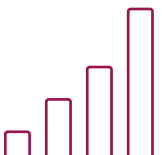


Value Creation of the Bank

Our approach to value creation is driven by decisions that consider stakeholder interests and are supported by a robust ESG strategy and best-in-class governance practices. Everything we do aligns with our overarching purpose of generating positive economic, social, and environmental impact.





VALUE CREATION MODEL

How We Create Value

External Environment

- » Global Macro - Economic Outlook
- » Technology evolution and Artificial Intelligence
- » Cyber security threat and customer privacy
- » Climate Resilience and ESG Integration
- » Transforming talent and workplaces
- » Regulatory Landscape

Read more [pg. 94](#)

Our Key Material Topics

- » Regulatory compliance and ethical business practices
- » Risk control measures for fraud and money laundering
- » Transparency, accountability and disclosures to stakeholders
- » Customer privacy and data security
- » Customer satisfaction
- » ESG governance and Board oversight
- » Digital transformation

Read more [pg. 78](#)

Inputs

- FC Financial Capital**
 - » Shareholders funds - ₹1,502.35 bn
 - » Total deposits - ₹10,686.41 bn
 - » Total borrowings - ₹1,968.12 bn
- MC Manufacturing Capital**
 - » New branches and banking outlets opened in fiscal 2024 - 475
 - » Bharat Banking branches opened in fiscal 2024 - 340+
 - » ATMs and cash deposit/withdrawal machines - 16,026
 - » International branches and representative offices - 11
 - » Number of Axis virtual centers - 6
- IC Intellectual Capital**
 - » Climate and Sustainability related risks and opportunities
 - » Information & cyber security policy
 - » Partnerships across platforms and ecosystems - 100+
 - » People dedicated to digital agenda - 2,400+
- HC Human Capital**
 - » Total employee count - 1,04,332
 - » Staff cost - ₹109.33 bn
 - » Women in workforce - 25%
 - » Learning and training initiatives
 - » Axis GIGA 2.0 - Working from anywhere
- SRC Social and Relationship Capital**
 - » Total no. of customers - ~48 mn
 - » Spends on CSR programmes - ₹2.69 bn
 - » Nation building partnerships
 - » Customer obsession programme - Sparsh
- NC Natural Capital**
 - » Total energy consumption - 897.83 TJ
 - » Renewable energy as part of total energy consumption - 43.69 TJ
 - » ESG policy for Lending
 - » Scaling the green portfolio
 - » Sustainable financing framework

Our Vision

To be the preferred financial services provider excelling in customer service delivery through insight, empowered employees, and smart use of technology

Our Mission

Our Mission is to be the preferred financial solutions provider across the country, delivering customer delight by

- » Providing innovative and intuitive banking solutions
- » A combination of organisational agility, digital capabilities and physical reach
- » Adopting sustainable banking practices, particularly around ESG and climate change

Outputs

₹9,650.68 billion
Total Advances

₹10,686.41 billion
Total Deposits

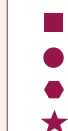
₹248.61 billion
Profit after tax

18.86%
RoE

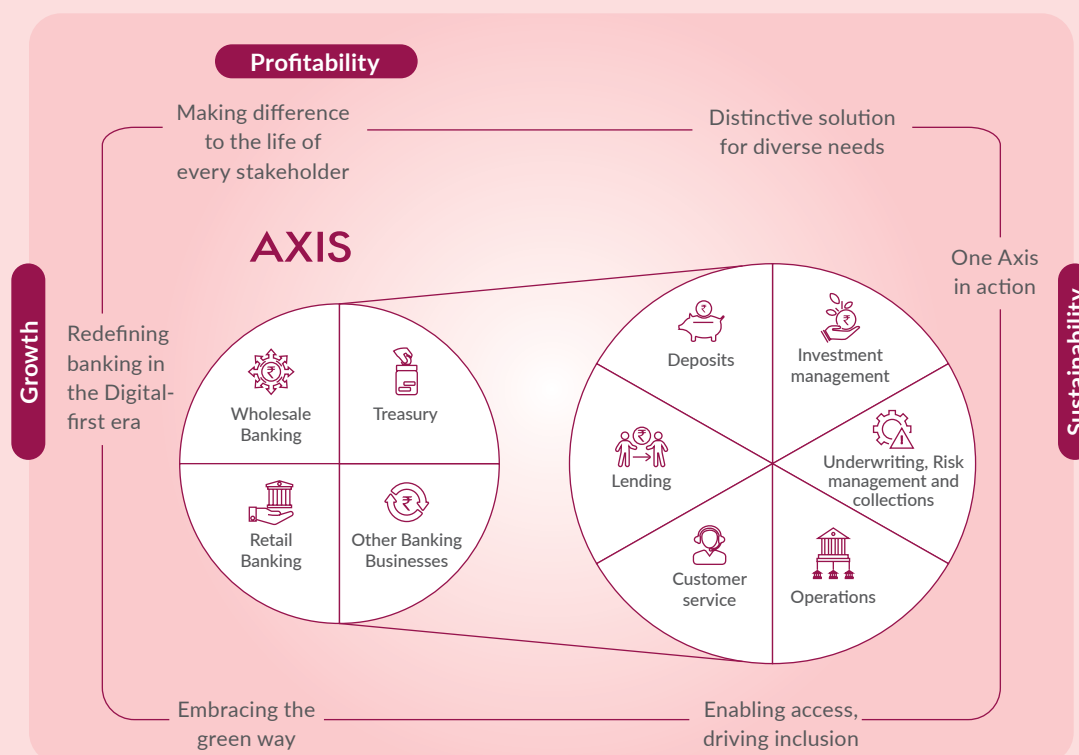
1.83%
RoA

Outcomes

- FC Financial Capital**
 - » Total Asset size - ₹14,772.09 bn
 - » Operating profit - ₹371.23 bn
 - » CRAR - 16.63%
 - » Net NPA - 0.31%
- MC Manufacturing Capital**
 - » Total Domestic Branches, outlets and DBUs - 5,705
 - » Total Bharat banking Branches - 2,480+
 - » Domestic reach - 693 districts across 28 states and 7 union territories
 - » Average monthly customers connected through AVCs - 3.6 mn
- IC Intellectual Capital**
 - » Customers acquired digitally - 2.39 mn
 - » Monthly average of card issued in fiscal 2024 - 1 mn+
 - » Monthly active users on mobile banking application - ~14 mn
 - » APIs hosted on Bank's API Developer - 410+
- HC Human Capital**
 - » Average hour of training per employee - 67.3 hours
 - » Profit per employee - ₹0.25 cr
 - » Total GIGA employees - 2,544
 - » Internal job movement through **Project Thrive** - 4,509
- SRC Social and Relationship Capital**
 - » Retail NPS Score - 145 on baseline of 100
 - » CSR beneficiaries - 15 lakh+ lives
 - » Impact of sustainable livelihood programme - ~1.7 mn households
- NC Natural Capital**
 - » Energy intensity per rupee adjusted for PPP - 0.0000153 (GJ/₹)
 - » Energy used from renewable sources - ~5%
 - » Lent to sectors with positive E and S outcomes - ₹30,409 cr
 - » EV penetration out of the total two-wheeler lending portfolio - 5.53%



UN SDGs



For performance of the Bank refer [pg. 38-57](#) and for future outlook refer [pg. 12-15](#)

STAKEHOLDER ENGAGEMENT

Turning Feedback to Constructive Action

Stakeholder engagement is vital to our business success, as understanding stakeholders' expectations and aligning our business objectives accordingly help us mitigate potential risks and formulate our strategy for sustained growth.



We follow a stakeholder-centric approach in our business strategy and operations. We believe that identifying our key stakeholders, understanding their expectations, and keeping alive a two-way engagement is imperative to our business success. *'open'* communication also enables us to communicate our priorities, our sense of purpose, and our objective of creating long term value for all our stakeholders.

We use a combination of structured and need-based engagement mechanisms to reach out to key stakeholder groups, address their grievances, and incorporate their feedback into our overall business strategy.

Our Key Stakeholders



Shareholder & Investors

Modes of Engagement

- » Investor meetings, press releases, conference calls, Management roadshows
- » Website, email communications, social media
- » Annual General Meetings, quarterly financial results announcements
- » Investor grievance mechanisms

Frequency

Continuous/Periodic

Key Expectations

- » Compliance
- » Governance and ethical business practices
- » Market outlook
- » Business strategy
- » Operational efficiency
- » Long-term business performance
- » ESG risks and opportunities for technology in business

Our Response

- » Transparent disclosures, policies
- » Demonstration of responsible business conduct
- » Continuously analyse market trends and adapt strategies accordingly
- » Focus on sustainable growth and value creation
- » Customising strategies to manage external risks and capitalise on opportunities effectively

Delivering Value

Shareholders have seen notable progress, with EPS reaching ₹80.67 for the fiscal 2024, alongside a consistent trend of increasing profits. As pioneers, we established the first standalone ESG Committee at the Board level in 2021. Additionally, our management-level ESG Steering Committee drives and owns ESG actions vertically. Moreover, our dedication to excellence has been recognised by The Asian Banker, which has awarded us for 'Best Enterprise Risk Management', further solidifying our position as leaders in risk management practices.



Customers

Modes of Engagement

- » Communication at branches and with relationship managers
- » Telephonic and online communication via website, emails, and various social media platforms
- » Axis Virtual Centre
- » Customer satisfaction survey, grievance mechanisms
- » Marketing campaigns
- » Meetings with corporate customers

Frequency

Continuous

Key Expectations

- » Best-in-class service for customers
- » Suitability of products and services
- » Transparency and fair business
- » Maintaining customer data privacy and security
- » Effective and quick customer grievance redressal mechanism

Our Response

- » Customer Satisfaction Surveys
- » Continuous focus on customer delight
- » Ethical business practices
- » Focus on digitisation and customer data privacy
- » Introduced Axis Pride, focusing on quick resolution of customer grievances

Delivering Value

Our approach ensures swift contact with all detractors, kickstarting service recovery under the guidance of senior branch leaders. We take pride in celebrating frontline employees acknowledged as NPS stars by our promoters, while also highlighting cautionary behaviors flagged by our customers. Our Retail Net Promoter Score – Internal is 145 on the baseline of 100.

We Rank #2 in India for our Net Promoter Score (NPS) as per External Benchmarking by Kantar among large peer banks.





Employees

Modes of Engagement

- » Town-hall meetings
- » Training and capacity development programmes
- » Whistleblower mechanism
- » Mid-year and annual performance appraisals
- » Intranet portal – MyConnect
- » Internal communications – webcasts, newsletters, surveys, mails
- » Axis cares - Employee payroll giving
- » Management visits to branches
- » Employee Engagement Surveys

Frequency

Continuous/Periodic

Key Expectations

- » Talent management and Learning & Development (L&D) initiatives
- » Productivity
- » Employee benefits and Health & Safety
- » Work-life balance
- » Employee engagement
- » Compensation and benefits

Our Response

- » Focus on continuous employee connect
- » Strengthen focus on L&D by offering best-in-class learning resources, effective employee feedback and grievance mechanism
- » Focus on various aspects of employee wellness and safety
- » Leveraging technology for enabling anytime, anywhere learning
- » Promoting Diversity, Equity, and an Inclusive environment within the Bank

Delivering Value

With a strong 25% diversity ratio, Axis Bank extensively trained 99.86% of employees in fiscal 2024, reflecting our commitment to employee development. Our achievement of winning the Great Place to Work® award thrice in a row in 2024 highlights our priority to employee satisfaction. Our DE&I initiatives harness diverse perspectives to enhance programme efficiency. Under our wellness umbrella, we offer comprehensive physical and mental well-being services, fostering heightened employee engagement and motivation.



Community & NGOs

Modes of Engagement

- » CSR programmes
- » Programmes by Axis Bank Foundation
- » Conferences and roundtables

Frequency

Continuous

Key Expectations

- » Financial inclusion
- » Poverty alleviation
- » Quality of education
- » Environmental sustainability
- » Access to healthcare

Our Response

Continued efforts in aligning our CSR goals across thematic areas:

- » Sustainable livelihoods
- » Education
- » Financial literacy and inclusion
- » Environmental sustainability and others

Delivering Value

With a dedicated focus on CSR, Axis Bank has positively impacted 1.7 million lives nationwide, including allocating significantly towards initiatives in the conflict-affected North-East region to foster resilience and development. Emphasising Bharat Banking as a strategic priority, we aim to integrate rural and semi-urban India (RuSu) into the economy, addressing their diverse financial needs and fostering inclusive growth for all communities.



Regulatory Authorities

Modes of Engagement

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

Frequency

Continuous/Need based

Key Expectations

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

Our Response

- » Robust Code of Conduct applicable to all employees
- » Building a robust compliance culture across the Bank
- » Publishing externally assured Sustainability Reports
- » Adherence to compliance norms included as non-financial goal for all employees
- » Transparent and fair disclosures

Delivering Value

At Axis Bank, we prioritise a culture of compliance and ethics, upheld by robust policy frameworks and adherence. Our team stays informed through regular training on government and regulatory mandates, ensuring that key Board committees maintain independence for impartial decision-making and effective governance. Central to our efforts is the establishment of a robust corporate governance structure, aimed at meeting stakeholder expectations and comprehending the broader impact of our organisation.



Industry and Peers

Modes of Engagement

- » Regular communication with industry and trade associations
- » Engagement under the Indian Banks' Association
- » Multilateral platforms
- » Corporate seminars

Frequency

Periodic/Need based

Key Expectations

- » Policy advocacy
- » Partnerships
- » Collaboration opportunities

Our Response

- » Formally represented on prestigious platforms like the World Economic Forum, Indian Banks' Association, SEBI, CII, FICCI, and NASSCOM, among others, Axis Bank actively contributes to various material matters for the banking industry.
- » Increased participation in thought leadership and advocacy around ESG, climate change, diversity, and sustainable development.
- » Released inaugural TCFD Report, following the format outlined in the RBI's Discussion Paper on Climate Risk and Sustainable Finance.

Delivering Value

The Bank's leadership holds positions or leads pivotal committees in both national and international bodies. In fiscal 2024, we were formally members of national ESG/Climate action committees at FICCI, CII, Bombay Chamber of Commerce & Industry (BCCI) and IBA, reinforcing our commitment to active engagement and influence at global levels.



Vendors & Suppliers

Modes of Engagement

- » Vendor meetings
- » Periodic surveys
- » Techno-commercial discussions and service engagements
- » Audit, governance, and compliance meetings
- » Contracts, emails, and calls
- » In-person and virtual interactions

Frequency

Periodic/Need based

Key Expectations

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

Our Response

- » Ensuring timely pay-outs for services
- » Commitment to equitable agreements and their faithful implementation
- » Building trustworthy, moral, and enduring partnerships
- » Operating with a strong focus on environmental, social, and governance responsibilities

Delivering Value

Our Vendor Code of Conduct articulates our firm expectations for vendors to embrace sustainable practices, incorporating crucial environmental and social aspects, including human rights. Compliance with this Code of Conduct necessitates a signed commitment from the vendors.



Academia

Modes of Engagement

- » Campus placements
- » Common industry forums
- » CSR engagements

Frequency

Continuous/Periodic

Key Expectations

- » Thought leaderships
- » CSR partnerships
- » Internship/employment opportunities

Our Response

- » Various hiring programmes
- » CSR partnerships with academia

Delivering Value

Through our diverse hiring programmes, impactful CSR partnerships, and collaborations with academia to fund cutting-edge research, we are dedicated to delivering lasting value. By nurturing talent, supporting communities, and driving innovation, we are shaping a brighter future for all. In the fiscal 2024, Axis Bank partnered with four (IRMA, Ashoka University, Plaksha University, IISC) educational institutes under CSR and hired 10,000+ new employees under its holistic campus hiring programmes.

MATERIALITY ASSESSMENT

Understanding and Upholding the Best Interests of our Stakeholders

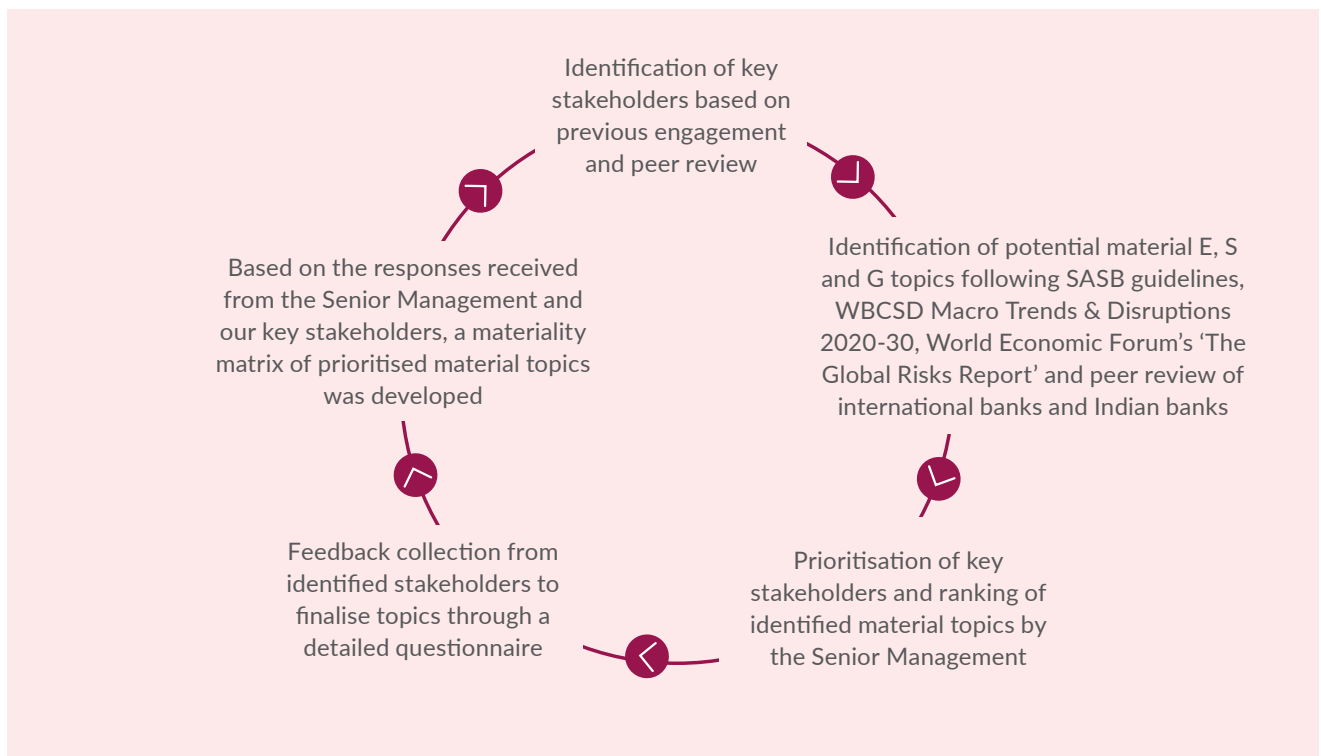
Identifying issues material to the Bank helps us manage our risks better, take informed decisions, and gain the long-term trust and confidence of our stakeholders.

Determination and Prioritisation of Material Topics

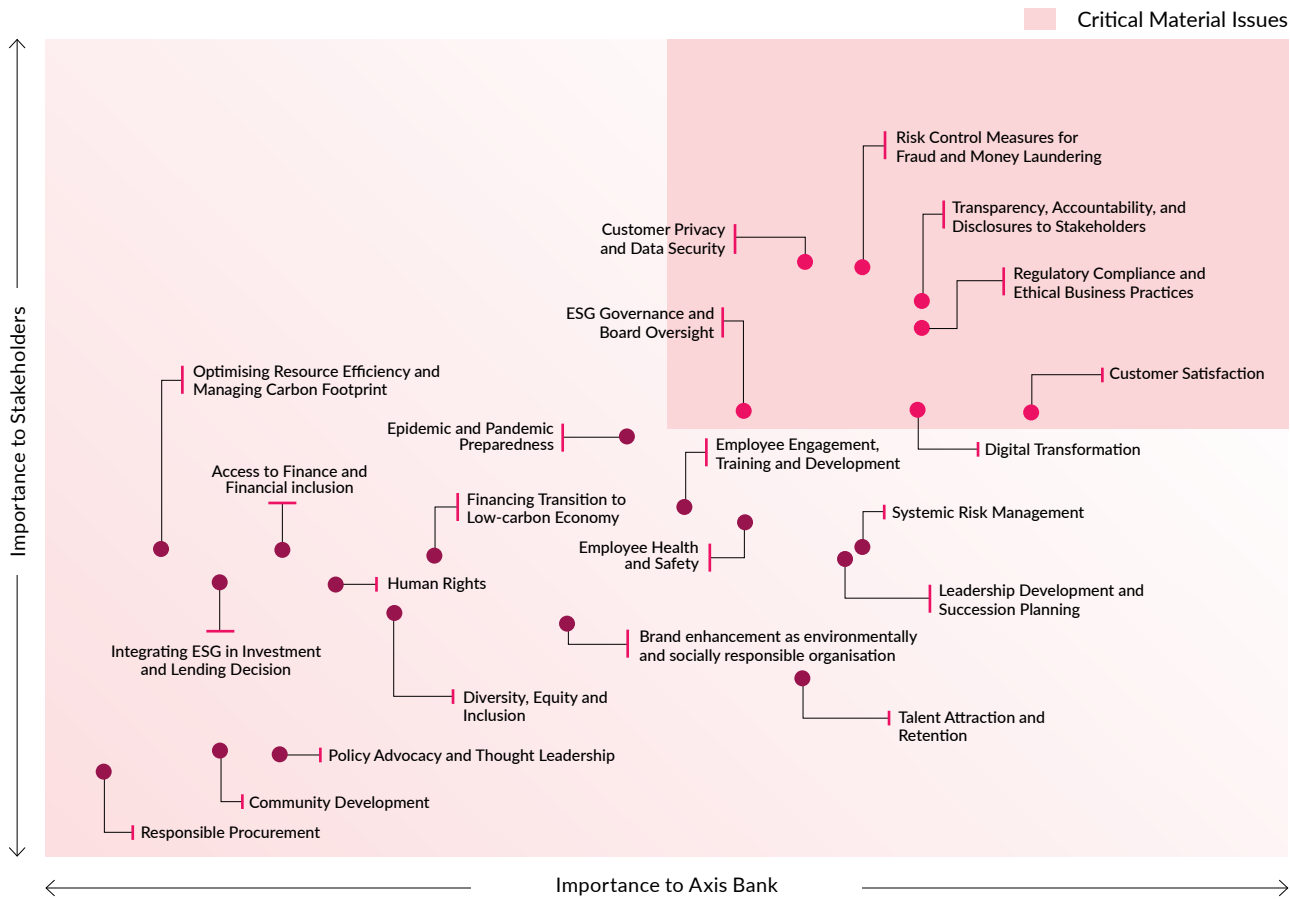
In fiscal 2024, we continued to follow the methodology established in fiscal 2023 for assessing key issues relevant to the Bank. The material matters, which relate to various financial and operational aspects that significantly impact the Bank's performance, stability and compliance, and were identified in the previous fiscal year, remain relevant for the Bank in the current year as well.





Process Adopted for Arriving at the Materiality Matrix




Material Topics for Axis Bank



Key Material Matters

Material Topic	Description	Our Approach
<p>Regulatory Compliance and Ethical Business Practices</p> <p>Capitals Impacted</p> <p>FC MC</p> <p>IC SRC</p>	<p>A steadfast dedication to exemplary corporate governance standards is part of our corporate philosophy. Cultivating a culture of compliance not only helps us mitigate risks better but also bolsters business resilience and stakeholder confidence. As responsible custodians, we also prioritise alignment with evolving ESG and climate-related regulations while meeting stakeholder expectations for sustainable practices. Our stakeholders, including customers, investors, regulators, and the wider community, rely on our commitment to regulatory compliance and ethical conduct to mitigate potential risks and uphold our collective reputation.</p>	<p>Committed to upholding the highest standards of corporate governance, the Bank implements robust policies and actions across all organisational activities. Compliance with regulatory requirements is a cornerstone of our operations. Our Code of Conduct sets clear expectations of employee behaviour, ensuring responsible decision-making in their respective roles. Supported by robust Compliance, Legal, and Ethics functions, we adhere to all applicable rules and regulations, prioritising ethical conduct and transparency.</p> <p> Read more pg. 89</p>
<p>Risk Control Measures for Fraud and Money Laundering</p> <p>Capitals Impacted</p> <p>FC MC</p> <p>IC SRC</p>	<p>Our Risk function plays a pivotal role in safeguarding against fraud and money laundering risks in all banking activities across both the physical and digital realms. With banking operations expanding in scale and complexity, we are always proactively fortifying our prevention, detection, and response capabilities. Our stakeholders, particularly those with direct financial ties with the Bank, rely on our robust risk mitigation and prevention systems to safeguard their capital and investments. Given the proliferation of technology and digital banking, ensuring stringent risk control measures at every stage of financial activity is imperative to upholding the integrity of the banking system and preserving stakeholder trust.</p>	<p>In response to the persistent threat of fraud and money laundering in both digital and physical realms, we have robust policy and process mechanisms across all areas of our banking operations. By investing in advanced technologies and enhancing our capabilities, we strengthen our ability to detect and prevent such risks, particularly in the realm of digital banking. Additionally, we undertake initiatives to create stakeholder awareness to promote safe banking practices and empower individuals to protect themselves. These preserve the integrity of our banking activities and secure stakeholders' assets.</p> <p> Read more pg. 89 and 92</p>



Material Topic	Description	Our Approach
<p data-bbox="134 488 360 613">Transparency, Accountability, and Disclosures to Stakeholders</p> <p data-bbox="134 700 296 727">Capitals Impacted</p> <div data-bbox="134 733 296 820"> <p data-bbox="134 733 209 768">FC</p> <p data-bbox="220 733 296 768">IC</p> <p data-bbox="134 783 209 820">SRC</p> </div>	<p data-bbox="453 484 951 996">We believe transparency, accountability, and comprehensive disclosures are integral to good governance. Timely disclosures, encompassing both financial and non-financial performance, empower our stakeholders to gauge our value creation and organisational performance. Besides, adherence to regulations and proactive anticipation of evolving standards, particularly regarding ESG and climate-related disclosures, underscore our dedication to transparency and accountability. While our stakeholders rely on our transparent actions and disclosures to maintain trust, our regulator expects us to uphold stringent standards.</p>	<p data-bbox="963 484 1453 899">We ensure our governance and disclosure practices remain timely and relevant, meeting stakeholder expectations. Recognising the growing importance of non-financial disclosures, we report our ESG performance through sustainability reports, investor disclosures, and other channels. Additionally, we engage in thought leadership and policy advocacy efforts to promote transparency and accountability in these areas, ensuring stakeholders have access to comprehensive information about our performance.</p>
<p data-bbox="134 1081 357 1143">Customer Privacy and Data Security</p> <p data-bbox="134 1230 296 1257">Capitals Impacted</p> <div data-bbox="134 1263 296 1350"> <p data-bbox="134 1263 209 1299">FC</p> <p data-bbox="220 1263 296 1299">MC</p> <p data-bbox="134 1313 209 1350">IC</p> <p data-bbox="220 1313 296 1350">SRC</p> </div>	<p data-bbox="453 1077 951 1520">In the ever-evolving landscape of banking, the steady advance of digitalisation and the emergence of new virtual channels, preserving the sanctity of financial, personal, and institutional information of our customers remains a core priority. Be it while banking physically at our branches or virtually, our customers expect security of their transactions and data. From bill payments to card transactions to communication on platforms like WhatsApp, maintaining the highest standards of data security is integral to our commitment to customer privacy and trust.</p>	<p data-bbox="963 1077 1453 1554">We rigorously adhere to the stringent regulations and international standards governing our industry. Guided by our Privacy Policy and bolstered by comprehensive risk management systems, we have a multi-faceted approach to safeguarding customer and financial data across both physical and digital domains. This includes continual investment in upgrading our core systems to enhance scalability, stability, and security. Our efforts are reinforced by a regimen of internal audits and external certifications, further fortifying the integrity of our systems and processes.</p> <p data-bbox="963 1564 1158 1626">  Read more pg. 106 </p>

FC Financial Capital



HC Human Capital

IC Intellectual Capital


MC Manufactured Capital

SRC Social and relationship Capital

NC Natural Capital

Material Topic	Description	Our Approach
<p>Customer Satisfaction</p> <p>Capitals Impacted</p> <p>SRC</p>	<p>Customer satisfaction is paramount in our operations. With millions of individual and institutional stakeholders relying on us for diverse banking needs, our commitment extends to safeguarding their interests, ensuring fairness, transparency, and protection of their savings and investments. We prioritise listening to and understanding their needs to deliver seamless and effective solutions, thereby upholding their trust, and fostering long-lasting relationships.</p>	<p>To ensure optimal customer satisfaction, we proactively focus on delivering intuitive, seamless, and secure banking services. Our commitment to excellence drives us to continuously enhance customer experience across various touchpoints and business lines. We have robust frameworks and measurement tools to assess satisfaction levels throughout key customer journeys. These insights empower us to swiftly identify areas for improvement and refine our strategies, enabling us to meet customers' needs and exceed their expectations.</p> <p> Read more pg. 144</p>
<p>ESG Governance and Board Oversight</p> <p>Capitals Impacted</p> <p>FC NC</p>	<p>ESG governance and Board oversight stand as foundational pillars in our commitment to supporting India's equitable and low-carbon economic transition while meeting the stakeholder expectations. We espouse a comprehensive and cohesive approach that aligns with the material priorities of both our internal and external stakeholders. Strong governance oversight ensures that our actions reflect transparency, fairness, and the creation of shared value. Our stakeholders expect us to adopt a strategic, proactive, and focused approach, with respect to climate change, and our governance structures are designed to meet these expectations effectively.</p>	<p>As pioneers in ESG governance, we have established both a Board-level ESG Committee and a management-level ESG Steering Committee to drive sustainability initiatives. Through these structures, we have fostered widespread ownership of ESG actions, scaling commitments and enhancing collaboration with stakeholders. Our Risk function is also bolstering our ability to proactively manage ESG and climate-related risks at all levels of operation.</p> <p> Read more pg. 86</p>



Material Topic	Description	Our Approach
<p>Digital Transformation</p> <p>Capitals Impacted</p> <p>IC</p>	<p>Digital transformation is the Bank's central focus, representing both an opportunity and a responsibility. Through digital integration, we are breaking down barriers to banking access, reaching previously underserved populations, and promoting financial inclusion. It is also helping us enhance customers' experience through personalised and secure digital services. We are also mindful of the need to prioritise customer privacy and data security, ensuring that our customers can trust us with their financial needs in the digital age.</p>	<p>Digital advancement is how we differentiate ourselves and foster business expansion. We are steadily enhancing our digital capabilities, bolstering our technological framework, and leveraging advanced analytics to enrich the customer experience. As more customers embrace digital banking, we are intensifying our efforts to refine digital services, fortify internal systems, and prioritise data security and customer privacy.</p> <p> Read more pg. 120</p>

FC Financial Capital

HC Human Capital

IC Intellectual Capital

MC Manufactured Capital

SRC Social and Relationship Capital

NC Natural Capital

