

Value creation by the Bank



Axis Bank creates long-term value by aligning its strategy with stakeholder needs and the priorities of a dynamic, developing India. Our business model transforms financial and non-financial resources into impactful financial products, services, and digital experiences that advance inclusion, innovation, and sustainability. By staying agile, responsible, and future-ready, we continue to generate meaningful outcomes for our customers, communities, employees, and shareholders. This approach not only enhances performance and trust but also reinforces our role in supporting India's economic and social transformation.



VALUE CREATION MODEL

Blueprint for sustainable value creation

The Bank's business model reflects our steadfast commitment to creating long-term, value for all stakeholders. We channel diverse forms of capital into sustainable growth outcomes, aligning purpose with performance. At the heart of this model lies our brand promise, '**Har raah dil se open**', symbolising our openness to people, partnerships, progress and the planet. Guided by our Vision, Mission and Values. We endeavour to understand stakeholder needs and societal expectations and drive strategic action.

Capitals

As defined by the <IR> Framework, capitals are the key resources and relationships an organisation draws upon to create, deliver, and sustain value over time. These include financial resources, physical and technological assets, human skills and capabilities, institutional knowledge, stakeholder relationships, and natural ecosystems. Together, these form the foundation of an organisation's ability to operate, innovate, and grow responsibly.

The Framework outlines six capitals—Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural—to encourage integrated thinking across all dimensions of value. Evaluating Axis Bank through this framework enables a holistic understanding of how we deploy resources, manage trade-offs, and generate long-term outcomes for our stakeholders, aligning with our purpose, vision, and mission.

Inputs

Inputs represent the foundation of the value creation process for the year. Input capitals comprise

of financial capital shown in the standalone and consolidated financial statements of the Bank and 'off-balance sheet' or 'hidden' capital, such as the institutional knowledge of the Bank, the reputation it has built over the years, and the strength of its relationships with stakeholders. The Bank harnesses and transforms these inputs through its strategy, business model, and operations to generate outputs (e.g., loans, digital transactions, products) and outcomes (e.g., stakeholder value, financial performance, societal impact). The efficiency, quality, and sustainability with which an organisation utilises its inputs significantly influence long-term performance, capital appreciation or depletion, stakeholder trust, and risk resilience.

Value Driver Activities

A clearly defined strategic intent drives Axis Bank's value creation process. Our Vision, Mission, and Values, focused on customer centricity, ethics, ownership, transparency, and teamwork aid this process. Grounded in our purpose, we utilise diverse inputs across six capitals to fuel our business operations. These operations constitute the core of Axis Bank. Our understanding of the external environment, identifying key issues, and proactive stakeholder engagement help us stay agile and responsive amid dynamic conditions.

With a strong strategy and resource allocation underpinned by integrated risk management, we transform these inputs into outputs that yield sustainable results. These results enhance the value of our capitals over time, as demonstrated by our

performance in financial strength, digital leadership, social impact, and environmental responsibility. We aim to deliver future-ready solutions, deepen inclusion, and embed sustainability throughout our business.

This approach embodies our commitment to being open to all stakeholders, opportunities, and possibilities for long-term, sustainable value creation.

Output

Outputs are the direct and tangible results of the Bank's business operations, including products delivered, services provided, customer interactions, and digital engagements. They signify what we generate by effectively utilising inputs and executing on our strategic priorities. These outputs stem from our core value driver activities and are influenced by our Mission, Vision, Values, stakeholder expectations, and decisions informed by risk considerations.

Nevertheless, outputs by themselves do not indicate long-term success. They pave the way for broader outcomes and lasting impacts on our stakeholders and the six capitals. For instance, a loan (output) fosters financial inclusion (outcome); a digital onboarding process boosts customer satisfaction; and the issuance of a green bond can support emissions reduction by industry. Thus, through our value driver activities, outputs serve as pathways that convert strategy into action and action into impact, bridging the gap between what we do and why it is significant, aligning with our purpose of creating lasting, sustainable value for everyone.

Outcome

Outcomes represent the long-term impacts of the Bank's outputs, illustrating how our products, services, and actions influence the creation, preservation or erosion of the six capitals over time. Outputs indicate the immediate results of our business operations. At the same time,

outcomes reflect the deeper value generated for stakeholders: financial inclusion, customer trust, employee development, community wellbeing, environmental sustainability, and systemic resilience.

Our value driver activities allow us to create and sustain value for the Bank and society.

For instance, when a loan is provided (an output), it transforms into an outcome if it aids a small growth of business or helps an individual attain financial security. This outcome promotes long-term value creation across customers, communities, investors, employees, and the environment.

Mapping SDGs with capitals

We have mapped the Sustainable Development Goals (SDGs) to our six-capital model to align our value creation process with global priorities and ensure that our business contributes meaningfully to inclusive, equitable, and sustainable development. This integration helps us demonstrate how using and enhancing the six capitals supports broader societal outcomes.

Value Creation in Action

Our value creation model comes to life through everyday stories where strategy and purpose intersect. By applying integrated thinking across the six capitals, we transform inputs into meaningful outcomes, yielding financial profits along with societal and environmental benefits. The following case study illustrates how one such intervention generates lasting value.

Case study

A 32-year-old small business owner based in Nashik, looking to switch to an electric vehicle (EV) to reduce fuel expenses and expand delivery services.

Input (Capitals Utilised): We deploy resources across 6 capitals for disbursement of EV loans

- » Financial Capital: Lending corpus allocated to EV segment
- » Human Capital: Trained frontline staff
- » Intellectual Capital: Data analytics for customer targeting
- » Manufactured Capital: Branch Banking outlet & digital onboarding platform
- » Social and Relationship Capital: Partnership with EV dealership, local financial literacy workshop
- » Natural Capital: commitment to lending to sectors that can avoid carbon emissions

Value Driver Activities: Strategic actions convert potential into progress

- » Risk-adjusted pricing for EV loans
- » Climate-aligned product innovation
- » Customer obsession initiative 'Sparsh' enables personalised guidance
- » ESG-linked lending goals
- » Stakeholder engagement with Customer, OEMs and regulators

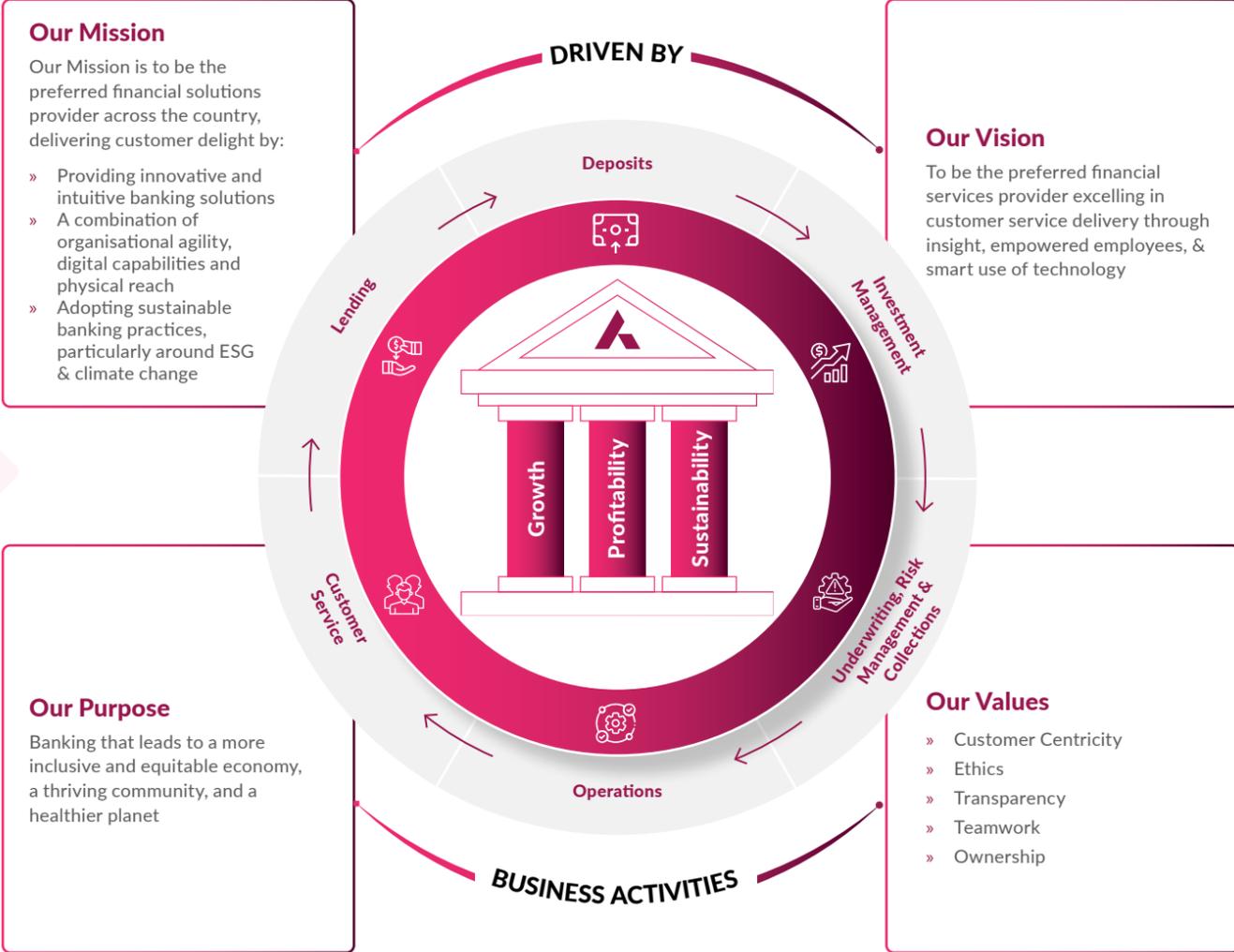
Output: Timely, digital-first delivery creates immediate value

- » Disbursement of EV loan
- » Paperless journey
- » Bank achieves EV lending milestone

Outcome: A single loan transforms lives, climate, and capital

- » Bank earns through optimal pricing on loans
- » Adds e-commerce delivery to the business, resulting in income growth
- » Community sees rise in EV adoption
- » Bank advances climate target through EV penetration
- » Contributes to SDG 7 (Affordable Clean Energy), 13 (Climate Action), 8 (Decent Work)

Material Issues	Our Capitals	Input	Value Driver Activities	Outcomes	Risk	UN SDGs
M1, M3, M4, M15	Financial Capital	<ul style="list-style-type: none"> Shareholders funds – ₹1,786.17 billion Total deposits – ₹11,729.52 billion Total borrowings – ₹1,841.47 billion 	<p>Our Mission Our Mission is to be the preferred financial solutions provider across the country, delivering customer delight by:</p> <ul style="list-style-type: none"> Providing innovative and intuitive banking solutions A combination of organisational agility, digital capabilities and physical reach Adopting sustainable banking practices, particularly around ESG & climate change <p>Our Purpose Banking that leads to a more inclusive and equitable economy, a thriving community, and a healthier planet</p> <p>Our Vision To be the preferred financial services provider excelling in customer service delivery through insight, empowered employees, & smart use of technology</p> <p>Our Values</p> <ul style="list-style-type: none"> Customer Centricity Ethics Transparency Teamwork Ownership 	<ul style="list-style-type: none"> Total Assets size – ₹16,099.30 billion Operating profit – ₹421.05 billion CRAR – 17.07% Net NPA – 0.33% Consolidated RoA – 1.77% Consolidated RoE – 16.89% 	<ul style="list-style-type: none"> Credit Liquidity Market Information & Cyber Security Operational Climate 	
M6, M7, M9	Manufactured Capital	<ul style="list-style-type: none"> New branches and banking outlets opened in fiscal 2025 – 500 Lending in RuSu markets (Bharat Banking branches – 2,736) to complement PSL strategy ATMs and cash deposit/withdrawal machines – 13,941 International branches and representative offices – 11 Axis Virtual Centres – 8 		<ul style="list-style-type: none"> ~56 million Individual customers 7% y-o-y growth in Rural Advances Domestic reach – 692 districts across 28 states and 7 union territories Average monthly customers connected through AVCs – 9.2 million 	<ul style="list-style-type: none"> Operational Climate Cyber Security 	
M5, M7	Intellectual Capital	<ul style="list-style-type: none"> ESG issuances under the Sustainable Financing Framework 23% y-o-y increase in investment in technology Best-in-class UPI stack Dedicated digital team 		<ul style="list-style-type: none"> Future-proofing our portfolio with responsibility with in-house ESG Rating model for borrower-level risk review Top rated mobile banking with 15 million MAU (monthly active users) UPI transaction value increased by 54% y-o-y 91% service requests done digitally 	<ul style="list-style-type: none"> Operational Information & Cyber Security 	
M11, M13	Human Capital	<ul style="list-style-type: none"> Total employee count – 1,04,453 Staff cost – ₹121.93 billion Target 30% female representation in workforce by fiscal 2027 Learning and training initiatives Axis GIGA 2.0 – Working from anywhere 		<ul style="list-style-type: none"> Certified again as Great Place to Work® (GPTW) Profit per employee – ₹0.25 crores 6 million+ total learning hours of employees Total GIGA employees – 2,544 	<ul style="list-style-type: none"> Operational 	
M1, M2, M9, M10	Social & Relationship Capital	<ul style="list-style-type: none"> 'Siddhi' App empowering employees to engage with customers Funding to on CSR programs – ₹4.27 billion Nation building partnerships Customer obsession program – Sparsh 		<ul style="list-style-type: none"> Total number of customers ~59 million CSR participants – ~10 lakh lives positively impacted in this fiscal 27 Smart Cities where Bank delivered services to assist civic administration Retail NPS Score – 159 on baseline of 100 	<ul style="list-style-type: none"> Credit Information & Cyber Security Climate 	
M8, M12	Natural Capital	<ul style="list-style-type: none"> Total energy consumption – 825.5 TJ Renewable energy as part of total energy consumption – 72.48 TJ ESG policy for Lending Scaling the green portfolio Commitment to reducing emissions in operations 		<ul style="list-style-type: none"> Energy intensity per rupee adjusted for PPP – 0.0000118 (GJ/₹) Energy used from renewable sources – 8.78% Lent to sectors with positive E and S outcomes – ₹48,412 crores IFC partnered to provide a \$500 million loan for financing green projects ~₹22,160 crores Green lending portfolio 	<ul style="list-style-type: none"> Climate 	



Stakeholder Engagement | **Material Issues** | **External Environment** | **Risk Management**

Performance [Read more pg. 88](#) | **Outlook** [Read more pgs. 26 and 84](#)

Output (Services Offered by Business Segments)

Retail Banking

Loans, savings and retail term deposits, credit, debit and forex cards, bill payment services, wealth management and third-party product distribution

[Read more pg. 96](#)

Wholesale Banking

Loans, current and corporate term deposits, payments, trade finance products, letter of credit, bank guarantees, cash management services and commercial cards

[Read more pg. 104](#)

Treasury

Foreign Exchange (Forex), Derivatives, Debt Capital Markets (DCM), Loan Syndication, Investment & Liquidity Management, Asset Liability Management (ALM)

[Read more pg. 107](#)

Above are standalone figures as on/for year ended March 31, 2025 unless otherwise mentioned

STAKEHOLDER ENGAGEMENT

Engaging with purpose and addressing what matters



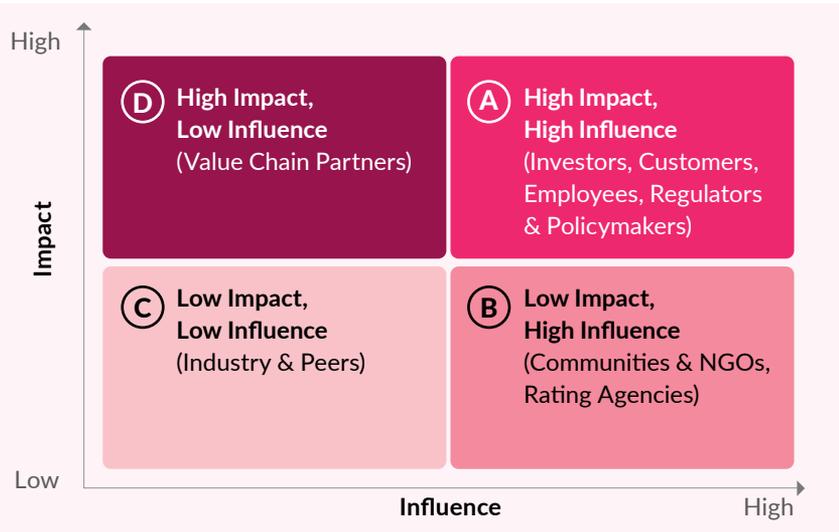
At Axis Bank, meaningful engagement with our stakeholders is essential to understand their expectations. This commitment to purposeful engagement helps us gauge the internal and external business environment and assess key material issues and risks based on their severity and likelihood of occurrence. It also shapes our business purpose and guides our strategy to create long-term sustainable value.

We conduct a formal Stakeholder Engagement and Materiality Assessment (SEMA) exercise periodically, engaging with both our internal stakeholders, such as employees, and external stakeholders, such as our customers. Engaging with our stakeholders helps us maintain a strong, organisation-wide grievance redressal framework, ensuring stakeholders,

expectations and concerns are addressed promptly, reinforcing trust and accountability.

In fiscal 2025, the Bank conducted a fresh SEMA exercise, which included for the first time a Double Materiality Assessment. Based on our internal survey and benchmarking exercise, the identified stakeholders were prioritised according to their influence and impact.

Stakeholder Prioritisation Matrix



Our Approach to Stakeholder Engagement and Materiality in Fiscal 2025

1 Stakeholder Identification
 Key stakeholder groups were identified through a comprehensive internal assessment and industry benchmarking exercise. The process mapped how stakeholders affect and are affected by the Bank's operations.

2 Categorisation and Prioritisation
 Stakeholders were prioritised and categorised based on their relevance, significance, and impact on the Bank's value creation process. They were systematically classified into internal, external, and affected stakeholder groups to support focused engagement.

3 Identification of IROs (Impacts, Risks, and Opportunities)
 15 material IROs were identified through in-depth research, peer benchmarking, internal deliberations, and alignment with the European Sustainability Reporting Standards (ESRS). These IROs reflect actual or potential positive and negative impacts, as well as associated risks and opportunities, arising from the Bank's business model and value creation activities.

4 Stakeholder Engagement and Double Materiality Assessment
 A customised survey framework was designed in line with the Corporate Sustainability Reporting Directive (CSRD) to assess double materiality:

- » **Impact Materiality (Inside-out Perspective)**
 Evaluated the significance and severity of impacts based on their **scale, scope, and irremediability** over short, medium, and long-term timeframes for the identified IROs.

- » **Financial Materiality (Outside-in Perspective)**
 Assessed the likelihood and potential magnitude of financial impacts of material issues on the Bank's performance in the short, medium, and long term.

5 Impact Prioritisation and Materiality Matrix Development
 Material topics were prioritised by integrating the outcomes of both impact and financial materiality assessments. The final Materiality Matrix was developed by plotting the prioritised IROs to visually represent their significance across the double materiality dimensions.



Stakeholder Engagement

To ensure our strategy aligns with our stakeholders' priorities and creates mutual value, we systematically map and identify stakeholders based on their potential impact on our business, their influence (direct and indirect), and our impact on them. Following internal assessments and leadership discussions, we identified 8 key stakeholder groups, encompassing Investors, Customers, Regulators &

Policymakers, Communities & NGOs, Industry & Peers, Rating Agencies, Value Chain Partners, and Employees. To connect with these diverse groups, we undertook planned engagements through regular customer surveys, investor meetings, employee town halls, and other means, focusing on responsive, need-based dialogue.



Investors

Why They Matter

Investors play a pivotal role in the growth and sustainability of a bank. For a rapidly developing economy like India, access to growth capital is essential, and investors are not only stakeholders but also the providers of capital—both in the form of equity and debt instruments such as bonds. Their confidence and continued support are vital for maintaining financial stability and fostering long-term value creation. A structured and proactive communication with market participants, including investors, ensures transparency, builds trust, and facilitates a continuous two-way dialogue that contributes to efficient price discovery.

How We Connect

- » Post-quarterly earnings calls
- » Conference presentations to analysts and investors
- » Investor forums, industry conferences, and broker-led events
- » Organised investor roadshows (both domestic and international)
- » One-on-one and group meetings
- » Analyst meets
- » Non-deal roadshows

Frequency

Continuous/Periodic/
Need-based

What Matters Most to Them

- » Financial performance
- » Compliance, governance, and ethical business practices
- » Business strategy & operational efficiency
- » Long-term value creation
- » ESG performance, risks, and opportunities
- » Transparent lending & responsible banking practices
- » Technology & innovation in business



How We Respond

Our response to an evolving environment is anchored in our GPS strategy—which shapes every decision we make. We are committed to:

- » Focusing on sustainable growth and long-term value creation
- » Upholding transparent governance, ethical conduct, and robust disclosures
- » Promoting responsible banking and driving inclusive impact
- » Staying agile by continuously tracking market trends and refining strategies
- » Strengthening risk management frameworks to proactively manage emerging risks
- » Maintaining open and continuous dialogue with stakeholders

Shared Value Creation

We continue to deliver value through strong financial performance, consistent EPS growth, and robust asset quality, anchored in prudent risk management and regulatory compliance. Our healthy capital position and low NPAs reflect disciplined governance. ESG excellence is validated by top-tier ratings and global sustainability index inclusion. We uphold transparency and accountability through strong corporate governance. Impactful CSR initiatives in education, livelihoods, and financial inclusion reinforce our social commitment. A rising NPS highlights our customer-centric approach, driven by digital innovation and trust. By integrating profitability, responsibility, and governance, we create sustainable long-term value for all stakeholders.



Customers

Why They Matter

Our aim is to help our customers reach their financial goals by offering them a bouquet of products and services. Our policies and practices directly impact their financial health, and their active engagement with the Bank is key to our shared success and ability to create value.

How We Connect

- » Communication at branches and with Relationship Managers
- » Telephonic and online communication via website, emails, Mobile Banking application, social media platforms
- » Axis Virtual Centre
- » Customer satisfaction survey
- » Grievance mechanisms
- » Marketing campaigns
- » Meetings with Retail and corporate customers

Frequency

Continuous/Need-based

What Matters Most to Them

- » Quality products and services
- » Innovative technology
- » Transparency and fair business
- » Maintaining customer data privacy and security
- » Effective and quick customer grievance redressal mechanism

How We Respond

- » 'One Axis' approach – offering all services under one roof
- » Customised and specialised products and services
- » Continuous focus on customer delight
- » Ethical business practices
- » Focus on digitisation and customer data privacy
- » Introduced Axis Pride, focusing on the quick resolution of customer grievances
- » Sustainable Financing
- » Regular interaction and Satisfaction Surveys
- » Leadership in digital banking – highest rated banking application in the world offering over 200 services



Shared Value Creation

Strengthening of the Bank's Social and Relationship Capital, as reflected in key customer-centric KPIs – Retail Net Promoter Score (NPS) at 159 (on an indexed baseline of 100 since inception of baseline i.e. Q1FY23) 59 million customers as on March 31, 2025. The Bank has an extensive branch network, ATMs and CDMs. To make its products and services accessible to all customers, including persons with disabilities (PWDs), the Bank has enabled its ATMs with Braille keypads and talking functionality (voice guidance). In branches that are not easily accessible, ramps have been constructed where feasible to facilitate access for PWDs. The Bank has doorstep banking services for the ease of operations for senior citizens and PWDs.



Regulators & Policymakers

Why They Matter

The Banking sector operates under the most stringent fiduciary and regulatory standards and evolving regulations impact their operations. From regulations on capital requirements, lending practices and financial reporting requirements to priority sector lending targets or new policies on cyber security, Banks' business strategy as well as profitability are directly impacted by changing regulations and policies.

How We Connect

- » Mandatory filings with regulators; interaction during inspections
- » One-on-one meetings, group meetings and email correspondence
- » Periodical submissions of business and operational performance
- » Engagement at banking and industry platforms, conferences, and regulatory reviews
- » Corporate announcements

Frequency

Continuous/Need-based

What Matters Most to Them

- » Corporate governance
- » Adherence to all compliance norms
- » Financial and non-financial performance of the organisation
- » Financial inclusion initiatives

How We Respond

- » Transparent and fair disclosures
- » Robust compliance culture across the Bank
- » Responsible lending & NPA management
- » Digitisation and reaching underserved populations
- » Publishing third-party assured ESG disclosures



Shared Value Creation

At Axis Bank, we prioritise a culture of compliance and ethical business conduct, transparent corporate governance, and upholding robust policy frameworks and complying with all regulations. The Bank's Board committees maintain independence for impartial decision-making and effective governance.



Employees

Why They Matter

Our employees drive organisational success through their expertise, productivity, and commitment—directly influencing our ability to achieve strategic goals and deliver exceptional customer experiences. In return, the Bank fosters a culture rooted in strong values, inclusive policies, and supportive practices that shape employee engagement, performance, and overall wellbeing.

How We Connect

- » Internal communications – webcasts, newsletters, surveys, emails
- » Management visits to branches
- » Employee engagement surveys
- » Amber AI chatbot for real-time listening
- » Town-hall meetings with MD
- » Training and development program
- » Mid-year and annual performance appraisals
- » Intranet portal—My Connect
- » Wellness program
- » Employee-led communities and groups like Pride365

Frequency

Continuous/Periodic

What Matters Most to Them

- » Career development and growth opportunities
- » Learning & skill building opportunities
- » Health & wellbeing
- » Inclusion at workplace
- » Hybrid & flexible working
- » Exposure & interaction with leadership
- » Recognition of contributions and service milestones
- » Compensation & Benefits

How We Respond

- » Industry first mobility program – *thrive* with opportunities for cross-functional movements and fast track promotions
- » Best-in-class learning resources and leveraging technology for enabling anytime, anywhere learning
- » Wellbeing ecosystem, including mental health support, financial literacy, ergonomic workspaces and wellness sherpas
- » Effective employee feedback and grievance mechanism
- » Promoting Diversity, Equity, and Inclusion
- » Deploying AI-driven tools across recruitment, learning and employee services
- » Structured rewards and recognition program
- » Multi-tiered leadership development programs to build capabilities across levels



Shared Value Creation

Axis Bank remains committed to nurturing its human capital of over 1.04 lakh employees through continuous learning, inclusivity, and employee wellbeing. Key KPIs such as 58.6 average L&D hours per employee, workforce diversity of 27.7%, employee engagement scores and initiatives like the GIGA program, reflect this focus. We have also had 5,700+ employees benefit from our internal mobility program.



Industry & Peers

Why They Matter

The Bank operates within a dynamic and competitive ecosystem, constantly impacted by its industry peers and associations. Industry associations play a crucial role in advocating for the interests of the banking sector, shaping industry best practices, and facilitating knowledge-sharing.

How We Connect

- » Communication with industry and trade associations
- » Engagement under the Indian Banks' Association (IBA) and multilateral platforms
- » Corporate seminars

Frequency

Continuous/Need-based

What Matters Most to Them

- » Policy advocacy
- » Knowledge sharing
- » Collaboration opportunities

How We Respond

Formally represented on industry platforms – World Economic Forum, IBA, CII, BCCI, FICCI, and NASSCOM, among others participation in thought leadership and advocacy including ESG, CSR, DE&I and climate action



For more details, please refer to pg. 196 on Thought Leadership and Policy Advocacy



Shared Value Creation

In fiscal 2025, the Bank's leadership played an active role in shaping ESG and climate action agendas by serving on key national committees of reputed industry bodies such as FICCI, CII, the Bombay Chamber of Commerce & Industry (BCCI), and IBA. These positions underscore our commitment to meaningful engagement, policy advocacy, and thought leadership at both national and international levels.



Communities & NGOs

Why They Matter

Banks directly and indirectly impact communities near their operational areas. Beyond financial services, the Bank actively contributes to societal wellbeing through impactful CSR initiatives, partnerships with NGOs, and collaborations with academia.

How We Connect

- » CSR programs implemented by Axis Bank
- » Feedback through structured questionnaires
- » Conferences and roundtables
- » NGO/CSO capacity building workshops

Frequency

Continuous/Need-based

What Matters Most to Them

- » Financial inclusion
- » Inclusive growth
- » Quality of education
- » Environmental sustainability
- » Access to healthcare

How We Respond

Continued efforts in aligning our CSR goals across the thematic areas including access to banking in rural and remote areas:

- » Sustainable livelihoods
- » Education
- » Financial literacy and inclusion
- » Environmental sustainability
- » Sports
- » Health and nutrition
- » Humanitarian and relief



Shared Value Creation

The Bank continues to create long-term social value through targeted interventions. Key performance indicators such as CSR participants of ~10 lakhs and having active CSR interventions in 32 States and Union Territories of India reflect our commitment to inclusive growth. These initiatives have structured monitoring mechanisms to ensure effectiveness, transparency, and impact.



Rating Agencies

Why They Matter

Rating agencies (both credit and ESG) significantly influence the Bank's financial health and public perception. Their assessments directly impact the Bank's access to capital, influencing the interest rates on instruments issued by the Bank, ultimately affecting the cost of capital.

How We Connect

- » One-on-one meetings and group meetings
- » Email correspondence
- » Submissions of financial & non-financial performance for issuance & review of ratings

Frequency

Periodic/Need-based

What Matters Most to Them

- » Financial parameters and profitability
- » ESG performance & reporting

How We Respond

- » Transparent financial and non-financial reporting
- » Improved profitability and operational performance
- » Improved ESG disclosures and scores



Shared Value Creation

Axis Bank's strong credit Ratings and ESG ratings/scores are a direct result of its disciplined financial management, sound governance, and sustainability integration. In fiscal 2025, this enabled a reduction in cost of capital, better pricing on debt instruments, and increased access to green and sustainable finance. During the year, the International Finance Corporation (IFC), a member of the World Bank Group, partnered with Axis Bank to provide a \$500 million loan to help develop a blue finance market and scale up financing of green projects in India. Improved CAR by 44 bps and GNPA by 15 bps in fiscal 2025 on a y-o-y basis, reflecting a resilient risk profile and sustained business growth. The Bank's governance and ESG disclosures' alignment with the <IR> framework/BRSR standards highlights our commitment to responsible business practices and long-term value creation.



Value Chain Partners

Why They Matter

A bank's relationship with its value chain partners (service providers, material suppliers, business associates, distributors, and other upstream partners) is crucial for its smooth and efficient operation and cost effectiveness.

How We Connect

- » Vendor meetings
- » Structured surveys
- » Techno-commercial discussions and service engagements
- » Audit, governance, and compliance meetings
- » Contracts, emails, and calls

Frequency

Periodic/Need-based

What Matters Most to Them

- » Timely payouts
- » Fair contractual terms and adherence to these terms
- » Organisational ESG consciousness
- » Transparent, ethical, and long-term business relations
- » Regular exchange of technical know-how

How We Respond

- » Ensuring timely payouts for services
- » Commitment to equitable agreements and their faithful implementation
- » Having a Vendor Code of Conduct in place
- » Building trustworthy, moral, and enduring partnerships
- » Operating with a strong focus on ESG-aligned responsibilities



Shared Value Creation

The Bank promotes a responsible and inclusive value chain by engaging a wide network of business associates and MSME vendors, with a strong focus on local sourcing (97%). Guided by a comprehensive Vendor Code of Conduct, we encourage ethical and sustainable practices across our supplier base. Regular awareness programs and periodic assessments help ensure compliance and continuous improvement among value chain partners.

MATERIALITY ASSESSMENT

Identifying and prioritising key issues

To ensure long-term sustainability and value creation, Axis Bank proactively identifies and manages relevant Impacts, Risks, and Opportunities (IROs) in the rapidly evolving financial sector. We recognise the importance of thoroughly assessing these factors to strategically mitigate potential downsides while unlocking new avenues for growth, contributing meaningfully to the nation's progress.



Following the Stakeholder Engagement and Materiality Assessment undertaken by the Bank in fiscal 2022 and the subsequent stakeholder feedback, we adopted a 'Double Materiality' approach in fiscal 2025 to assess the material issues relevant to the Bank. A total of 15 IROs were identified based on our internal assessment, sector research, peer review and benchmarking, and secondary sources.

During the 'Double Materiality Assessment' for the fiscal 2025, we considered how the Bank's operations affect the environment and people while also assessing how the IROs affect the Bank's long-term value, financial performance, and resilience. We considered both the actual

and potential, positive and negative, societal and environmental footprint across short term, medium term and long term.

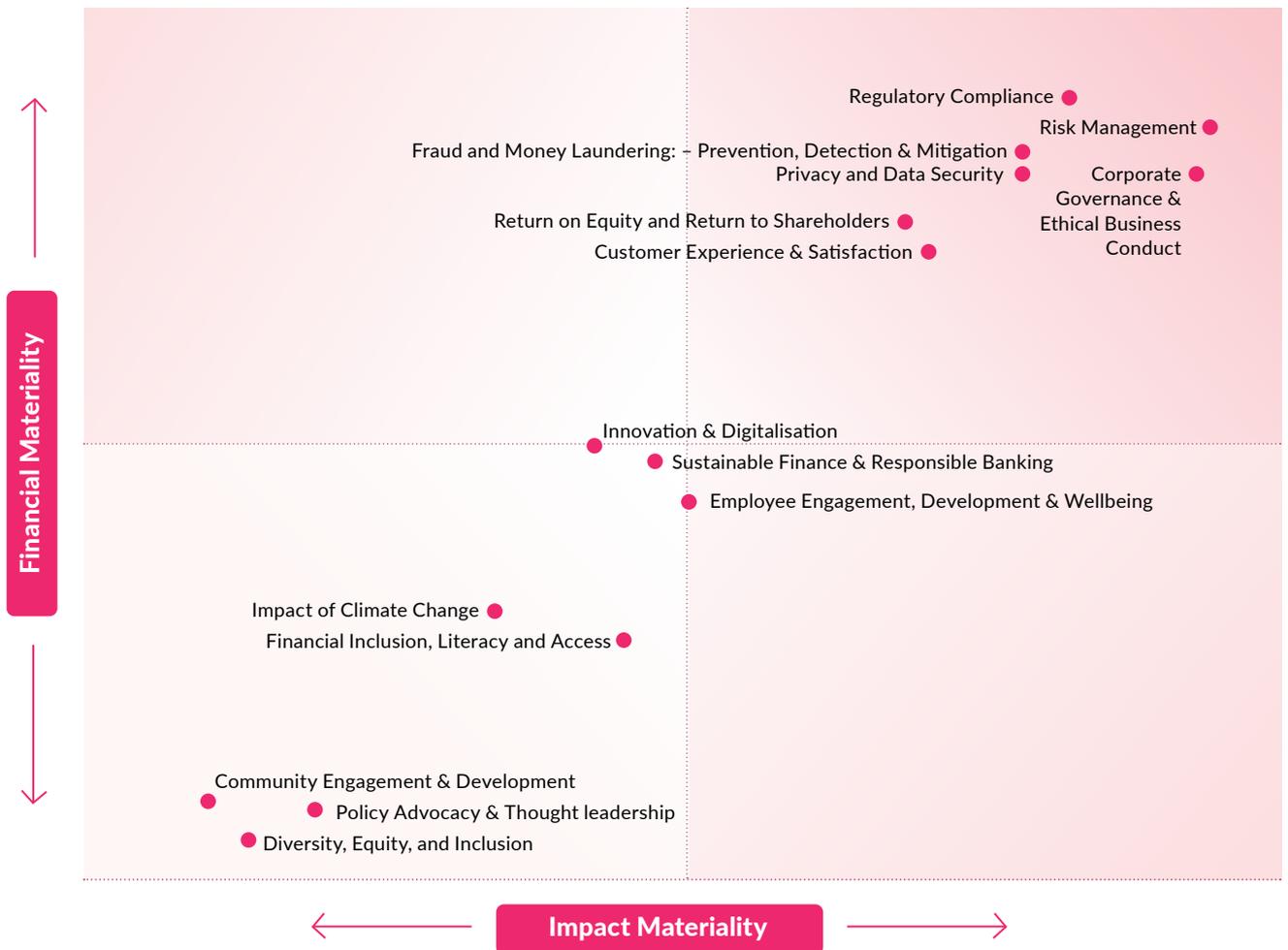
The Bank aligned its methodology with leading global benchmarks, including the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) on double materiality. Our comprehensive assessment also resonates with the guiding principles of the BRSR and <IR> frameworks.

We strongly believe that continuous engagement with our stakeholders is essential to truly understand the issues that are of the greatest importance to the Bank's operations. We recognise that stakeholders often have diverse and, at times, opposing perspectives on these critical matters.

Approach to Double Materiality



Materiality Matrix



Risk Management +

What it Means

Robust risk management enhances the Bank's resilience and drives sustainable growth. In today's dynamic financial landscape, proactively managing both traditional financial and emerging ESG-related risks is key to navigating complexities and seizing opportunities.

Interlinkage with Value Creation

Our risk management framework empowers us to identify and address changing risks proactively. Supported by an independent Risk function, the Board maintains keen oversight on every aspect of risk management, ensuring transparency, accountability, and resilience.

FISCAL 2025 PERFORMANCE

- » In-house ESG Rating model to augment borrower-level credit appraisal developed
- » Built stress testing and scenario analysis capabilities in line with regulatory guidance and expectations

Capital Linkage



Stakeholders Impacted



SDG Impacted



Corporate Governance & Ethical Business Conduct +

What it Means

Strong governance and ethical conduct are fundamental to the Bank's long-term success and trust-building. We uphold high governance standards, ensure accountable leadership, and embed ethics across our operations and financing. A comprehensive ESG strategy further helps align with stakeholder priorities, address climate challenges, and ensure effective board oversight, driving transparency, fairness, and shared sustainable value creation.

Interlinkage with Value Creation

We uphold the highest standards of governance while maintaining rigorous transparency in risk management and internal controls. Our robust Governance Framework ensures full regulatory compliance and supports value creation for all stakeholders.

FISCAL 2025 PERFORMANCE

- » Zero incidents of conflict of interest
- » 15% representation of women in the Board of Directors
- » 61.54% Independent Directors on the Board
- » First Indian Bank to constitute an ESG Committee of the Board
- » Retained top-tier 'Leadership' rating in the Indian Corporate Governance Scorecard by IIAS

Capital Linkage



Stakeholders Impacted



SDGs Impacted



+ Positive, Actual - Negative, Potential



Regulatory Compliance



What it Means

Adherence to the regulatory framework is not just a legal obligation but essential to long-term value creation. As a leading financial institution in India, we navigate a complex and evolving regulatory environment, where any non-compliance can lead to financial penalties, legal repercussions, and reputational damage.

Interlinkage with Value Creation

Our culture of compliance helps us mitigate risks better and bolsters business resilience and stakeholder confidence. Our stakeholders, including customers, investors, regulators, and the community, rely on our commitment to regulatory compliance and ethical conduct to mitigate potential risks.

FISCAL 2025 PERFORMANCE

- » 98.5% of eligible employees completed annual mandatory compliance training
- » 4 instances of fines/penalties

Capital Linkage



Stakeholders Impacted



SDG Impacted



Fraud & Money Laundering-Prevention, Detection & Mitigation



What it Means

Safeguarding against fraud and money laundering is crucial for the Bank and the financial system's integrity. As these risks evolve, especially with the growth of digital banking, it is essential to implement comprehensive measures to prevent, detect, and respond to them across all operations.

Interlinkage with Value Creation

We have strong policy and process mechanisms across all areas of our banking operations to prevent fraud and money laundering in the digital and physical realms. By investing in advanced technologies and enhancing our capabilities, we strengthen our ability to detect and prevent such risks, particularly in digital banking.

FISCAL 2025 PERFORMANCE

- » 98.9% of eligible employees trained in AML & related laws
- » 343 Vigilance cases processed and 427 Officials were subjected to disciplinary action during the year

Capital Linkage



Stakeholders Impacted



SDG Impacted



Privacy and Data Security -

What it Means

Data privacy and security are fundamental to maintaining customer trust in today's digital world. As a customer-centric organisation, we recognise that safeguarding personal data is critical to our reputation and business continuity. Data breaches can have severe consequences, making it essential to constantly strengthen our IT security measures to mitigate cyber threats and protect customer information.

Interlinkage with Value Creation

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

FISCAL 2025 PERFORMANCE

- » Best-in Class Cyber Security Score amongst peers from Pioneer cyber security rating agency
- » Zero instances involving loss/breach of customer data

Capital Linkage



Stakeholders Impacted



SDG Impacted



Return on Equity and Return to Shareholders +

What it Means

Return on Equity (RoE) and Return to Shareholders are material indicators of our financial performance and reflect the broader impact of our sustainability priorities. RoE drives investor confidence and informs capital allocation, directly influencing shareholder value. Our financial strength underpins our ability to contribute to the economy and meet stakeholder expectations. As climate change impacts financial outcomes, integrating ESG considerations becomes essential for effective risk mitigation and long-term value creation.

Interlinkage with Value Creation

We continuously engage with shareholders and investors, sharing key updates on our operations and performance during investor and analyst meetings, calls, and quarterly and annual result announcements. RoE reflects our profitability, financial health, and business resilience, helping us attract investors, gain greater access to capital, and create value for stakeholders.

FISCAL 2025 PERFORMANCE

- » Consolidated RoE – 16.89%
- » Consolidated RoA – 1.77%
- » 0.33% Net NPA
- » ₹42,105 crores Operating Profit

Capital Linkage



Stakeholders Impacted



SDG Impacted



+ Positive, Actual - Negative, Potential



Customer Experience & Satisfaction



What it Means

An exceptional customer experience and satisfaction are fundamental to our success. With millions of customers relying on us, we are committed to safeguarding their interests, ensuring fairness, transparency, and the protection of their savings and investments. Customer feedback and effective grievance redressal are vital to improve our offerings and service delivery continuously.

Interlinkage with Value Creation

Leveraging our digital outreach, we seek customer feedback through regular satisfaction surveys, which allows us to gather valuable inputs that guide us in continuously improving our products and services. We also adhere to the RBI's Customer Rights, Grievances Redressal, and Compensation Policy, ensuring fair treatment for our customers.

FISCAL 2025 PERFORMANCE

- » 59 million customers
- » 159 Retail Net Promoter Score on indexed baseline of 100, since inception of baseline (Q1FY23)

Capital Linkage



Stakeholders Impacted



SDGs Impacted



Sustainable Finance & Responsible Banking



What it Means

Sustainable financing strengthens our business while contributing to a sustainable future for all. By integrating ESG factors into lending and investment, we direct capital toward high-impact projects, reduce risks by limiting our exposure to sensitive assets, and meet the growing demand for responsible banking and financing practices. This approach aligns with our mission, supports broader societal goals, sustainable development goals and the transition to a low-carbon economy.

Interlinkage with Value Creation

Aligned with the UN SDGs, the Bank's Sustainable Financing Framework is a blueprint for future ESG issuances. It is the first such framework by an Indian Bank to receive a Second Party Opinion. The ESG Working Group actively oversees its implementation, supported by a dedicated ESG Policy for Lending. Together, these initiatives strengthen the Bank's overall sustainable financing capabilities. Notably, climate risk has now been integrated into the Bank's overall risk management framework, with oversight at the Board level.

FISCAL 2025 PERFORMANCE

- » Towards our 2030 goal of ₹60,000 crores of incremental lending to E&S-aligned sectors (2021 onwards), reached INR 48,412 crores. as of March 31, 2025
- » ₹22,160 crores Green lending portfolio
- » 447 proposals assessed under the ESG Policy for Lending
- » Raised \$500 million Green Loan from IFC with first ever blue component

Capital Linkage



Stakeholders Impacted



SDGs Impacted



Employee Engagement, Development & Wellbeing +

What it Means

Attracting, developing, and retaining talent is key to our success. We invest in learning, engagement, and wellbeing to build a motivated, high-performing, and resilient workforce. By supporting mental health, work-life balance, and safety, we foster an inclusive culture that draws and nurtures top talent.

Interlinkage with Value Creation

Supported by a comprehensive HR policy emphasising meaningful career experiences, flexible work arrangements, and outcome-driven performance metrics, we are well-positioned to drive innovation and growth in the banking sector. Through progressive HR programs and policies, we have built an enabling and inclusive work environment that supports continuous learning and career development.

FISCAL 2025 PERFORMANCE

- » 6 million+ learning hours of employees
- » Profit per employee stands at ₹0.25 crores
- » 27.7% workforce diversity
- » 5,700+ internal mobility movements
- » ₹280 crores+ amount spent on employee wellbeing

Capital Linkage



Stakeholders Impacted



SDGs Impacted



Innovation and Digitalisation +

What it Means

Digitalisation and innovation are transforming banking, unlocking significant opportunities to optimise operations, enhance customer experience, and stay competitive. By strategically adopting emerging technologies, financial institutions can streamline processes, develop advanced digital products and services, and deliver more personalised, secure digital interactions, enhancing user experience and building trust.

Interlinkage with Value Creation

The Bank differentiates itself through best-in-class banking technology, digital innovation, and beyond-banking solutions to foster business expansion. We have enhanced our digital capabilities, bolstered our technological framework, and leveraged advanced analytics to enrich the customer experience.

FISCAL 2025 PERFORMANCE

- » 30 million Registered Mobile Banking Users
- » ~15 million+ Registered & Active Mobile Banking Users
- » Axis Mobile application is among the top rated mobile banking app on Google Play store and Apple store with rating of 4.7 and 4.8 respectively
- » First Indian Bank to be ISO certified for its AWS and Azure Cloud security

Capital Linkage



Stakeholders Impacted



SDG Impacted



+ Positive, Actual - Negative, Potential



Financial Inclusion, Literacy & Access



What it Means

Financial inclusion offers a vital opportunity to expand our reach and empower communities, reflecting our purpose of 'Banking that leads to a more inclusive and equitable economy'. By broadening access to financial services, we aim to serve underserved populations and encourage greater participation in the formal economy. Financial literacy is a key enabler, equipping individuals with the knowledge to use financial services effectively, thus promoting their wellbeing and economic resilience.

Interlinkage with Value Creation

The Bank's efforts to promote financial inclusion have empowered millions of individuals, especially women, bringing them into the formal financial system. The efforts have also expanded their access to key social security schemes. By promoting financial access and protection, the Bank is strengthening its reach in rural markets, which is contributing to sustainable business growth and improved customer trust.

FISCAL 2025 PERFORMANCE

- » 2.8 million women participants in microfinance rural lending
- » 13.79 lakh customers in PM Jan Dhan Yojna
- » 4.13 lakh customers under Pradhan Mantri Suraksha Bima Yojana
- » 1.31 lakh customers under Pradhan Mantri Jeevan Jyoti Yojana
- » 10.05 lakh customers under Atal Pension Yojana

Capital Linkage



Stakeholders Impacted



SDGs Impacted



Impact of Climate Change



What it Means

Climate change poses a significant, multifaceted risk to the Bank, impacting both its operations and the broader economy. We recognise the financial risks arising from climate change and the need for their effective mitigation. Emissions from our operations, especially digital infrastructure and energy use, must be managed efficiently to limit costs and avoid scrutiny and environmental harm. We also acknowledge the broader financial risks, including physical and transition risks, and the need to adapt to climate-related changes to build strategic and operational resilience. Finally, we recognise the importance

of financed emissions from our investments and counterparties and their role in our climate strategy.

Interlinkage with Value Creation

The Bank is committed to developing a proactive mitigation and adaptation plan, including conducting comprehensive climate risk assessments to identify and manage potential physical and transition risks that may impact the business. By integrating sustainability criteria into our operations and credit appraisal, we contribute to the transition to a low-carbon economy and ensure long-term financial stability.

FISCAL 2025 PERFORMANCE

- » 7.90 GJ/FTE energy intensity per employee
- » 140,345 tCO₂e Scope 1 & 2 emissions
- » ~72,474 GJ Total renewable energy consumed
- » ~3.27 million trees planted (including target of 2 million tree plantations, Miyawaki plantations and other tree plantation programs)

Capital Linkage



Stakeholders Impacted



SDGs Impacted



+ Positive, Actual

- Negative, Potential



Policy Advocacy and Thought Leadership



What it Means

The Bank actively shapes the financial ecosystem through strategic policy advocacy and industry thought leadership. It contributes to developing robust and sustainable regulations by providing its expert insights at key forums such as the World Economic Forum, Securities and Exchange Board of India (SEBI), Confederation of Indian Industry (CII), and Federation of Indian Chambers of Commerce & Industry (FICCI). By advocating for policies that promote innovation, inclusivity, and resilience, we demonstrate our commitment to responsible governance and sustainable growth.

Interlinkage with Value Creation

The Bank actively engages in thought leadership, policy advocacy, and sustainable development, showcasing its dedication to fostering positive change in the financial sector. Through partnerships with key bodies and participation in influential summits, the Bank shapes industry practices. It promotes resilience in the financial ecosystem by leading the sector's sustainable transformation.

FISCAL 2025 PERFORMANCE

- » The Bank is an active member of several prominent industry associations, including the Associated Chambers of Commerce and Industry of India (ASSOCHAM), FICCI, CII, the Bengal Chamber of Commerce and Industry (BCCI), and the Indian Banks' Association (IBA)
- » To the best of its knowledge, either directly or indirectly, the Bank has not made any monetary contribution/undertaken any spending towards any political campaign or political organisation in fiscal 2025



For more details, please refer to pg. 196 on Thought Leadership and Policy Advocacy

Capital Linkage



Stakeholders Impacted



SDG Impacted



+ Positive, Actual

- Negative, Potential



Community Engagement & Development



What it Means

Engaging with communities in the vicinity of our operations allows us to understand their needs and challenges. This enables us to develop targeted initiatives that drive positive social impact in reflection of our purpose of 'Banking that leads to a thriving community and a healthier planet'.

Interlinkage with Value Creation

A strong institutional framework governs the Bank's CSR programs, which are overseen by the CSR Committee of the Board and aligned to Section 135 of the Companies Act, 2013. We also draw inspiration from the UN SDGs, ensuring our work contributes to broader global development objectives. In fiscal 2025, our initiatives spanned geographies and themes from border villages to urban slums, natural resource management to cancer care, and grassroots sports to academic research.

FISCAL 2025 PERFORMANCE

- » 387,467 no. of households positively impacted through the Sustainable Livelihoods Program in fiscal 2025
- » 7.7 lakh+ students positively impacted under bank's CSR education program in fiscal 2025
- » 1.25 lakhs of women empowered through financial literacy sessions in fiscal 2025
- » 381 athletes supported

Capital Linkage



Stakeholders Impacted



SDGs Impacted



Diversity, Equity, and Inclusion



What it Means

Our commitment to Diversity, Equity, and Inclusion (DE&I) offers us a key opportunity, aligned to our core philosophy and values, of creating a workplace where diverse backgrounds are represented, all employees feel valued, and equitable opportunities are available to all. Prioritising DE&I strengthens the Bank, drives innovation, and fuels long-term value creation.

Interlinkage with Value Creation

The Bank's DE&I approach is rooted in empathy, purposeful action, and the conviction that individuals thrive when they experience a true sense of belonging. Beyond internal programs, the Bank is furthering its external impact on DE&I by engaging with communities and the corporate ecosystem to promote best practices in diversity and inclusion, thus driving positive change across society.

FISCAL 2025 PERFORMANCE

- » 27.7% women representation in the Bank's workforce
- » 34% hiring diversity rate
- » ~33,000 women impacted in rural India through Axis Women in Motion programs

Capital Linkage



Stakeholders Impacted



SDGs Impacted

