integrated franchise with a sharp strategic focus, revamped risk appetite and strengthened internal processes, built around our organisational core of integrity and ethics.

Rajiv Anand
Executive Director - Wholesale Banking

In the more than seven decades that have passed since India's independence, the country has been able to bring millions of Indians out of the vicious circle of poverty and has emerged as one of the largest economies in the world, boasting of a vibrant economy, entrepreneurial zeal, ever-improving digital and physical infrastructure, and a strong banking system. Ever since our journey began over 25 years ago, we have strived to be an integral part of India's growth story, enabling individuals, businesses and communities make tangible progress and playing a leading role in nation building. Our vision is to be the preferred financial solutions provider offering a wide spectrum of financial products and services to customer segments spanning retail, small and medium enterprises (SMEs) and corporate businesses. We are driven by our core values of - Customer Centricity, Ethics, Transparency, Teamwork and Ownership.

As a leading banker to millions of Indians, our efforts have helped create crucial physical infrastructure, provide vital credit to critical sectors of the economy, build a financially inclusive society, promote the adoption of digital products and services, and support the Government in its developmental agenda.

GPS 2022

Since we opened our first branch in April 1994, Axis Bank has built an enviable franchise and is counted among the most valuable brands in the country. Since 2009, the Bank has demonstrated a 5x growth in its Balance Sheet, a 4x growth in its branch strength, and has a formidable list of subsidiaries in diverse sectors.

Towards taking the Bank onto the next trajectory of growth, Axis Bank has adopted a 3-year strategy till 2022, focusing on three vectors - Growth, Profitability and Sustainability (GPS). Towards achieving its Organisational goals, the Bank has focused on augmenting its talent bench strength and on clarifying its organisational structures for effectiveness.

Towards achieving our 2022 vision, we have adopted the "One Axis" ethos for the Axis Group, projecting the Bank and its subsidiaries, and the myriad of sectors they serve, as "one" comprehensive suite of products, services and solutions.

Growth

- Growth deposits in line with loans
- Step up growth in Wholesale Bank
- Continue momentum in Retail Bank
- Establish leadership in digital and payments
- Scale up subsidiaries materially

Profitability

- Optimise business mix
- Improve operating efficiency
- Sweat existing infrastructure
- Reduce credit cost below long term average

Sustainability

- Strengthen the Core-technology, operations, credit risk and process excellence
- Build a bench of senior talent
- Focus on disciplined execution
- Embed conservatism in the Bank's internal policies and practices

Our aspirational goal is to deliver 18% ROE sustainably

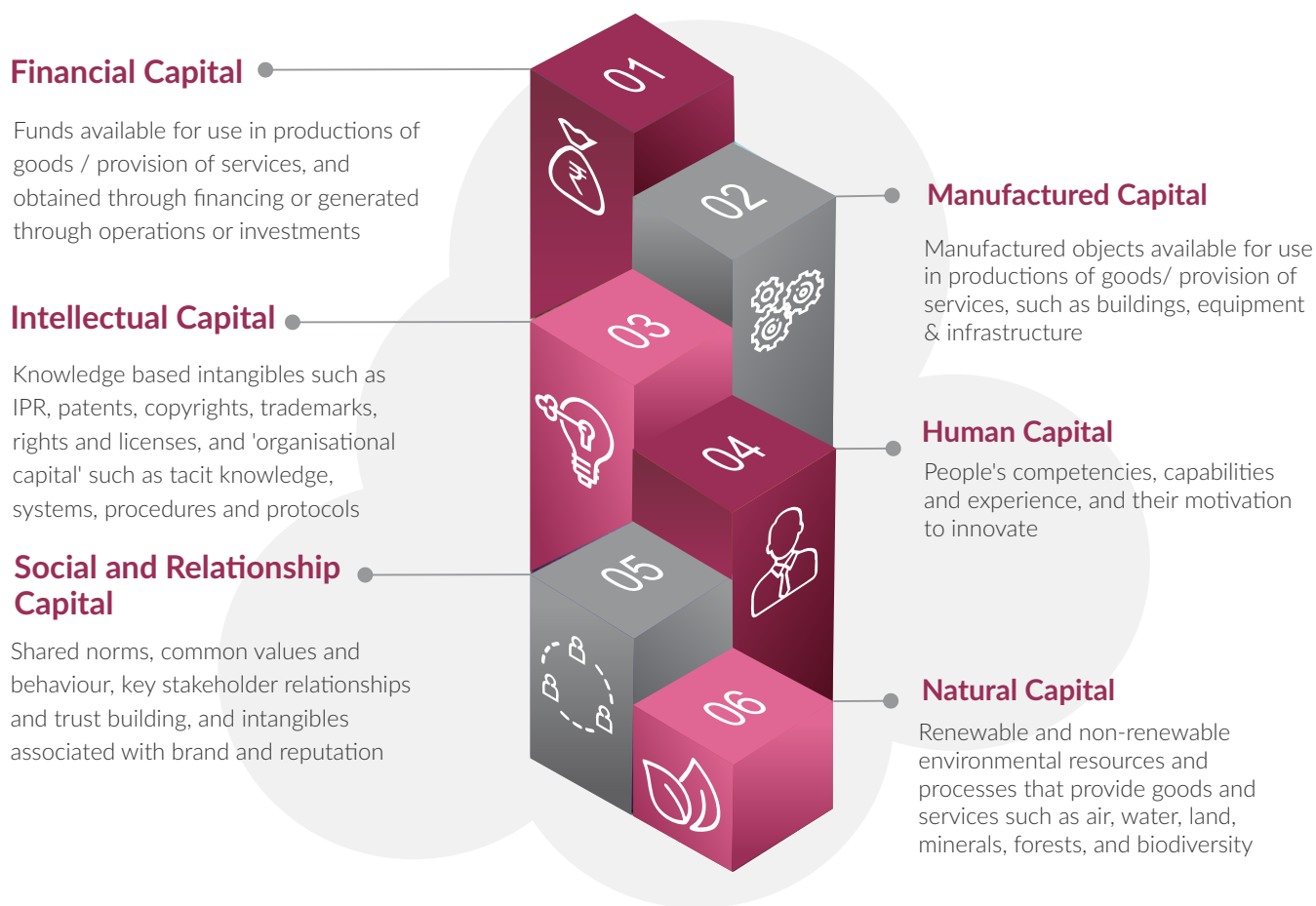
An Integrated Approach

The 'One Axis' ethos may be considered a strategic manifestation of the Integrated Reporting framework that the Bank adopted in the previous reporting cycle to communicate its value creation from its activities, underscored by its organisational strategy, corporate governance, and vision for the future.

This is the Bank's second Report that is based on the <IR> Framework, introduced and championed by the International

Integrated Reporting Council (IIRC), adopting a 'Capitals' based reporting approach. Capitals are stocks of both qualitative and quantitative value created by an organisation's activities. The value creation process highlighted in the Report and briefly depicted in the following page, is derived from this framework, covering the Bank's activities and impact across business activities, systems and processes, human capital management, and community action.

The six capitals highlighted in this Report:

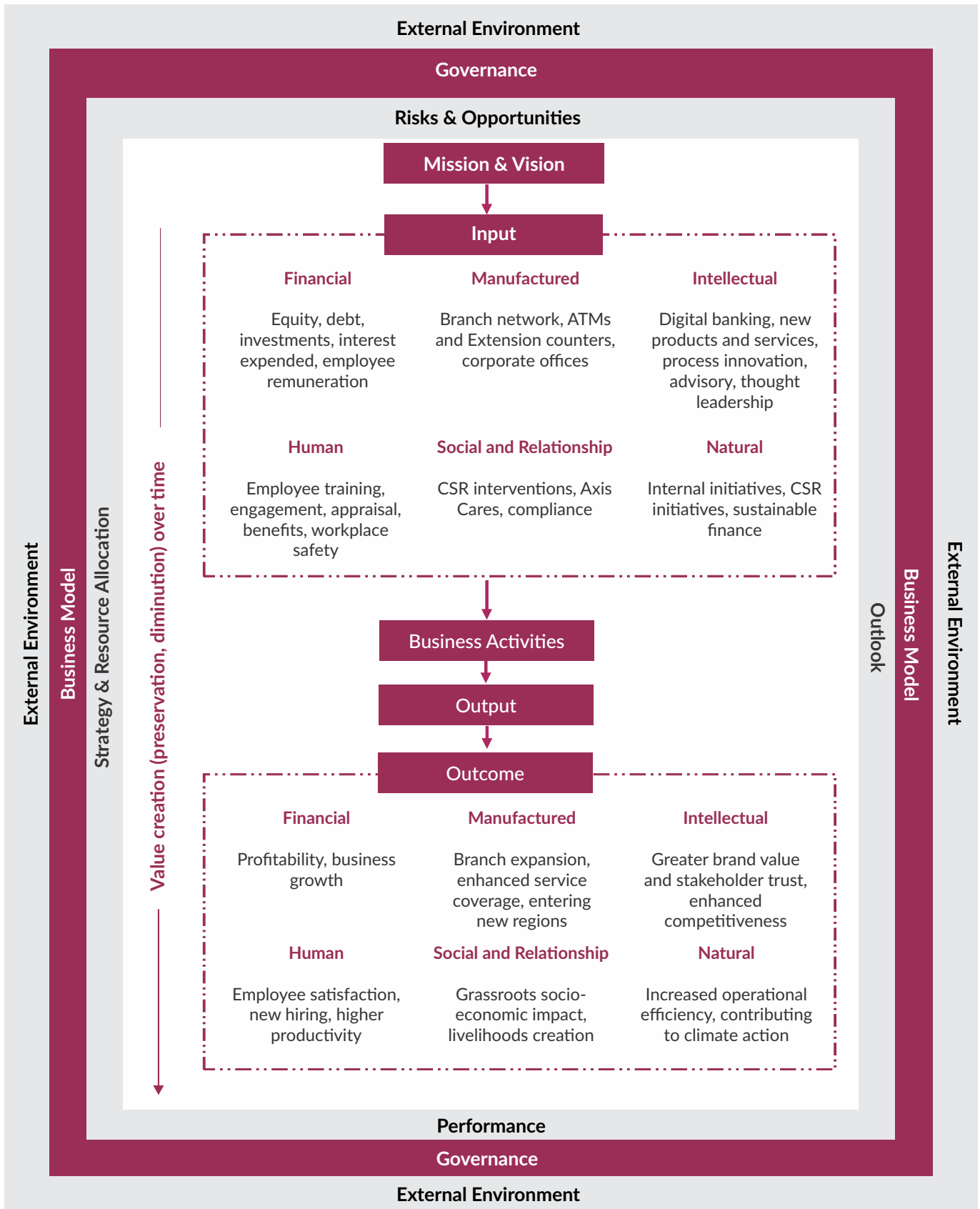


The Bank's Value Creation Process

The inputs to our value creation process can range from human resources, financial investments, technological innovations, to our collaborations with diverse stakeholders. Working within the opportunities as well as limitations of our internal and external environment, and guided by our organisational philosophies, these inputs strive to create or add value through our business and non-business activities, with a focus on delivering positive

outcomes for all our stakeholders across each of the six capitals over the short, medium and long term.

Our value creation process aims to deliver value for the Bank and its various stakeholders over time. As an organisation, we work in an integrated eco-system, comprising diverse stakeholders, influences, challenges and opportunities, which also have the potential to alter our intended outcomes.



The Bank's Value Creation Process

Derived from the <IR> Framework developed by IIRC

Sustainability at Axis



Axis Bank is among the leading names in the Indian banking sector, and for over 25 years, has played a prominent role in channelising essential capital to sectors that are critical to India's economic growth and development.

We are moving confidently towards achieving our strategic direction of 'One Axis' and delivering on our Execution Strategy for 2022. As part of our focus, we have further reoriented our wholesale banking policies and processes that not only strengthen our credit underwriting function but also ensure a sharper focus on portfolio diversification and improved client coverage.

Deepak Maheshwari
Group Executive and Chief Credit Officer

The financial sector plays a significant role in the economic development of a nation. In an emerging economy such as India's, that faces the dual responsibilities of bringing out millions of its citizens out of poverty and adopting a sustainable pathway for equitable growth, the banking sector's role in driving sustainable development in the country becomes very obvious, and it can play a significant role in this direction.

Our commitment to the global sustainable development agenda

In September 2015, the United Nations adopted the 2030 Agenda for Sustainable Development at its Sustainable Development Summit. The Sustainable Development Goals, comprising 17 Goals (SDGs) are built on the Millennium Development Goals (MDGs) (2000-2015) and are much more comprehensive in covering the three dimensions of development, i.e. economic, social and environmental and offer special focus on important areas related to sustainable development that require urgent and extensive attention at present and in the near future.

India was among the first UN members to sign the Declaration. On its current trajectory, India has already set for itself more ambitious targets for implementation of SDGs in several areas of economic progress, inclusion and sustainability. India has directed its development pathway to meet its priorities of meaningful employment, equitable economic growth, food, water and energy security, environmental protection and disaster resilience, while also overcoming emerging challenges such as climate change, increasing inequities, and lagging human development indices.

As an Indian financial institution, we remain cognizant of the significant opportunity we have to play a larger role in supporting India achieve its SDG targets. We believe our business and non-business activities, including those of the Axis Bank Foundation, are aligned to pertinent SDGs and we have attempted to depict the various alignments in the following chart. Going forward, we expect these alignments with the SDGs to continue to expand and formalise.



5 GENDER EQUALITY

Women - focused micro - finance initiatives under Axis Sahyog (Page nos : 30-31, 70-71)

SHG formation initiatives for rural women by Axis Bank Foundation (Page nos : 63-66)

Promoting diversity within Axis Bank (Page nos : 49-50)

10 REDUCED INEQUALITIES

Remittance service for India's migrant workers abroad (Axis Bank's Annual Report 18-19, Page no : 59)

SHG creation and capacity building in rural India by Axis Bank Foundation (Page nos : 63-66)

Creating opportunities for the differently abled (Page no : 50)

7 AFFORDABLE AND CLEAN ENERGY

Investing in Renewable energy generation for Banking operations (Page no : 74)

Lending to Renewable Energy Sectors (Page nos : 73-74), Green Bond Impact Report (Page nos : (i)-(ii))

Energy saving initiatives for banking operations (Page nos : 75-77)

11 SUSTAINABLE CITIES AND COMMUNITIES

Lending to the Affordable housing sector (Page no : 33)

Partnering with Government agencies on e-governance (Page nos : 16, 43-47)

Lending to Mass Rapid Transport and green buildings, Green Bond Impact Report (Page nos : (i))

Smart cards for Kochi Metro and BMTC (Page nos : 40-41)

One Raipur common payment system under Smart Cities Mission (Page no : 41)

8 DECENT WORK AND ECONOMIC GROWTH

Microfinance initiatives under Axis Sahyog (Page nos : 30-31, 70-71)

Skill development initiatives by Axis Bank Foundation (Page nos : 67, 71-72)

SHG creation and capacity enhancement for Rural Women by Axis Bank Foundation (Page nos : 63-66)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Promoting sustainable agricultural practices, watershed development and soil conservation under Sustainable livelihoods programmes of Axis Bank Foundation (Page nos : 61-67)

Driving waste management initiatives in Axis Bank offices (Page nos : 76-77)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Lending to Mass Rapid Transport Green Bond Impact Report (Page no : (i))

Lending to and capacity building for the MSME sector (Page nos : 32-33, 70-71, AR2018-19: 64)

Supporting fintech innovation through Thought Factory (Page nos : 47-48)

Energy efficiency initiatives in our operations and processes (Page nos : 75-77)

13 CLIMATE ACTION

Investing in Renewable energy sectors (Page nos : 73-74) , Green Bond Impact Report (Page nos : (i)-(ii))

15 LIFE ON LAND

Afforestation and tree plantation initiatives undertaken by Axis Bank Foundation (Page nos : 78-79)

Tree plantation initiatives supported by Axis Cares (Page nos : 68, 78-79)

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

* Green Bond Impact Report 2018-19 is available on Axis Bank Website at <https://www.axisbank.com/csr/csr-reports-disclosures>

Towards Greater Transparency

We believe transparency is an essential ingredient to achieving sound corporate governance and strong stakeholder relations. Increasingly, stakeholders including investors, regulators and customers, not only expect, but are demanding enhanced corporate disclosures, particularly on ESG performance.

We have been publishing our standalone Sustainability Reports since 2014-15 which are externally assured and follow international protocols such as the GRI and Integrated Reporting. We also measure and report our GHG emissions and other environmental performance in the public domain. Through the year, we participate in multiple global sustainability assessments and benchmarking studies such as the Carbon Disclosure Project (CDP) and Dow Jones Sustainability Indices. The Bank is on the FTSE4Good Emerging Index for 2018. The Bank also engages with investor-focused ESG assessment agencies such as MSCI ESG Research, Sustainalytics and VigeoEiris, and through the year, engages with domestic and international investor bodies and asset managers on ESG topics.

Financial Inclusion & Digital Literacy

As a financial intermediary, we remain cognizant of our role in driving Sustainable development in India. In addition to providing reliable financial services to our stakeholders in rural and urban India, we have been at the forefront of achieving greater financial inclusion and literacy across our areas of operations, reaching out to vulnerable and marginalised sections and aiding their inclusion into mainstream banking. Through special initiatives such as 'Project Akshar', we have helped lakhs of individuals in metros, tier 2 and 3 cities improve their financial knowledge, helping them strengthen their awareness on topics such as credit scores, credit health, and importance of timely loan payments.

Acting on Climate Change

Today, we face increasingly complex and interconnected challenges—from slowing global growth and persistent economic inequality to climate change, geopolitical tensions and the accelerating pace of the Fourth Industrial Revolution. The impact of climate change on the planet is one of the most pressing issues of our times. Notably, environment-related risks dominated the World Economic Forum's Global Risks Report for the third year in a row, and there have been multiple warnings from the scientific community that we are running out of time to prevent average global temperatures from rising beyond the Paris Agreement's 1.5°C target.

A changing climate is already impacting community welfare, business activities and natural resources, among others, and globally, governments, corporate sector, communities and academia are coming together to overcome this challenge. We recognise climate change's potential risk to the financial sector, which could be in terms of financial risk born out of increasing energy and materials costs, regulatory and reputational risks with respect to investment portfolios, or physical risks caused by unprecedented and extreme weather events.

We have a multi-pronged approach to climate action that includes lending to sectors such as renewable energy and green infrastructure, environmental stewardship in our business operations, and driving environmental action through our CSR interventions. We have been responding to the CDP questionnaire since 2015, which also includes commentary on the perceived financial implications of our various risks and opportunities. Our response can be accessed at www.cdp.net

Environment Stewardship in Our Operations

Axis Bank is firmly aligned with the global sustainability agenda and strives to adopt international best practices in its operations that would lead to positive environmental implications which mutually benefit the Bank, the sector and the overall economy. With a greater adoption of technology and digitisation across the board, the Bank aims to make its IT and physical infrastructure as efficient and effective as possible, while achieving greater customer convenience and product safety.



The Bank continues to work towards mitigating the environmental impact of its activities, guided by its Environmental Management Policy, placing an emphasis on the domains of sustainable supply chains, green procurement, energy efficiency, waste management, and managing our carbon footprint.

Our various initiatives such as investing in creating solar power generation capacity and initiatives in operational efficiency have been discussed in the Natural capital section of this Report.

Digital India

Digital innovation is disrupting economies, sectors and communities across the globe, transforming the way we live, work, communicate or run our businesses. India's ambitious Digital India programme underscored India's intent to transform its economy and governance through the adoption of technology, and building a digitally empowered society and knowledge economy. In addition to contributing to macro-economic factors such as GDP growth and labour productivity, a digitally connected India can positively impact India's grassroots by transforming rural economic activities and improving access to education, health and financial services.

Digitisation of financial services is having a profound impact on the way the BFSI sector is developing and implementing its business strategies. Banks are now adopting digital solutions to improve business productivity, product and service delivery, enhance customer experience, strengthen risk management and towards creating a competitive advantage for themselves.

Axis Bank has been at the forefront in adopting and implementing digital technologies, and is counted amongst the leading banks in the country in digital banking with a strong presence across diverse digital channels. We were among the early movers in embracing digital technologies and worked towards delivering a superlative experience to our customers. Developing digital platforms has also enabled the Bank to enhance its outreach to the rural, unbanked regions of India and support financial inclusion.

We are driving partnership-driven innovation in the space and actively contributing to India's key developmental initiatives such as Smart Cities Mission, Digital India, Government e-Marketplace and Electronic National Agriculture Market (eNAM), and working with multiple government entities to scale up e-governance and expand e-citizen services. Our various partnerships have been discussed in the Intellectual Capital section of this Report.



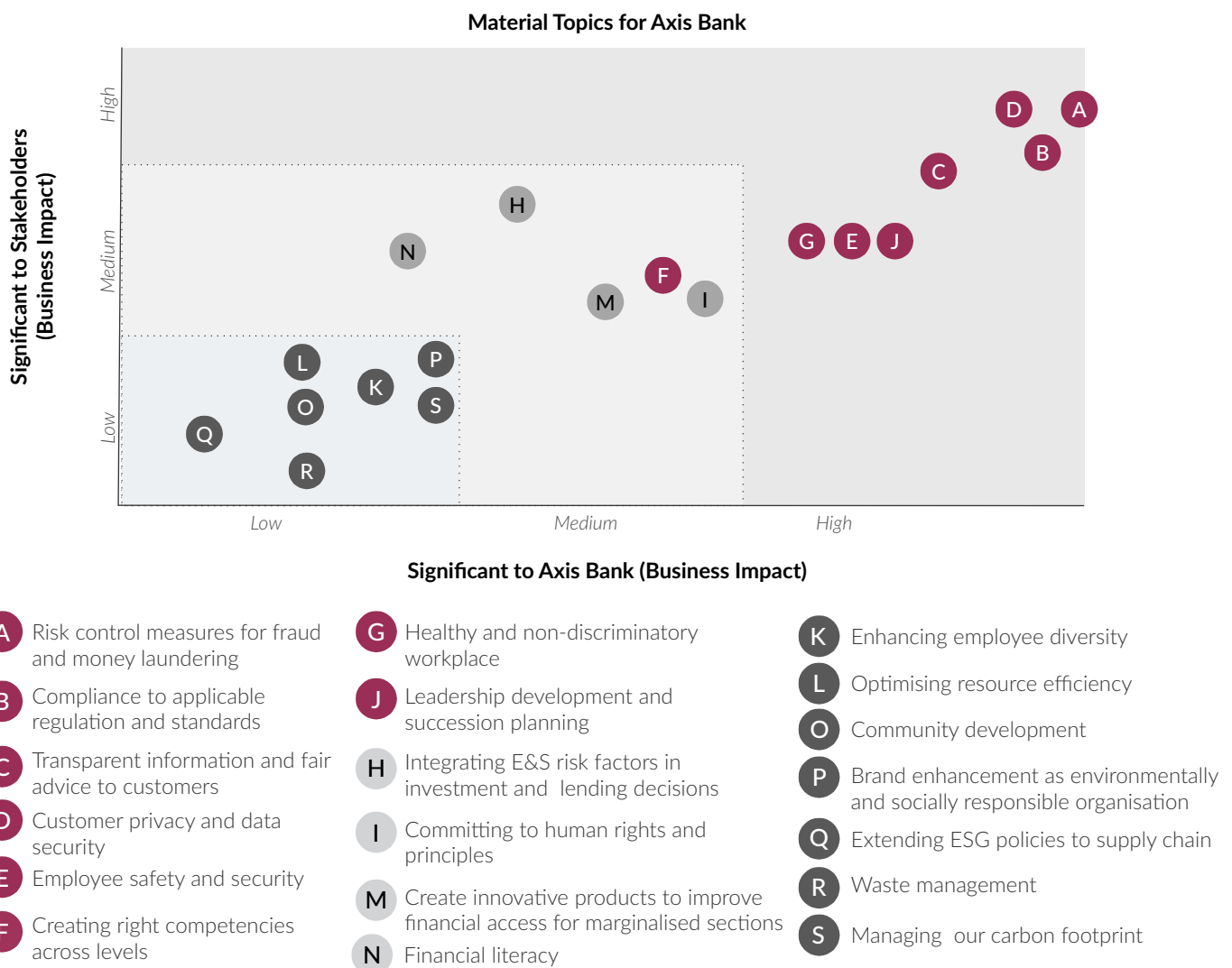
Engaging With Our Stakeholders

The world over, investors, regulators, consumers and businesses themselves, are recognising that the latter's organisational performance goes beyond their financial bottom lines. Increasingly, corporate strategies are being redrawn or realigned to cater to their broad stakeholder spectrum rather than just the investor or the customer. In parallel, stakeholders now increasingly expect businesses to be more responsive to their issues and interests.

As an organisation, Axis Bank engages with its myriad stakeholders in a variety of ways, both physically and digitally, directly and indirectly, throughout the year. Each of its engagements also becomes an opportunity for the Bank to not only communicate to the stakeholder but also listen to them. In addition, the Bank conducts focused engagements towards enhancing the Bank's capacity and capability to identify and

thus respond to the issues that are material to its stakeholders. The Bank conducted a detailed Stakeholder Engagement and Materiality Assessment (SEMA) exercise in 2017-18, conducted through an external expert to reduce any internal bias in identifying and prioritising our material issues and key stakeholders. The score of this exercise included structured interactions with multiple stakeholder groups, gauging their key priorities and concerns, and prioritising the material issues identified. A similar exercise was conducted by the Bank in 2014-15. Towards ensuring continuity in its strategic decisions, the Bank proposes to utilise the outcomes from the SEMA exercise conducted in 2017-18 into its strategy till 2020-21. Details of the exercise can be accessed in the Sustainability Report 2017-18, on page numbers 28-30.

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



Risk control measures for fraud and money laundering



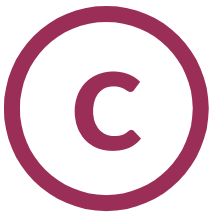
With the adoption of cutting edge technology and the expansion of digital banking channels, the banking sector has become more complex but also more prone to financial fraud, thus making prevention of fraud and money laundering a significant material issue for financial institutions including Axis Bank. In addition, as more and more Indians adopt digital means as their primary banking channel, they risk leaving themselves vulnerable. As a Bank, we have a comprehensive organisational process in place that focuses on securing our banking systems as well as working closely with our customers and other stakeholders. The various systems and initiatives in place have been discussed in the Corporate Governance section of this Report under the sub-section – Risk Management, as well as in the Annual Report 2018-19 as part of the Management Discussion and Analysis on page 50.

Compliance to applicable regulations and standards



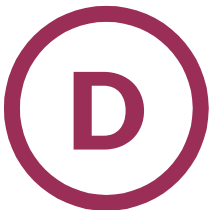
Indian banks operate in a highly regulated sector under the watchful eye of the central bank, with a strong culture of compliance and adoption of the highest banking standards. At the Bank, compliance is one of the core values which all employees strive to imbibe, and all systems incorporate. During the year, the Bank took a number of steps to strengthen the culture of compliance across the organisation, further expanding the profile and reach of the Chief Compliance Officer and adopting a “Group Compliance” approach. The Bank’s Compliance function has been discussed in detail in the Annual Report 2018-19 as part of the Management Discussion and Analysis on page 68.

Transparent information and fair advice to customers



Maintaining the trust of our over 25 million customers is not just a matter of priority for Axis Bank, but the very purpose of its being, with ‘Customer Centricity’ being one of our five core philosophies. The bank caters to a diverse range of customers, ranging from individuals, small and medium enterprises, and government sector to large corporates. The Bank has adopted a solutions-based approach wherein it begins every customer relations by first understanding their financial requirements and aspirations, to be in the best position to provide them the most appropriate bouquet of services. The Bank adheres to the RBI’s strong set of policies and requirements towards customer transparency and fairness, and follows the Code of Commitment to Customers released by the Banking Codes and Standards Board of India (BCSBI), in addition to other policies such as the Fair Practice Code for Lenders, Grievance Redressal Policy, IBA Model Code of Conduct for Direct Selling Agents, Customer Rights Policy and Citizen’s Charter. These Codes and Policies are accessible on our corporate website.

Customer privacy and data security



As a provider of banking products and services, maintaining the privacy of our millions of customers and maintaining the highest standards of data security are material issues of the highest priority for the Bank. As part of its comprehensive risk management systems and processes in place, the Bank works towards securing customer and financial data at all levels in both the physical and digital domains. The Bank continually invests to upgrade its core systems for better scalability, stability and enhanced security. The Bank’s systems are further bolstered by a variety of internal audits as well as external certifications. Details on topics such as information technology and cyber security are included in the Management’s Discussion and Analysis section of the Annual Report 2018-19 on page 50.

Employee safety and security



Our employees are our most strategic assets and the Bank’s people strategy focuses on enhancing the key capabilities and embedding a performance-centric culture in each of our over sixty-one thousand employees spread across the country. Through the year, the Bank provides safety training to employees directly as well as through e-learning modules. In addition, safety trainings are provided to the security personnel manning our physical locations. The Bank has in place an Emergency Response Plan for critical locations, which is part of its bank-wide Business Continuity Management framework, enabling our prompt action on possible emergency or crisis situations, developing appropriate response strategies to situations and monitoring of counter measures.

Creating right competencies across levels



As a service sector organisation, our employees are our most important stakeholders, and investing in their empowerment and advancement is critical to our growth as an institution. Since our founding, we have strived to create an empowered and passionate workforce that is strongly aligned with the values and vision of the bank. We continue to invest in enhancing employee capabilities, providing them timely and appropriate opportunities for skill enhancements, career advancements, and focusing on employee satisfaction. We follow an effective talent acquisition and talent management strategy towards sustaining a result-oriented, customer-centric culture across the Bank. We have focused on ensuring that our vision for ‘One Axis’ is consistent throughout the organisation, realigning the organisational structure and individual KPIs to ensure greater accountability, greater differentiation and focus on developing a relationship-based, long term business model. There are additional details provided in the Human Capital section of this Report.

Healthy and non-discriminatory workplace



As an organisation, we pursue 'Discipline' and 'Compliance' as our core drivers to create a conducive work environment for employees, and putting in place the necessary mechanisms for them to communicate any concerns or issues. The Bank has explicitly communicated its zero tolerance towards any kind of discrimination at the workplace, and continually strives to make the work environment safer, especially for our women employees. Apart from having the necessary statutory internal systems in place for prevention of sexual harassment, the Bank has undertaken a sustained awareness campaign wherein trainings by external experts are held at our various offices and branches, and poster and email communications happen throughout the year. There are additional details provided in the Human Capital section of this Report.

Integrating E&S risk factors in investment and lending decisions



Traditional risk models in place in the corporate sector have typically focused on financial and operational risks, but increasingly, this has been shown to be inadequate. The spectrum of risks that organisations must manage come from a number of internal or external factors. A key emerging risk globally has been the physical, social and economic risks related to climate change or environmental destruction. In parallel, social risks such as human health, safety and security, and impact on community are increasingly impacting business operations, necessitating a change in existing risk models. As a financial institution, we lend to diverse sectors, and have augmented our risk management systems to incorporate E&S risks linked to our lending activities, and have in place the Sustainable Lending Policy and Procedures. More details can be accessed in the Natural Capital section of this Report.

Committing to Human Right principles



As an organisation, we recognise that each and every individual's basic human rights must be respected and protected. We have strived to imbibe this in our various codes of conduct created for our employees, senior management and the Board, and have strived to include pertinent human rights clauses and requirements in our dealings with our supply chain. This focus has also been extended in our relations with the implementation partners of our various CSR programmes. While there are no employee unions at the Bank, it respects the right to 'freedom of association' for all employees. The whistle-blower mechanism at the Bank is a universal platform for all stakeholders to address their concerns or flag any issue in any aspect related to the Bank.

Create innovative products to improve financial access for marginalised sections



As a financial institution, Axis Bank caters to a diverse customer base ranging from a farmer in rural India to the largest corporates in the country. Throughout our 25-year journey, our endeavour has been to play a deeper role in nation building, helping individuals and businesses achieve their financial aspirations. Financial inclusion is a strategic imperative for the Bank, and we have invested in expanding our bouquet of products and services for the Base of the Pyramid, small and medium enterprises, the farm sector, among others. We are also active in taking various social schemes of the Government to the masses, and work closely with multiple government entities on key governance projects of national importance, such as e-NAM, e-Mandi, PFMS, among others. Our financial inclusion agenda has been strongly catalysed by the growth of digitised banking in the country, and we are in a position to reach the farthest corner of the country. We have also supported our business activities with aiding financial literacy and awareness in both rural and urban India.

Financial literacy













Even though India has made considerable progress in bringing millions out of chronic poverty and connecting them to mainstream banking, there remain millions of Indians that are still not integrated into the formal economy. As a financial institution, scaling up financial awareness and literacy in India is a key material issue for us, and we have in place diverse interventions to help bring the economically marginalised into mainstream banking. Our financial literacy interventions have been covered in the Social and Relationship Capital section of this Report.

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

Sr. No.	Material Issues	Relevant Capital	GRI Alignment	Page Number
1	Risk control measures for fraud and money laundering	Corporate Governance	GRI 102 – General Disclosures: 102-11, 102-15, 102-30	18, 23-25 AR 2018-19: 34-35, 65-67, 86-87
2	Compliance to applicable regulations and standards	Corporate Governance	GRI 102 – General Disclosures: 102-11, 102-16	18, 23, 59-60 AR 2018-19: 68
3	Transparent information and fair advice to customers	Corporate Governance, Financial Capital	GRI 102 – General Disclosures: 102-43, 102-44, GRI 417 – Marketing and Labelling: 417-2, 417-3	18, 26-28 AR 2018-19: 87-88
4	Customer privacy and data security	Corporate Governance, Financial Capital	GRI 418 – Customer Privacy: 418-1	18, 23-25 AR 2018-19: 67-68
5	Employee safety and security	Human Capital, Manufactured Capital	GRI 102 – General Disclosures: 102-8, 102-44	18, 58-59
6	Committing to Human Right principles	Human and Manufactured Capital	GRI 102- General Disclosures: 102-16, 102-17, 102-41	19, 58
7	Create innovative products to improve financial access for marginalised sections	Financial Capital, Intellectual Capital	GRI 102 – General Disclosures: 102-2, 102-15, GRI 203 – Indirect Economic Impacts: 203-1, 203-2	30-31, 33-35, 43-44
8	Leadership Development and Succession Planning	Corporate Governance, Human Capital	GRI 102 – General Disclosures: 102-15	54-56 AR 2018-19: 41-42, 71
9	Financial literacy	Financial Capital, Social and Relationship capital	GRI 102 – General Disclosures: 102-2, 102-15, 102-43	70-71 AR 2018-19: 144

The Bank is discussing internally the feasibility of taking public targets for each Capital.

We continue to engage with our diverse set of stakeholders on a continual basis through a variety of way through the year.

Stakeholders		Modes of engagement	Frequency
Shareholders & Investors		<ul style="list-style-type: none"> • Investor meets • Top Management roadshows • Investor grievance channels – Whistleblower mechanism, emails • Face-to-face meetings • Annual General Meeting • Annual Report and Sustainability Report • ESG assessment by investor-focused agencies such as MSCI ESG Research and Sustainalytics • Investor relations information portal on website 	<p>Need-based</p> <p>Periodically</p> <p>Annual</p> <p>Ongoing</p>
Customers		<ul style="list-style-type: none"> • Formal and informal means at branches • Social media communications • Print and Television marketing campaigns • Customer care channels – Telephone, email, on-website • Customer satisfaction surveys 	<p>Ongoing</p> <p>Eventual</p> <p>Periodic</p>
Senior Management		<ul style="list-style-type: none"> • Board meetings • Management committee meetings • Axis Blitz programme 	<p>Ongoing</p>
Employees		<ul style="list-style-type: none"> • Town-hall meetings • Training and capacity development programmes • Whistle-blower mechanism • Annual performance appraisals • Intranet portal – MyConnect • Internal communications - webcasts, newsletters, surveys, mails • Axis cares - Employee volunteering & payroll giving • Senior management visits to branches 	<p>Ongoing</p> <p>Eventual</p>
Regulatory Authorities		<ul style="list-style-type: none"> • One-on-one meetings and group meetings • Email and mail correspondence • Periodical submission of business & operational performance • Mandatory regulatory filings including RBI and SEBI • Engagement at banking platforms and meetings 	<p>Periodic</p> <p>Need-based</p>
Community & NGO's		<ul style="list-style-type: none"> • Axis DilSe initiative in Ladakh region • Axis Cares - Employee payroll giving • Financial literacy & Inclusion initiatives • CSR interventions led by Axis Bank Foundation • Whistleblower mechanism 	<p>Need-based</p> <p>Monthly</p>
Industry & Peers		<ul style="list-style-type: none"> • Industry and trade associations such as CII, FICCI • Participation in multilateral platforms 	<p>Eventual</p>
Vendors and service providers		<ul style="list-style-type: none"> • One-on-one vendor meets • Techno-commercial discussions and service engagements • Meetings related to audits, governance, compliance • Supplier sustainability assessments • Email communications • Whistleblower mechanism 	<p>Ongoing</p> <p>Periodic</p>
Media		<ul style="list-style-type: none"> • Press releases • Interviews of top management in print and television • Emails and telephonic communications • PR agency partnerships • Media days 	<p>Eventual</p> <p>Ongoing</p>
Academia		<ul style="list-style-type: none"> • Campus placements • Common industry forums 	<p>Ongoing</p>

Corporate Governance

Axis Bank is committed to achieving and adhering to the highest standards of Corporate Governance and it constantly benchmarks itself with best practices, in this regard. The Bank's policy on Corporate Governance has been two pronged:



To enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as depositors, creditors, customers, suppliers and employees.



To institutionalise accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

The Report on Corporate Governance for the financial year 2018-19 along with the Certificate issued by the Statutory Auditors of the Bank confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the Listing Regulations, forms part of the Bank's Annual Report 2018-19.

The Report on Corporate Governance can be accessed from page 73 of the in the Bank's Annual Report 2018-19 at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-2019.pdf>

Sustainability Governance

Sustainability governance at Axis Bank is steered at the Board and Top management level and they guide our overall sustainability direction and review our performance periodically. The Executive Director – Corporate Centre, a member of the Committee of Whole Time Directors, oversees the implementation of our sustainability initiatives which is

cascaded down across the organisation to the pertinent implementing departments. Pertinent members of the Board also review and the Bank's sustainability-linked public disclosures, including this Report. In addition, the Bank's CSR Committee of the Board oversees CSR interventions led directly by the Bank as well as the Axis Bank Foundation. The Business Responsibility and Sustainable Development team at the Bank drives directly or oversees the Bank's CSR and sustainability initiatives.

Risk Management

The bank has formulated and adopted a robust Risk Management Framework, with the Board responsible for framing, implementing and monitoring it.

Axis Bank has in place a Board-level Risk Management Committee with its Terms of Reference and other details set out in the Report on Corporate Governance in the Bank's Annual Report 2018-19. The Board has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the said Committee. The Bank's risk management infrastructure aims to manage its various risks, which may be short, medium or long term, on an ongoing basis.

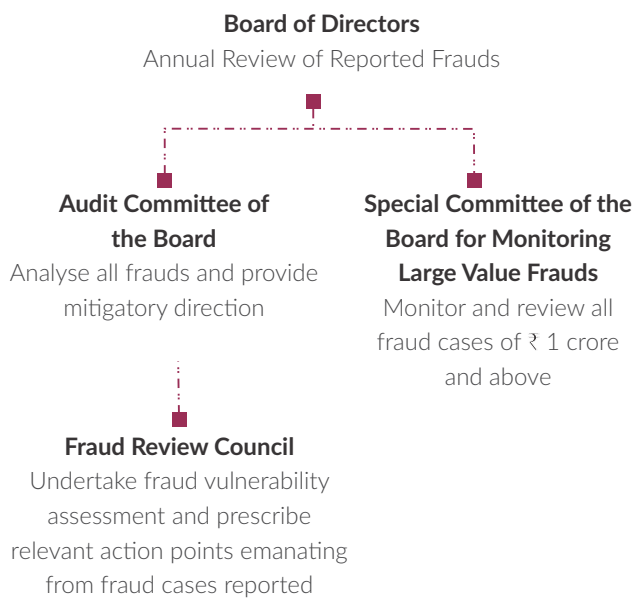
A detailed analysis of the Bank's risk framework and related issues have been provided on page 34, and in the Management's Disclosure and Analysis on page 65, of the Annual Report 2018-19. The role of the Bank's Chief Risk Officer has been clearly defined under details of the Risk Management Committee on page 84 of the Annual Report 2018-19. We take a precautionary approach to the impact of our organisational activities wherever applicable.

Sustainability governance at Axis Bank is steered at the Board and Top management level and they guide our overall sustainability direction

Fraud Detection and Mitigation

Over the last 25 years, Axis Bank has significantly expanded in its geographical reach, technological prowess, systems and processes, products and services, and human capital. With the mainstreaming of anywhere banking & diverse digital channels have created complex banking transaction scenarios, each of which must be secure at all times.

As a financial institution, fraud detection and mitigation are organisational priorities for us, and we endeavour to maintain a secure, 'least vulnerable to fraud' environment, driven at the highest level by our Board of Directors.



The Bank's Policy on Fraud Management & Reporting serves as a reference document and guidance for the internal oversight and detection framework. We have an end-to-end fraud management system for fraud detection and prevention in our cards, accounts and loan businesses.

Even if the Bank mitigates fraud vulnerabilities within its domain, its customers remain vulnerable to financial fraud while using their own devices for digital transactions. The Bank has a sustained Safe Banking strategy aimed at creating an environment of banking-without-fear, for customers in particular and public in general, to empower them with greater degree of awareness so as to create safer environment for their banking transactions.

The Bank has adopted Artificial Intelligence (AI) & Machine Learning (ML) as effective tools in fraud prevention and detection, as they allow for the automated discovery of patterns across large volumes of data, aiding in proactive identification of suspicious activities that could possibly point to attempts at fraud and thus prevent their occurrence.

Proactive engagement with stakeholders

Apart from the systems and processes in place at the Bank, we believe it is critical to proactively engage with our stakeholders towards cultivating safe banking habits.

The Bank has initiated a customer engagement programme 'Let's Talk', wherein in-person conversations with customers are held at branches. These sessions focus on helping customers conduct safe and secure digital transactions. The Bank routinely focuses on creating awareness amongst customers and the general public through multiple communication channels including short video messages, print media, branch televisions, emails, and our website. We also initiated conversations with specific stakeholder groups such as police forces and students on cyber security & fraud awareness.

We continue to engage with and raise awareness among our own employees through regular theme-based digital mailers, sharing with them real world examples, recent cases, learnings and outcomes, and best practices. A greater awareness among our own employees also percolates down to the customers they engage with.

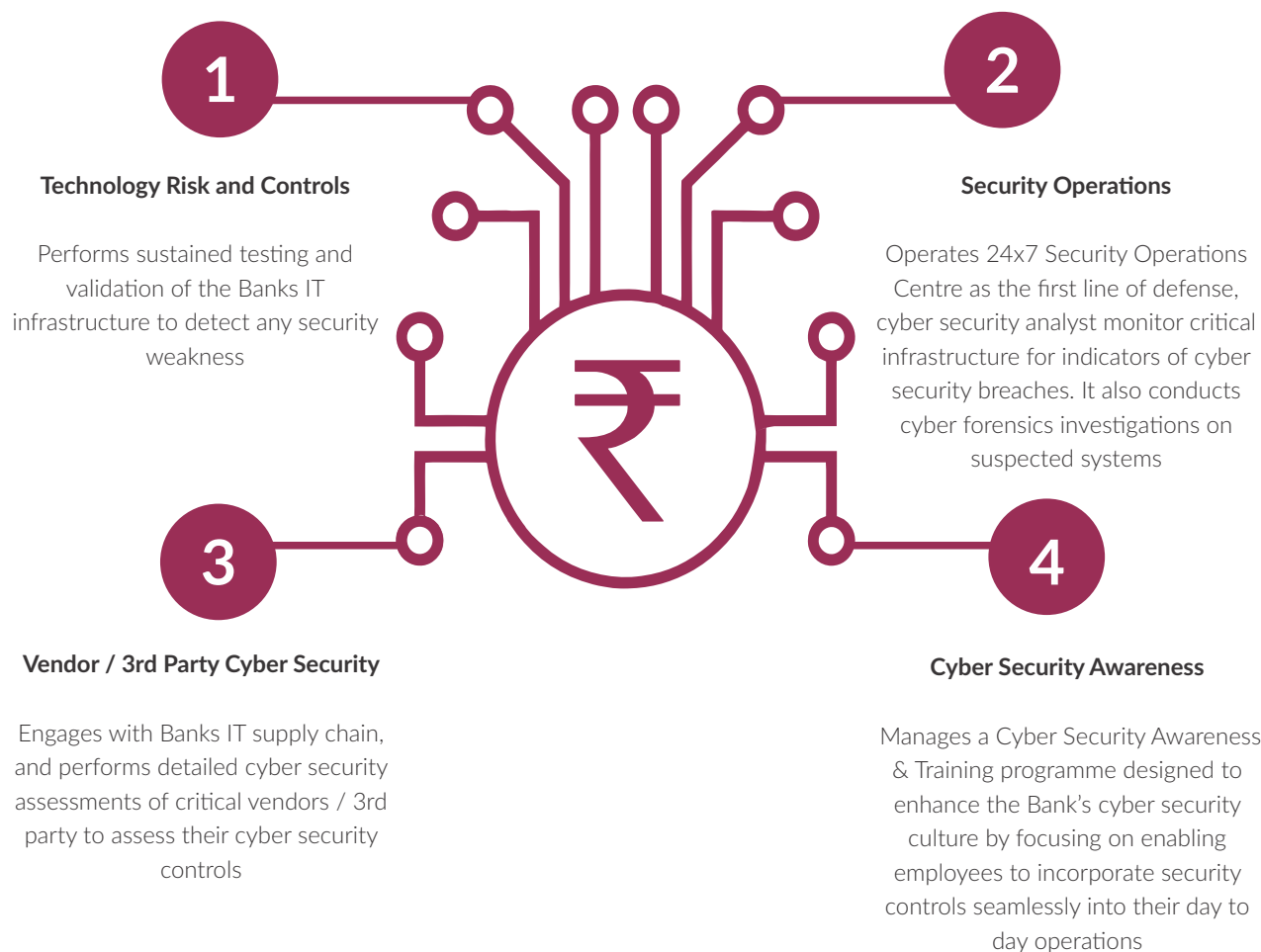
Our strong fraud awareness and mitigation systems in place, and deep customer engagement have also helped create a strong association between the Bank and the law enforcement agencies towards collectively fighting against fraud in the banking industry.

Cyber Security

As more and more Indians come online, digital banking is increasingly becoming the primary channel for millions of banking customers. The criticality of cyber security cannot be underscored enough, especially for a financial institution.

Axis Bank has in place a holistic cyber security programme with a comprehensive Cyber Security Policy (CSP) and standards based on industry best practices with compliance to regulatory guidelines, reinforced by benchmarking ourselves to the highest certification standards.

The Bank has a strong Cyber Security function in place, divided into four verticals:



Key training and awareness campaigns undertaken by the Function in the year include:



Cyber Security Mondays, providing tips and awareness information



Monthly newsletter, providing a monthly overview of cyber security issues, initiatives and other related news in peer organisations



Focused classroom training and workshops for various bands of employees such as Top Management, Senior Management, IT Teams, and End-users



A two-day Cyber Security training cum certification was conducted for Board of Directors and top management, where global/country experts and regulatory institutions participated to share their thoughts.

During the year, the Bank augmented its cyber security capabilities by deploying:



Website anti-phishing monitoring and detecting solution, to detect and take down fake and phishing websites available on the Internet (for Customer protection).



Email Anti-Spamming and Anti-Phishing solution, to block/ quarantine phishing and spam emails coming from malicious sender/ email domains (for internal user protection).



Dark web deep insight monitoring capabilities, for discovery of instances of Axis Bank card/ sensitive data and Brand abuse threats (for Bank's brand protection, customer protection and Fraud control).



Adopting cloud security framework testing & monitoring toolset for cloud security testing and threat monitoring to the cloud infrastructure (Bank's data and infrastructure protection)

The Bank's Cyber Security function is working closely with the Information Technology function on evolution of secure cloud services for a flexible and scalable platform for new and upcoming banking models and business initiatives. The Cyber Security function is building various capabilities related to cloud security, data security and allied skill sets to cater to the evolving banking environment in the next and upcoming years.

Towards this, the Bank envisions creating a Cyber Security Analytics function, focused on creating advanced threat

hunting capabilities for detecting emerging cyber security threats. The Function aims to conduct behaviour-based analysis of systems and users to predict and detect future indicators of compromises with use of artificial intelligence and machine learning algorithms.

The Bank's cyber security systems are also discussed in the Management's Discussion and Analysis on pages 67-68 in the Annual Report 2018-19.



Driving Business Sustainably



Over the last 25 years, Axis Bank has been driven by a singular objective of meeting the expectations of its millions of stakeholders. Each offering in our diverse product and service portfolio, across both the physical and digital domains, is underlined by superlative customer service.

Our strong retail franchise, backed by a strong geographical presence across the country, continues to deliver industry-leading performance across multiple product categories. We are proud to be counted amongst India's most recognised and valuable brands and remain as motivated as ever to being a reliable partner to each and every Indian.

Pralay Mondal
Executive Director – Retail Banking

As India's first new-age private sector bank, Axis Bank has always strived to enable its diverse customer base including individuals, small and large businesses, and governments, make tangible progress, keeping the communities we serve at the forefront of all that we do. Our possibilities are deeply entwined with the real priorities of India, such as achieving greater economic equality, creating a strong digital economy and building an inclusive society. Our efforts in facilitating the creation of crucial core infrastructure, scaling up financial inclusion and the adoption and diffusion of digital products and services, have been and continue to support India's holistic wellbeing.

Empowering Branch Customers through Self-Service Kiosks

Empowering our customers has been a key driving force for the Bank. With a strong branch network of over four thousand branches, over twelve thousand ATMs, and thousands of employees working in each part of the country, the Bank has built itself a strong reputation of dependability, convenience and safety. With an aim to cater to today's customer, who expects quick and efficient service, we have invested in automating our branch services which not only achieve quicker turnaround times for the most common services sought by customers but also improve branch staff availability for more productive activities.

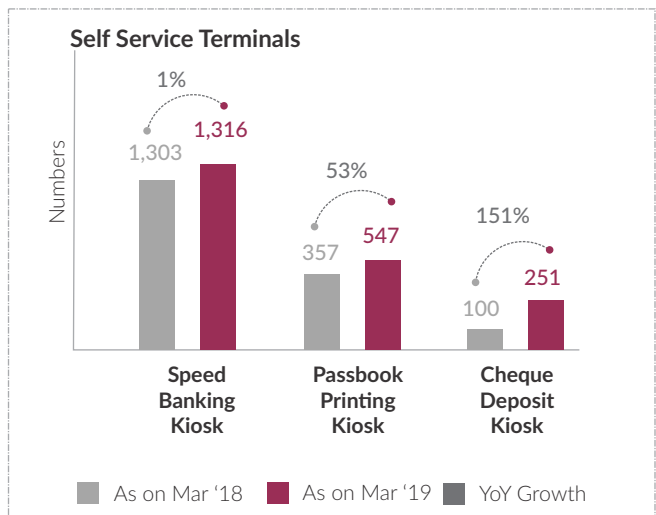
The Bank is increasing its digital footprint at branches through Self-service Kiosks for Speed Banking, Cheque Deposits and Passbook Printing. Walk in customers can undertake various financial or non-financial transactions on these kiosks directly. Given the positive customer response, 190 passbook printing kiosks and 151 cheque deposit kiosks were added to the overall network during FY 2018-19. Self-service kiosks also contribute to lowering the Bank's paper consumption as the digital

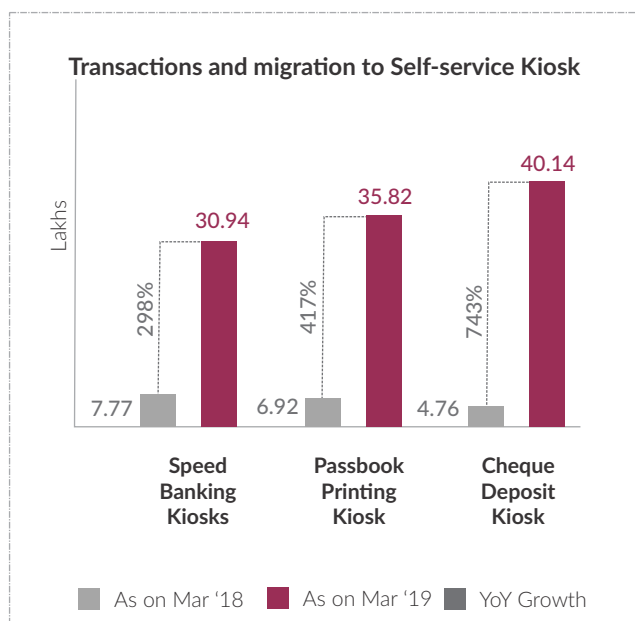
transaction processing avoids the use of paper that a typical banking transaction would consume.

Safe and Convenient Terminals

Axis bank has the largest terminal network among private sector banks, comprising 16,500 terminals consisting of 12,570 ATMs and 3,930 cash recycler machines. The Cash Recycler terminals introduced by the Bank offer added convenience and safety to branch customers for cash deposits. These recyclers can be used 24x7, as opposed to conventional machines that only operate during banking hours.

Towards reducing the resource consumption footprint in terminal transactions, the Bank has discontinued dispensing of physical paper receipts at ATMs, instead, customers receive acknowledgements via SMS and on their registered Email IDs. Similarly, the cash recycler machines do not require a customer to fill in a paper deposit form anymore.





Transactions **Migration %**

Speed Banking Kiosks (in lakhs)	21%
Passbook Printing Kiosks (in lakhs)	91%
Cheque Deposit Kiosks (in lakhs)	61%

Enhancing Customer Experience through Saksham

Saksham is a pioneering, enterprise-wide and unified platform for enhancing customer experience and driving operational excellence. With a 360-degree view of customer details across relationships, it is a unique tool aiding improved customer engagement. In addition, the platform is also a 'service-to-sales' initiative offering pre-approved products and services to customers at the servicing window. In the year, Saksham processed 78 million financial transactions, sourced 0.1 million credit cards, and processed 1.1 million service requests in straight through, paperless mode. On an average, the platform addresses 4.1 million customer queries monthly.

As all service requests are in paperless mode, the 1.1 million service requests processed through Saksham possibly helped save 2.2 million sheets of paper, assuming an average of two sheets of paper required for a conventional transaction.

Towards Paperless Customer Communications

We continue to focus on moving our myriad of communications with our customers in the digital mode. With more and more customers coming online and adopting digital platforms such as

social media and emails as their primary modes of communication, the Bank is increasingly adopting digital as its primary communication platform. In addition to the convenience it provides a customer, digital communication also reduces the need for paper, thus meeting our own environmental imperatives.

We continue to nudge our customers towards moving away from paper statements, and have been able to move a substantial percentage to e-statements. Across 7 different business lines under Retail Banking, we sent out 163.7 million e-statements during the year, a substantial rise of 29% over the previous year. We estimate through these transactions; we may have avoided consuming approximately 569 million sheets of paper.

We are increasingly moving towards welcoming our new Retail Liabilities customers digitally. During the year, we presented 658,300 e-welcome kits to our customers across four different retail liabilities lines such as personal loans and auto loans. We estimate that by adopting e-welcome kits, we have avoided consuming approximately 3.29 million sheets of paper.

Initiatives for Retail Liabilities Customers

Axis Bank has a strong Retail Liabilities franchise catering to millions of customers in retail deposits, CASA accounts, NRI Banking, Wealth Management, and others. The Bank continually strives to enhance the experience for its Retail Liabilities customers and implemented several initiatives during the year:

- Towards promoting digital transactions among customers, NEFT and RTGS transactions (Branch and Online) were made free for all savings account customers.
- School Management Solutions for Educational Institutes – As an industry-first initiative, the Bank has partnered with a third-party vendor for providing complete, state-of-the-art. school management solutions for educational institutes.
- The Bank has initiated analytics-based campaigns for deepening relationships with existing customers.
- Focusing on customer retention, an initiative under the umbrella of 'Back to Axis' was launched wherein customers were identified based on identified logics for cross selling and deepening the relationship.
- Launched a new savings offer for 'Emerging Affluent' segment – The new savings programme occupies the white space between the existing Prime and Priority segments and has been positioned as 'on demand banking'.
- Interactive Statements– An enhanced version of E-statements has been rolled out replacing the static pdf formats of E-statements. This enables customer interaction, graphical representation of insights and plays customised offers based on personas developed by an AI engine.

Gauging Customer Satisfaction

In the reporting year, the Bank adopted a new methodology for measuring Customer Experience (CX). Called Customer Journey Mapping (CJM), the methodology takes a more holistic approach and provides more tangible actionable items by setting more ownership and greater accountability at each stage. By moving to the CJM methodology, we are now getting a wider coverage and are able to reach out to a much larger universe of our customer base than the sample-based approach we followed earlier. It has allowed us to identify the customer context.

As part of the CJM exercise, feedback surveys are triggered near real time over mobile text messages or emails, as opposed to the earlier approach of conducting telephonic or face to face interviews. The latter faced two key issues, that many customers were finding them increasingly intrusive, and the bank felt it was not getting access to the right customers.

The broad outline of the CJM methodology is:

- Charting the key stages across customer life cycle and moments of truth at each stage
- A measurement framework is put into play basis the identified moments of truth
- Scores at each stage owned by respective teams under the business unit
- Scores across each phase is aggregated to arrive at the CX score for business
- Scores across each business line aggregated to arrive at the CX score for Retail Bank

Within each business line the CX measurement exercise is undertaken, the broad stages are:

Need & information gathering

Ease of getting details about the product and first interaction with the bank

Application phase

Application & documentation, making customers aware about key charges, features and Turn-Around Time (TAT) commitment

On-boarding and sanction

Time for sanctioning and on-boarding, ease of tracking status in interim period, clarity on next steps

Usage

Ongoing interaction with product features

Service

Interaction with channels

As of March 2019, the CX Index is live for some of our key business lines including Savings, Credit Cards, Retail Assets, NRI Banking and Forex, and we aim to expand it to more business lines going forward. For the said businesses, the overall CX Index score of Retail Banking was 62, against a target of 64 for FY 2018-19.

Digital Integration for Driving Growth

Axis Bank is considered a pioneer in adopting digital banking in the Indian banking sector, investing in industry-first digital systems and processes, and adopting technology towards enhancing customer experience. In the reporting year, we took a strong step forward towards a large-scale transformation of Information Technology at the Bank, augmenting our infrastructure and building up our capabilities further.

Our significant initiatives this year included an upgrade of our core systems for better scalability, stability and enhanced security, and scaling up our digital products and services for our customers in retail, governments and communities, as well as enhancing our digital integration with our partners. Significantly, we scaled up our adoption of Artificial Intelligence (AI) and Machine Learning (ML) across the board, and are investing in building up cutting edge data infrastructure to scale up discovery, analytics and Business Intelligence.

The Bank's analytics push has been discussed in detail in the Bank's Annual Report 2018-19 in the Management's Discussion and Analysis, within sub-section 'Information Technology and Cyber Security' on page 67 and sub-section 'Business Intelligence Unit' on page 64.



Financial Capital

Financial Capital is the value of financial resources obtained from an organisation's shareholders and/or providers of capital and form the most essential resource for an organisation to function. As an institution, we endeavour to provide our providers of capital with sustainable returns over a long-term, focusing on driving growth from strategic capital deployment and robust risk management.



Axis Bank has been a proud banker to India's dynamic and fast-paced economy, helping meet the country's capital requirements for creation of critical infrastructure, bringing the unbanked and under-banked into financial mainstream, and contributing to creating a robust financial ecosystem in India.

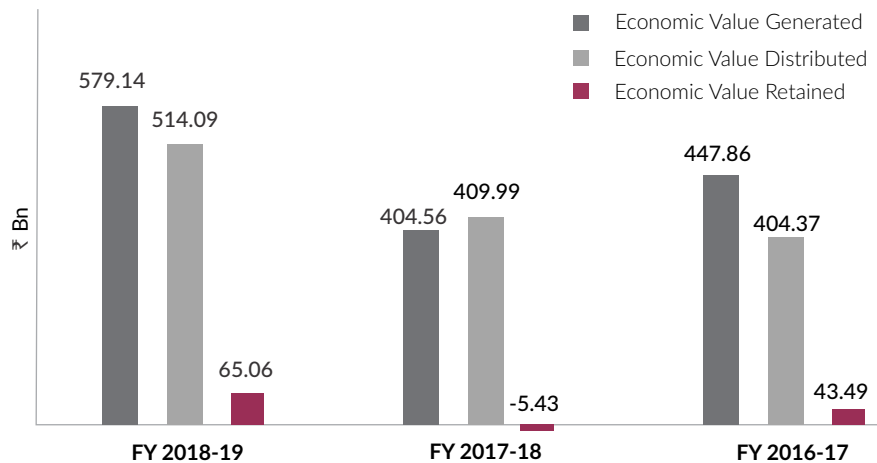
We remain focused on creating tangible value for our stakeholders and delivering profitable growth. Our profitability and asset quality metrics have substantially improved over the previous year, and we continue to maintain a strong balance sheet while strengthening our provision coverage ratio and maintaining a strong capital adequacy ratio.

Jairam Sridharan
Group Executive & Chief Financial Officer

Economic Value Created

As a leading financial institution, we realise that our role is not limited to generating profits for our shareholders and providers of capital alone, but also making positive contributions to the larger society as well. We endeavour to play our part in promoting economic development that is equitable, sustainable and far-reaching.

Direct Economic Contribution**



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

Financial performance

The Bank's profitability and asset quality metrics in fiscal year 2019 improved materially after passing through two challenging years consecutively. The Bank delivered healthy operating performance with core operating revenue growth of 21% along with moderation in its operating expenses growth. The Bank's Balance Sheet continues to remain strong with healthy provision coverage and capital adequacy ratios of 77% and 15.84%, respectively.

A detailed analysis of the Bank's financial performance is included in the Management's Discussion and Analysis in the Annual Report 2018-19 on pages 51-57. The Report can be accessed online at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-2019.pdf>

Axis Bank's shareholding pattern has been provided in detail in the Bank's Annual Report 2018-19 on page 108.

We believe that as a financial institution, we have a critical role to play in the socio-economic and equitable development of the country. Our business activities span across the entire economic spectrum, ranging from a small rural farmer to a medium size factory owner to a government department to a global conglomerate, helping channelise capital into some of the most critical sectors of the economy.

Our business activities focusing on the base of the pyramid and economically weaker sections especially have a strong social impact as well.

Axis Sahyog – Reaching the Unbanked & Underbanked

Axis Bank launched its Retail Microfinance programme under the flagship of 'Axis Sahyog' in 2013 with an aim to provide inclusive financial solutions towards empowering millions of families in underbanked geographies across India, helping bring them into the umbrella of formal financial avenues.

Axis Sahyog is driven either directly, through direct lending to JLG groups, or through the Bank's Business Correspondent (BC) partnerships.

Broadly, under the programme, the Bank provides collateral-free, small ticket size loans ranging from ₹ 12,000 to ₹ 50,000 to economically active women belonging to households that have an annual income of less than ₹ 160,000.

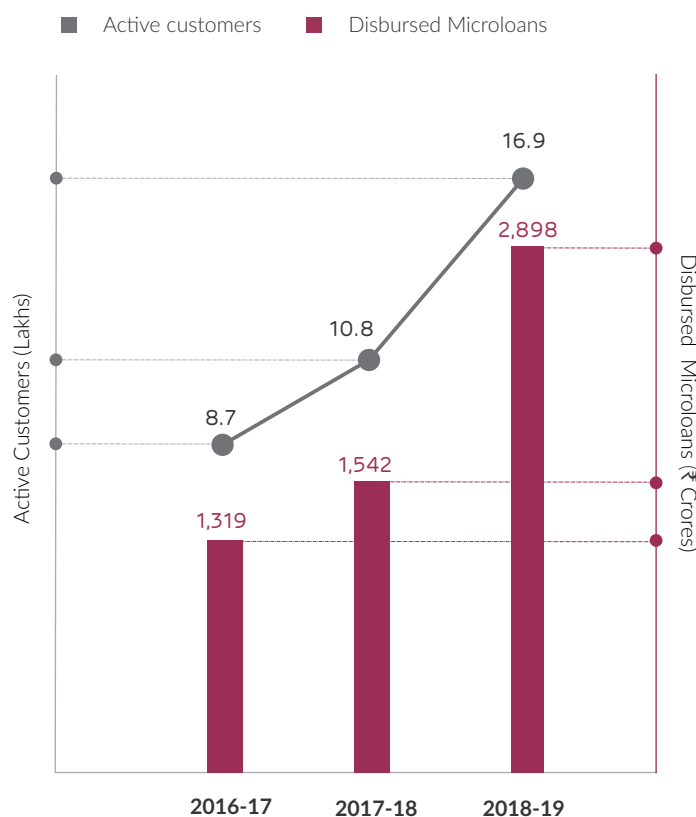
The Bank has adopted an integrated approach by combining optimum customer touch points and technology-enabled back end support functions, thus enabling us to optimise the overall efficiency of the programme.

As on March 2019, the programme, driven by the Bank's Microfinance vertical, was serving low income households in 18 states and 1 Union Territory across the country, and was associated with 1.7 million women borrowers. In addition, the Programme also focuses on creating employment opportunities for youth in rural and semi-urban regions in the country.

Since its launch, Axis Sahyog has achieved significant growth, demonstrating the latent demand for such a financial programme among India's rural communities. From covering 4 states in 2013-14, Axis Sahyog is now present in 18 states and 1 union territory, covering 331 districts in the country.



Axis Sahyog



The Bank, through the Axis Microfinance team, is a prominent distributor under the Pradhan Mantri Mudra Yojana (PMMY) of the Government of India. The PMMY is a national scheme to provide loans up to ₹ 10 lakhs to non-corporate, non-farm small/micro enterprises. Under the Scheme, loans are disbursed under three categories – ‘Shishu’ for loans up to ₹ 50,000, ‘Kishore’ for loans from ₹ 50,001 up to ₹ 5 lakhs, and ‘Tarun’ for loans from more than ₹ 5 lakhs up to ₹ 10 lakhs.

As on 31 March 2019, the Bank held 1,009,886 Shishu accounts with an outstanding loan amount of ₹ 1,933.2 crores, 7,769 Kishore accounts with outstanding loan amount of ₹ 265.7 crores, and 15,174 Tarun accounts with outstanding loan amount of ₹ 1,023.6 crores.

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

Axis Bank’s retail microfinance initiative ‘Axis Sahyog’ launched in Assam

Axis Bank launched its retail lending microfinance programme – ‘Axis Sahyog’ in Assam in August 2018. In keeping with its ethos, the programme will help extend credit to the economically active, but under-banked, rural population in the region, particularly women.

Prior to the formal launch, the Bank had initiated a pilot for Axis Sahyog in Nagaon and Tezpur branches in Assam in January 2018. Loans from Axis Sahyog, which range from ₹ 12,000 – ₹ 26,000, have helped consumers in the region start small businesses and become financially independent.

Women, especially, with such credit support, have been at the forefront of running the rural economy by starting self-help groups (SHGs), which are now providing employment to a large section of the rural population. The Bank is in the process of expanding Axis Sahyog to 20 districts in Assam, with an aim to financially empower more than 60,000 rural women.

At the special launch ceremony at Gawahati, the Bank also announced its plans to start Sahyog operations in other North Eastern states, starting with Tripura, Meghalaya and Nagaland.



Scaling up the SME Sector

Small and Medium Enterprises (SME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. SMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialisation of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. SMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

Axis Bank is a leading player in the SME space, offering a bouquet of products and services to meet the dynamic credit and other banking needs of MSMEs across sectors and regions in the country. In addition to the services provided through our extensive branch network, the Bank has 78 dedicated SME Centres catering exclusively to this sector.

During the fiscal, the Bank's SME advances grew at 12% to ₹ 65,584 crores from ₹ 58,740 crores the previous year. The Bank's SME portfolio constituted 13% of its total advances as on 31 March 2019.

In addition to our business offerings to the sector, we have also undertaken initiatives focusing on capacity enhancement of this sector and providing a national awards platform for some of India's best performing SMEs.

Axis Evolve series is an educational initiative for capacity enhancement of SMEs. During FY 2018-19, the fifth edition of the series was held across 31 cities, touching over 3,200 SMEs. This initiative has been discussed in further detail in the Social and Relationship Capital section of this Report.

Axis Evolve series is an educational initiative for capacity enhancement of SMEs.



An Evolve series event underway with an industry leader addressing the SME participants

We have partnered with the India SME Forum to launch the INDIA SME 100 Awards, a national platform to felicitate successful SMEs. The platform, which has emerged as one of the most recognised platforms for SMEs in the country, not only boosts the reputation of deserving SMEs, but also provides them a platform to interact with partners, investors, corporate leaders and government representatives.

Axis Bank's strong presence in the SME sector and its performance highlights for the year have been discussed in detail in the Bank's Annual Report 2018-19 in the Management's Discussion and Analysis on page 64. The Report can be accessed online at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-2019.pdf>

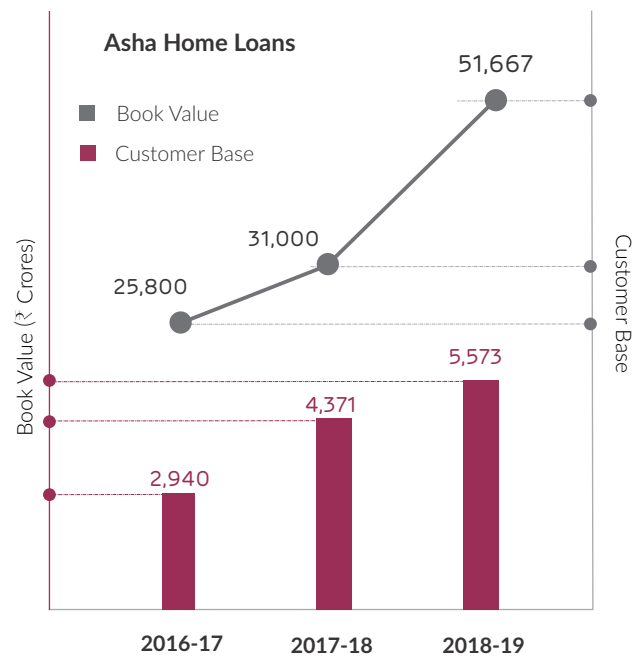


Union Ministers Shri Giriraj Singh and Shri Kalraj Mishra inaugurating the India SME 100 Awards 2018 at Vadodara on 10 August 2018

Affordable housing

Axis Bank launched its specialised home loan product, Asha Home Loans, in 2016 for aspiring home buyers in the low-income groups and economically weaker segments. The product offers a host of benefits such as longer tenures, customised loans based on an applicant's banking pattern, and EMI waivers to reward payment discipline. The latent demand for such a product can be gauged from the steady rise in its book size and customer base since its launch.

In 2017, Axis Bank launched another product, 'Shubh Aarambh' (auspicious beginning) that specifically caters to borrowers in the affordable housing sector. The product also provides EMI waivers to customers for maintaining a clean payment record, which thus lowers one's loan tenure thereby reducing one's overall interest cost.



Axis Bank partners with India Mortgage Guarantee Corporation (IMGC) to expand its Affordable Housing loan segment

During the year, Axis Bank partnered with India Mortgage Guarantee Corporation (IMGC) to offer mortgage guarantee (MG) backed home loans in the Affordable Housing segment. Home buyers would be offered an improved loan eligibility up to 20% and shall also enjoy a higher loan-to-value (LTV) with the mortgage guarantee backed home loans (within the regulatory norms). Mortgage guarantee backed home loans will broaden Axis Bank's coverage of home loans and also support the government's mission of Housing for All by 2022. The mortgage guarantee provided helps the lender to save capital on the risk insured loan component thereby helping lenders to reach out to a larger consumer base in the affordable housing segment. It will now become easier for credit worthy borrowers, having limited down payment capabilities, to get home loans on better terms.

Transaction Banking

Transaction Banking vertical at Axis Bank focuses on the 'flows' business within Corporate Banking, such as Current Accounts, collection and payment solutions, and trade services, catering to diverse customer segments including retail customers, SMEs, government sector and corporate sector.

Case Study : Holistic Solution Offering for India's Dairy Sector

India is the world's largest milk producer, accounting for about 20 percent of world's total milk production. The Dairy sector is one of the largest non-farm employment generators in rural India, and presents a significant scope for not only a considerable expansion in its market size but also for greater innovation and technology adoption.

Today, the dairy sector in India is vulnerable to a number of factors, ranging from changing climate, shrinking arable lands and other natural resources, to its highly unorganised nature. For example, in India, co-operatives and private dairies access only 20% of the milk produced, with 34% being sold in the unorganised market and 46% being consumed locally. A number of initiatives are being adopted to help expand the organised side of this sector as well as expand total milk production. These can range from genetic improvement strategies, providing animal health care and good quality feed to innovation in processing at the farmer's doorstep.

Government Initiatives

The Government of India announced the launch of the 'Dairy Processing and Infrastructure Development Fund (DIDF)' in the Union Budget 2017-18 with a total outlay of ₹ 10,881 crores where cooperatives will be provided loans at 6.5% annual interest to be repaid within a period of 10 years.

The Fund targets to benefit 95 lakh milk producers covering 50,000 villages. Under the scheme, additional milk processing capacity of 126 lakh liters per day with 210 tonnes milk drying capacity per day and 140 lakh litres of milk chilling capacity per day will be created by establishing bulk milk coolers.

On the trade aspect, the Government has increased the import duty on milk while providing incentives to local dairies for exporting milk and milk products. The Government continues to take necessary steps to encourage the supply of milk under the Mid-day meal scheme and ICDS scheme for nutritional support to children, leading to an increase in demand of milk & milk products.

Axis Bank's Partnership with KMF

Karnataka Milk Federation (KMF) is one of the oldest dairy cooperatives operating in Karnataka, under the brand name 'Nandini'. Nandini is India's second largest dairy co-operative

after AMUL, with approximately 6.6 million farmers directly associated with it.

KMF is one of Axis Bank's marquee customers, and our strong relationship offered us an opportunity to understand their business flow in great detail. The flow typically includes milk procurement, production and consumption viz-a-viz collections from the end consumer, and payments to end beneficiaries. This gave us an insight into recognising some of the financial and operational issues that KMF and its stakeholders were facing:

- Cash handling risk
- Inventory Management issues
- Ensuring timely payments to lakhs of farmers
- Addressing the issue of rightful beneficiaries of payouts
- Collecting payments from distributors on holidays through multiple channels
- Misuse by intermediaries

The Bank mapped these issues with its wide product range and proposed a customised offering with bundled solutions to KMF.

Pain Areas identified in Dairy Value Chain	Customised offering with Bundled Solutions
Collection and Payments in cash	<ul style="list-style-type: none"> • Collection from dealers thru NEFT/ RTGS/ NACH/ CADIS • RTGS/NEFT & APBS payments to farmer accounts
Frequent Payment Default by Dealers	<ul style="list-style-type: none"> • Mobile ordering app for online payments • CDM cash collection against orders
Limited Banking support	<ul style="list-style-type: none"> • CADIS accounts for online payments • CDM collections 24 x 7 including bank holidays
Collection & Payment data not available	<ul style="list-style-type: none"> • Ordering and collection data availability using mobile app and CDM • Online payment data using EPH platform
Market related Inventory Management	<ul style="list-style-type: none"> • Mobile ordering app with ERP integration has benefitted in Inventory management based on market demands

Specifically, for collections through distributors, various Push as well as Pull-based, customised solutions were offered. The Bank also aided distributors in account opening, leading to a seamless pulling of funds by corporates. Further, the Bank strengthened the dairies in order to manage their cash beyond banking hours by deploying captive Cash Deposit machines. All these solutions have been integrated with a mobile-based ordering app, thereby providing a complete, end-to-end and digitised solution to KMF and its distributors.

So far, we have successfully processed payments to over 1 million farmers into their accounts by:

- Crediting their accounts through the corporate front end for both regular and subsidy payments
- Making Aadhaar-based payments as per Government directives

As a successful measure of this partnership, the Bank more than doubled its relationship with KPF within a span of three years.

The Way Forward

We gained tremendous experience and knowledge from our successful dairy solution implementation with KMF, which enabled us to showcase and commercialise these solutions across dairies in India, demonstrating their success in eliminating human intervention, and thus pilferage and theft, and cutting down delays in payments to farmers. The Bank has implemented its solutions in a number of large dairies and is in talks with several others to implement it.

In addition, in order to fully optimise dairy output in terms of milk procurement and enhancing processing volumes, the Bank also focused on making financing arrangements under Priority Sector Lending to both the dairy and the end farmer.

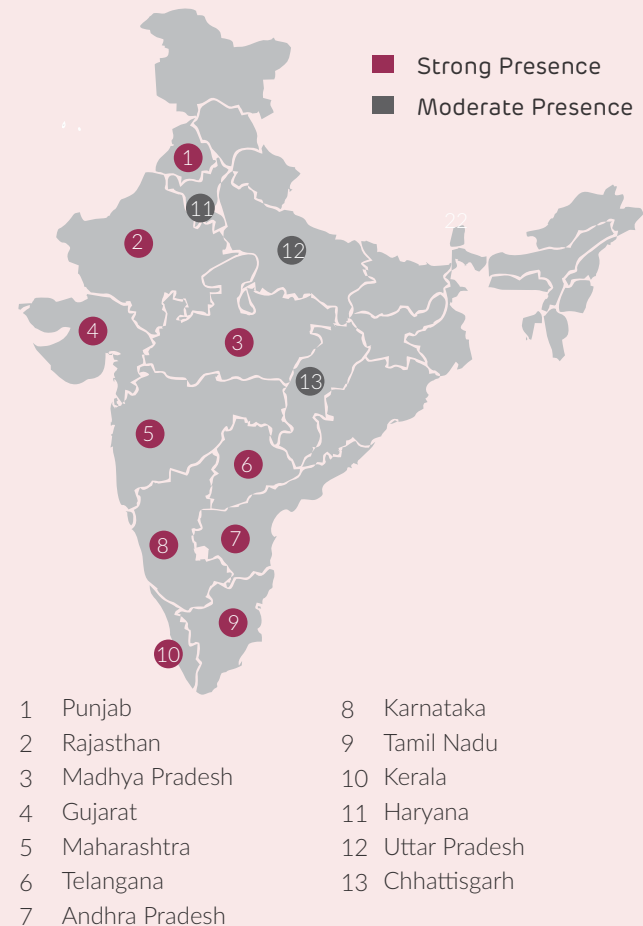
Going beyond a payment solution, the Bank is now delving deeper into understanding the intricacies of the dairy value chain. It discovered that despite the availability of vast sources of information across the chain, most dairy clients were unable to benefit from it. Axis Bank then roped in established technical service providers who are able to gather, analyse and predict milk-flow information from each centre, enabling the dairy to streamline, plan and forecast milk production and improve inventory management.

Axis Bank's existing relationships in the Dairy sector now span 13 states.



Axis Bank ATM inauguration at KMF office to facilitate easy cash access for dairy co-operatives

State dairy and Axis Bank presence



Deepening Our Relationship with India's Defence, Paramilitary and Police Forces

Axis Bank has been a trusted banker to India's defence, paramilitary and police forces, offering a diverse range of exclusive services under its 'Pay to Pension' policy for the defenders of our country. The Bank has in place MoUs with Indian Army, Indian Navy the Indian Coast Guard, the Assam Rifles, and several other paramilitary forces, for 'Power Salute'- a customised Defence Salary package, wherein the Bank offers a host of additional benefits to the personnel such as insurance cover and loan benefits.

Renewal of the MoU between the Indian Army and Axis Bank for the Defence Salary package, signed by Sanjay Silas, President and Head - Retail Banking, Axis Bank, and Lt. Gen S.K Saini, Director General (MP & PS), Indian Army



Wards of Delhi Police personnel and ex-service personnel participating in the job fair hosted by Axis Bank in collaboration with the Police Families Welfare Society, at New Delhi in December 2018

We are bankers to the police and other state forces across the country, including the Mumbai Police, Delhi Police, Chennai Police, the Mumbai Fire Brigade, and several others. To support the families of personnel and retired personnel, the Bank organised job fairs for the Mumbai and Delhi Police during the year, further augmenting its strong relationship with the country's police forces.

The job Fair organised for the retired personnel and wards of Delhi Police had over 100 corporates and 8,500 potential candidates participating, while the job fair for Mumbai Police was attended by over 1,000 candidates and 20 corporates.

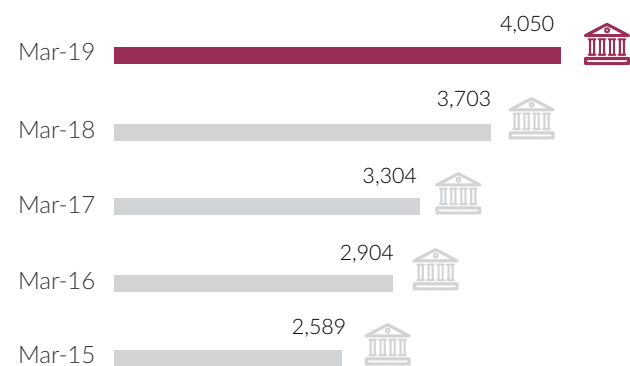
Manufactured Capital

Axis Bank serves millions of customers across diverse social and economic backgrounds from all across India through its deep physical reach and strong digital presence. Through the year, the Bank strives to augment its physical and digital infrastructure towards consistently improving its value proposition to its customers and other stakeholders, working closely with its value chain comprising service providers, technology partners, suppliers, and vendors.

Our Physical Footprint

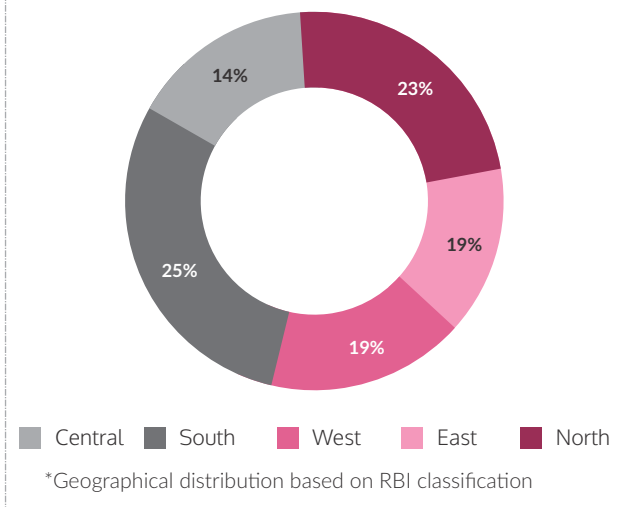
During the year, Axis Bank continued with its strategy of steady branch expansion, adding 347 branches to its network to reach 4,050 branches (including extension counters) as on 31 March 2019, covering 2,366 centers and 665 districts. Our branches remain a core component of our strategy in Retail Lending, and cornered 49% of our overall sourcing during the year. Augmenting its branch network, the Bank has a network of 16,718 ATMs and cash deposit/withdrawal machines, which is the highest among private sector banks in the country.

Domestic Branch Network

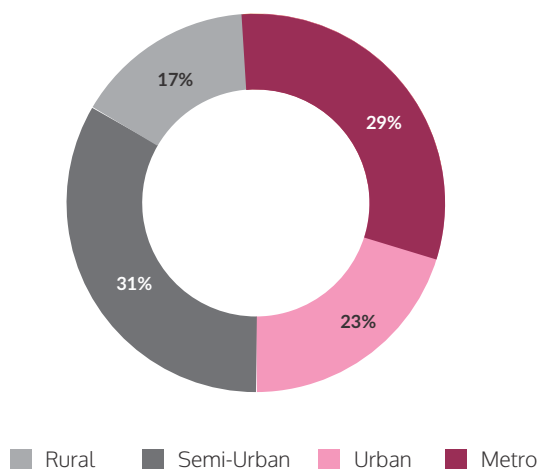


*Includes Extension Counters

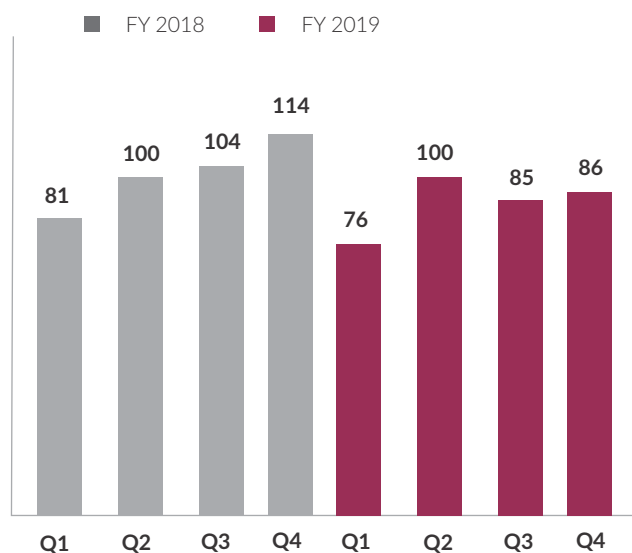
Regional Distribution



As per RBI defined census centres



New Branches Opened*



*Includes Extension Counters

In addition to our branch and ATM network, we also operate 78 SME Centres catering exclusively to the SME business.

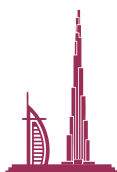
International Presence



Singapore



Hongkong



Dubai



Shanghai



Colombo

As on 31 March 2019, the bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo and an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

Supply Chain

As an organisation, we work with a diverse supply chain at upstream, in-stream, and downstream levels. Our supply chain partners primarily include the IT-centric products and services providers, human resource service providers for various outsourced services such as physical security, utilities services providers, and vendors involved in maintaining or expanding our physical infrastructure.

The Bank has a comprehensive 'Vendor Management Framework' (VMF) in place and requires all vendors to be enlisted on VMF for them to be able to provide any products or services to the Bank. The VMF adopted by Bank covers all stages of vendor lifecycle – On boarding, Contract management, Performance evaluation and exit.

The bank emphasises the importance of environmental sustainability, human rights & labour laws, safety and adherence to standardised environmental norms by our upstream and downstream supply chain partners, and has mandated a supplier sign-off on a Supplier Code of Conduct.

In FY 2018-19, we were able to make substantial progress on expanding the VMF. Most importantly, the Contract Management and Supplier Performance Evaluation platforms were made functional on the VMF. Key features of these platforms include:

Contract Management

- Under Contract Management platform, vendor contracts for all centralised departments of the Bank who handle bulk procurement of goods and services is made available in a central repository

- Contract Management platform has contract drafting, reviewing and system-driven approval with the ability to capture complete audit trail

Supplier Management

- Supplier Performance Module is a system-driven, KPI-based vendor performance review with the focus on ensuring effectiveness, efficiency and compliance
- As a pilot launch in FY 2018-19, this was made functional for 2 departments of the Bank who handle bulk and high spend procurement of goods and services
- In next FY 2019-20, we plan to extend it to departments across the Bank

Physical Resource Consumption

Axis Bank is a service sector organisation, in the business of providing banking and other related services to a diverse range of customers across the length and breadth of the country. As a service organisation, the primary resources we consume thus are those that we require in running our business operations, and catering effectively to our customers.

The primary resources that the Bank consumes are paper, essential for banking forms, printing, marketing and information collateral, and other receipts and bills. We continue to strive to reduce our overall paper usage through a multi-pronged approach focusing on digitisation of internal systems and processes, procuring more environment-friendly paper as much as possible, raising awareness among our customers to adopt e-services, and launching products and services exclusively in the digital domain. Our internal calculations have shown that the per capita consumption of paper at the Bank has been falling steadily by adopting the various measures.

To run our physical infrastructure, we consume electricity from the grid, but given the continued unavailability of reliable grid-based power supply, we have installed diesel generator sets at locations where such unavailability is relatively higher. In addition, to augment our electricity supply and move towards greener sources of power, we have invested in installing solar rooftop installations at our various locations. As on 31 March 2019, we had a total installed capacity of 7.05 MW at 248 locations.

Additionally, the Bank also has a focus on promoting 'green procurement', wherein the Bank strives to procure the most environment-friendly choice available wherever possible. During the year, we began purchasing PEFC (Programme for the Endorsement of Forest Certification) certified A4 printing paper which are committed to responsible forest management.

Our various initiatives towards rationalising our natural resource consumption and reduce waste have been highlighted in the Natural Capital section of this Report.

Intellectual Capital

As an institution, we engage with diverse stakeholders on multiple platforms, and aim to expand our role in catalysing India's development through dialogue and engagement. Through the year, we engage with regulators, the media, our peers, the community, and other stakeholders on topics of common interest and on subjects pertinent to our domain.

Axis Bank's Wholesale Banking franchise has played an important role in its growth as one of India's foremost private sector banks. Today, we are the first choice as bankers to diverse customers such as large industrial houses, large and mid-corporates, financial institutions, governments and PSUs, and SMEs, meeting their diverse needs across the business spectrum.

Even as we shift gears to take the Bank to next level of growth under the 'One Axis' philosophy, our actions shall continue to be guided by our core value of customer-centricity and an unwavering commitment to offering a superior experience to all our customers.

Ganesh Sankaran
Group Executive - Wholesale Banking Coverage Group



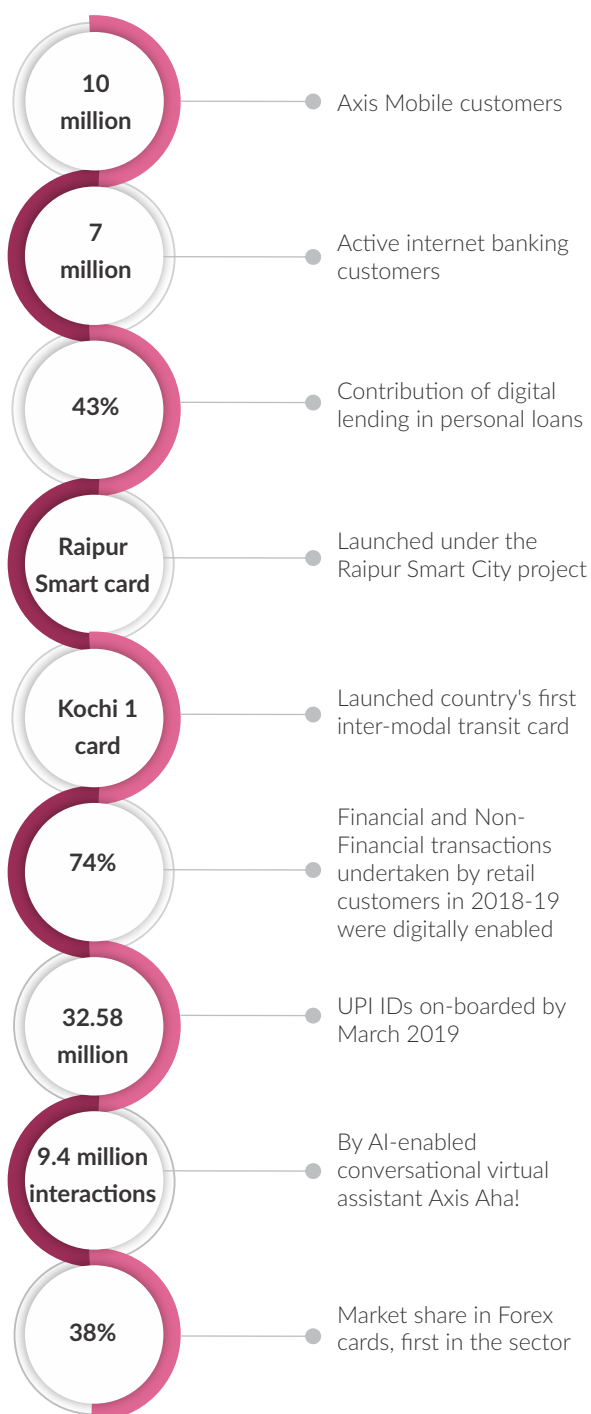
As an institution, we are members of key industry bodies in the country such as CII, FICCI, ASSOCHAM, and the Indian Banks Association (IBA), where we strive to drive the conversation on pertinent topics such as banking technology, digital banking, and financial inclusion, among others. Several members of the Top Management also sit on various committees at these industry bodies. As on March 2019, the key representations included:

Through the year, our management team also appears on various media platforms in print and television such as the Times of India group, The Hindustan Times group, CNBC-TV18, Business Standard, Business Today and Thomson Reuters. In addition, our senior leadership also lends their expertise to other formal and informal industry groupings on pertinent topics.

Sr. No.	Name	Designation	Axis Bank Representations for FY 2018-19
1	Rajiv Anand	Executive Director (Wholesale Banking)	Member of CII National Committee on Banking 2019-20
2	Sanjay Silas	President (International Banking)	Member of CII Financial Inclusion Committee
3	Mohit Bedi	Senior Vice President	Member of RBI Committee on Deepening of Digital Payments (CDDP)

We engage with regulators, the media, our peers, the community, and other stakeholders on topics of common interest and on subjects pertinent to our domain

Leadership in the Digital Domain



Axis Bank remains committed to promoting a less-cash Indian economy, and has a strong presence across the digital banking space, with its franchises in mobile banking, debit and credit cards, forex cards, and digital payments space, among others, enjoying strong market positions.

We plan to invest heavily in setting up a digital bank, with a vision to create fresh, end-to-end customer journeys that are completely digital. We continue to invest in strengthening our organisational core and have made significant investments in

technology and digital analytics to underwrite, manage risk outcomes and optimise costs.

Our strong presence across diverse digital channels has enabled us to offer a broad variety of financial products and services to customers across the socio-economic spectrum, ranging from those at the bottom of the pyramid to the largest conglomerates. Significantly, we are leading partner to various government entities in launching and scaling up citizen-centric solutions.

Changing the Way India Commutes

Axis Bank has been an early mover in the transit payment ecosystem, with its flagship partnership with the Kochi Metro Rail Corporation to launch India's first single-wallet, contactless, open loop metro card in 2017.

Today, Axis bank can proudly claim to have earned the title of being first bank to have implemented National Common Mobility Card (NCMC) standard of India, wherein a single prepaid card can pay for public transportation, retail and e-commerce purchases. We have also been the first bank in the country to have implemented QR code-based ticketing on a mobile app.

In 2018, we launched the One Raipur Smart Card system, our first partnership under the Government's Smart Cities Mission, empowering citizens of Raipur to make payments across various government and utility services with a single card.

In addition, we are a strong partner in the Ministry of Road Transport and Highway's Fastag initiative that aims to automate toll collections on India's National Highway system.

Axis Bank Kochi1 Metro Card

The Kochi metro card implementation has been a flagship project for the bank and its success has played a key role in strengthening our brand value in the transit payment ecosystem, helping pave the way for other banks and mass transport systems launch similar card-based fare collection systems.



Tom Jose, Chief Secretary, Kerala and Sanjeev Moghe, Head – Cards, Axis Bank, launching the Kochi1 Metro smartcard integration with private buses, at Kochi in March 2018

After operating the ticketing for Kochi metro and the Kochi1 Card programme successfully for over a year and a half, we extended the usability of the card to cover private bus operators, partnering with seven bus unions in Kochi to integrate Kochi1 Card-based electronic ticketing. During the year, the initiative successfully completed a pilot run with 80 buses, and we expect to extend the initiative to 1,000 buses. The Kochi 1 Card integration with private buses was formally launched by the Chief Secretary of Kerala, Tom Jose on 2 March, 2018 at Kochi, thus making the city the first in the country to have such a facility.



Tom Jose, Chief Secretary, Government of Kerala, and Sanjeev Moghe, Head - Cards, Axis Bank, flagging off the first private bus integrated with Kochi1 Smartcard, in Kochi in March 2018

In addition to the Card's integration with private bus operators, we have also begun implementing the Kochi1 Card-based ticketing system for the Kochi Water Metro project, an integrated water transport project for the greater Kochi region by the Kochi Metro Rail Limited. The project plans to connect 10 islands in the Kochi region and act as a feeder to the Kochi Metro. In addition, the Bank plans to implement Kochi1 Card integration with the over 15,000 autos plying in Kochi.

The Kochi1 Card has over 180 exclusive retail tie-ups in Kochi and is accepted at more than 10,000 outlets across the city. The Axis Dining Delights programme on the Kochi1 Card also adds to its value proposition for the customer.

Smart Cities - 'One Raipur' Payment Solution

As part of the 'Digital India' mission, Axis Bank has won its first national mandate for Raipur, the capital of Chhattisgarh state, and has tied up with the Raipur Smart City Limited (RSCL) for providing a seamless digital payments experience to the city's citizens. The plan envisages a payments system wherein all perceivable urban services such as city transport, municipal services, entertainment and amusement activities, parking, bill payments, and utility payments can be made through a smart card.

Axis Bank and RSCL signed an agreement in April 2018 on a PPP model for five years, envisaging the implementation of Open Loop based contactless Smart Card, City Mobile App, Mobile Wallet and a Portal that would offer citizens a common payment facility platform.



The Raipur Smart Card was formally launched in July 2018 at Raipur

The 'Raipur Smart Card' - powered by Axis Bank, was formally unveiled at Raipur in July, 2018 as the first-of-its-kind, multi-purpose, prepaid card offering a cutting-edge digital payments system that is convenient, secure and meets most of their payments requirements.

Axis Bank also developed a web portal and mobile application for RSCL, available in both English and Hindi where citizens can access city centric information and make payments for multiple municipal taxes and utilities. Availing the smart card itself would not require any user to link it to any bank account, instead, it can be topped up conveniently on the City Mobile App the web portal or at various service outlets across Raipur and designated Axis Bank branches in the city.

As part of the project, we are now aiming to operationalise local public transport in the city to accept digital payments, further adding to transparency and convenience for citizens.

It is expected that over 1 lakh citizens of Raipur would be availing the smart card within a year of its launch. Notably, the 'One Raipur common payment system' won the best mobile app award at the Businessworld 6th Smart Cities Conclave & Mega Awards.



The One Raipur payment system's broad coverage of public services

FasTag – Automating Toll Payments on India’s National Highways



Roads are an essential catalyst in a country’s economic development, being the platform that connects each and every component of the economy, community, government, and service, with each other. In line with India’s massive push to expand its road network, the Government has also taken up digitisation of toll payments across the country to save time and fuel for commuters at toll plazas.

The National Highway Authority of India (NHAI) launched an RFID-based solution, FasTag, in partnership with all major banks in the country with an aim to provide a ‘stop-free’ experience at toll plazas for a customer. This is a tag that is affixed on the windscreen of the vehicle and read by RFID readers installed at the toll plazas. As on March 2019, this initiative covered all toll plazas on all national highways, while 48 lakh vehicles had been affixed the tag. Going forward, the Ministry of Road Transport and Highways may require all new vehicles to be mandatorily affixed with FasTag prior to registration and all commercial vehicles applying for yearly fitness certificate from October 2019, to have FasTag affixed for obtaining the fitness certificate.

Axis Bank has been one of the first few Banks in the National Electronic Toll Collection (NETC) ecosystem, having started this implementation in December 2016. By March 2019, the Bank has Issued 6.2+ lakhs Tags and is acting as an Acquiring Bank in around 50+ Toll Plazas in the country.

Enhancing India’s Digital Payments Experience

Axis Bank is counted among the market leaders in the digital payments franchise, and continues to leverage cutting edge technology to scale up this space in the country. Our partnership driven innovations strive to provide a differentiated payments experience to our customers, who range from citizens to corporations to governments. We have built a strong technology platform and partner some of the largest brands in the world in the UPI space.

Axis Bank launches a contactless payment solution ‘Axis Tap & Pay’

In October 2018, Axis Bank introduced ‘Axis Tap & Pay’, a mobile application that allows its customers to make transactions by

simply tapping their NFC-enabled android mobile phones on contactless merchant terminals.

The Bank has leveraged HCE (Host Card Emulation) technology for this feature to make the payment process safer and faster. In order to use this service, the customer has to download the Axis Tap & Pay app from the Android Play Store and add the details of their Axis Bank- issued Visa or Mastercard credit and debit cards on the application to activate the contactless payment facility. After linking the card/s on the app, the customer can just tap their NFC-enabled mobile phone on contactless POS machines to make a payment.

All payments through Axis Tap & Pay are secured as it generates a token-card for the transactions, which is separate from the actual debit/credit card number, thereby increasing customer privacy and security. Merchants can also benefit from increased transaction volumes as well as quicker checkout times and thus reducing queues at cashiers. The Bank has also launched virtual Instant Credit Cards for its pre-approved customers through the Axis Pay. Once generated, the Instant Credit Card can be linked with Axis Tap & Pay and used at the POS terminals immediately, thus offering customers a quick, secure and entirely-digital payments experience.

Boosting the payments network with merchant acquisition

During the year, the Bank expanded its payments network by acquiring more merchants and expanding its PoS terminals to newer cities. Our merchant acquiring business has a base of over 5 lakhs installed terminals as on 31 March 2019, making it the second-largest number of terminals across banks in terms of installation and service, and the largest among private banks.

The Bank is extending its payment infrastructure to smaller towns with almost a fourth of all new PoS terminals being installed in Tier 2 and 3 towns, thus playing a key role in mainstreaming digital payments adaption in emerging urban India. Almost a third of the terminals installed are for businesses that are new to the segment and were without a PoS terminal. In addition, we also launched the UniPOS payment terminal, which accepts payments via credit and debit cards, Bharat QR, UPI and FreeCharge wallet. Over 7,000 existing terminals have also been upgraded to be UniPOS-ready at no extra cost to the merchants, and over a lakh such terminals were functional by 31 March 2019.

In an effort to scale up digital payments for urban utilities, the Bank is tying up with utility providers such as NDMC and BSES Rajdhani for bill payments. In partnership with the NDMC, we launched a first-of-its-kind ‘smart bill pay’ initiative which allows customers to pay bills by scanning a personalised QR code which is mapped to the customer’s account.

Introducing Iris Authentication over micro-ATMs for Aadhaar-based transactions

In August 2018, Axis Bank became the first bank in the country to introduce 'Iris Scan Authentication' feature for Aadhaar-based transactions through its micro ATM tablets. This service, which requires a customer to scan their iris on a tablet, further boosted the Bank's Financial Inclusion efforts by making Aadhaar authentication process hassle-free and offering easier access to digital banking for consumers, especially in rural India. For this, the Bank has deployed highly secure iris powered micro ATM tablets which are STQC certified & UIDAI compliant registered devices with completely integrated iris sensors. The Iris scan technology itself is completely contactless and provides up to 98.2% authentication success rate.

The Bank is initially running a pilot programme at 8 branches in rural segment largely covering areas of Punjab, Haryana, Gujarat, Andhra Pradesh and exploring its application for broader set of services such as loan processing, insurance and e-KYC account opening as well as extending it to semi-urban and rural India.

Business and Economic Research

The Business and Economic Research (BER) unit is a prominent face of the Bank in the public policy debate in India. Led by the Bank's Chief Economist Saugata Bhattacharya and a highly experience team, BER focuses on effective spotting, understanding and disseminating of the implications of economic and financial sector trends to help, inter-alia, business decisions at the bank.

BER continually studies and interrelates incoming information and data, providing in-depth analysis of the developing business environment, including information coming in both from relevant global economies as well as domestic data.

Apart from serving as inputs to Bank business decisions, BER products are also useful to clients and act as a major differentiating factor vis-à-vis competition. BER Economists meet with external clients on a regular basis, not only to share research, but also to gain access to industry and sector level information and build deeper engagement. Interactions with the media are also used to lead the conversation around pressing macroeconomic issues, as well as to exercise influence in shaping policy.

BER represents the Bank at key external platforms such as NITI Aayog conferences, TIECON, and conferences hosted by leading industry bodies. In addition, BER members speak at conferences hosted by the Bank, as well as Bank's capacity building initiatives such as FX Club.

Government Banking

Axis Bank is the largest private sector bank and the second largest bank overall in India in the coverage of government funds in the country. The Bank's Government Banking vertical offers a wide range of services to government agencies, departments and such entities, such as handling of Tax or Non-Tax Revenue Collections, expenditure-related payments as an agency bank of RBI, customised Cash Management Services and Account Management Services.

The Bank is authorised to handle the Government's agency business including CBDT (Central Board of Direct Taxes), statutory taxes across multiple states, GST (Goods and Services Tax), EPFO (Employees' Provident Fund Organisation), civil pension payments and several departments of the Indian Government. In addition, the bank also acts as a trustee bank to NPS (National Pension Scheme), besides acting as a collecting banker.

The Bank offers forex and trade services along with digital solutions like Direct Benefit Transfer, Aadhaar Based Payment System (ABPS) and Aadhar Enabled Payments System (AEPS). It is also an active player in Public Finance Management System (PFMS) and Government E-Marketplace (GeM). The Bank is closely associated with India's ambitious national development projects such as Smart Cities Mission, National Health Mission, Digital India and e-governance, forming the banking backbone these schemes require.

Digitisation of Government Services – Collections and Payments

Backed by its strong expertise and experience in digital banking, the Bank collaborates with a variety of government departments and bodies to revolutionise payments and collection systems towards making it easier for citizens to access and pay for government services. Key mandates under implementation in FY 2018-19 were:

E-Procurement

E-procurement is an initiative by Government of India for providing an electronic infrastructure to facilitate access of various tenders in the online system by enabling easy submission of tenders and faster processing of the procurement system. The Bank has joined hands with multiple state governments and PSUs, providing them with end-to-end solutions. In the first phase, the Bank facilitates collections of application tender fees and earnest money deposits (EMD) through both online and offline transactional channels, and reconciles each transaction with a comprehensive management information system. Through the system, EMD refunds to successful and unsuccessful bidders are also automated.

Municipal Corporation of Faridabad, South Delhi Municipal Corporation and Bharat Dynamics Limited were some of our key clients for e-procurement solutions in FY 2018-19.

Inaugurating cotton e-procurement for MahaCot at Jalgaon

In September 2018, MahaCot, which is the apex organisation in Maharashtra for procurement of cotton from farmers, inaugurated its cotton e-procurement system implemented by Axis Bank. MahaCot, which purchases cotton worth crores of rupees annually, faced persistent issues of delays in Turn Around Time (TAT) for payments to farmers and reconciliation of all activities. The Bank approached MahaCot with a complete procurement solution that involved - digitisation and collection of data through mobile software, processing of data, and payments to farmers directly in to their accounts through ABPS. Thus, the holistic solution would provide a complete reconciliation of the cotton procurement process including payments within mandated TAT.



E-auction of mines allotment for Punjab Government

The Bank's intervention is aimed at maintaining transparency in the process of allotment of mines in Punjab. The entire process has been hassle free by making each step in the auction digital, from application to auction, allotment, refund to unsuccessful bidders, and fee collection post allotment. The initiative has benefitted both contractors and the department by reducing complexities and curbing the governance risks associated with a manual module to a large degree.

E Municipalities

E-governance has been a focus area for the Central Government. In line with the Government's vision, Axis Bank is partnering with Urban Local Bodies (ULB) across India to provide online collections and payments platforms for delivery of essential citizen services. Through an online system, citizens can conveniently pay for services such as city taxes, birth or marriage registrations, while the ULB can make its payments, such as to vendors, pensioners and DBT beneficiaries, transparently and securely. The Bank has developed a comprehensive digital platform on offer to ULBs that offers a gamut of digital solutions including mPOS/POS, Wallet, BQR and IMPS.

Some key relationships in this space include:

- **E-Sampark Services for Chandigarh**

Axis Bank is the banking partner in the e-sampark ecosystem of the Chandigarh administration. Project Sampark is an initiative for the development, integration and maintenance of a comprehensive web portal for various departments of the administration for providing a 'one-stop-shop' for 45 G2C (Government to Consumer) and 4 B2C (Business to Consumer) services through Sampark Centres that are set up across the Union Territory.

At present, there are 55 E-Sampark Centers set up, out of which 33 are located within the city, 14 are Gram Sampark Centres in villages around the Chandigarh city and 8 Centers are at Post Offices.

The Centres and the web-portal not only provide transaction processing facilities but also are a major source of information dissemination to citizens. In its role, Axis Bank has enabled payment collection via cash, cheques, PoS terminals, and payment gateway options including cards, internet Banking, Bhim UPI and Bharat QR code. A wider array of payment choices enables citizens of all age groups, incomes or technical expertise to make payments and avail services. Currently, the Bank-run payment facilities are covering electricity collections for approximately 2.5 lakhs consumers, water collection for 2 lakhs consumers and Property Tax collections for approximately 2 lakhs consumers.

- **Rajasthan - Smart Raj Project**

Axis Bank has partnered with the Government of Rajasthan to implement the 'Smart Raj Project' – a holistic e-governance project for all the ULBs across the state, benefiting approximately 1.7 crores urban citizens. Presently, even though ULBs are governed by the same set

of rules, the quality and uniformity of their ability to provide services to citizens has been very uneven. The project envisions bringing all the 190 ULBs in the State together and making their functioning more streamlined and systematic. The Project is managed by various departments and agencies of the State Government.

The need for such an initiative was acute because even though ULBs manage a large volume and range of civic services, they are unable to meet the expectations of citizens, hampered by issues such as shortage of manpower and inability to raise capital. Under this Project, ULBs can work towards improving their service delivery through adoption of Information Communication Technology. The project's working model is that any transaction done through the payment gateway at any of the 190 ULBs is deposited in a pool account opened in Axis Bank, and is transferred to the respective ULBs based on their performance.

- **'e-Nagar Palika' Initiative for ULBs in Madhya Pradesh**

The Directorate of Urban Administration and Development, Government of Madhya Pradesh has launched an ambitious 'e-Nagar Palika' project to develop a centralised, web-based solution to computerise ULBs across the State. The Project's primary goal is to provide civic services to citizens through multiple service delivery channels and ensure accessible, convenient, transparent and timely delivery of such services.

Axis Bank successfully implemented this initiative for the state government. The Bank integrated its collection product with the Directorate's portal, thus enabling citizens to file online complaints, apply and pay online for municipality issued documents and services, and pay their property and utility bills. The Bank streamlined this system across 139 ULBs in the State, and created a customised front-end for the Directorate where they can view state-wise and district-wise status of transactions in real time. To facilitate payments further, the Bank provided the Directorate with 20 POS machines for door-to-door collection and spot fine collection.

Public Financial Management System

The Public Financial Management System (PFMS) has been developed by the Union Ministry of Finance to integrate all

plan schemes with core banking solutions towards efficient and effective tracking of the flow of funds to the lowest level of implementation. The Government of India has empaneled Axis Bank for the PFMS project. As part of its mandate, the Bank provides training, and disseminates information, to the designated employees of various State and Central Government departments on the usage and benefits of the PFMS platform. The Bank also provides systematic training to non-customers to help them come on board the System. The Bank is also a key player in facilitating fund flows across various government agencies and departments, and has developed a PFMS dash board for customers to track the transactions processed.

The Bank has also been given the mandate to train officials from the Ministry of Home Affairs and its attached/subordinate offices for on-boarding and subsequent usage of PFMS across the country.

Government E-Marketplace

The Government of India launched the E-Marketplace (GeM) for online procurement of common-use goods and services required by various government entities. GeM provides tools for e-bidding, reverse e-auction and demand aggregation to facilitate government users while achieving the best value for their funds.

Axis Bank has signed an MoU with GeM for providing various online collection services. The bank is currently engaged in popularising the platform and onboarding the GeM pool accounts of all states and eligible Government entities.

In addition, the Bank has been enabled for e-EMD and e-PBG integration for online collection services. In this space, the Bank has obtained the mandate for Indian Council of Agricultural Research across India for their training and on-boarding on the Government E-Marketplace.

Axis Bank in partnership with the Government e-Marketplace (@GeM_India) hosted a Master Trainer programme at New Delhi, an interactive workshop for stakeholders, which included the Bank's Government Business Relationship Managers.



Digitising Higher Education

Axis Bank's Government Banking vertical has made significant strides in helping public sector higher education digitise their collections and payment systems. The Bank has implemented its digital solutions at various Central and State-run universities, government colleges and schools. The primary focus of our intervention has been to offer a wide choice of payment options to a fee-paying student, and automating the reconciliation of such payments for the institution.

Additionally, the solution has digitised payments such as salary disbursements or vendor payments to achieve faster processing and reduced risk of errors.

Some of the prestigious mandates in this space include National Law University & Judicial Academy, Assam, Netaji Subhas Open University, Presidency University, Kolkata, Shivaji University, Kolhapur, Solapur University, Solapur, Anand Agricultural University, Gujarat and Bharathidasan University, Tamil Nadu.

Facilitating Electricity Payments in Karnataka

Axis Bank has enabled bill payments for three state-run electricity supply companies in Karnataka via the Bharat Bill Payment System (BBPS). BBPS is an integrated bill payment system offering interoperable, accessible bill payment service to customers through a network of agents of the registered member, enabling multiple payment modes and providing instant payment confirmation. In addition, the Bank has installed EDC machines at multiple counters of these utility companies, thus offering customers an additional choice of paying through cards.

The solution is live at Mangalore Electricity Supply Company Limited (serving 4 districts in western Karnataka), Bangalore Electricity Supply Company Limited and Gulbarga Electricity Supply Company Limited (serving 6 districts in northern Karnataka).



Launch of the digital payment system at GESCO, Gulbarga, Karnataka

Payment Gateways for the Relief Funds of Chief Ministers of Kerala and Andhra Pradesh

Chief Ministers Relief Funds are platforms initiated by various state governments to facilitate monetary contributions by citizens to contribute to relief operations after a natural calamity in the particular state. Axis Bank provides the payment gateway for such funds for the states of Kerala and Andhra Pradesh, providing donors multiple online payment options at nil charges.

These payment gateways have not only helped in quicker collection of funds in times of an emergency but have facilitated a quicker disbursement of such funds on the ground. The respective funds played an important role in aiding the rapid relief efforts for victims of Kerala floods and Cyclone Titli in Andhra Pradesh, benefiting 34.8 million and 49.7 million people in both states respectively.

Facilitating E-Challans for the Chandigarh Police

Towards improving traffic management and discipline in the Union Territory of Chandigarh, Axis Bank has partnered with the UT's Traffic Police to digitise and centralise the collection process for fines paid for traffic violations. E-challans generated under the system are integrated with hand-held swiping machines provided to the police personnel, offering an offender the choice to pay their fine instantly through a debit or credit card. A digital system not only brings greater transparency in this process, plugging leakages and enhancing the trust of citizens, but also helps the Traffic Police reconcile collection of fines in a more structured manner and reduce the hassle of cash handling.



Axis Bank officials with Chandigarh Traffic Police personnel showcasing the hand held device for collection of traffic fines

Cash Management Services for Central Railside Warehousing Company

The Central Railside Warehousing Company Limited (CRWC) is a Government of India enterprise set up with an objective to plan, develop, promote, acquire and operate railside warehousing complexes, terminals and multimodal logistics hubs on land leased from railways or acquired otherwise. Axis Bank is the sole bank providing cash management services to the CRWC, successfully setting up collections via NEFT/RTGS, cheque and cash pick up facilities across 20 different CRWC centres across India, with an ability to send location-specific MIS to each of their regional warehouses.

Business Intelligence Unit

Axis Bank has invested in 3 key pillars – adoption of analytics culture, robust data assets and technology, right people and skill mix, to build a world class Analytics team. The Business Intelligence Unit (BIU) is the Bank’s dedicated analytics team with over 300 techno-functional and highly skilled members providing analytical services to various functions of the Bank.

The BIU has been discussed in detail in the Bank’s Annual Report 2018-19 in the Management’s Discussion and Analysis, on pages 64-65. The Report can be accessed online at <https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-2019.pdf>

Thought factory



Axis Bank launched Thought Factory (TF) in 2016 as an innovation lab facility to accelerate development of technology innovations for the financial sector. Now in its third year of running, the lab is actively collaborating with the start-up ecosystem of the country, focusing on multiple technology domains such as AI, Cloud & Mobility, and working with 20 start-ups from different domains on bank-wide projects. Thought Factory is spear-heading 5 programmes - TF-Start-up Connect, Start-up Accelerator, In-house Incubator, TF Social and Innovation Catalyst.

Under TF Start-up Connect, TF’s role is to introduce new business, processes and technology concepts being developed by start-ups to different business verticals within the Bank. To accomplish this, TF conducted domain-specific 6 Start-up Demo Days at Axis House in Mumbai, where the Bank’s various verticals such as Digital Banking Group, Risk & Compliance, Retail Banking, Process Quality, Information Security, and Axis Securities participated. In each Demo Day, start-ups working in the domain in focus pitched to Axis Bank’s business leaders, which were followed by discussions for further collaborations. Filtering through 68 start-ups, 38 start-ups were introduced to the Bank via this platform, of which 14 start-ups were selected by businesses for further collaboration. TF partnered with NASSCOM for this programme.



A Demo Night underway at Thought Factory, Bengaluru

Under the Accelerator Programme, TF has worked with 6 start-ups, namely – NeoEyed, Xploree, Ozonetel, Pravaah, Karzatech, Sociograph with pilot projects in domains of Sales Productivity, Security and RPA.

As a part of the programme, start-ups receive complimentary office space, mentorship from Axis Bank leaders, masked customer data and an opportunity to conduct a live pilot with Axis Bank’s internal customers.



For TF Social, Thought Factory partnered with YourStory & Amazon Web Services, India (AWS), to facilitate workspace for 20 nascent stage start-ups in FY 2018-19. These start-ups are given free usage for 3 months till they are able to gain a footing in the industry. On the application side, AWS aids these start-ups with free cloud credits and provides mentorship with AWS experts.

During the year, over 20 start-up events – Meet-ups, Demo Days, and Hackathons were conducted in the TF Events Space.

TF's Incubator programme maintained a deep focus on AI technologies during the year. An AI Centre of Excellence was created within the Incubator, with goals to build capabilities in AI, and build & deploy practical, AI-based applications within the bank. Teams have worked on Text, Audio, Video analytics, Personalisation, NLP/NLU (via Chatbots) and OCR with different business domains within the Bank such as Process Quality, Financial Crime Management, Internal Audit, Corporate Banking, Axis Capital, Business Intelligence Unit, Retail Banking, and HR.

Under the Innovation Catalyst Programme, TF started a weekly and monthly newsletter and a news magazine, covering developments in start-up eco-system, and technology and innovations in BFSI space. In addition, TF partnered with HackerEarth to conduct internal and external hackathons on AI. These are avenues for deep, impactful learning, built around fun and interaction.

Axis Bank, VCAT tie up to provide banking services to start-up firms

In September 2018, Axis Bank tied up with Venture Catalysts (VCAT) to provide corporate banking services to start-up companies with an aim to provide financial support and tech-based solutions to enable start-ups scale up their businesses and manage their existing processes in a more cost-efficient and tech-savvy manner.

Unavailability or improper management of funds is often a factor in the low success rate among start-ups in India. Through this initiative, Axis Bank would provide hassle-free access to customised corporate banking services for high-potential business ventures, giving entrepreneurship across India a big boost. The Bank also waives of transaction fees for the first two years for start-ups at the bootstrapping stage.

As part of the tie-up, the Bank's partner VCAT will provide mentoring to hone business ideation, apart from incubating and providing support to upcoming start-ups.

Additional details on Thought Factory can be accessed on the Bank's website at <https://www.axisbank.com/thoughtfactory/index.html>

Winners of the Thought Factory Design Hackathon 2018 at Bengaluru



Human Capital

Integrity and Ethics have always been at the core of everything that we do, and even as we embark on our new journey of “One Axis” for the Bank and all its subsidiaries, it remains our utmost priority.

For the last 25 years of our existence, our employees and the Axis Bank culture have been our strongest assets. With a young workforce averaging around 30 years, we have been focusing to ensure that our employees are motivated, engaged and capable of delivering on the organisational goals. Apart from meritocracy and a performance-centric work culture, we actively strive to foster in them a sense of ownership and greater alignment with the Bank's overall strategy.

We have always believed that the communities where we serve are our critical stakeholders and significantly contribute to our success. Our financial inclusion portfolio serves millions of diverse customers ranging from rural housewives to small-scale farmers to youth, supporting them in meeting their myriad aspirations. Our community initiatives led by the Axis Bank Foundation, continue to deliver on creating sustainable livelihoods with an ambition to touch 2 million households by 2025. These include multi-dimensional interventions focusing on enhancing rural productivity and achieving integrated rural development.

Rajesh Dahiya
Executive Director – Corporate Centre



Axis Bank recognises that its employees are the key driving force for its continued growth and success. The Bank's Human Resources (HR) vision has been built around the principles of meritocracy, fairness and ethics. Its people strategy focuses on enhancing employees' key capabilities and embedding a performance-centric culture across the organisation. With this objective, the Bank has made efforts to attract the right talent and build skills aligned to the Bank's aspirations. It has been strategically investing in enhancing its 'Human Capital' to achieve its corporate goals, achieved through discerning and effective acquisition, management and development of talent, sustaining a result-oriented culture by offering meaningful career growth, and timely recognition by the Bank. The outcome is a nurtured and engaged workforce which plays a key role in helping the Bank maintain strong business growth and deliver superior customer service.

With a young and engaged workforce that has an average age of 30.8 years, Axis Bank is an equal opportunities employer, focused on establishing a diverse and ethical working culture. In the reporting year, our workforce grew by 3.90% to 61,940 employees.

Diversity

At Axis Bank, we believe diversity and inclusion are imperative for business growth and innovation, and do not encourage discrimination of any form. We are committed not only to attract and develop talent from diverse backgrounds but also to create a work environment that values every individual for their distinctive skills, experiences and perspectives. We do so by introducing focused interventions across different stages of an employee's life cycle, focusing on gender, age, skillsets & ability. We have continued our endeavour to increase gender diversity across levels. As of 31 March 2019, Axis Bank's total workforce is 61,940, out of which 23% were women employees. Women employees are spread across all levels of hierarchy as well as geography.

Infusing diverse talents into the organisation

We strive to ensure that our recruitment panel is diverse to keep a check on unconscious bias in the hiring process. In FY 2018-19, 33% of our non-sales hires have been women. We have approximately 27% of women who represent bank's non-sales workforce, and we intend to bolster these numbers further, primarily through the WE Lead programme that aims at improving women representation.

WE Lead is Axis Bank's flagship programme for hiring women at mid-managerial levels from the country's top ranked business schools like ISB, IIM Calcutta, IIM Bangalore, IIM Ahmedabad, IIM Lucknow and XLRI, Jamshedpur.

In addition, we continue to hire women with diverse skill sets and experiences, and women who are looking to re-enter the workforce after a career break.

Creating Opportunities for the Differently Abled

We recognise the potential that differently abled pool can bring to the organisation. ACCESS is Axis Bank's diversity hiring initiative for hiring persons with disabilities (PWD). We intend to provide them equal opportunities to be part of the mainstream workforce, and over the past 2 years, have offered them different and fulfilling roles in HR and as Customer Service Officers.

As of 31 March, 54 differently-abled employees were employed in the Bank's workforce.

When Inderjith, an MBA graduate from Tuticorin, and polio survivor, began looking for a job, he got an opportunity to be interviewed by Axis Bank under its Access programme. While searching for employment, he was willing to take up any menial job out of sheer desperation, but under Access, he was on-boarded as a Customer Officer in one of the Bank's branches in Tamil Nadu. This opportunity not only helped him improve his financial condition but also developed his confidence as an individual.

Employee engagement and communication

Engagement with employees

We understand the importance of empowering employees with the skills and knowledge that are aligned with the strategic priorities of the Bank. Engaging employees also leads to further development in their capabilities, personality, productivity and career growth, while providing them an opportunity to raise their concerns and communicate effectively with the organisation.

Recognising this, the Bank has implemented various systems and programmes to maintain a high level of engagement and dialogue with employees, and ensure their all-round welfare. We engage with our employees regularly via emails, town-hall meetings, newsletters, off-site workshops, training programmes and much more. In the previous reporting year, the Bank rolled out the initiative 'Junction A to Z', a comprehensive employee engagement platform under which a number of initiatives were undertaken during the year:

Hyper Tension and Mental Wellness Talks

Continuing with the Bank's commitment to mental wellness, a session on mental well-being was organised for employees across 15 locations over a span of 2 months from May to June, 2018. The importance of mental well-being, being active and managing stress were discussed as a part of the sessions.

Bring Your Parents to Work Day

On the occasion of World's Parents Day, Axis Bank organised 'Bring Your Parents to Work Day' on 26 July 2018 at its Corporate Office, Branches, Regional Offices and Circle Offices, with our employees themselves playing the host. The event received an over-whelming response with close to 7,500 parents of our employees participating across all locations. The celebrations featured photo booths, 'selfie' corners with props, and other such activities.



Employees with their parents at the Bring Your Parents to Work Day at Axis House, Mumbai on 26 July 2019

'Expert Speaks' Sessions

Axis Bank launched its first series of 'Expert Speaks' Session on 27 August, 2018, with Stefan Haves, an award winning Writer, Director and Creator working for Cirque du Soleil, Disney Creative Entertainment, and Independent Production Companies worldwide. He took an interactive session with employees focusing on the theme of personality and change culture. The session was attended by over 80 employees at Corporate Centre, Mumbai.



Stefan Haves interacting with employees during the session

Stepathalon & Emotional Well-being Sessions

The latest edition of Stepathalon was promoted under the Junction banner from 26 September to 14 December, 2018 across locations. Stepathalon is a 75 Day Race around a 'Virtual World'. Wellness initiatives to supplement the activity were organised across all regions, focusing on emotional and mental well-being of employees, PAN India, covering each region. Close to 6,000 employees, in groups of 2 to 5, representing Axis Bank from across India, participated in this event.

Book Launches under the Axis Book Lovers Club

- 'Fast Forward toward Civilisational Greatness: Agenda for India'

Under the Book Lovers Club, the Bank organised a book Launch of 'Fast Forward Toward Civilisational Greatness: Agenda for India', authored by Prof. Pradip Khandwalla (Former Director, IIM Ahmedabad) at Corporate Office on 6 July 2018. Dr Hasit Joshipura (Former Head, Glaxo India) curated the event, with the MD & CEO of Axis Bank as the Guest of Honour. Over 70 employees and alumni of IIM Ahmedabad participated in the event.

- 'Stories At Work'

Author Indranil Chakraborty was invited to the Corporate office on 16 October 2018, for a book-reading session for his Book 'Stories At Work', as a part of the 'Book Lovers Club's events. The session was designed to be an interesting precursor to building business storytelling skills, aimed at helping employees build awareness and appreciation of the many use cases of story skills in a business context. Over 75 employees participated in the event.

- Book Launches for Our Authors Within - 'Patna Blues' and 'Strokes of Life'

As a part of the Book Lovers Club events, the Bank hosted its third series of book reading for two in-house authors - Abdullah Khan and Anish Jha. Abdullah Khan, author of 'Patna Blues' works in the Bank's Compliance department and Anish Jha, author of 'Strokes of Life' is an employee of one of our subsidiaries, Axis Trustee Services Limited. The session was an interactive talk between the two authors where they talked about their journey from being bankers to authors and how they manage their dual roles.



Authors Left: Anish Jha and Right: Abdullah Khan interacting with employees during the launch of their books

Expert Talks Session on World Mental Health Day

On the occasion of World Mental Health Day on 12 October 2018, the Bank invited Ms. Rajalakshmi Jayaraman, Regional Director of Independent Counselling and Advisory Services (ICAS) India (Counselling Wing of Mumbai-based Continuing Education & Training Centre) to the Bank's Corporate Office to conduct an interactive session with employees. The session focused on the topic 'Art of being resilient' in professional world, aimed at helping employees handle work life issues more productively.



Ms. Rajalakshmi Jayaraman, Regional Director of ICAS, conducting an interactive session with employees on the eve of World Mental Health Day



Axis Bank organised a panel discussion on managing Mental Health at the work-place for the employees on the eve of World Mental Health Day

Manager Sensitisation Programme

The Bank conducted a Manager Sensitisation Workshop in the months of December and January in the Bank's North and West Regions, in collaboration with ICAS India. This interactive workshops focused on providing mid-level managers a holistic view on handling large size teams, dealing with employees' issues such as depression, and managing the millennial generation employees. Managers were trained to address real-time issues such as handling teams and identifying best practices to ensure business continuity.

Catalyst – The Internal Career Portal

Axis Bank has launched Catalyst, its internal career portal, to provide employees an opportunity to chart their own careers for diverse job postings within the organisation through a fair and transparent process. Driven by the 'One Axis' vision, Catalyst enables and encourages employees to choose and seek careers across departments within the Bank or in its subsidiaries.

Engaging External Stakeholders

Nipah virus Awareness Theme Week

During the year, certain parts of the country were facing a Nipah virus outbreak. Towards creating greater awareness among its customers and the community at large, the Bank organised a social awareness initiative at Jayanagar, Bangalore branch, where over 100 customers participated and appreciated the Bank's approach.

Session on Social Security Benefits

During the year, the Bank organised Interactive sessions with the regulator EPFO (Employees' Provident Fund Organisation) for employees to learn about industry level best practices, and share their views on the need for regulator's actions on certain aspects of the current system.



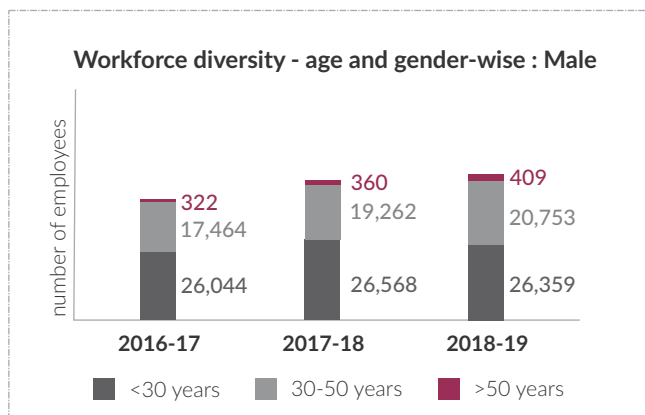
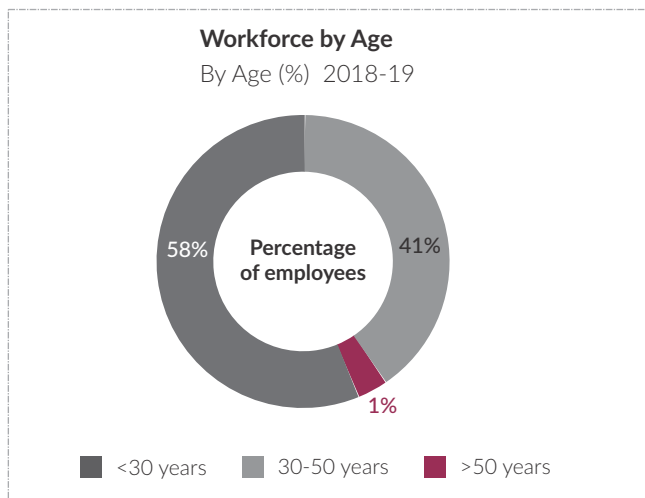
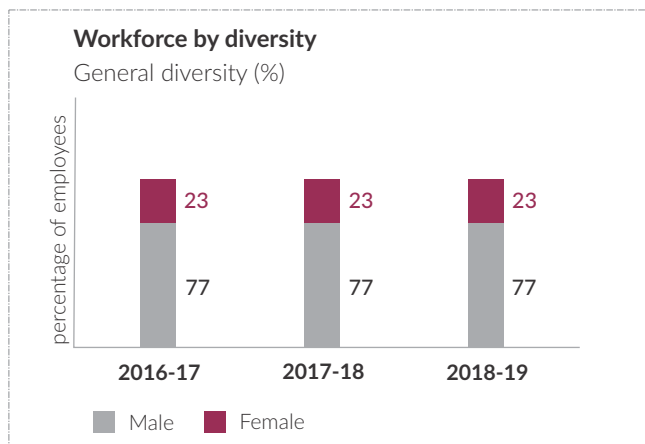
A session on social security benefits by the Regional PF Commissioner, EPFO, at Axis House, Mumbai on 11 February 2019

The session at Central Office in Mumbai was headlined by the Provident Fund Commissioner, Mumbai region, who interacted with employees on topics such as the need for changes in the Provident Fund Act, convenience of fund transfers, withdrawal facilities for employees, Aadhaar seeding, digital initiatives while also answering employees' queries.

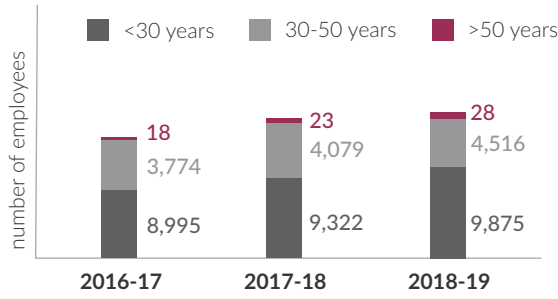
Strengthening Human Capital: Workforce and Strategy

Employee total count

With a workforce of 61,940 employees, Axis Bank endeavours to promote a diverse and inclusive culture with fair practices and equal opportunities, guided by its Equal opportunity policy. The number of women employees in the Bank's workforce as on 31 March 2019 was 14,419, increasing from 13,424 in the previous year.



Workforce diversity - age and gender-wise : Female

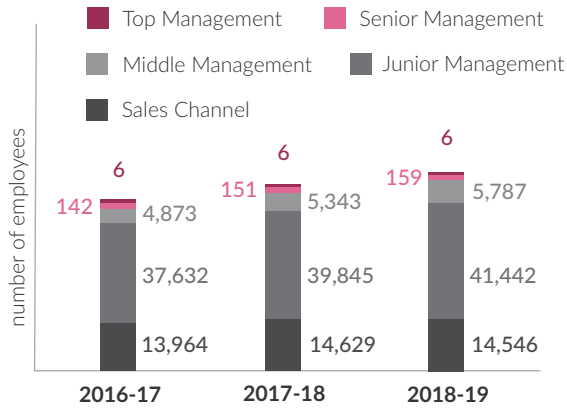


Attrition

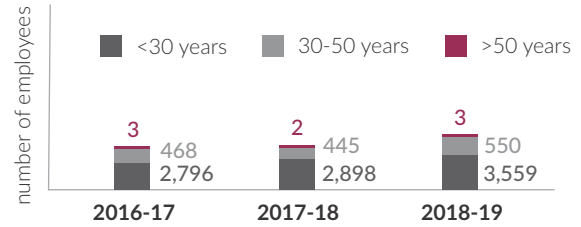
Workforce Turnover - age and gender-wise : Male



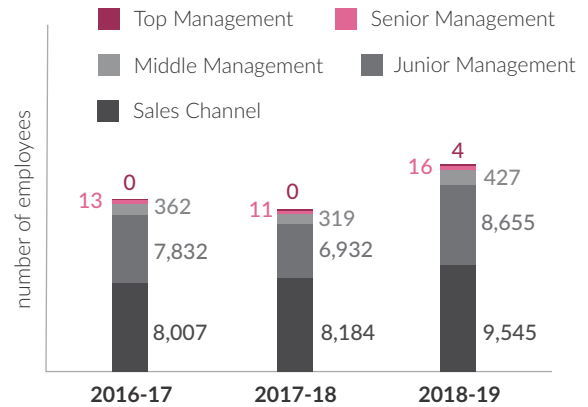
Workforce diversity- employee category-wise



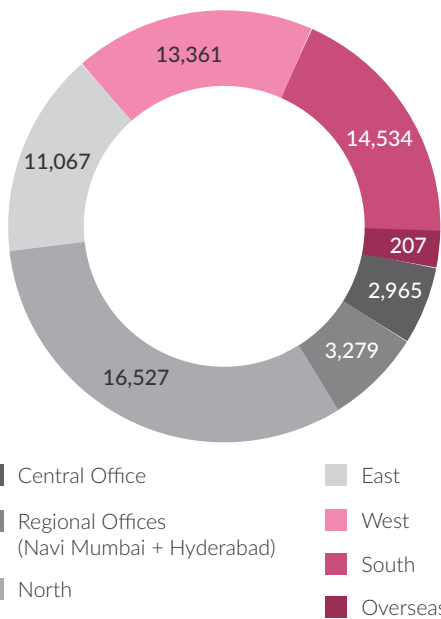
Workforce Turnover - age and gender-wise : Female



Workforce Turnover - employee category-wise



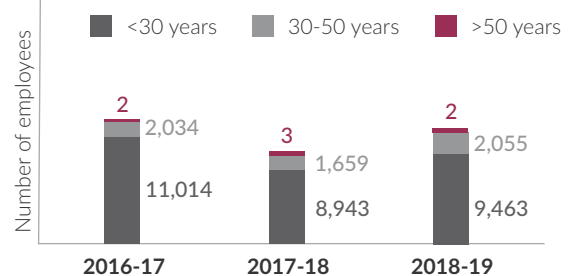
Workforce diversity - Region-wise, FY 2018-19



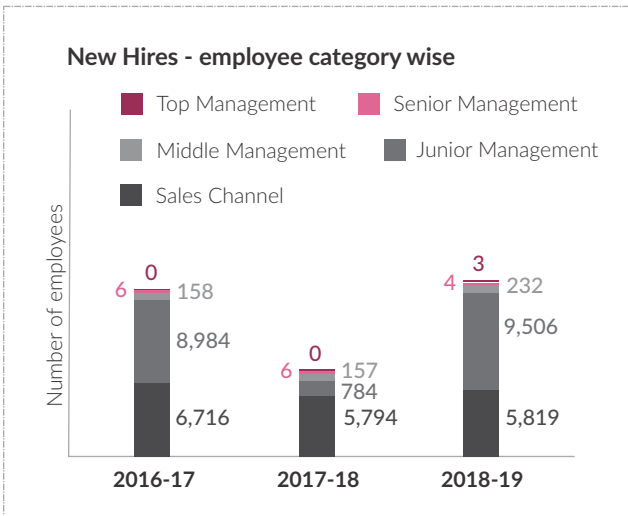
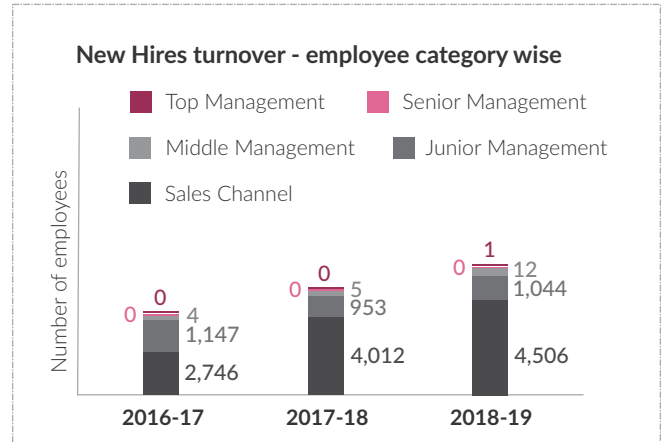
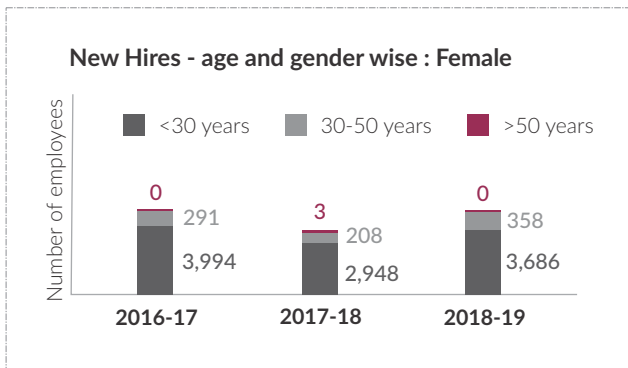
New Hires

Our new hires rate for the reporting period increased by 13.1%, from 13,761 in 2017-18 to 15,564 in 2018-19.

New Hires - age and gender wise : Male



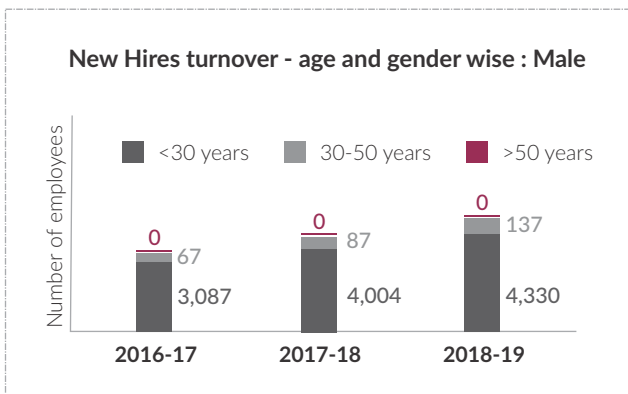
In addition, the Bank deploys contractual manpower indirectly through outsourced agencies. This number stood at 11,236 as on 31 March 2019.



Building a Culture of Performance

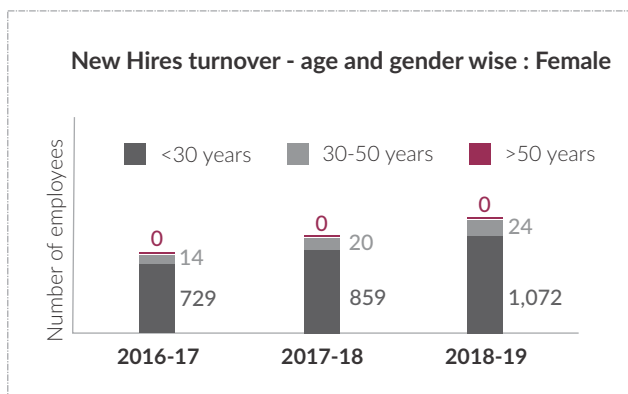
Axis Blitz

Axis Blitz, is a bi-annual platform for Axis Bank's leadership to engage with employees and drive the organisation's core values among each and every employee. Senior leaders travel to locations across the country to engage with the regional leadership teams and other employees. As part of the engagement, the leaders also felicitate 'Blitz Champions', which are employees who have performed exceedingly well on certain parameters. In FY 2018-19, Axis Blitz sessions were conducted across 26 circles and at 18 locations at regional level to felicitate Blitz Champions. In addition, various other rewards and recognitions programmes are also conducted at regional and departmental levels.



Axis Champions Award

Axis Champions Award is the Bank's annual recognition platform to recognise employees who displayed Excellence in customer Service, Leadership, Citizenship Behaviour, Fraud Prevention and Innovation. The winners are selected from thousands of nominations spanning all regions, departments and management levels.



Champions being felicitated at the Axis Champions Award 2018 ceremony at Mumbai

ACElerate

ACElerate is the Bank's 2 day skill building programme that integrates Learning with Performance Management and capability development system, to help Merit Pool (scale used by the Bank for employee appraisal) employees perform better in their current roles.

All employees (Deputy Vice President grade and below) who are in the Merit Pool (MP, MP+, MP++) were covered under this programme. Over 24,600 Merit pool employees were trained under ACElerate in FY18-19 which covered nearly 71% of the total Merit Pool employees.

In addition, the Bank also offered an Enhancement Programme to employees with lower than expected performance as a lever to opt for more stretched targets for a chance to upgrade their performance rating retrospectively.

Axis Competency Profiler

Axis Competency Profiler is an online certification platform which assesses employees on their functional competence, and creates a pool of functionally strong employees. The assessment is linked to employees' respective job roles and cover five areas – Products & Services, Processes, Risk & Compliance, Systems and Organisation. The Profiler is an online, multiple-choice based assessment which had 176 Competency Profiles covering 37,557 employees in FY 2018-19.

Redefine

Axis Bank's online learning platform, Redefine, now in its third year, has been brought under the ACElerate umbrella. It is a first-of-its-kind tie-up with the online learning platform Coursera aimed at providing our top talent access to world class faculty and best in class content from the top universities in the world. Each employee falling in the MP+ and MP++ were assigned specially curated courses based on their role.

Over the course of the year, 13,045 members were invited to the programme. Additionally, a special academy, called BIU Academy, was created to cater to business-specific courses for the Business Intelligence Unit team and consisted of 308 members.

Axis Academies

With an aim to enhance the banking-related awareness among employees, Axis Bank has partnered with various domain experts to create Axis Academies. These academies are:

- Axis Bank – CRISIL Academy of Credit (in partnership with CRISIL)
- Axis Bank – CRISIL Academy of Risk (in partnership with CRISIL)

- Axis Bank Academy of Trade and Foreign Exchange (in partnership with Prof. Prakash Pethe, Forex Expert)
- Axis Bank – INSOFE Academy of Analytics (in partnership with Indian School of Engineering)

These Academies are divided into three levels: Basic, Intermediate & Advanced. The structure of each Academy comprises a combination of e-learning content, and Axis Bank and the partners jointly certify the candidates successfully clearing the certification examinations. The scores on the module may be used as an input in areas such as staff career progression and inter-departmental transfers.

Creating Developmental Opportunities

We believe in engaging and developing women employees in order to drive a gender inclusive culture, and have enabled this through various interventions.

We have platforms where high performing women employees, from different age groups and skill sets across verticals, get to engage with our senior leadership directly. This creates an opportunity to understand different perspectives and drives a culture of open conversations, mentoring and networking.

During the year, we organised a mini-hackathon for high performing women employees to crowd source ideas and nurture innovation. The hackathon generated multiple options for UI designs for an idea generation platform. Winning team members are now collaborating with us in executing their idea.

Data Security

Axis Bank is the only bank in India which has implemented the Oracle Break Glass Solution to ensure complete security of its employee database in a cloud environment. This is a best-in-class solution which provides complete control on a database in cloud by restricting administrative access.

Employee Training and development

Building a strong foundation of talent is a key component of maintaining business growth and profitability. Axis Bank continued to be a preferred career destination during the year for high-potential talent in the industry in terms of long-term career growth and employee benefits. The Bank has a strong hiring rationale where the focus is on new branch hires for critical roles across management grades.

Learning Interventions

Developing diversified and multi-dimensional skills for employees continues to be a key focus area for the Bank and is one of the

core productivity enhancement activities in the Axis business strategy. Employee skill augmentation and behavioural training is facilitated through a variety of classroom and e-learning programmes. Learning interventions were conducted across departments which included programmes on behavioural training, customer-centric process empowerment and service excellence, credit skills, leadership development, complaint handling, and decision making.

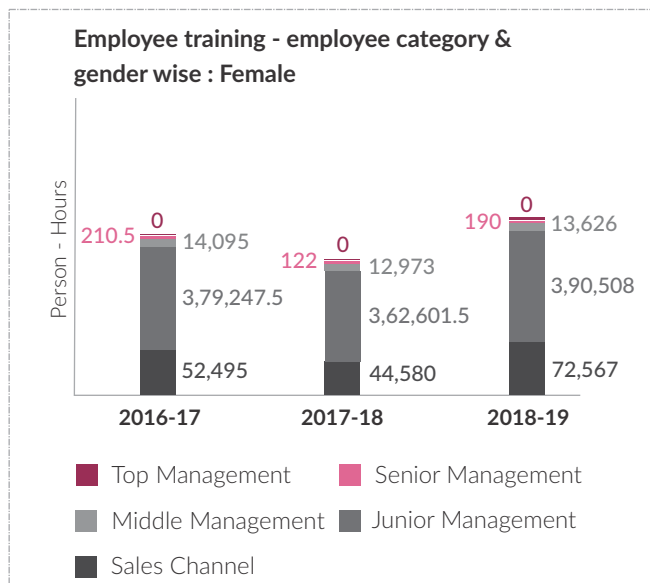
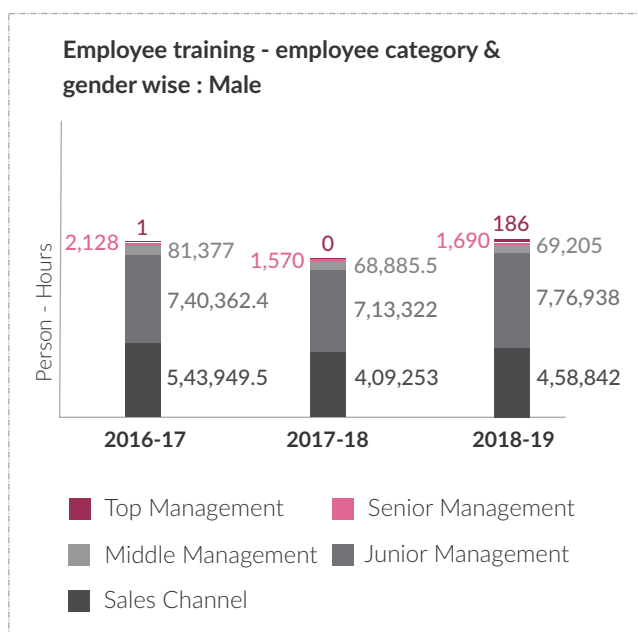
During the reporting year, the Bank conducted over 1,783,750 cumulative training man-hours for more than 66,160 participants through all training programmes, including 422,539 hours on skill-based training. Approximately 30% of all training is currently conducted through e-learning modules.

Leadership Development Course

During the year, we conducted a three day learning intervention for Branch Heads, modelled around the emerging role of Branch Heads in a new business environment. The module covered themes around leading teams, managing self, and maintaining ethics and integrity at work.

Axis Learning Achievers

Axis Learning Achievers was launched in October 2017 towards creating functional experts in respective domains. This was aimed at enhancing efficiency and effectiveness in branches, specifically in the area of Operations. Under the initiative, handpicked employees, identified as 'ALAs' contribute a few man days every year towards building functional competence of their colleagues. The one day training comprises basics of operations and major processes, delivered through situational caselets.

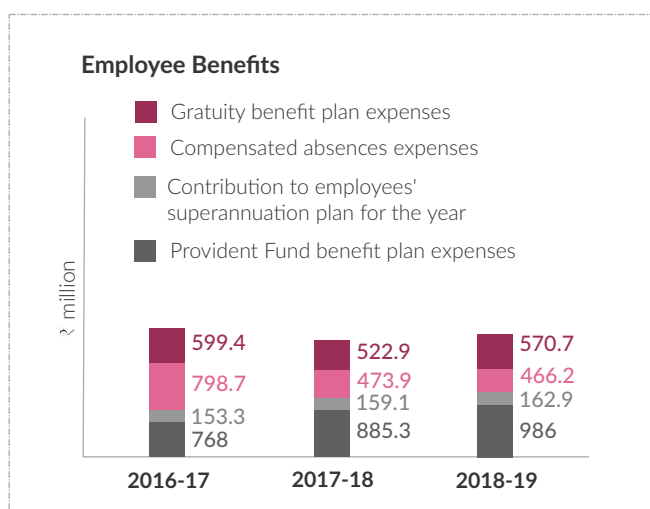


For 2018-19, average person-hours of training was 27.50 for males and 33.07 for females. Overall, it was 30.29 person-hours for all employees.

Employee Benefits and Welfare

Employee benefit obligations

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



*Source- Data sourced from section 1.2.12 - 'Employee Benefits' as part of 'Notes forming part of the Financial Statements' on page 185 in Annual Report 2018-19

National Pension Scheme: During the year, the Bank contributed INR 51.90 million (previous year INR 38.2 million) to the NPS for employees who have opted for the scheme.

Ancillary benefits like health care (Mediclaime, Group Personal Accident Policy) and term life insurance are also offered to full-time employees. Additional details on employee benefits can be found on pages 182 and 242-245 of the Annual Report 2018-19.

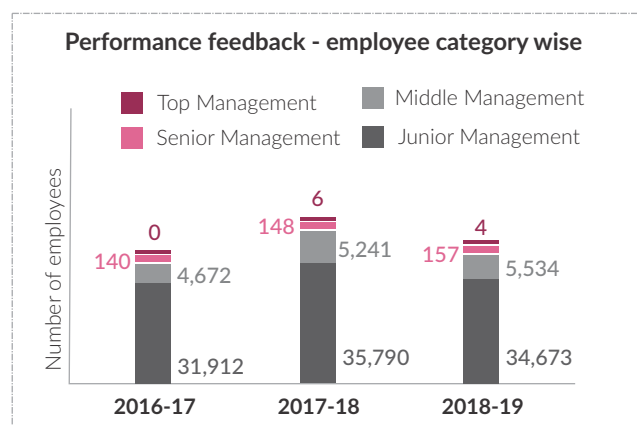
Financial assistance for critical illness and other primary needs of housing and education

Axis Bank, through its Employee Welfare Trust gave financial assistance to 4 employees towards critical illnesses suffered by employees or their family members. The Bank also enabled non-refundable withdrawals from Provident Fund monies for 4,300 employees for the purpose of housing, critical illness, education, among others.

Employee performance feedback

The Bank recognises that rewarding and acknowledging employee efforts are important to attract and retain talented, high-performing professionals. We believe that employees that are engaged and well-incentivised can be an invaluable asset to our business. Axis Bank assesses its employees' performance through a performance management system and processes like KRA setting and Annual performance reviews, counselling and feedback.

The Bank's remuneration process is guided at the highest level by the Nomination and Remuneration Committee of the Board, and guided by its Remuneration Policy. Appraisals for employees in select roles or departments also include performance on sustainability-linked deliverables.



Employee Wellbeing

At Axis, employee wellbeing is of utmost importance, and we have in place several interventions catering to different segments of employees.

Axis Moms@Work

As a progressive organisation, we believe in creating a supportive environment that helps employees to have better work life integration. Motherhood is an important milestone in a woman's life, and at Axis, we understand this and facilities are there to support our women employees in this important life event. Transitions such as going on maternity leave and returning back to work can be challenging and we strive to ensure a smooth and supportive transition as they get back to work, so that our talented and experienced women employees can continue performing at their best. At Axis House, we have created in-house pumping facility for nursing mothers, and have platforms for expecting mothers and new mothers where they can access expert advice and interact with fellow colleagues who have been on or are part of same journey. Employees and their spouses can also avail e-bytes and one-on-one coaching sessions.

Day Care Facility

Day care facilities at the workplace can be an important enabler for working parents to deliver on their professional priorities while fulfilling their personal responsibilities. At Axis House, Mumbai, we have upgraded our day care facility by introducing a new vendor to run the facility and providing flexible options for employees to keep their wards for shorter periods (a day or a week). Basis employees' feedback, we are in process of tying up with similar vendors across India.

With You

At Axis Bank, we continue to enhance workplace effectiveness by boosting emotional, mental and general psychological wellbeing of employees. 'With You' is an employee assistance platform that supports employees and their immediate family members on various work-life challenges via providing counselling services for which we have partnered with best-in-class vendors. Skilled counsellors address various issues through different channels while maintaining complete confidentiality.

Parental leave

Axis Bank focuses on providing its employees with several benefits and offers them privileges aimed at enhancing employee satisfaction. All employees on the payrolls of the Bank are eligible for parental leave and get benefits such as provident fund, gratuity and life insurance.

Employees availing Parental Leave

		2016-17	2017-18	2018-19
Paternal	Numbers	1,746	1,864	2,003
Maternal	Numbers	613	611	693
Employees returning to work after availing Parental leave as on 31 March 2019				
Paternal	Numbers	NA	1,864	1,895
Maternal	Numbers	NA	322	344

Employee who availed parental leave in FY 2017-18, returned to work and are still on company rolls as on 31 March 2019 are Male: 1351 and Female: 312.

Ensuring Human Rights

The Bank respects, protects and promotes the Human Rights mandate recognised globally. We have formalised processes and systems pertaining to all stakeholders, including employees that facilitate and uphold the principles of ethics and sustainability.

Equal opportunity Employment

Axis Bank is an equal opportunity employer, especially in HR processes of hiring, training, promotions, and staff benefits irrespective of ethnicity, language, caste, gender, age or disability. Female employees represent 23% of our total employee base. Differently-abled employees are also a part of our permanent workforce and are provided with additional training opportunities. We regularly evaluate and address the specific infrastructural, support, counselling and training needs of our employees through redressal and feedback sessions with HR department and the management. Axis Bank is also actively pursuing policies to ensure a well-balanced representation of men and women within our workforce and talent pool across all management levels.

Health and Safety

The Bank has a robust and well defined business continuity management programme which comprises of policies and framework with defined roles and responsibilities of stakeholders for Emergency Response, Business Recovery and IT Disaster Recovery Plan.

We continuously strive to provide a safe and secure workplace to our colleagues, customers and other relevant stakeholders while at our premises. This is one of the primary objectives and a key element of our Business Continuity Management (BCM) framework. The framework is designed to enable identification of potential threats to the Bank and for building organisational

resilience with the capability for an effective response that safeguards the interests of our key stakeholders, regulators, reputation, brand and value-creating activities. To ensure the effectiveness of the framework, testing and maintenance activities are conducted on regular basis.

Fire hazards and incidents are key risk areas for safety of our people, assets and premises. An effective Fire Prevention and Protection Policy has been put in place and covers procedures and guidelines that are to be adhered to. It covers aspects of prevention, saving lives, mitigation of damage to assets, quick reaction, and constant vigilance and awareness. The Bank conducts Fire Life Safety Audits across all branches through empaneled third party agencies. The audits cover six key areas of fire prevention, management and safety preparedness – electrical, UPS/Battery bank, DG sets, fire detection, fire suppression/fighting systems and emergency preparedness. In addition, the auditors impart basic fire, life, safety information and training to our employees and other staff at branches and also conduct emergency evacuation drills. Fire and security reviews are also extended to third-party premises including leased premises, hotels and resorts that the Bank may use for conducting its business, trainings or events.



Fire safety training given to employees at Axis House, Noida

During the year, 3,484 permanent employees were given safety and skill-up gradation training, of which 750 were female employees. These training sessions are either interactive classroom sessions or e-learning sessions. As on 31 March 2019, 8,300 security personnel were given security training.

Incident monitoring through Command Centre

Axis Bank has setup a state-of-the-art, Centralised Command Centre at NPC1 at Airoli, Navi Mumbai, Maharashtra. This Command Centre remotely provides risk-based security surveillance to connected branches, so as to mitigate security incidents threats. Besides enhancing electronic security, the initiative also provides safety to branch assets, staff and customers. As on 31 March 2019, approximately 1,800 locations of the Bank (including Branches and Currency Chests) were connected to the Command Centre. Gradually, the Bank plans to get most of the branches/ offices covered over a period of time.



A view of the Bank's Command centre in Airoli, Navi Mumbai

Emergence of IP-based surveillance and advancement in such technologies has enabled the Bank's Safety and Security Team to run a 24x7, real-time, and centralised Surveillance Security Management System. The security at Command Centre-connected branches is further strengthened with use of IP-based cameras connected to network video recorder, intrusion alarm systems connected over IP to motion sensors, panic switches, smoke detectors, seismic ATM sensors and sound hooters. Together, this system acts as a strong deterrent to any intrusions. All these devices installed at branches relay alerts to the Command Centre, where the Operations Team mitigates any incident following their Standard Operating Procedure.

Security at Bank's Currency chests is further strengthened by connecting them with Command Centre's surveillance devices to provide timely support during emergency situations. Cluster-wise 'Quick Response Teams' are mapped to branches integrated with Command Centre to extend 'on- field' support to branch staff, post operational hours.

Axis Bank has been awarded 'Safe Bank of the Year' and 'Control Room of the Year' at the prestigious SECONA Shield Awards 2019 for our efforts in enhancing our e-surveillance and incident monitoring capabilities, and running an effective centralised Command Centre.

Compliance and Vigilance

Axis Bank pursues 'Discipline' and 'Compliance' as core values to create a conducive work environment while meeting the relevant HR-related regulatory and statutory laws. Every employee must adhere to the employee service rules and Code of Conduct.

Compliance vigilance and Monitoring

The Bank's 'Policy on Human Rights' underscores our commitment to human rights and supplements the Code of Conduct and Ethics to guide our employees in exhibiting ethical and acceptable behaviour. All employees are made to imbibe the Code of Conduct and Ethics through e-learning modules and classroom sessions to promote a culture of equal and fair

treatment. While the Bank does not have employee unions or associations, we respect the right to 'Freedom of Association'. All employees are provided with incident reporting and grievance redressal mechanisms to raise concerns on non-adherence to Code of Conduct and Ethics including, which may include concerns on perceived human rights violations. All employees have been provided with multiple channels to register their grievances, such as the Whistle blower portal or H-Response (a virtual help desk for addressing colleague's queries). Employees also have an option to reach out to the Bank's Ethics Officer, Chief Compliance Officer, Chief of Internal Vigilance or other designated authorities for timely escalations.

Zero Tolerance towards Sexual Harassment at the Workplace

At Axis Bank, there is zero tolerance for any kind of discrimination at the workplace and all employees are provided with appropriate reporting channels if they face any concerns in this area.

Carrying forward from the previous reporting year, the Bank's Internal Committee continues to strive towards its objective of making Axis Bank a completely safe environment for female employees. The Internal Committee has worked upon various aspects in order to make employees aware on what amounts to Sexual Harassment and made them aware of the process to report any harassment. Along with creating a safe environment for female staff members, the Internal Committee also guided employees for addressing Sexual Harassment complaints received by male employees.

In addition to awareness sessions, a sustained communication campaign was launched during the year towards expanding the level of awareness and participation among all employees against sexual harassment. Posters and tent cards were displayed at various branches, details of members of the Bank's internal committees were widely circulated, and suitable messaging was included in all screensavers.



Posters and screensavers were displayed across all locations raising awareness against sexual harassment

POSH Awareness Sessions

Through the year, POSH Awareness sessions are conducted covering all Circles in all the four regions across India. Sessions are conducted by our in-house Internal Committee members who are subject matter experts. Each session conducted at any Circle includes various Circle heads, Cluster heads and heads of different business verticals

operating in that circle. Each Session's objectives are to help regional leaders understand the Bank's Policy on prevention, prohibition and redressal of Sexual Harassment of Women at workplace and ensure it cascades down the hierarchy to their teams. 21 POSH awareness sessions were conducted across different Circles in FY 2018-19, which have been received very positively by the participants.



POSH Awareness Sessions underway at various Circle offices of the Bank

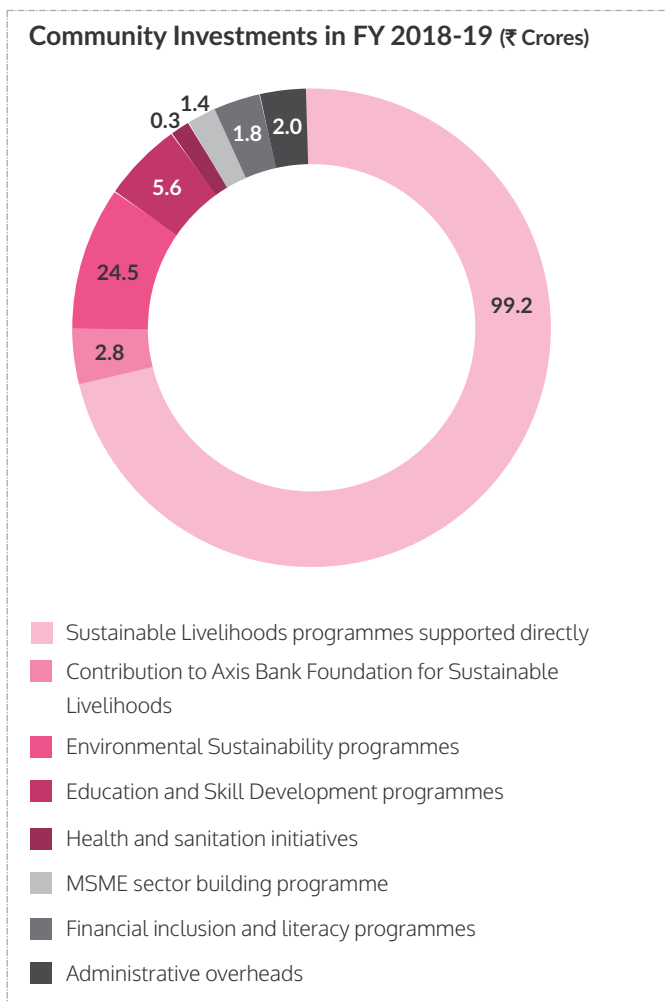


Additional disclosures on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided on page 98 of the Annual Report 2018-19.

Social and Relationship Capital

As an organisation, we believe that our success is closely tied to the progress of the communities that we serve in. Throughout our journey, the community has remained a focus point of our organisational approach, with a mission to bringing visible, long term impact in their lives. With multi-dimensional interventions leveraging our organisational strengths and resources, we are working with diverse communities in both urban and rural India.

Axis Bank's CSR activities are suitably aligned to Clause 135 of the Companies Act 2013 and CSR Rules 2014, and guided by its CSR Policy. Initiatives are run either directly, through the Axis Bank Foundation (ABF), or through any other entity as deemed suitable by the Bank's CSR Committee of the Board. Our primary CSR interventions focus on poverty alleviation, creating sustainable livelihoods, environmental sustainability, financial inclusion & literacy, and skill development.



An overview of the Bank's CSR activities undertaken in the reporting year is provided in the Annual Report on CSR Activities in the Annual Report 2018-19 on page nos. 144-149.

Axis Bank Foundation - Touching a million livelihoods

Axis Bank Foundation (ABF) is a public charitable trust established by Axis Bank Limited in 2006 to take forward the Bank's community development objectives. It presently works with a thematic focus on "Sustainable Livelihoods" largely prioritising rural India towards empowerment of remote and marginalised communities. In September 2017, ABF had achieved its stated mission of creating 1 million sustainable livelihoods well before the target completion date of 31 December 2017, and has now committed itself to supporting 2 million households by 2025.



Axis Bank Foundation continues to be steadfast on its mission of enabling 2 million families improve their livelihood means and lead better lives by the year 2025. The Foundation has grown not only in the funds it deploys or the outreach it has achieved but also in terms of the lasting impact it is creating. Our approach is to focus on behaviour change through capacity building and developing knowledge systems that are progressive and therefore sustainable and replicable. The collaboration with governmental agencies is resulting in integration, efficiency and scaling up. In today's time, when there is a need to speed up development aligned to national priorities, we believe our approaches will achieve the desired progress.

S Ramadorai
Chairman, Axis Bank Foundation

Within ABF's overarching theme of Sustainable livelihoods are the two sub-themes – Rural Livelihoods and Skill Development. The Rural Livelihoods programme reaches out to small and marginal farmers, and the landless in dryland regions, focusing on watershed management, agriculture and horticulture enhancement, livestock development, micro-enterprise development and promoting collectives. Skill development, on the other hand, includes training rural and peri-urban youth, including Persons with Disabilities (PwDs) in market-linked vocational skills and connecting them to jobs and/ or preparing them for entrepreneurial activities.

Through the two sub-themes, ABF augments livelihoods along key Capitals or resources.



Natural capital
influences the quality of livelihoods and is the basis from which livelihoods are derived. They are land, soil, water, plants and trees among others



Human capital
forms the capabilities essential to pursue livelihoods such as knowledge, skills, ability to labour and good health



Social and Relationship capital
is enhanced through cohesiveness, collectives, collective action, that people build in order to gain bargaining strength.

Human and Social and Relationship capital ensures equity and equality, Economic capital is access to formal financial institutions and social security schemes and the interplay of all these capitals and the community's access has assured them a higher degree of sustainability for their livelihoods.

Capacity building is considered a key contributor to achieving sustainable outcomes and transformative change. First is strengthening partner organisations' capacities, which in turn addresses their potential to scale viable solutions and collaborate further. Second is building capacities of communities that comprise of community resource persons and grassroots leaders who are intrinsically involved in the implementation of core interventions. In parallel, ABF also focuses on developing a learning culture between itself and its partner organisations. The outcomes evidenced for its approach has been the social and economic transformation of the supported communities.

ABF maintains high standards for measuring and monitoring the impacts of its programmes and continues to evolve to meet the needs and aspirations that the communities hold on to for a better future. ABF's primary intent is to create programmes that are driven by the communities and their collective institutions themselves, building resilience and sustainability and thereby enabling ABF to exit within a set time frame. Given a strong alignment with India's rural developmental agenda, leveraging various government schemes and programmes through both formal and informal collaborations is an important and prime focus area for the Foundation.

ABF has made confident strides towards achieving its Mission to 2 million

- Partnerships with 28 not for profit organisations for 34 projects
- Financial commitments for ₹ 515 crores with an expected outreach of 1 million households
- Committed to working in 19 States, 1 UT, comprising 133 districts and 265 blocks
- MOUs with State Governments of Chhattisgarh, Assam, Andhra Pradesh, Kerala, Telangana and Maharashtra
- Commissioned 20 Grants assessments, 12 baseline assessments and 6 impact assessments

As significant investors in development of rural livelihoods, ABF and Tata Trusts (TT) joined hands during the year to work towards a common project to enhance sustainable economic progress for the rural communities. This collaboration will further strengthen the investments in the sector by bringing in scale, efficiency and leverage.

MOU with Government of Chhattisgarh

Axis Bank Foundation (ABF) achieved a significant milestone in their quest for achieving social upliftment of rural India by entering into a formal alliance with the Rural Development Department, Government of Chhattisgarh and Bharat Rural Livelihood Foundation (BRLF) on 5 October 2018 for implementation of a high impact mega watershed project in the State.

With an objective to ensure sustainable livelihoods and create critical protective irrigation infrastructure, the project is expected to benefit over a lakh marginal and tribal farmers cultivating approximately 7 lakh hectares of land in 28 blocks of 13 districts over a period of four years. The total budget outlay for the entire project is ₹ 1190.58 crores of which the state government will provide ₹ 1166.40 crores from MGNREGA funds.

Rural livelihoods

The Rural Livelihoods programme is based on a multi-pronged approach to ensure comprehensive development of various natural, human, economic and social capitals for the target participants. Agriculture and allied activities, the dominant sector of employment and livelihood in rural India, is the major focus of the programme.

Watershed Management

The programme has a significant focus on watershed management. Interventions planned in a target region are initiated by establishing new or enhancing existing watershed management structures. Conservation and development of water bodies, and catchment treatment for arresting the siltation of tanks and channels are demonstrated by introducing innovative water and soil conservation measures. Activities like tree plantation, levelling of farm fields and construction of raised borders for perimeter runoff control are promoted for checking soil erosion. Creation of watershed structures in many cases is also aligned with government programmes to leverage available funds under watershed development or MGNREGA.

A mix of both revival of traditional diversion based or tank based irrigation systems, and introduction of newer irrigation models like lift irrigation, drip irrigation and solar based irrigation are promoted depending on topographical and climatic conditions, need and level of people's participation in the respective project areas. Participation and ownership of people over these structures is essential for their sustainable and judicious use. Community members are organised to form Water User Associations (WUAs) which are linked to respective watersheds structures. Capacity building of these local

institutions are conducted to enable maintenance of the natural capital created through the programme.

Participatory irrigation management has resulted in improvements of land and farm productivity from round-the-year water availability and reduced soil erosion.

Agriculture Productivity

Enhancements are interlinked to the gains from water structures and appropriate dryland agriculture packages are introduced within communities to augment their livelihoods. Their prevalent cultivation practises are customised depending upon local conditions to enable judicious and efficient use of the harvested water. Some of the other initiatives introduced under this sub-programme are crop diversification, innovative techniques like Systemic Rice Intensification (SRI), use of improved variety of seeds, use of organic manure, compost and bio-pesticides, promotion of horticulture. Additionally, kitchen gardens are promoted through introduction of improved seeds for a variety of vegetables and fruits.

While the primary aim of this activity is to ensure nutrition security of the participant household through dietary diversification, sale of excess produce also serves as means to further augment household income.

Livestock rearing

Activities such as goatery, fishery, duckery, poultry, and apiculture, among others, are promoted, especially among women participants, to enhance the agricultural household's overall income. Building capacities of people in scientific livestock rearing and leveraging existing government schemes ensures that the farmer now has an additional livelihood avenue that is not season specific.



Case study- Poultry Farming at Koraput, Odisha

Budhimaa Thakurani SHG, formed in 2010 with 12 women members in Barguda village, Kundra block, in Koraput, Odisha, were introduced to livelihood opportunities that would enable them to increase their incomes as well as savings. The members chose rearing of broiler poultry as a group livelihood opportunity for themselves. They were taught techniques and practices related to poultry rearing and overall entrepreneurship skills around selling their output.

The SHG was linked with the Bissamcuttack Poultry Cooperative, Rayagada from where it sourced all inputs including chicks and feed. Officials from the Cooperative also handled their books of accounts and guided the SHG members to handle the enterprise's accounts. Gradually, 4 out of 12 SHG members learnt to how to document all business-related transactions and correspondences and hired an external person to manage their books for them.

For working capital requirements they approached Integrated Tribal Development Agency (ITDA), Jeypore which provided them a grant to take up the poultry initiative. They initially produced 600-700 chickens in each batch after building a poultry shed on a common space in their village, earning them a profit of approximately ₹ 56,000 which was divided equally among members. Today, their average annual turnover is almost ₹ 400,000.

During this time, the members faced a crucial issue of mortality as the Bissamcuttack Poultry Cooperative would only buy live chickens. Since they had a dual strategy to stabilise their production quality as well as quantity, the SHG engaged all members to contribute in all aspects to the poultry initiative. In order to combat mortality, they devised localised seasonal solutions for protecting chicks against climate extremes. During summers, the group put straws on the roof to prevent excess heating besides giving them more water than the rest of the year. Similarly, in monsoons and winters, they keep charcoal burning inside the shed to keep the chicks warm, thus reducing mortality considerably.

Since the last 2 years, the SHG is independently handling its own accounts and managing all poultry operations, without any error, even though the volatility in market prices affects their financials. Given their performance, the Cooperative officials allowed them to further expand their business volume to 800-1000 birds.

Drawing inspiration from their success story, six individual farms have been initiated with a capacity of 300 birds each, in the village. These have been linked with Mahila Kisan Sashaktikaran Pariyojana (MKSP) to receive financial support worth ₹ 30,000.



The poultry farm managed by the Budhimaa Thakurani SHG at Koraput, Odisha supported under ABF's Rural Livelihoods programme

Collectivisation is a key instrumenting platform that creates long lasting impacts at the grassroots because of its inherent design of building capacities and capabilities of the communities to drive diverse activities with common benefits. Under collectivisation, formal and informal village level groups are organised that help in developing a sense of accountability and promote participation of the community, ensuring long term sustainability of outcomes.

Developing and supporting SHGs is an important element for financial inclusion. Similarly, producer group collectives are also promoted for livelihood enhancement. Such producers' groups are then confederated into Producer Organisations (POs) to improve their access to inputs, finance and markets.

Case Study - Dairy Farming at Dahod, Gujarat

The Abhalod Women's Dairy Cooperative in the Garbada block in Dahod district, Gujarat, has been promoted by ABF since 2015 with to aim to increase the household incomes of families associated with an ABF-supported SHG. ABF introduced the 10 women members of the Cooperative, who were also associated with Jai Bajrang Mahila Mandal SHG, with alternative opportunities for earning beyond traditional farming, besides training them on cattle rearing and operating a dairy cooperative.

After their initial training, the members purchased milch cattle and ABF's intervention supported their linkage with the Panchmahal Dairy. They also approached Panchmahal Dairy for a loan, and a loan of ₹ 440,000 was sanctioned for a term of 3 years at 4% interest rate. The members also applied for a subsidy through the Tribal Sub Plan and received ₹ 500,000. The Members managed to raise an additional ₹ 100,000 through personal contribution towards capital for the said cooperative.

The Cooperative arranges for exposure visits and training from Panchmahal Dairy, facilitates purchase of animals, provides insurance to cover contingencies, and supports in availing of government subsidies. The Dairy organises several facilities for its members such as animal health camps, doctors' visits, mobile

ambulances for cattle, links them with fodder suppliers and facilitates protection of cattle against morbidity and mortality through insurance at nominal rates which are then adjusted with the sale price of milk. The expectations of buyback standards were set during the initial linkage with Panchmahal Dairy and were mutually agreed upon. One such standard is that the minimum average volume of milk collected per day needs to be 100 litres. Payment is made on the fat content of the milk, and not merely on the volume collected. It acknowledges there may be seasonal variations to amount of milk harvested per day.

The women's collective reaped a profit of over ₹ 100,000 in the first year of the initiative, duly distributed among each member. Today, each member earns anywhere on an average from ₹ 80,000 to ₹ 100,000 annually. They have reinvested their income to increase the number of cattle, and the cooperative is able to supply milk round the year as members now possess 2-3 ruminants each. This has helped increase their volume of production, their income and their ability to explore opportunities to raise more credit for further expansion. They use cattle dung for generating biogas, an additional source of income and organic manure for their farms.

The initiative has provided a safety net to members besides providing them with an assured buyer and therefore, an assured

source of income. Their additional income has helped improved their quality of lives as they can invest more in education of their children, meeting medical expenses, and expanding their livelihood and household infrastructure. Importantly, such an initiative enhances food security thereby mitigating distressed migration. Apart from the tangible benefits, women have greater decision-making power at the household level as they have demonstrated in business operations, enhancing their status in the larger community.



Women cattle owners submitting their daily collection to the Panchmahal Dairy under ABF's dairy farming initiative at Dahod, Gujarat

Microenterprise Development is supported at the household level by addressing gaps such as lack of direct capital, inadequate knowledge of business management and marketing, poor access to infrastructure and facilities, and reliance on traditional skill sets that challenge the development of the sector. In addition to promoting home based enterprises, support is provided for micro and small scale production units, and livelihood centres are set up in local areas that have the potential to generate employment opportunities for the larger community either through direct employment at the centre or indirectly by establishing sourcing channels for local raw materials.

Through the integrated rural livelihood development programme that focusses on creating viable watersheds,

improving dryland agriculture practices and promoting supplementary or complementary sources of livelihood, we see a model of sustainable livelihood emerging. Our support has resulted in an increase in land under irrigation coverage while minimising risks by optimising farming and allied activities. Increased productivity and value addition through better market linkages has translated into increases in incomes, savings and food security at the rural household level. Most participant households sampled have demonstrated a 50-100% increase in income, increase in possession of assets, and improved access to financial instruments. These outcomes have helped in promotion of sustainable agricultural practices, provided alternatives to combat distressed migration, and to some extent alleviated rural poverty.

Case study - Producing Micro Wire Objects at Osmanabad, Maharashtra

The Swami Samarth Mahila Bachat Gat SHG in Turori village, Umarga block, in Osmanabad, Maharashtra was formed with 12 members in 2015 under the aegis of ABF. ABF's initial needs assessment identified that communities in the region, including residents of Umarga town which was 8 km from Turori village, sought micro wire-based handicrafts and other objects but were unable to buy them because of their high prices. With an initial motivation of selling such micro-wire products themselves, at a rate lower than prevalent market rates while supplementing their own household incomes, they collectively requested the project's representatives to train them on making micro wire objects, focusing on making high quality products at a lower profit margin.

A month after the initial 15-day training, the women's group was ready to borrow ₹ 15,000 from their SHG and ₹ 10,000 from the project as seed capital for their business to buy raw materials, while they carefully chalked out a marketing strategy for selling their products. The initial production included festoons for hanging on doors, table cloths and other articles. The women went door-to-door in their vicinity, talking about the products, demonstrated them to shop owners and requested them to display their products first, instead of recovering sale advances.

The women observed their potential customers were willing to buy immediately when they were quoted prices lower than the prevailing market rates. They earned a profit of ₹ 25,000 from their first sale which was duly re-invested. They received their first bulk order worth ₹ 5,000 from a community member for his daughter's marriage.

After 3 years into the initiative, their annual turnover stands at ₹ 50,000 and their annual profit ranges around ₹ 25,000. They have been able to repay the loans taken to launch the business and are following a volumes strategy of keeping prices unchanged to tap more customers at existing prices.

The women entrepreneurs reported that their sense of marketing and overall business operations had sharpened manifold. They deal with shop owners and potential customers confidently and their standing in the community has increased. Together, they have created their own identity, have a strong association with their creative work and believe they are spreading happiness through their products.



Members of the ABF-supported Swami Samarth Mahila Bachat Gat SHG at Turori village, Osmanabad showcasing their micro-wire products

Skill Development



ABF supports skill development initiatives in rural and peri-urban areas to enable skilled migration and dignified work conditions. Its vocational training interventions encompass programmes for youth, including those with special needs.

This programme develops capitals across the skilling ecosystem and closes the loop with placement linkages in relevant industry sectors. Apart from the core skills training, skilling initiatives also look at enhancing employability of trainees by providing training in soft skills such as spoken English, life skills, and basic computer skills. The life skills aspect includes personality development, confidence building, public speaking and discipline-related training.

The programme focuses on setting up new training centres, employing quality trainers and, in many cases, developing training plans and curriculums customised to the local industry's needs and requirements. Importantly, prospective trainees and their families are counselled about what to expect from the training programmes because their full commitment to the programme is essential. The training process itself focuses on practical training through simulation labs or through industry exposures and On Job Trainings (OJT). Intensive counselling by trainers and dedicated counsellors also ensure higher retention rates in these short duration courses. As the programme is directed towards enhancing employability, there is strong focus on employment linkages either through job placements or by supporting the trainee in starting a self-enterprise.

Skilling of youth with special needs has emerged as a niche area of the programme and it provides training in English language, computer typing, life-skills and retail skills that enhance trainee employability. The trainers themselves undergo intensive training to ensure effective knowledge and skills transfer to the trainees. Smaller batch sizes, customised curriculum and pedagogy, personalised mentoring and grooming of each trainee ensures positive learning outcomes, followed by placements through network recruiters who have been sensitised on 'how to work with employees with special needs'. Skilling of specially-abled

youth has enabled our implementing partners to demonstrate and advocate the need for such specialised training to mainstream rural youth with speech and hearing disabilities.

With a 60% placement rate, ABF's skilling initiatives have opened avenues of steady income from secure jobs in inclusive working environments for youth with varied formal education levels. Acquiring relevant skills and appropriate job linkages has aided an increase in aspirational migration, especially among sections such as the landless and specially-abled. Additionally, trainees opting for job placements have been brought under the social security net as per regulatory requirements.

ABF Board of Trustees' Site visits

As a governance best practice, the Board of Trustees of ABF visit an intervention site annually where they interact with the project implementation partners, the direct participants and the community at large. Such visits provide the Trustees a better understanding of how ABF's initiatives are performing on the ground and they become a platform for the beneficiaries and partners to communicate their concerns and suggestions to the highest governing body of ABF.

In FY 2018-19, Trustees visited ABF's project being implemented in Gogunda Block of Udaipur district, Rajasthan, in partnership with Foundation for Ecological Security (FES). During their visit to the villages, trustees interacted with members of village institutions, and community members explained their efforts and outcomes in the project, which in this case is restoration and protection of common land. Community members explained the governance mechanisms they had put in place to share common resources and economic benefits from restored lands. In addition, women beneficiaries shared the positive impact of being part of SHGs. The Board members were able to appreciate the use of technology, involvement of community members, importance of ecological restoration and biodiversity.



ABF's Board of Trustees and representatives from ABF and Axis Bank interacting with beneficiaries and community members at ABF's intervention site in Goruda block, Udaipur, Rajasthan

In line with the two-pronged CSR approach, we undertake several initiatives directly with a view to leverage our organisational strengths and resources.

Buddha Fellowship Programme

The Buddha Fellowship Programme (BFP) was initiated by ABF's NGO partner Self-Reliant Initiatives through Joint Action (SRIJAN) in May 2017 with an ambition to create 1,000 development entrepreneurs over a period of ten years by grooming at least 100 young bright minds annually. The Programme aims to provide talented minds from India's top higher educational institutions an opportunity to develop entrepreneurship models that will effect sustainable change in the development sector. The initiative has been named 'Buddha Fellowship: Sponsored by Axis Bank Limited, Incubated by SRIJAN'.

The Bank's support to BFP is from March 2018 to March 2020, and its investment is aimed at partially creating a corpus to enable BFP to grow, and partially to manage its annual costs.

The Programme aims to build a modern, inclusive India in a modern, inclusive world. A Buddha Fellow is a graduate from reputed institutes of higher education such as the IITs and IIMs, who wishes to serve the community and aims to become a development entrepreneur.



Two Buddha Fellows working with the participants of their selected NGO partners

There is also an advisory committee for the Programme, which also includes the Bank's representatives, that oversees the Programme and provides strategic guidance to how it is run.

The Programme started the selection process by conducting pre-placement talks and organising Achievement Motivational Tools (AMT) in college campuses to assess individuals' entrepreneurial behaviour, followed by exposure visits to SRIJAN's field locations for selected candidates.

In the first batch, 11 candidates were shortlisted out of which 9 joined the programme, attending the two-month internship in April & May 2018, working on field-based assignments at various locations. The second batch was formed in May 2018 with students from various IIMs & IITs, who also spent a few days with the participant families to experience the ground realities and challenges faced by families in rural India.

As part of the Programme, expert sessions were organised for Fellows to pool together their experiences and their journey towards being a Development Entrepreneur. Additionally, exposure visits to understand various social development models being implemented across the country were organised for the Fellows.

The Programme has also focused on creating stronger partnerships with the NGO sector, and partnered with BAIF Development Research Foundation and Centre for Collective Development in the second phase.

In July and August 2018, BFP organised two Entrepreneurship Clinics where eminent personalities from the development sector engaged with the Fellows, helping them think critically about any enterprise idea from the perspective of geography, market competition, and other factors.

In the reporting year, 35 students were selected for immersions in BAIF, SRIJAN, Himjoli- Udhyam, Jan Swasthya Sahyog (JSS), Khamir, Manvlok NGOs and Aikya Organics Pvt Ltd. Out of the 35 students, 9 were offered internships based on a Self-Selection Model, their area of interest, and match making with a host organisation to carry out their pilots.

Axis Cares

Axis Cares is the Bank's payroll giving programme for employees providing them opportunities to fulfil their 'Personal Social Responsibility'. Axis Cares offers a comprehensive platform to employees to donate to environmental and social causes close to their hearts, and they can either make spot donations, gift a donation for someone else, or donate a portion of their monthly salaries. Additionally, Axis Cares provides opportunities for employees to engage directly with the supported NGOs on select projects, and hosts talks featuring prominent development sector personalities.

During the year, the Axis Cares portal was revamped and re-launched, providing a wider range of projects and NGOs to support, and making it easier for employees to contribute. Axis Cares focuses on six themes - Child Needs You, Nurture Nature, A Hand for The Elderly, Preserve Heritage, Wildlife and Us, and Sports for Everyone.

During the year, Axis Cares launched a special drive among employees to raise funds and relief material to support the relief and rehabilitation efforts in Kerala after it was struck by heavy floods. For the funds that employees contributed, ABF made a matching contribution, further adding to the Bank's overall relief efforts.

Axis DilSe - Connecting Remote Communities in Ladakh



In FY 2017-18, Axis Bank undertook an ambitious initiative to reach out to the remote communities of Leh and Kargil districts in the Ladakh region of Jammu and Kashmir. The three-year programme, 'Axis DilSe - Connecting Remote Communities', aims to transform over 100 border villages in these districts by providing educational infrastructure to promote growth and development in the underserved border villages. Axis Bank has partnered with 17000 ft Foundation, a non-profit based in Ladakh, adopting 108 remote government schools of Ladakh for a 3 year period.

As part of the engagement, the Bank's senior leadership also invest their time and individual efforts, adopting schools and personally monitoring the progress of planned implementation.

In the first year (2017), each school received a playground and library consisting of 500 storybooks in multiple languages catering to different reading abilities. In the second year of implementation in FY 2018-19, the initiative launched 'DigiLabs', a project to bring Digital Learning opportunities powered by solar to the 108 schools by providing access to the hardware and software needed to reach specially curated and customised e-learning content direct to the student. The first 'DigiLab' was inaugurated on 17 September 2018 at Middle School Ayu Saboo, Leh district, by senior Axis Bank and 17000 ft Foundation representatives. The inauguration was presided over by Ms. Tashi Dolma, Joint Director Education, Ladakh and Ms. Kunzes Angmo, Project Officer, ICDS Center, Leh.

Over 300 teachers across Ladakh have already been trained through this initiative, and a Dashboard to monitor the progress of the project is being setup centrally at the 17000 ft Foundation office and at multiple Education Department offices.



Students undergoing training at DigiLab in Leh & Ladakh



Axis DilSe students in front of their DigiLabs classroom with Axis Bank's senior leadership

In the final year of the engagement for FY 2019-20, the project aims to provide classroom furniture for each of the schools, as well as improve the Anganwadi Centres in the respective villages by providing age appropriate teaching and learning materials, furnishings and training to the workers in an effort to set them up as model centres. This phase would be closely monitored by the Department of Education of Leh.

Axis Bank pledges support to 'Kargil War' widows

In 2018, Axis Bank pledged its support to the welfare of Kargil War widows and their dependents, collaborating with the Indian Army to financially support 46 widows. Axis Bank's senior leadership participated in the Kargil Vijay Diwas celebrations hosted by the Ladakh Scouts regiment at Dras, J&K in July 2018, where they personally handed over the assistance to the 'Veer Naaris'.



Building up Capacities in the MSME Sector

As part of the Bank's commitment to support a comprehensive development of India's MSME sector, it has launched the 'Evolve' series – an education initiative focused on building capacity among MSMEs. As part of the initiative, domain experts from diverse sectors share their expertise and experience, and discuss case studies focused on MSME sector growth and development. Evolve is a pan-India, multi-city knowledge series through which, the Bank equips SMEs with non-financial tools like strategies, case studies, and industry know-how.

During the year, the fifth edition of Evolve was organised in 30 cities spread across all major Industrial centres of India, and saw active participation from over 3,200 SMEs.

Designed around the concept of 'Unlocking growth through innovation', the fifth edition saw eminent industry speakers who are considered innovation leaders in their domains, sharing their expertise with the SME audience. In this edition, the bank worked together with noted brands such as Xiaomi, Paytm, Thyrocare, MRF, and Swiggy to maximise impact and knowledge-sharing.

Project Akshar: Online Platform for Financial Literacy

As a financial institution, achieving financial inclusion in India is a key imperative for the Bank. Driven by the Bank's Retail Collections unit, the Bank launched an online financial literacy initiative, Project 'Akshar' (alphabet in Hindi) in November 2017. As a platform, Akshar is designed as a 'gamified' platform that is simple, intelligent and inclusive to most user groups. The platform covers key personal finance and banking related topics such as credit score, loans, insurance, tax, and investments, and is available in multiple regional languages.

Akshar has touched over 5 Lakh participants since its launch, with a large percentage of participants from tier 2 & tier 3 cities. The initiative has gained from a strong 'word of mouth' support from its users, who have encouraged their families and friends to join as well. As on March 2019, there were 2.10 registered users on the platform, belonging to all age groups. To scale up its reach, the platform focused on enhancing its digital presence during the year.

A highlight of the Akshar platform is that it can be customised for each user, who get customised content and interactions basis of their pre-existing understanding of credit. Owing to Akshar's diverse geographical spread, adequate content is available in regional languages. The various modules on the platform include users learning about credit scores and its impacts on their credit

health, and delinquent users understanding the consequences of non-payment and the future implications of such delinquencies. Going forward, we aspire to make the Akshar platform a one-stop e-learning platform for all credit users in India, focusing on creating more reliable and customisable content and developing community-based digital learning practices. We also envision launching an ambassadorship programme wherein Akshar 'Ambassadors' can take financial literacy through the platform to a wider audience.

Empowering Rural Communities through 'Axis Sahyog' Retail Microfinance initiative

Towards taking financial inclusion beyond our business activities, Axis Sahyog, the Bank's retail microfinance initiative, also undertakes community-focused, capacity building activities directly or through our on-ground partners. With a focus on women empowerment, the initiatives aim to promote self-empowerment and personal growth, and inspire an entrepreneurial spirit among rural women. Collectively, the various interventions have touched over 1.05 lakh lives, with an aim to double this number in FY 2019-20.



Financial Literacy Programmes

In association with Accion, our NGO partner, Axis Sahyog runs three key initiatives in various parts of the country.

- Mass Awareness Camps:** These campaigns are mostly conducted through street plays, dance dramas, street poetries and magic shows, with the tone of communication between the performer and their audience friendly and entertaining. The camps' objective is to spread awareness on inculcating good spending habits, monthly budgeting plans, identifying the appropriate avenues to save funds, and being aware of the fraudulent activities around them, across most monetary transactions that they would undertake such as earning, spending, saving, borrowing and investing. The camps are carried out at community centres or other

places of social gathering in a village, and are organised in the form of a fair, skit or a role play session. In FY 2018-19, these camps covered 34,778 participants.



Mass Awareness Camps under Axis Sahyog's financial literacy interventions underway at rural community centres

- Money Plan Programme:** The Programme aims to impart knowledge regarding efficient money management by educating participants on various savings, insurance and investment services on offer. The Programme uses training tool kits comprising audio visuals, demonstrative flip charts, games and didactics that are designed specifically based on the concepts of each topic it covers. The programme design facilitates adult learning in a classroom environment, and can also be easily adapted to a digital environment. A typical session includes the demonstration of how to use or make a financial diary or calendar, and trainers make use of activities such as quizzes, role plays and energising games. The Money Plan Programme covered 33,390 participants until March 2019.
- Vocational Training:** This intervention focuses on providing an educational training that emphasises on knowledge and skills needed for a specific trade, craft or job function. The programme has been effective towards addressing employability and practical skills development, and the results indicate a significant impact on skill development, economic outcomes, and measures of well-being among the participants.



A vocational training camp underway as part of Axis Sahyog's financial literacy and women empowerment interventions in rural India

Skill Development Programmes

Various studies on educational levels in the country have highlighted the poor participation of women in secondary education. Across stretches of rural India, access to formal education remains challenging, especially for women. In such regions, promoting vocational training has emerged as an effective alternative which not only facilitates lifelong learning but also improves employability. With this aim, Axis Sahyog's skill development initiatives have a primary goal of providing vocational education to rural women to enable them to equip their lives with the necessary skills for meaningful employment and learning.

- Vocational Skills:** Lack of required skillsets often force many in rural India to take up traditional occupations, such as farming, fishing and weaving, which may have been practiced in their families the same outmoded way for generations. In addition, women in rural areas are more prone to be considered as unpaid family labour, usually helping their families in occupations chosen by their spouses or elders. The Bank's interventions focused on skilling such women in income-generating skills that could augment their personal as well as family incomes. Women are skilled in activities such as candle making, jewellery making, garland making, beautician courses, working on power looms, and perfume making, among others, which can be learnt without a large upfront investment, and can be run from within their own homes. During the year, the skilling interventions trained 1,155 women.
- Partnering with NIIT Foundation for Skill Development:** Axis Sahyog has partnered with NIIT Foundation towards facilitating trainings for the underprivileged & the under-served youth seeking employment opportunities. As on March 2019, the partnership enrolled 771 participants and aims to reach 1,000 by December 2019.

The initiative also focuses on providing soft skills such as personality development and communicating in English, providing the participants an opportunity to take up customer facing, value added roles. Skilling of women participants, especially, offers them an opportunity to seek viable careers and achieve economic independence. Significantly, the skilling centres partner with a number of organised players from the industry, thus creating opportunities for the beneficiaries to build long term careers.



Skill training workshop underway under the Axis Sahyog – NIIT Foundation partnership for skill development

Health Camps

Axis Sahyog has partnered with Thyrocare, a leading preventive healthcare lab and diagnostic centre in India, to conduct health camps in rural India, focusing especially on women. As part of the health camps, participants are provided a detailed health card and tests for diabetes, thyroid and their blood profile are done. The tests are done for free and the reports are delivered at the doorsteps of the participants. The Camps touched 33,930 lives in FY 2018-19.



A rural health camp being conducted under the Axis Sahyog – Thyrocare partnership

Disaster Relief through Axis Sahaayata

India is facing a rising incidence of natural calamities in various parts of the country, ranging from tropical storms to draughts to floods, often causing the most damage among rural communities.

The Bank's microfinance vertical launched the 'Axis Sahaayata' initiative to proactively deliver direct relief measures and support on-going efforts in disaster-affected regions.

Kerala

Severe and debilitating floods affected the state of Kerala in July and August 2018 due to a much higher than normal rainfall during the monsoon season. The floods were declared a Level 3 calamity – calamity of severe nature, forcing a million people to be evacuated in 14 districts. As per the State Government, they directly affected one-sixth of the State's total population. It was the worst flood in Kerala in nearly a century.

Axis Sahaayata provided direct relief to over 2,600 families, who were cut off from Government's relief camps due to rising over two phases in Kerala, with employees from the Microfinance team working directly on the ground, distributing food and relief packets to the affected families.



Axis Bank employees providing aid and guidance to the flood affected in Kerala under Axis Sahaayata

Odisha

Cyclone Titli struck the Bay of Bengal in October 2018, inflicting massive damage across the state of Odisha, uprooting trees and causing power outage in many areas. Authorities evacuated over 3 lakh people from the low-lying regions in the State to over 1,100 cyclone shelters. Axis Sahaayata partnered with the NGO, Oxfam India and supported 700 affected households with shelter kits and other assistance.



Axis Bank employees providing shelter kits to the cyclone affected in Odisha under Axis Sahaayata

Natural Capital

As an organisation, we rely on a variety of natural resources to run our business operations and serve our customers, such as electricity that runs our offices and branches, and paper on which forms and statements for customers are printed. We remain cognizant of the importance of managing our environmental footprint that maximises our resource utilisation, minimises our waste generation, while achieving higher operational efficiencies and greater customer satisfaction.

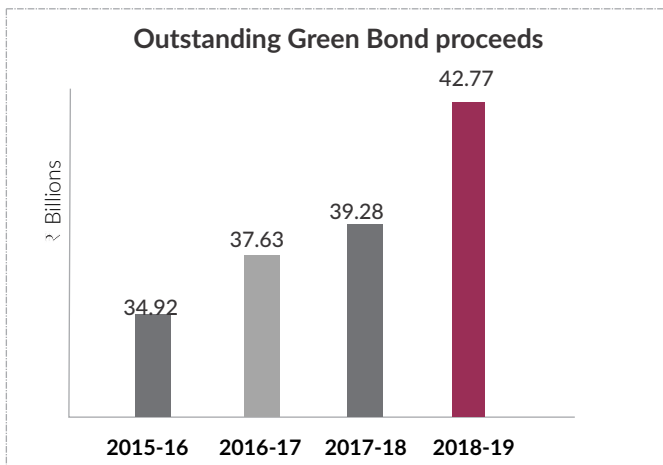
As a financial institution, we channelise capital to some of the most critical sectors of the economy. Today, governments, businesses and societies are increasingly aligning itself to a common global agenda around climate action and sustainable development. As a Bank, we lend to sectors such as renewable energy generation, mass rapid transport and green buildings, thus supporting the Indian economy's move onto a low-carbon growth pathway.

Sustainable Finance

Axis Bank is a lender to key sectors strongly aligned to positive climate action. Our exposure to sectors such as renewable energy generation, mass rapid transport, green buildings, and waste management not only contributes to fulfilling India's infrastructure requirements but also supports its climate commitments.

Axis Bank issued its inaugural green bond of USD 500 million in 2016, which was the first certified green bond by an Asian bank, certified under Climate Bonds Initiative version 2.1. The proceeds of the Bond were lent to aligned sectors.

The Bank's overall exposure to such 'sustainable' sectors stood at ₹ 5,498 crores as on 31 March 2019, comprising the portfolios of the various Corporate Banking verticals. This also includes the outstanding amount under the green bond, which stood at ₹ 4,277 crores as on 31 March 2019.



Implementation of Sustainable lending policy and procedures (SLPP)

The Bank has in place the Sustainable Lending Policy and Procedures (SLPP) that integrates environmental and social risk assessment into our credit appraisal mechanism. SLPP applies to all new funding projects (excluding the sanction of cost overruns or additional funding for existing projects), subject to the threshold criteria for qualifying projects as defined in the SLPP. An Environmental and Social Monitoring Group (ESMG) comprising subject matter experts implements the SLPP. It works in close coordination with the credit team, and leverages integrated environmental and social considerations in the screening and decision making processes for sanctioning loans and disbursing funds.

In the Credit Appraisal process, after being initially screened against an Exclusion List, a credit proposal is screened for the sector, location and inherent environmental and social sensitivities to assess the risk category of the project. Some of the activities included in the SLPP's Exclusion List are provided on page 96 of the Sustainability Report 2017-18. This risk categorisation of credit proposals is primarily adapted from IFC's Sustainability Framework, and is used to identify the key areas/themes to focus the scope of the Environmental and Social Due Diligence (ESDD). During the year, a total of 29 proposals were assessed under SLPP.

Some instances of the projects assessed under SLPP:

Case study 1:

ESDD identified ground water extraction risk for a real estate client in Chennai (a water scarce region). This activity is also legally regulated. However, the client had not identified this as a regulatory requirement nor as an environmental and social risk. ESDD studies have highlighted many borrowers from these sectors were unaware of regulations for abstraction of ground water. Several borrowers from these sectors were unaware that abstraction of ground water for a project is legally regulated by the Central Ground Water Authority (CGWA), Ministry of Water Resources, India. There were events of rampant violation of ground water withdrawal by these companies in water stressed areas. Non-compliance to regulations posed risk of closure of work at the project sites.

Mitigation measures:

- NOC from Central Ground Water Authority was stipulated as Pre-Disbursement Condition.
- A detailed water footprint of the project with a five year plan on reducing the dependence on ground water was stipulated as subsequent condition.

Case study 2:

In the expansion road project the concessionaire and the NHAI were unaware that the widening of the existing road will involve diversion of forest land. ESDD site visit and consequent assessment of government records revealed forest land involved in the project stretch.

A violation to the regulatory requirement of seeking forest clearance for the said project would have either stalled or delayed the project inordinately.

Mitigation measures

- An EIA study was stipulated to Company to assess any additional environmental and ecological risks in the project corridor under the forest area.
- Receipt of "Permission of tree cutting and commencement of Work" on forest land post Stage 1 Forest Clearance was stipulated as a Pre-Disbursement Condition

Banking on Solar – Axis Bank's 2 MW Solar Plant at Solapur

In line with its commitments made under the Paris Agreement, India has set itself ambitious targets for generation and adoption of renewable sources of energy. India's corporate sector too is playing a proactive role in adopting renewable sources of energy to drive operations while lowering their own emissions footprints. As a financial institution, while the Bank plays an active role in funding to clean energy and other climate action-linked sectors, it has also been strategically investing in solar energy generation for its own operations.

With utility providers in a position to offer better access to renewable energy sources, the Bank has sought to take advantage of such an opportunity and implemented a one-of-its-kind, open access solar plant at Solapur, Maharashtra, which may also play a key role in our emissions reduction strategy.

The 2 MW capacity solar power plant was successfully commissioned in March 2019 at Sangola, Solapur. The plant is estimated to generate approximately 28 lakhs units of electricity annually, based on the standard industrial practise of ~ 4 units/kw/day through solar power generation.

With the commissioning of this plant, the Bank has a total installed solar power capacity of 7.05 MW, of which 5.05 MW is from roof top solar installations at 247 other locations. Approximately 2,840 MWh energy was produced through these installations cumulatively in FY 2018-19, helping avoid approximately 2,328 tCO₂e.

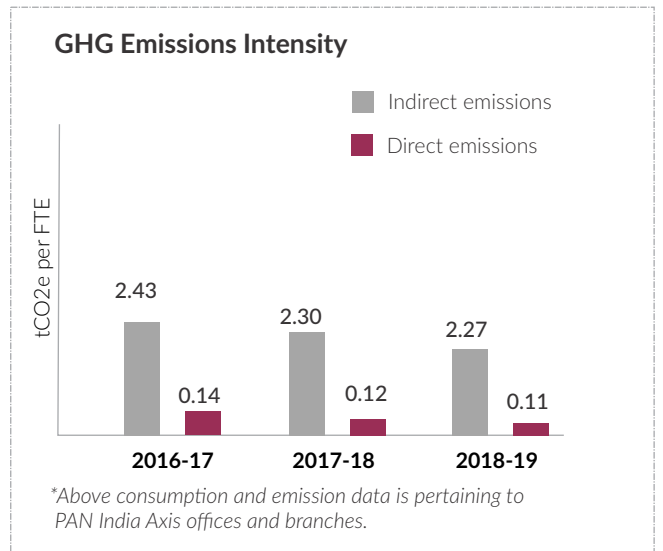
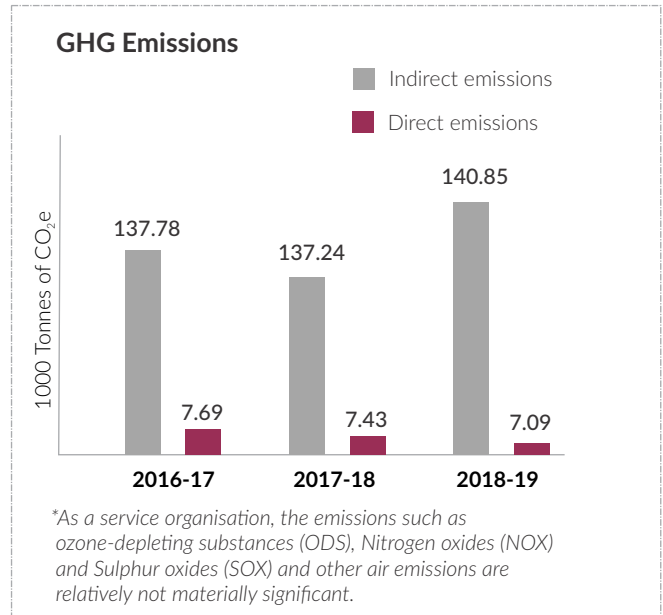
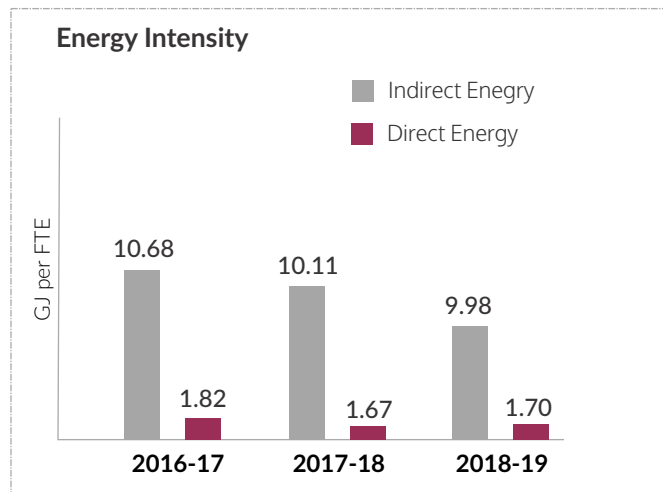
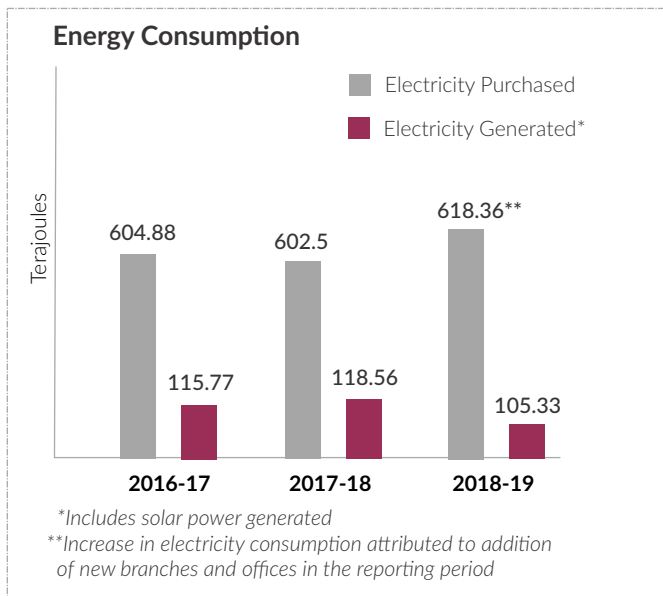


Axis Bank's 2 MW ground-mounted solar power project at Solapur, Maharashtra

Direct Environmental Impacts

The impact of climate change on global community welfare, businesses and natural resources such as land, water and air, is one of the most pressing issues of our times. The Bank recognises that climate change poses significant potential risks to the financial sector, such as financial risks borne out of increased energy and materials cost, tightening regulatory requirements, reputational risks with respect to our investments, security risks, and physical risks from unprecedented and extreme weather events.

Through diverse initiatives such as digitisation of products and services, adoption of technology in systems and processes, energy efficiency initiatives and improved waste management, the Bank endeavours to be rationalise its emissions footprint while achieving greater operational efficiency. The Bank's Policy on Environmental Management outlines the Bank's commitments across key focus areas and is accessible on our corporate website.



Scope 3 GHG emissions relate to employee travel, comprising business air travel, company provided shuttle bus services for employees and employee local conveyance for official visits to offices/branches, and paper consumption during the year were 4,766, 244, 14,491 and 6,406 tonnes of CO₂e respectively.

Resource efficiency initiatives

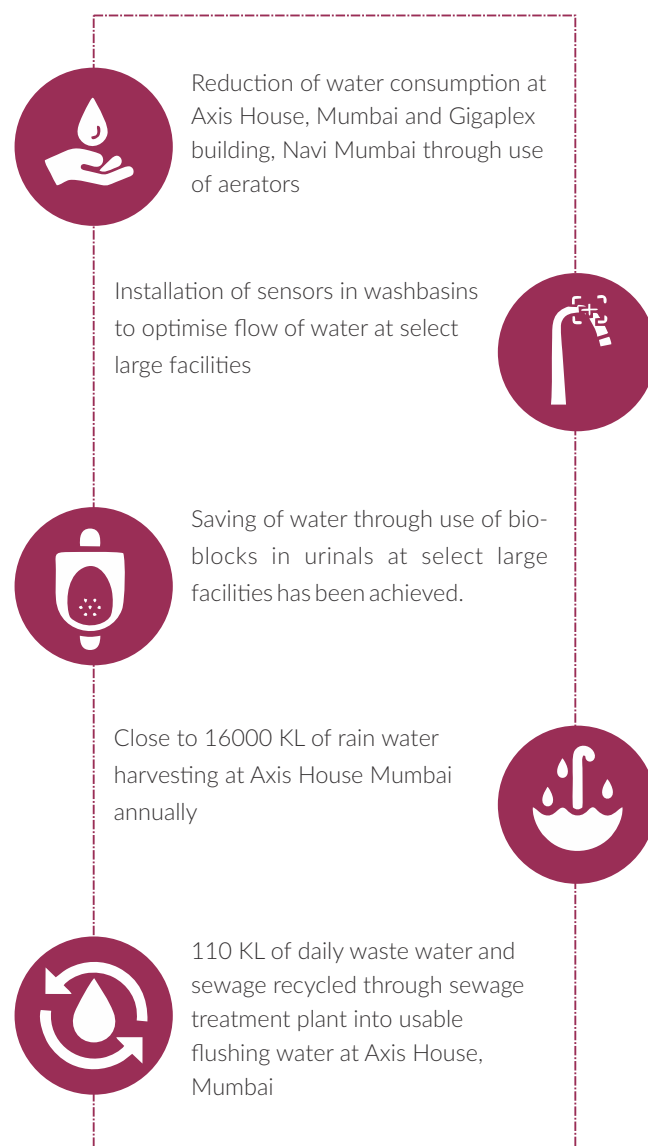
The Bank continues to invest in technological solutions and various energy-conserving initiatives to further its commitment to achieving environmental efficiency in its operations. The key initiatives underway at the Bank include implementation of Centralised Energy Management System, augmenting our solar power generation capacity, installing motion sensors at offices, and conversion of conventional lighting to LED lights.

Together, these initiatives have resulted in a significant amount of energy savings in FY 18-19, avoiding 9,162.24 MT of GHG emissions.

Details of all the Initiatives contributing to the savings above are:

- Solar power generation: Solar power installations of 7.05 MW capacity at 248 branches or office and offsite locations as on March 2019. This includes 5.05 MW of roof top solar installations at 247 locations and a 2 MW ground mounted solar power plant at Solapur, Maharashtra. Electrical Units (in Kwh) generating capacity of this capacity is approximately 2.8 million units annually, leading to an approximate annual emissions reduction of 2,328 tonnes.
- Energy efficiency: Centralised Energy Management System (CEMS) has been installed at 893 Branches till 31 March 2019 with energy consumption reduction by nearly 10%, achieved through controlling temperature operations.
- Maintenance of unity power factor through 500 KVAR x 4 nos. of APFC panel in auto mode for optimum use of power at Axis House, Mumbai.
- Conversion of conventional lighting to LED at large premises and 100% installation of LED lights in all new branches and offices is being done.
- Motion sensors have been installed for work station and common area lighting at Axis House, Mumbai

Initiatives for water conservation



Initiatives for Paper and waste management



Approximately 90 kg of food/wet waste is converted into compost through composting machine at Axis House, Mumbai daily



Recycling of approximately 61 quintals paper waste such as papers, shredded documents etc. at Axis House, Mumbai into stationery items like notepads, notebooks is being done



Wheat straw-based paper procurement at major office locations



Paper usage reduction due to digital banking services - e-Statements, e-welcome kits, e-copies of annual reports.

Centralised Energy Management System (CEMS): Case study

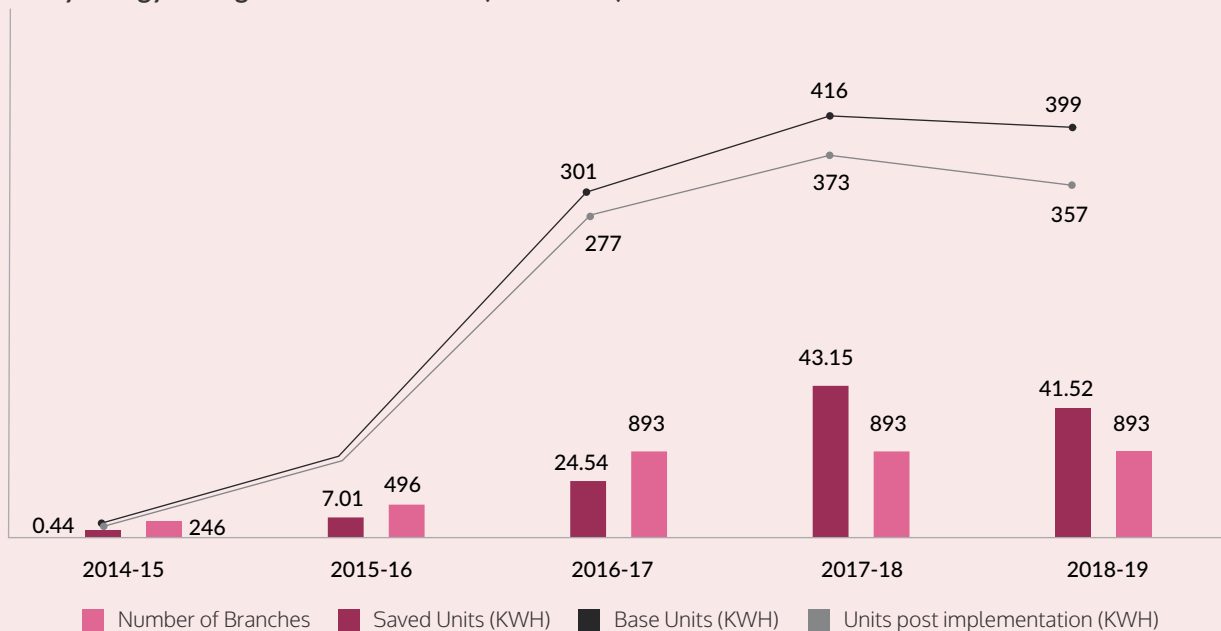
According to IPCC, energy supply (burning of coal, natural gas, and oil for electricity and heat) is the single largest contributor (~26%) of Green House Gas (GHG) emissions, thus being a key contributor to global warming. In India, around 70% of electricity is generated by burning of conventional fuels (coal, gas and oil) which contribute to GHG emissions.

Most of the electricity consumed at the Bank is sourced from the grid. To optimise our electricity consumption, we have adopted an energy saving initiative called Centralised Energy Management System (CEMS). Since its implementation in

2015, CEMS has reduced our consumption by approximately 10% by remotely controlling and managing temperatures of AC systems at most of our large branches and offices. Under CEMS, sensors are deployed that measure, analyse and control the air conditioners through a cloud-based system while maintaining ambient temperature at the workplace, thus helping reduce GHG emissions by improving energy efficiency.

In the first phase in FY 2014-15, CEMS was implemented in 246 branches which was scaled up to 893 branches by FY 2015-16. The Bank has achieved electricity savings approximately 40 lakhs units since FY 18 on annualised basis.

Yearly Energy Saving Trends from CEMS (Lakhs Unit)



Recycling and Waste Management at Axis House

The Bank has appropriate waste management systems and practices at all its branches and office locations. Accumulated waste paper is disposed responsibly across locations, and our large corporate offices have processes in place for wet waste management. At Axis House, our corporate headquarters in Mumbai, dry waste recycling programme as resulted in recycling of 316 tonnes of dry waste into over 42 thousand pieces of notebooks, notepads, envelopes and bookmarks since 2011. The composting machine on Axis House premises processed 46 tonnes of wet waste in the reporting period. In a significant move towards reducing its plastic usage, the Bank discontinued the use

of plastic bottles at large office premises and replaced it with glass jugs.

As a service sector organisation heavily dependent on technology hardware to run our businesses, managing our e-waste is a key priority for us, which is a significant and unavoidable component of waste generated through the Bank's operations. The Bank has processes in place for centralised management of disposal of e-waste that is in compliance with pertinent governmental regulations, and has long term service agreements with authorised vendors empaneled by MPCB (Maharashtra Pollution Control Board) And CPCB (Central Pollution Control Board). During FY 2018-19, 21.02 tonnes of e-waste was collected by the Bank and recycled through vendors.

Spreading Environmental Awareness among Branch Customers

Towards promoting a greener lifestyle among our customers, several large branches partnered with Axis Bank Foundation to organise 'Go Green', a themed event highlighting the importance of preserving our natural environment, and raising awareness among branch customers on minimising use of plastic bags and other plastic items. Some branches also gave out saplings to customers as part of the event.



Employees at our Goregaon, Mumbai branch gifting saplings to customers under the Go Green initiative

Environmental Action Through CSR: Rejuvenating Puttenhalli lake in Bengaluru

Due to indiscriminate misuse and encroachment of natural water bodies in India's cities, long used as dumping grounds for garbage and sewerage, urban lakes and rivers are fast losing their ability to sustain life. Their demise has been mirrored by the rapid rise in digging of borewells to meet the immediate water needs of urban communities. This collective failure has been a leading cause of the water woes cities across India face today. Bengaluru has been a prominent poster child of India's water crisis.

With an aim to contributing to rejuvenating of Bengaluru's lakes and helping recharge ground water levels, Axis Bank partnered with Puttenhalli Neighbourhood Lake Improvement Trust (PNLIT), Bengaluru to rejuvenate the Puttenhalli lake, a 13 acre lake in southern Bengaluru.

PNLIT implemented various steps and innovations towards making Puttenhalli Lake a secure avian habitat and a rich ecological haven in the neighbourhood. A key focus of their efforts was to raise awareness among Bengaluru citizens to proactively protect and conserve their water bodies. PNLIT organised diverse activities at the lake premises such as birding, nature walks, gardening activities for residents and corporate volunteers, and special events for children such as storytelling, mime and origami workshops. As a result of the efforts, the lake

is considered restored and is home to a variety of flora and fauna.



Puttenhalli lake, Bengaluru in 2008



Puttenhalli Lake, Bengaluru after rejuvenation in 2018

Supporting Afforestation through Axis Cares

According to the National Forest Policy, 1988, one-third of the geographical area of the country should be maintained as forest and tree cover. However, the actual green cover in India is much below the stipulated requirement due to an indiscriminate clearing of forest cover, degradation of forest land, and infrastructure expansion.

Towards helping restore and expand India's forest cover, Axis Bank Foundation (ABF), has undertaken tree plantation initiatives at various parts of the country that aim to restore ecological balance, promote local participation in conservation, and nurture the tree cover.

ABF partnered with Foundation for Ecological Security (FES) and N M Sadguru Water and Development Foundation to plant over 3,80,000 saplings across the states of Rajasthan, Gujarat, Andhra Pradesh and Odisha. The intervention's approach involves setting up of nurseries and building capacity in the community to plant and nurture the saplings for a 3 year period, ensure low mortality and repackage saplings if required.



A sapling nursery, part of Axis Cares tree plantation project with implementation partner NM Sadguru Water & Development Foundation

A collaborative approach results in improving vegetation in common lands, arresting and reversing land degradation and setting in place protection and management mechanisms over common lands. This further aids in reducing pressure on the forests and improves the availability of fodder, fuel, wood, water, nutrients and thereby improve livelihoods of the

households living in or near forest lands.

The plantations are community managed and implemented along with imparting of environmental education and awareness, to encourage a sense of responsibility for the planted trees. Technical proficiency and quality saplings is also provided to the farmers for augmenting nursery and plantation in their villages.



Experts training rural participants under Axis Cares' tree plantation initiative through implementation partner FES





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