

## Independent Assurance Statement

### Scope and Approach

DNV GL Business Assurance India Private Limited ('DNV GL') was engaged by the Management of Axis Bank Limited (Corporate Identification Number (CIN): L65110GJ1993PLC020769, hereafter referred as 'Axis Bank' or 'the Bank') to carry out an independent assurance engagement for the non-financial qualitative and quantitative information (sustainability performance) presented in its Sustainability Report 2019-20 ('the Report') in its printed and digital format for the reporting period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

The non-financial performance disclosures in this Report are prepared based on the International <IR> Framework ('<IR>') of the International Integrated Reporting Council ('IIRC') that is, the Guiding Principles and Content Elements. This Report uses disclosures selected from the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards (GRI Standards), and the United Nations' Sustainable Development Goals (SDGs) to bring out the various Content Elements of <IR>. The intended user of this Assurance Statement is the Management of the bank. Our assurance engagement was planned and carried out in June 2020 – July 2020.

We performed our work using DNV GL's assurance methodology VeriSustain<sup>TM1</sup>, which is based on our professional experience, international assurance best practice including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised\* and GRI's Principles for Defining Report Content and Quality.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion for providing a limited level of assurance. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report using <IR> Principles, together with Axis Bank's protocols for how the data was measured, monitored, recorded and reported. The performance data and information in the agreed scope of work included the qualitative and quantitative disclosures on non-financial performance which have been brought out in the Report using selected GRI Standards related to the material topics identified by the Bank, and covers economic, environmental and social performance for activities undertaken by the Bank over the reporting period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

The reporting topic boundaries of non-financial performance is based on the internal and external materiality assessment predominantly covering Indian operations of Axis Bank and the Axis Bank Foundation (ABF) as set out in the Report in the section '*About the Report*'.

We understand that the reported data on economic performance, including Corporate Social Responsibility (CSR) expenses incurred by the business and contributions to ABF towards CSR expenses, are based on disclosures and data from the Bank's audited financial statements presented in Annual Report 2019-20, which is subjected to a separate independent statutory audit process, and is not included in our scope of work.

### Responsibilities of the Management of Axis Bank and of the Assurance Provider

The Management of Axis Bank has the sole accountability for the preparation of the non-financial disclosures in this Report and are responsible for integrity of all information disclosed in the Report as well as the processes for collecting, analyzing and reporting the information presented within the Report, including the references to the Bank's website. Axis Bank is also responsible for ensuring the maintenance and integrity of the non-financial disclosures in its website which are referenced within this Report.

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<sup>1</sup> The VeriSustain protocol is available on request from [www.dnvgl.com](http://www.dnvgl.com)

\* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

In performing the assurance work, our responsibility is to the Management of Axis Bank; however, this statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of Axis Bank. DNV GL was not involved in the preparation of any statement or data included in the Report except for this Assurance Statement and Management Report highlighting detailed observations from our assurance process for strengthening future reporting processes.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith and free from any misstatements. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

### Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Axis Bank's Corporate Office in Mumbai, India. We adopted a risk-based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to the Bank's operations and its key stakeholders. We undertook the following activities:

- Reviewed the Bank's approach to addressing the requirements of <IR> including stakeholder engagement and its materiality determination process. We did not have any direct engagement with external stakeholders;
- Verified the value creation disclosures related to the six capitals and claims made in the Report, and assessed the robustness of the data management system, data accuracy, information flow and controls for the reported disclosures;
- Examined and reviewed documents, data and other information made available by the Bank related to non-financial disclosures;
- Conducted virtual interviews with top and senior management team of the Bank and other representatives, including data owners and decision-makers from different divisions and functions of the Bank to validate the non-financial disclosures;
- Performed sample-based reviews of the mechanisms for implementing the Bank's sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report based on the selected GRI Standards.

During the assurance process, considering COVID situation few primary data could not be accessed during the remote verification. However secondary data has been reviewed except the disclosures which are considered as confidential in nature. We did not come across limitations to the scope and boundary of the agreed assurance engagement.

### Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe Axis Bank's non-financial performance through key elements of the <IR> Framework, and the GRI Standards: Comprehensive option of reporting including the GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016, and disclosures and performance indicators related to the following GRI Standards which have been chosen by Axis Bank to bring out its performance against its identified material topics.

- GRI 201: Economic Performance 2016 – 201-1, 201-2, 201-3;
- GRI 203: Indirect Economic Impacts 2016 – 203-1, 203-2;
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4;
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-3, 305-4, 305-5;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 413: Local Communities 2016 - 413-1, 413-2;
- GRI 417: Marketing and Labelling 2016 – 417-1, 417-2, 417-3;
- GRI 418: Customer Privacy 2016 – 418-1.

Without affecting our above assurance opinion, we also provide the following observations:

### **Stakeholder Inclusiveness**

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report has identified key stakeholders across its business and disclosed the process of stakeholder engagement. The Bank has conducted a detailed Stakeholder Engagement exercise in 2017-18, through an external expert to identify and prioritize the Bank's material issues. An internal review was conducted during the reporting period and new inclusions were identified and incorporated in the list of stakeholders. Towards ensuring continuity in its strategic decisions, the Bank proposes to utilize the outcomes from the Stakeholder Engagement and Materiality assessment (SEMA) exercise conducted in 2017-18 into its strategy. However, bank has confirmed that the outcomes of SEMA exercise is still relevant. Concerns related to customers are addressed but concerns related to other stakeholders should be further brought out in the report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

### **Materiality**

*The process of determining the issues that is most relevant to an organization and its stakeholders.*

Bank has established the process for materiality determination based on the sustainability frameworks and charters to which Bank subscribes. The outcome of the process has brought out key material topics which impact the sustainability performance of the bank and its stakeholders. Bank may revisit its materiality considering the changing business and related risks and emerging stakeholder concerns. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

### **Responsiveness**

*The extent to which an organization responds to stakeholder issues.*

The Report brings out strategic responses to identified key stakeholder concerns through descriptions of the Bank's strategies and management approach, Content Elements of <IR>, and selected GRI Topic-specific Standards related to identified key sustainability topics including challenges considering the overall sustainability context of the Bank's business model and also articulates strategic sustainability priorities including initiatives implemented during the year. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

### **Reliability**

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

The Report has disclosed Axis Bank's sustainability performance through selected GRI Topic-specific Standards for the identified qualitative and quantitative disclosures and these are captured in bespoke data formats generated by the Bank. The sample data and information verified at the Corporate Office as part of verification was found to be accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These identified errors were communicated and subsequently corrections made in the reported data and information. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

### **Completeness**

*How much of all the information that has been identified as material to the organisation and its stakeholders is reported?*

The Report has brought out the reporting scope and boundary considering disclosure requirements of <IR> , and GRI standards as indicated in the section 'About the report'. Bank could further improve completeness by reporting its evaluation of its management approach considering GRI 103-3 requirement and certain environmental performance related to GHG emissions (Scope 1 & 3 emissions).


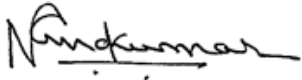
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

**Neutrality**

*The extent to which a report provides a balanced account of an organization’s performance, delivered in a neutral tone.*

The Report had disclosed sustainability issues, challenges and performance in a fairly neutral tone, in terms of content and presentation, and had also considered the sustainability context and external environment in bringing out its value creation perspective on six capitals during the reporting period. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

For DNV GL Business Assurance India Private Limited

 <p>Bhargav Lankalapalli Lead Verifier DNV GL Business Assurance India Private Limited, India.</p>	 <p>Vadakepatth Nandkumar Assurance Reviewer, Head – Regional sustainability Operations DNV GL Business Assurance India Private Limited, India.</p>
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10<sup>th</sup> August 2020, Mumbai, India.

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*DNV GL Business Assurance India Private Limited, India is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnvgl.com](http://www.dnvgl.com)*