



**Synergise
Sustain
Scale**

Table of Contents

02	Synergise, Sustain, Scale
04	About ESAF Small Finance Bank
06	Our Purpose
07	Milestones - Scaling Excellence
08	Sustaining Impact, Driving Change
10	Letter from the Chairman
12	Letter from the CEO
14	Synergy in Risk Governance
16	Expertise of Directors
17	Board of Directors
18	Profile of the Board of Directors
20	The Team Driving Synergy, Sustained Growth and Scaled Impact
22	Strategic Environment for Small Finance Banks
24	Forward with an ESG Roadmap
28	ESG Framework
29	How we Create Value
30	Our Inclusive Strategies
32	Synergising Capitals for Sustainable Impact
34	Sustaining and Scaling ESG Excellence
36	Diversity and Inclusion
44	Financial Capital
45	Financial Highlights
50	Manufactured Capital
54	Sustaining Joy Through Our Products and Services
58	Bringing Banking to Rural Communities
59	Digital Banking for Remote Villages
60	ESAF Bank Products - SDG Materiality Linkages
62	Intellectual Capital
67	Product Development for Micro-Entrepreneurs
70	Natural Capital
84	CSR Impact Assessment Overview
102	ESAF Chair for Business on Values at IRMA
111	Cultivating Collective Growth
112	Harvesting Prosperity
113	Listening with Empathy
114	Business Responsibility and Sustainability Report FY24

About the Report

The ESAF Small Finance Bank Sustainability Report 2023-24 demonstrates the Bank's commitment to transparent disclosures of its environmental, social, and governance (ESG) performance, aligned with the Business Responsibility & Sustainability Report framework and Sustainable Development Goals (SDGs). The report highlights ESAF's focus on fostering financial inclusion, sustainability, and long-term value creation through innovative strategies and comprehensive initiatives.

The disclosures, wherever applicable, are aligned with the Global Reporting Initiative (GRI) standards, ensuring consistency and comparability in reporting. The report presents ESAF's value creation business model, integrating six capitals—financial, manufactured, intellectual, human, social & relationship,

and natural—showcasing their interconnected contributions to delivering meaningful impact. A strong governance framework, underpinned by robust risk management practices, ensures operational resilience and ethical oversight, further strengthening stakeholder trust.

Key features include ESAF's notable ESG rating, reflecting its leadership among peers, and its strong financial performance, highlighted by asset growth, advances, and profitability. The report also showcases impactful initiatives, such as green financing, renewable energy projects, and digital transformation, which extend the Bank's reach to underserved communities. Case studies provide compelling evidence of the tangible benefits of these initiatives, from empowering women entrepreneurs with microloans to fostering sustainable agricultural

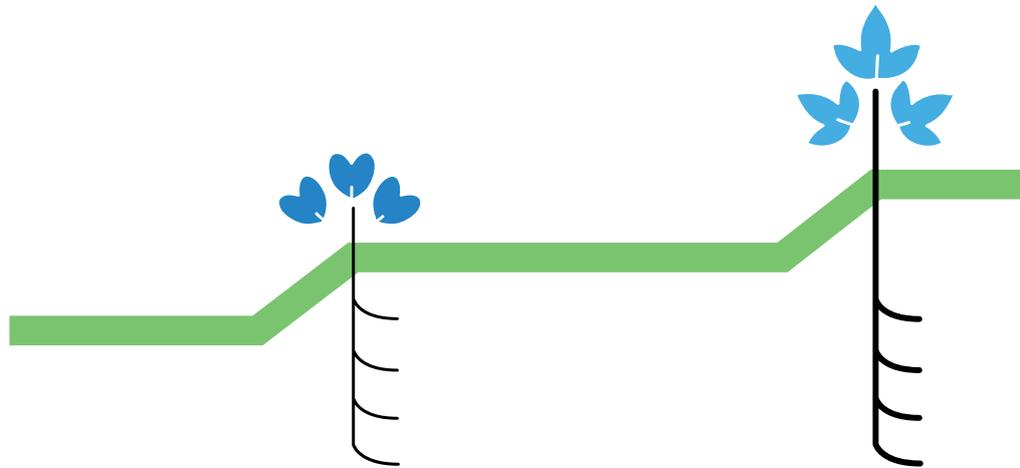
practices and clean energy adoption.

The governance and risk framework integrates best practices and aligns with global standards, including climate risk assessments and proactive mitigation strategies. ESAF's comprehensive approach to disclosures provides stakeholders with clear insights into its achievements, challenges, and commitment to ESG objectives.

By embedding sustainability at its core, leveraging innovative solutions, and driving inclusive growth, ESAF positions itself as a leader in sustainable finance. The report captures its achievements and lays a clear roadmap for aligning future economic, social, and environmental priorities.

Synergise, Sustain, Scale

This year, ESAF Small Finance Bank's sustainability report is centred around the theme Synergise, Sustain, Scale. The theme reflects our strategic focus on integrating principles, resources, and strategies, sustaining progress toward our ESG commitments, and expanding our impact across social pillars. We showcase how purpose-driven initiatives can reshape communities and ecosystems by aligning diverse elements into a unified framework, ensuring consistent advancement, and scaling transformative actions. Together, these pillars empower us to create meaningful and lasting change.



Synergising Principles, ESG Strategies and Resources

Harmonising Values with Operations

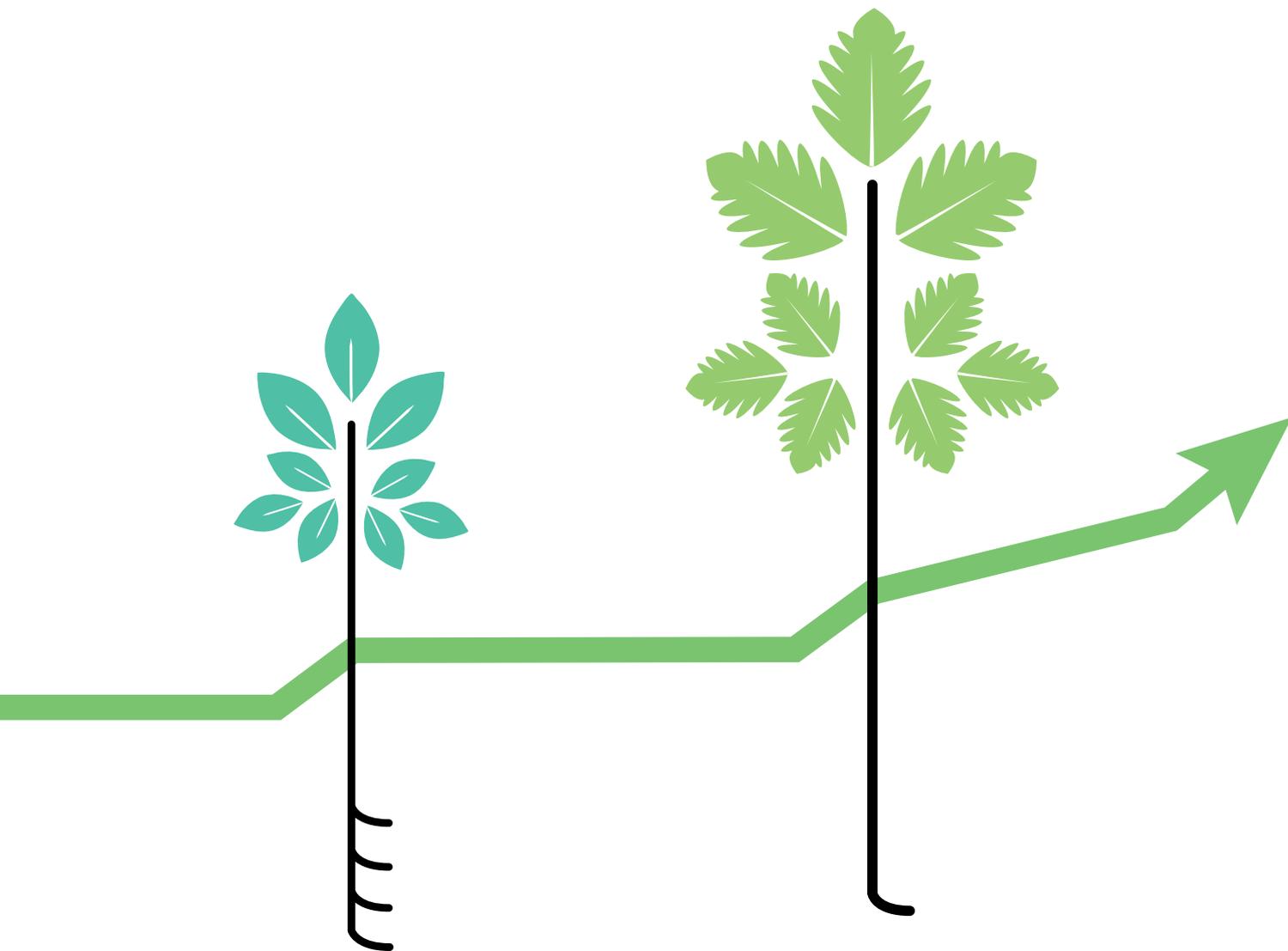
We seamlessly align ethical principles with operational goals, ensuring our strategies foster economic growth while addressing social and environmental priorities.

Collaborating for Strategic Progress

Partnerships with communities, regulators, and NGOs amplify our ability to deliver impactful projects, fostering shared value and collective progress.

Optimising Resource Utilisation

By maximising the use of financial, human, and intellectual resources, we ensure the efficient implementation of sustainable initiatives that benefit communities and ecosystems.



Sustaining Momentum Towards ESG Goals

Ensuring Resilience in Progress

Maintaining steadfast progress ensures our actions consistently meet environmental, social, and governance benchmarks for enduring impact.

Institutionalising ESG Best Practices

Embedding ESG principles across operations enables resilience and positions us as sustainable finance leaders.

Empowering Communities Inclusively

Actively engaging and uplifting marginalised communities ensures the inclusivity and sustainability of our long-term initiatives.

Scaling Impact Across Social Pillars

Expanding Reach for Greater Impact

Scaling up enables us to reach more underserved populations with financial literacy programmes, inclusive products, and livelihood opportunities.

Driving Innovation and Outreach

Harnessing technology and innovative solutions extends our reach to remote areas, ensuring accessibility for all.

Aligning Globally for Sustainability

Our scalable actions contribute to global sustainability frameworks like the SDGs, creating lasting and universal impact.

About ESAF Small Finance Bank





ESAF Small Finance Bank holds the distinction of being the first private bank in Kerala to obtain a banking license post-independence. As the fifth Scheduled Commercial Bank headquartered in the state, ESAF has built a legacy of over three decades dedicated to financial inclusion. It is now recognised as one of India's prominent Small Finance Banks, excelling in areas such as advances yield, AUM growth, and the proportion of retail deposits.

Committed to sustainable banking, ESAF Bank integrates ESG principles into its core operations, prioritising social impact and inclusive growth. With a robust approach to ESG and community-oriented banking, the Bank channels investments towards sustainable initiatives while maintaining sound risk management practices. Its mission is to deliver long-term value to shareholders while adhering to stringent compliance and sustainability standards. By leading with purpose, ESAF Bank sets a benchmark in the sector, contributing meaningfully to a sustainable and equitable future.

Our Purpose

Vision

To be India's leading social bank that offers equal opportunities for all members of the society through universal access and financial deepening, thus promoting financial inclusion, livelihood and economic development.

Mission

To provide responsive banking services to the underserved and unserved households in India, facilitated by customer-centric products, high-quality service and innovative technology.

Values

Servant Leadership • Customer-Centricity • Accountability • Transparency • Commitment



Brand Philosophy Promise

To deliver the Joy of Banking through personalised, accessible, safer and responsive services

Our logo is a distinctive depiction of two unique plus symbols. A plus sign is an integral manifestation of arithmetic gain. The two pluses connote multiple gains, which is a sign of joy. The pluses also embody the rewarding careers we offer to our employees, the high returns we offer to our customers, investors and shareholders, and the hopes we deliver to everyone who comes to the bank. The two pluses are also symbolic representations of two humans; we call them the Bank and its customer. An excellent manifestation of what the Bank stands for, bringing a face to the faceless world of banking. The two humans in our symbol evoke

a feeling of bonding, warmth and joy in banking. The two humans with hands wide open symbolise receptiveness, accessibility, openness, and friendliness as true qualities of the brand which is offered to every stakeholder internally and externally.

The wide open hands are symbolic of the assurance the brand gives; to welcome every customer with an eagerness to help and guide them through all problems within and beyond banking. The colours, RED & BLUE, have been carefully chosen to represent the augmented values the brand strongly stands for, in the best possible way. The colour RED evokes passion, courage, commitment, strength, and energy.

It is also a colour that strongly stands out among other colours. The colour BLUE implies trust, loyalty, wisdom, confidence, intellect, responsibility and faith. Our brand proposition 'Joy of Banking' is an experience envisioned to make the customer feel and discover joy at every interaction and transaction. 'Joy of banking' is a big promise that will distinguish us from the rest and bring us closer to our customers.

'Joy of Banking' is a guaranteed assurance that we will strive hard, push our boundaries, and go the extra mile to deliver the experience of joy in banking and beyond.

Milestones - Scaling Excellence

<p>2015</p>  <p>ESAF Microfinance receives in-principal approval for setting up of Small Finance Bank from the RBI</p>	<p>2017</p>  <p>ESAF launches ESAF Small Finance Bank, the first bank from Kerala since independence</p>	<p>2018</p>  <p>Govt. of India picks ESAF for Atal Pension Yojana</p>	<p>2018</p>  <p>ESAF Small Finance Bank receives RBI approval for NRI operations</p>	<p>2018</p>  <p>Prof. Muhammad Yunus, Nobel Laureate, visits ESAF Small Finance Bank</p>
<p>2018</p>  <p>ESAF among the finalists to receive the prestigious European Microfinance Award</p>	<p>2018</p>  <p>ESAF Small Finance Bank becomes the member of GABV</p>	<p>2018</p>  <p>ESAF Small Finance Bank Wins PFRDA Award</p>	<p>2018</p>  <p>ESAF Small Finance Bank receives Scheduled Bank status</p>	<p>2019</p>  <p>ESAF Small Finance Bank Launches the 'HUMANOID ROBOT' named 'EIDA'</p>
<p>2019</p>  <p>ESAF Small Finance Bank receives SKOCH Award of Banking Gold for accessible and affordable banking services for financially underserved areas</p>	<p>2019</p>  <p>ESAF Small Finance Bank bags the first runner-up of the ASSOCHAM Award 2019</p>	<p>2019</p>  <p>ESAF Small Finance Bank bags the Economic Times Best BSI Brand 2019 Award</p>	<p>2020</p>  <p>ESAF Small Finance Bank bags 'Kerala Bank of the Year 2019'</p>	<p>2020</p>  <p>ESAF Small Finance Bank wins Energy & Environment Foundation Global Sustainability Award-2020</p>
<p>2021</p>  <p>ESAF Small Finance Bank receives Great Place to Work certification</p>	<p>2022</p>  <p>ESAF Small Finance Bank wins Prestigious Rising Brand of Asia Award</p>	<p>2022</p>  <p>ESAF Small Finance Bank is re-certified as ISO 9001:2015 on Quality Management System of Customer Service Quality.</p>	<p>2022</p>  <p>ESAF Small Finance Bank receives Small Finance Bank of the year Award.</p>	<p>2023</p>  <p>ESAF Small Finance Bank has bagged the prestigious Inclusive Finance India Awards 2022 for its contributions in advancing the goal of financial inclusion and supporting inclusive growth.</p>
<p>2023</p>  <p>ESAF Small Finance Bank wins Circle of Excellence Award</p>	<p>2023</p>  <p>ESAF Small Finance Bank bags Best Customer Experience Bank of the Year in Customer Service Quality and Best CX Personality of the Year.</p>	<p>2023</p>  <p>ESAF Small Finance Bank secures Innovative Initiative in Rural Sector Award and MD Leadership Award.</p>	<p>2023</p>  <p>ESAF Small Finance Bank wins Best Product/ Service Innovation Award.</p>	<p>2023</p>  <p>ESAF Small Finance Bank bagges Best Banking Initiative in Social Sector Award.</p>
<p>2023</p>  <p>ESAF Small Finance Bank achieves Outstanding Marketing Initiative Award.</p>	<p>2023</p>  <p>ESAF Small Finance Bank receives Best Recruitment Agency & HR Team Partnership and Best Employer Branding Awards.</p>	<p>2023</p>  <p>ESAF Small Finance Bank secures Innovative Initiative in Social Sector Award.</p>	<p>2023</p>  <p>ESAF Small Finance Bank receives Special Jury Award for KAQTEL.</p>	<p>2023</p>  <p>ESAF Small Finance Bank becomes The Emerging Bank of the Year.</p>
<p>2023</p>  <p>ESAF Small Finance Bank is certified as ISO 26000:2010 on Social Responsibility.</p>	<p>2024</p>  <p>ESAF Small Finance Bank's Dabba Savings Account campaign wins Bronze at Cannes Lions in the SDG category.</p>			

Sustaining Impact, Driving Change

Asset Under Management
(as at 31st March 2024)

₹1,96,593.56 Million

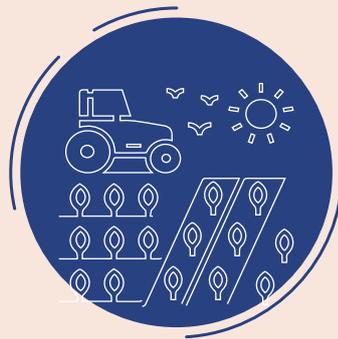
Five year CAGR of

30.3%

one of the highest among peer banks

69.72% of Banking Outlets located in rural and semi-urban India

Agriculture



Number of Beneficiaries:

2,65,343

Loan Amount

₹10,452 Million

Retail Assets



Number of Beneficiaries:

1,55,405

Loan Amount

₹46,213 Million

Micro Banking



Number of Beneficiaries:

₹ 3.26 Million

Loan Amount

₹ 1,37,663 Million

MSME



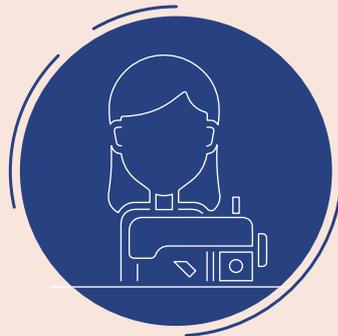
Number of Beneficiaries:

1,009

Loan Amount

₹ 2,265 Million

Customers



₹ 8.37

Million Customers

67,88,796

Women Customers

81.07%

Women Customers

Letter from the **Chairman**



Dear Stakeholders,

I am honoured to present the Bank's Sustainability Report for the year 2023-24. This report encapsulates our dedication to the triple bottom line approach, emphasizing not only economic prosperity but also social equity and environmental stewardship. It stands as a testament

to our unwavering commitment to responsible banking, while advancing the Sustainable Development Goals (SDGs). The Bank has chosen a theme Sustain – Innovate – Grow for 2023-24 and that focus manifested quite well all through the momentous history of 2023-24.

Governance: The Foundation of Our Resilience

At ESAF Bank, we believe that robust governance is the cornerstone of sustainable growth. Our Board of Directors champions a culture of transparency, inclusivity, and ethical excellence. Over the past year, we

have reinforced our governance frameworks to align with international best practices, ensuring that we uphold the trust bestowed upon us by our stakeholders. Our alignment with the Business Responsibility and Sustainability Reporting (BRSR) framework highlights our commitment to comprehensive disclosures, allowing us to measure our progress against global standards. I am proud to note that in the ESG Rating, our governance score of 73.9 places us in the top quartile of our industry.

Risk Management: Safeguarding the Future

In an ever-evolving global landscape, an advanced approach to risk management is imperative. ESAF has established a comprehensive risk management framework that proactively identifies, assesses, and mitigates risks across operational, financial, and environmental sectors. This year, we have successfully integrated Environmental, Social, and Governance (ESG) considerations into our risk assessments, enabling us to uncover opportunities for innovation alongside potential risks. Our rigorous methodologies, including stress testing and scenario analysis, align with frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), ensuring our resilience.

Our commitment extends to cybersecurity and data protection, maintaining leadership in these critical areas with zero reported data breaches over the past two years and ISO 27001 certification, affirming our stringent digital security protocols.

Value Creation: More Than Financial Gains

Value creation at ESAF transcends mere financial performance; it embodies our mission to foster positive change for our customers,

communities, and the environment. This year, we marked significant achievements in promoting financial inclusion, dedicating 46% of our operational efforts toward unbanked / underbanked rural areas.

Our customer-centric products, such as the "Mahila Sree" account designed for women and green finance solutions like "Go Green Vehicle Loans," reflect our commitment to addressing the unique needs of underserved communities.

In our pursuit of enhancing our social impact, ESAF is proud to allocate 5% of our profits towards Corporate Social Responsibility (CSR) initiatives, green projects, and sustainability efforts, ensuring our operations are closely aligned with societal needs and environmental preservation.

Environmental Stewardship: Building a Sustainable Future

As stewards of our natural resources, we recognise the pressing need to combat climate change. This year, we have launched impactful measures, including financing clean energy projects and reducing our carbon footprint through energy-efficient practices. Our ambitious goal to install 200,000 renewable energy systems by 2027 aligns with India's commitment to achieving Net Zero emissions, demonstrating our resolve to contribute meaningfully to climate action.

Social Impact: Empowering Communities

Social responsibility is at the heart of ESAF's mission. Our focus on financial literacy, diversity, and inclusion has created a positive change across rural and semi-urban landscapes. This year, initiatives like ESAF Dhansree and ESAF Utthan have reached thousands, empowering them with the tools needed for financial independence.

Women are our priority, making up 81% of our customer base and 31%

of our workforce. By fostering gender diversity and supporting women entrepreneurs, we are creating transformative change at the grassroots level, contributing to broader social equity.

Leadership in Transparency and Ethics

Transparency is fundamental to our governance approach. With a governance transparency score of 88.2, ESAF sets a high standard for accountability and ethical practices. Our commitment to fair and responsible banking is evident through our whistleblower policies, insider trading committees, and rigorous anti-money laundering compliance, all of which ensure we operate with integrity and inspire stakeholder confidence.

The Road Ahead

As we look to the future, our priorities are clear: we will continue to strengthen governance, enhance risk management frameworks, and expand our value-creation initiatives. Our steadfast commitment to integrating the principles of the triple bottom line and the Sustainable Development Goals will guide our journey toward a more sustainable future. Together, we can create lasting positive change for our communities, our customers, and the environment.

Thank you for your continued support.

Sincerely,

**Ravimohan Periyakavil
Ramakrishnan**

Chairman,
ESAF Small Finance Bank

Letter from the MD & CEO



Dear Esteemed Stakeholders,

It is with immense pride that I present to you ESAF Small Finance Bank's Sustainability Report for the year 2023-24 with the theme Synergize-Sustain – Scale. This report narrates our transformative growth and significant achievements during the year.

Synergising People- Planet- Prosperity in our Triple Bottomline approach is not only a definite path to sustainability, but also the way forward for scaling new heights of growth and excellence. We believe that true success lies in creating

value for all stakeholders—including our customers, employees, and the broader community—while maintaining ecological integrity.

Expanding Our Reach: A Commitment to Inclusion

Throughout 2023-24, ESAF has

significantly broadened its reach across India, serving over 8.37 million customers through a network of 753 branches in 23 states and 2 Union Territories. We offer a diverse array of products and services designed to meet the unique needs of our customers.

Driving Community Empowerment

Our impact on community upliftment extends beyond merely providing financial services. Our financial inclusion initiatives such as ESAF Dhansree for Self-Help Group (SHG)/ Joint Liability Group (JLG), women, ESAF Balajyothis for children, ESAF Vayojyothi for senior citizens etc, have empowered lakhs of women and households. It is noteworthy that 81% of our customers are women as a mark of gender inclusion, while 92% of our loan book is Priority Sector Lending (PSL). These efforts foster economic independence and contribute to broader social empowerment—key pillars of the Sustainable Development Goals (SDGs).

Technological Transformation: Building the Bank of Tomorrow

Technology is integral to our strategy for enhancing accessibility and operational efficiency. Our digital banking platforms, including mobile and internet banking, have facilitated seamless transactions for over 3,72,000 customers. The implementation of the Bharat Bill Payment System and agency banking solutions has further extended our reach, making financial services accessible even in the most remote areas.

By leveraging data analytics and artificial intelligence, we have optimized our risk management processes and personalised customer experiences. These advancements not only improve

service delivery but also position ESAF as a leader in digital innovation within the small finance banking sector.

Sustainability at the Core

Sustainability is central to ESAF's vision. Our Environmental, Social, and Governance (ESG) roadmap for 2023-27 outlines ambitious goals, impacting 10 million direct beneficiaries in SDGs, one million joint liability groups. We ensure food security by supporting agricultural sector and power energy security by focusing on renewable energy. Our focus for green finance and renewable energy initiatives illustrates our commitment to aligning with India's Net Zero ambitions and the United Nations Sustainable Development Goals (SDGs).

ESG Rating

Based on BRSR 2023-24, the Bank achieved an ESG score of 68.1, surpassing the industry average of 51.8 and emerging as the industry best in Social Pillar, with a score of 76.9. These accolades reaffirm our position as trailblazers in sustainable banking and inspire us to continue driving positive change.

Looking Ahead

As we move forward, ESAF remains committed to expanding our impact, embracing innovation, and deepening our financial inclusion efforts. By aligning our strategies with global sustainability goals and reinforcing our Triple Bottom Line commitments, we aim to create long-term value for all stakeholders while faithfully adhering to our mission of transforming lives.

Appreciations to our Board of Directors, our dedicated employees, and all stakeholders

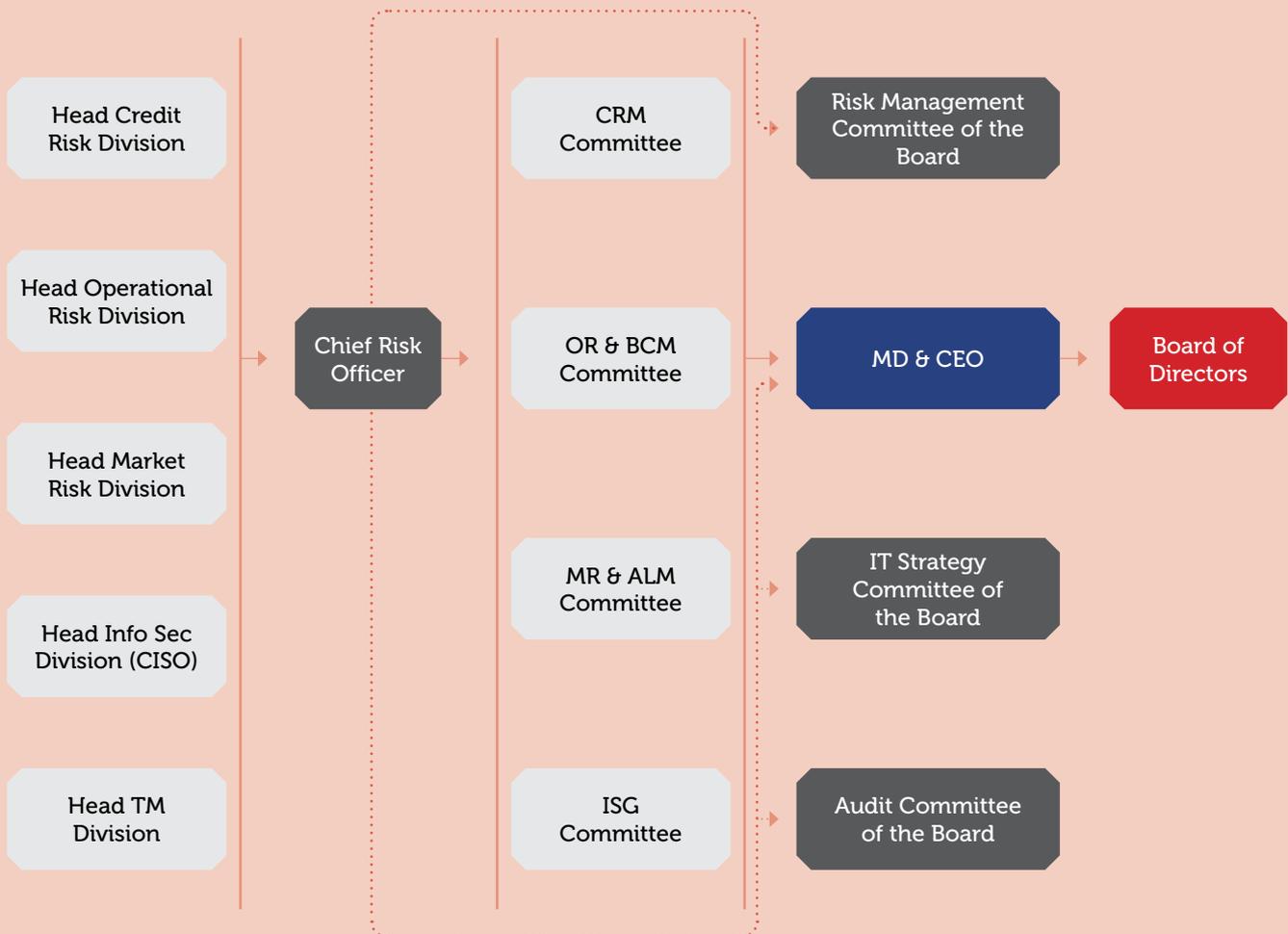
for all the progress that we could make in social banking. Together, we are building a brighter, more inclusive, and sustainable future—where growth is not just measured in numbers but in the well-being of people and the health of our planet.

Warm regards,

Kadambelil Paul Thomas

Managing Director & CEO
ESAF Small Finance Bank

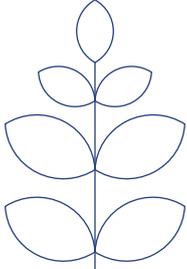
Synergy in Risk Governance



Risk governance framework

- The Board of Directors is responsible for the overall governance and overseeing of core risk management activities of the Bank and the Bank's risk appetite and related strategies and policies are approved by the Board.
- To ensure that the Bank has a sound system of risk management and internal controls in place, the Board has established the Risk Management Committee of the Board (RMCB). The RMCB assists the Board in overseeing and reviewing the Bank's risk management principles and policies, strategies, appetite, processes and controls.
- The Risk Management Committee of the Board (RMCB), the Information Technology Strategy Committee of the Board (ITSCB) and the Audit Committee of the Board (ACB) assist the Board in overseeing the functions and conducting periodical reviews of the Bank's risk management principles and policies, strategies, appetites, processes and controls.
- The RMCB is supported by the Risk Management Department and the Executive Level committees dealing with different functional areas of risk, facilitating the effective execution of their responsibilities.
- Segregation of duties is across the 'three lines of defence' model, where front-office/business, functions as the first line, Risk Management and Compliance as the second line and Internal Audit as the third line. The roles played by the functions are independent of one another.
- Risk strategy is approved by the Board on an annual basis and is defined based on the Bank's risk appetite, in order to align risk, capital and performance targets.
- All major risk classes are managed through focused and specific risk management processes; these risks include Credit Risk, Operational Risk, Market Risk, Liquidity Risk etc. Policies, processes and systems are put in place to enable Risk Management capability.
- Risk Management function has appropriate representation on Executive Level Committees of the Bank to ensure that risk view is taken into consideration in business decisions. Stress testing tools and escalation processes are established to monitor the performance against the approved risk appetite.

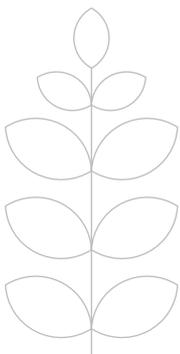
Synergy for Accountability, Efficiency, and Responsibility



ESAF Bank places a strong emphasis on maintaining a governance framework that ensures responsible and efficient operations as a small finance bank. Our approach is built on a clearly defined organisational structure, assigning specific roles and responsibilities to key personnel and committees. This structure enables effective oversight, sound risk management, and strict regulatory compliance, supported by well-established policies and procedures.

Regular board meetings are central to our decision-making process, facilitating transparent discussions, strategic planning, and performance evaluations. Our governance practices also prioritise risk mitigation and regulatory adherence through robust controls and compliance systems.

Ethical behaviour, accountability, and transparency form the foundation of our governance philosophy, fostering trust and confidence across all stakeholders. By adhering to these principles, ESAF Bank is committed to achieving operational stability, fostering integrity, and ensuring sustainable growth.



Expertise of Directors

The Bank has an experienced Board and Key Management Personnel. The experienced Board comprises members with diverse business experience, many of whom have held senior positions in well-known financial services institutions. Shri. Kadambelil Paul Thomas, Managing Director and Chief Executive Officer, was previously a senior field representative at Indian Farmers Fertiliser Co-operative Limited and since 2013 he has been the president of the Kerala Association of Micro Institutional Entrepreneurs. Members of our Key Management Team have been working in the banking and financial services sector for more than 25 years. Our Key Management Personnel have expertise in scaling up financial services organisations and collectively they have all the relevant experience in credit evaluation, risk management, treasury and technology.

Name	Category	Expertise of Directors
P. R. Ravi Mohan	Chairman & Independent Director	
Kadambelil Paul Thomas	Managing Director & Chief Executive Officer	
Dr. V. A. Joseph	Independent Director	
Thomas Jacob Kalappila	Independent Director	
Vinod Vijayalekshmi Vasudevan	Independent Director (Additional)	
Ravi Venkatraman	Non-Executive Independent Director	
Kolasseril Chandramohan Ranjani	Non-Executive Independent Director	
Ajayan Mangalath Gopalakrishnan Nair	Non-Executive Nominee Director	
John Samuel	Non-Executive Nominee Director	
Biju Varkkey	Non-Executive Independent Director	



Board of Directors



Shri P. R. Ravi Mohan
Chairman & Independent
Director



**Shri Kadambelil Paul
Thomas**
Managing Director & CEO



Dr. V. A. Joseph
Independent Director



**Shri Thomas Jacob
Kalappila**
Independent Director



**Shri Vinod Vijayalekshmi
Vasudevan**
Independent Director
(Additional)



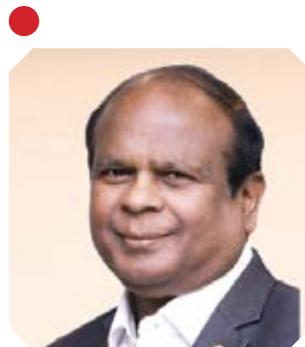
Shri Ravi Venkatraman
Non-Executive
Independent Director



**Smt Kolasseril
Chandramohanan Ranjani**
Non-Executive
Independent Director



**Shri Ajayan Mangalath
Gopalakrishnan Nair**
Non-Executive Nominee
Director



Shri John Samuel
Non-Executive Nominee
Director



Shri Biju Varkkey
Non-Executive
Independent Director

Profile of the Board of Directors

Shri P.R. Ravi Mohan possesses extensive leadership experience in both the Indian and international banking sectors. He has played a crucial role in providing technical assistance for banking supervision and ensuring financial stability across 13 countries in Sub-Saharan Africa. Prior to his current assignment, he held the position of Head of the Banking Supervision Department at the Reserve Bank of India, where he was responsible for overseeing the supervision of commercial banks within the country. Additionally, he served as Chief General Manager at the Department of Banking Operations and Development (DBOD) of the Reserve Bank of India, actively contributing to the regulation of the commercial banking system. Shri Ravi Mohan joined the RBI in 1984 after completing his Masters in Physics, and he holds a distinguished Master of Business Administration degree from the University of Birmingham, U.K.

Shri K. Paul Thomas, the Founder of ESAF Group of Social Enterprises, including ESAF Microfinance and Investments Pvt Ltd, brings over 32 years of management expertise, with a focus on the microfinance sector for more than 25 years. Prior to initiating the microfinance programme, Shri Paul Thomas served at Indian Farmers Fertilizers Co-operative Ltd (IFFCO), the world's largest cooperative-owned fertilizer company, for 18 years, gaining extensive experience across rural India. It was during these journeys that he realised the potential for community transformation through the creation of opportunities. This realisation inspired him to establish microfinance lending under the ESAF society. Additionally, Shri Paul Thomas has served on the Boards of prominent microfinance organisations like MFIN and holds the distinction of being the founder and President of the Kerala Association of Microfinance Institutional Entrepreneurs (KAMFI).

Dr. V.A Joseph, former Chairman, Managing Director & CEO of South Indian Bank, brings a wealth of experience spanning over 4 decades in the banking and financial sector. He began his career as a Trainee Officer in Syndicate Bank in June 1972 and served as a Branch Manager in Trivandrum, Ernakulam, and Pune for 15 years. Dr. Joseph also held the position of Principal at Staff Training College, Udupi, Karnataka, for two years and served as the Head of Human Resource Development at the Head Office in Manipal. Prior to joining South Indian Bank, he served as the General Manager of Syndicate Bank, Mumbai Zone, overseeing operations in Maharashtra, Gujarat, Goa, and Chattisgarh. In 2005, he assumed the role of Chairman & CEO of South Indian Bank, later transitioning to the position of Managing Director & CEO in 2008. Dr. Joseph retired from the Bank's service on September 30, 2014. He holds a post-graduate degree in Commerce and Personnel Management and is a certified associate of the Indian Institute of Bankers. Additionally, he has earned a PhD. and LLB from Pune University.

Shri Thomas Jacob Kalappila is a Fellow Member of the Institute of Chartered Accountants of India (F.C.A) and holds a D.I.S.A (Diploma Information Systems Audit) certification. With over 40 years of post-qualification experience as a Chartered Accountant, he has been providing financial and management consultancy services to esteemed entities for more than 37 years. Presently, Mr. Thomas serves as the Senior Partner of M/s. Thomas Jacob & Co., overseeing significant audit and attest assignments within the firm. His expertise lies in Statutory Audit, Internal Audit, and Forensic Audit of banks, amassing more than 35 years of experience in these areas. Notably, he is currently entrusted with the audit responsibilities of Canara Bank, Indian Overseas Bank, and Indian Bank. In the past,

Shri Thomas has also served as an Independent Director on the Boards of South Indian Bank Limited and Malabar Cements Limited.

Dr. Vinod Vasudevan currently serves as the Group CEO of Flytxt BV, a leading Dutch company that pioneers AI @ scale solutions for customer lifetime value management, subscription, and usage-based businesses. Throughout his career, Dr. Vinod has held diverse roles ranging from research to commercialisation, working with both small ventures and large multinational corporations. He has a track record of developing and translating intellectual property into technology solutions and scalable business models. Prior to his tenure at Flytxt, Vinod held technology and business leadership positions in Japan, Singapore, the USA, and India. He played a significant role as an early hire at the groundbreaking telecom venture 'Reliance Infocom' (later known as Reliance Communications), where he oversaw nationwide data and content services, as well as wireless ATM and POS services. These innovative offerings received national and international recognition, including awards such as "Best IT Implementation" from PC-Quest and the "SOA Award" from IDC.

Vinod has also been recognised as a keynote speaker and panellist at global events. He has actively participated in ISO standards development and holds several patents. Additionally, he has authored numerous papers in his field of expertise. Vinod holds a Bachelor's, Master's, and Doctorate in Computer Science and Engineering from IIT Kharagpur, specialising in artificial intelligence.

Shri Ravi Venkatraman is a distinguished professional who has held the position of Executive Director and Chief Financial Officer at Mahindra and Mahindra Financial Services Limited. He played a

pivotal role as a core member of the team responsible for establishing and expanding five companies within the Mahindra Group. With a vast range of expertise in areas including accountancy, finance, risk management, information technology, agriculture, and rural economy, Shri Venkatraman brings a wealth of experience to his role. He is an esteemed associate member of the Institute of Chartered Accountants of India and has successfully completed the Cost and Management Accountancy Course from the Institute of Cost and Management Accountants of India. To enhance his professional skills, he has actively pursued multiple robust training programmes.

Shri Venkatraman's exceptional contributions have been recognised through multiple awards bestowed upon him by renowned national and international bodies. These accolades acknowledge his thought leadership, commitment to corporate governance, and exemplary financial expertise.

Smt Kolasseril Chandramohanan Ranjani brings a wealth of experience in diverse fields such as banking, agriculture, rural economy, small-scale industry, finance, cooperation, and business management. Throughout her illustrious career, she has held senior management positions at esteemed institutions including SIDBI (Small Industries Development Bank of India), the apex bank for financing and developing the MSME sector in India. With over 25 years of expertise in Micro, Small, and Medium Enterprises (MSMEs), she has gained invaluable insights into the small-scale industry and MSME sectors. Smt Ranjani has served on the boards of several prominent microfinance institutions and investment companies in India. Her contribution and expertise have significantly impacted the growth and development of these institutions.

She holds a Master's degree in Bank Management (MBM) from the Cochin University of Science and Technology, Ernakulam, and a Bachelor of Science degree from the University of Kerala.

Shri Ajayan Mangalath Gopalakrishnan Nair brings a wealth of experience spanning over three decades in the banking industry, encompassing diverse areas such as banking operations, risk and compliance, transaction banking, credit, rural banking, and IT. He embarked on his banking journey with Canara Bank in 1984 and held several pivotal positions throughout his career. Notably, he served as the General Manager of IT and CIO, General Manager of retail assets, General Manager of transaction banking, General Manager of Pune Circle, Chief Compliance Officer, and Deputy General Manager of Calicut Circle until his retirement in May 2018. Shri Ajayan holds a Bachelor's degree in Science (horticulture) from the Kerala Agriculture University and is a certified associate of the Indian Institute of Bankers. His extensive expertise and qualifications have played a significant role in his successful tenure within the banking industry.

Shri John Samuel brings a wealth of experience in various fields, including accountancy, agriculture and rural economy, banking finance, economics, and business management. With an impressive background, he has held significant positions in the Government of India, such as Member of the Postal Services Board and Chief Post Master General. Furthermore, he has served as a consultant for the United Nation's Universal Postal Union, representing the Indian Government in international forums held in Germany, France, the UAE, and Vietnam. Shri Samuel has provided consultancy services to the Sri Lanka Post and the

Tanzania Post, focusing on post office transformation, financial services, financial inclusion, business development, and leadership development. As the Founder and President of Transform Consulting, a reputable management consulting firm, he has been instrumental in facilitating transformation, leadership development, financial management, financial inclusion, training and development, and government relations. Additionally, Shri Samuel selflessly mentors civil service aspirants without charge. He is a distinguished fellow member of the Institute of Chartered Accountants of India and holds Master's degrees in Business Management from the Cochin University of Science and Technology and in Commerce from Madurai University.

Shri Biju Varkkey is a Faculty in Human Resource area in Indian Institute of Management, Ahmedabad for more than 23 years and has also served as a Faculty in various reputed institutions such as Indian Institute of Management, Lucknow, Management Development Institute, Gurgaon etc. in the past. He is a Fellow Member of the National Institute of Bank Management, Pune and holds a Master's Degree in Personnel Management and Industrial Relations from MG University, Kerala. He was a Part-Time Non-Official Director of M/s. Bank of Baroda for a period of four years in the past and has also held the position as Director in the Board of M/s. Aster DM Healthcare Limited, M/s. Husys Consulting Limited and M/s. Paschim Gujarat Vij Company Limited. Currently, he holds directorship in the Board of M/s. V Guard Industries Limited, a listed entity and M/s. Konnect CSR Impactors Private Limited.

The Team Driving Synergy, Sustained Growth and Scaled Impact

The senior management team at ESAF Bank embodies a unified commitment to steering the institution towards its vision through a synergy of diverse expertise and strategic focus. By pooling their collective knowledge across finance, risk management, compliance, technology, and customer service, the team ensures a cohesive approach to driving innovation and excellence in banking.

Collaboration lies at the heart of the team's efforts. This dynamic group works together to align ESAF's operational strengths with its long-term vision, making decisions that balance stakeholder needs, regulatory compliance, and customer aspirations. Their unified strategy fosters a culture of transparency, ethical banking, and responsible innovation, creating a solid foundation for sustained growth.

To scale operations and create a greater impact, the senior management team integrates forward-thinking approaches across all facets of the bank's functions, from sustainable lending practices and priority sector initiatives to retail asset management and technology-driven solutions. These initiatives not only enhance ESAF's customer-centric reputation but also expand its reach and influence in the banking sector.

With a steadfast focus on learning, development, branding, and service quality, the team ensures that ESAF adapts to evolving market demands while staying true to its mission of empowering communities. Together, they are shaping a resilient organisation that not only grows sustainably but also scales its operations to amplify its positive impact on society and the banking industry.



George K. John
Executive Vice President



George Thomas
Executive Vice President



Hari Velloor
Executive Vice President



Hemant Kumar Tamta
Executive Vice President



Bosco Joseph
Administration, Infrastructure
& Procurement



Gireesh C. P.
Chief Financial Officer



Rabindra Kumar Dash
Treasury



Wilson Cyriac
Chief Risk Officer



Sudev Kumar V.
Chief Compliance Officer



Sivakumar P.
Internal Audit



Shubhankar Sengupta
Retail Assets



Dr. A. V. Jose
Learning and Development



Swaminathan K.
Strategy & Planning
and TPP



K. Surny
Collections



Siby K. A.
Business Correspondent
Channel



Radhakrishnan D.
Agri Business



E. A. Jacob
Chief of Internal Vigilance



Soney Jose
MSME



Rajish Kalapurayil
Branch Banking Network 1



Jata Shankar Mishra
Branch Banking Network 2



Dinesh Kalarackal
Legal



Ali Mohammad Saquib
Chief Technology Officer



Sony V. Mathew
Branding & Communication



**Manojkumar
Subhashchandran**
Credit Sanctions



Peter M. P.
MIS & Operations



Reji Koshy Daniel
Sustainable Banking



Bobby Abraham Mathew
Human Resources



Paul Joy Palocaren
Retail Assets - Mortgages



K. George Oommen
Retail Assets - Auto Loans



Vinod G. Thampi
Credit Monitoring and
Recovery



Sreekanth C. K.
Marketing



Anitha Sekhar
Micro Banking



Abiesh Jose
Customer Service Quality



Ranjith Raj P.
Company Secretary

Strategic Environment for Small Finance Banks



Small Finance Banks (SFBs) continue to play a vital role in India's financial ecosystem by addressing underserved and unbanked segments of society, including small farmers, micro-businesses, and MSMEs. FY2024 saw SFBs achieving remarkable growth, supported by evolving market dynamics, strategic diversification, and robust policy support, even amid challenges related to deposit mobilisation and cost management.

Robust Credit Growth

SFBs are expected to grow their advances by 25-27% in FY2024, slightly lower than the previous fiscal's ~28% growth but still indicative of significant momentum. This growth is driven by:

- **Geographical Penetration:** With more than half of their branches in rural and semi-urban regions, SFBs have tapped into sizeable unmet demand. The branch network more than doubled over the five years ending March 2024, reaching approximately 7,400 branches, with notable traction in the eastern regions.
- **Diversification of Loan Portfolios:** Credit growth in new asset classes, including mortgage loans, MSME loans, vehicle loans, and unsecured personal loans, is projected at ~40% for FY2024, compared to ~20% in traditional segments. This diversification has resulted in the share of new asset classes surpassing 40% of the total portfolio, a significant shift from March 2020 levels.
- **Shift Toward Secured Lending:** The portfolio mix is increasingly skewed toward secured asset classes, enhancing portfolio stability and risk management.

Deposit Growth and Challenges

Deposit growth outpaced credit growth in FY2024, registering an increase of ~30%, compared to the overall banking sector. However, this growth brought higher costs due to:

Increased Share of Bulk Deposits:

Bulk term deposits constituted ~30% of total deposits as of March 2024, up from ~23% in FY2022. CASA deposits declined to 28%, down from 35%.

Premium Interest Rates:

SFBs offered a 50-250 basis point premium on deposit rates compared to universal banks, increasing the cost of funds.

To address these challenges, SFBs are expected to focus on alternative funding strategies, including:

- **Securitization:** Transactions reached ~₹9,000 crore in FY2024, up from ~₹6,300 crore in FY2023, indicating growing adoption of this route for funding.
- **Refinancing Lines:** Leveraging refinancing lines from All India Financial Institutions (AIFIs) to diversify funding sources and reduce costs.

Healthy Capital Buffers

Capital buffers remain a strong growth enabler for SFBs. Over ₹8,000 crore has been raised in the past three years, including ~₹2,700 crore through IPOs. Internal accruals have also bolstered the capital base. Consequently:

- The average Tier I capital adequacy ratio (CAR) was ~19.7%.
- The overall CAR averaged ~26.6%, well above regulatory thresholds, with healthy buffers of 12.2 and 11.6 percentage points, respectively.

Market Opportunities

The sizeable untapped market potential, particularly in rural and semi-urban areas, coupled with systemic emphasis on financial inclusion, positions SFBs as critical drivers of growth in India's banking landscape. Key drivers include:

- **Segmental Expansion:** New asset classes such as mortgage loans and MSME financing will sustain momentum.
- **Universal Banking Aspirations:** SFBs are moving toward becoming full-service banks, enabling them to compete more effectively in the broader banking sector.
- **Strategic Diversification:** Adoption of securitization and other alternate liability strategies to manage cost and sustain credit growth.

The average Tier I capital adequacy ratio (CAR) was
~19.7%.

The overall CAR averaged
~26.6%,
well above regulatory thresholds, with healthy buffers of 12.2 and 11.6 percentage points, respectively.

Forward with an ESG Roadmap

The bank has adopted a 4-year ESG Roadmap for 2023-27 as follows

Energy Conservation & Greater Reliance on Renewable Energy in Operations are in line with the Net Zero Plans of the Government of India.

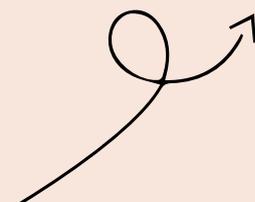
Intentionally marshalling the operations with a sustainability focus, aligning with and contributing towards Government's Net Zero Plans.

Fostering Energy Security through 2,00,000 Renewable Energy Installations (1 GW)

Intentionally building an impactful clean and renewable energy portfolio in alignment with the government's priority to green the finance sector. It is worth mentioning that addressing the concerns related to deep energy security is the need of the hour.



Impacting 10 Million (One Crore) Direct Customers through SDGs



The Bank continues its legacy of offering impactful products and services. There is a special focus on products related to the following SDGs: No poverty (SDG 1), Gender equity (SDG 5), Employment generation (SDG 8), Infrastructure, Innovation (SDG 9), Reduced inequality (SDG 10), Responsible consumption & production (SDG 12), Climate action (SDG 13), and Life on land (SDG 15), as well as other products of high ESG Quotient.

Fostering Local Sustainable Economic Growth through 1 Million JLGs



The Bank is building upon its strength of creating and nurturing JLGs for group peer dynamics, enhancing social resilience, and facilitating safer lending. JLGs will serve as a growth driver for inclusive development and sustainable grassroots growth.

Fostering Food Security through Financial Services to 5 Million Farmers

The Bank is intentionally building an impactful agricultural and allied portfolio, aligning with the government's priorities for the agriculture and allied sectors.

Future Proofing through our Sustainability Framework



People, Planet, Prosperity

ESAF Bank has a comprehensive sustainability framework that focuses on various aspects of sustainability and responsible banking practices. The framework includes:

- **Classification of financial products:** Methodically categorising the Bank's financial products as sustainable financial products.
- **Guidelines for financing sustainable products:** Defining guidelines for financing products that have a positive impact on the environment or society, as well as financing low-carbon companies.

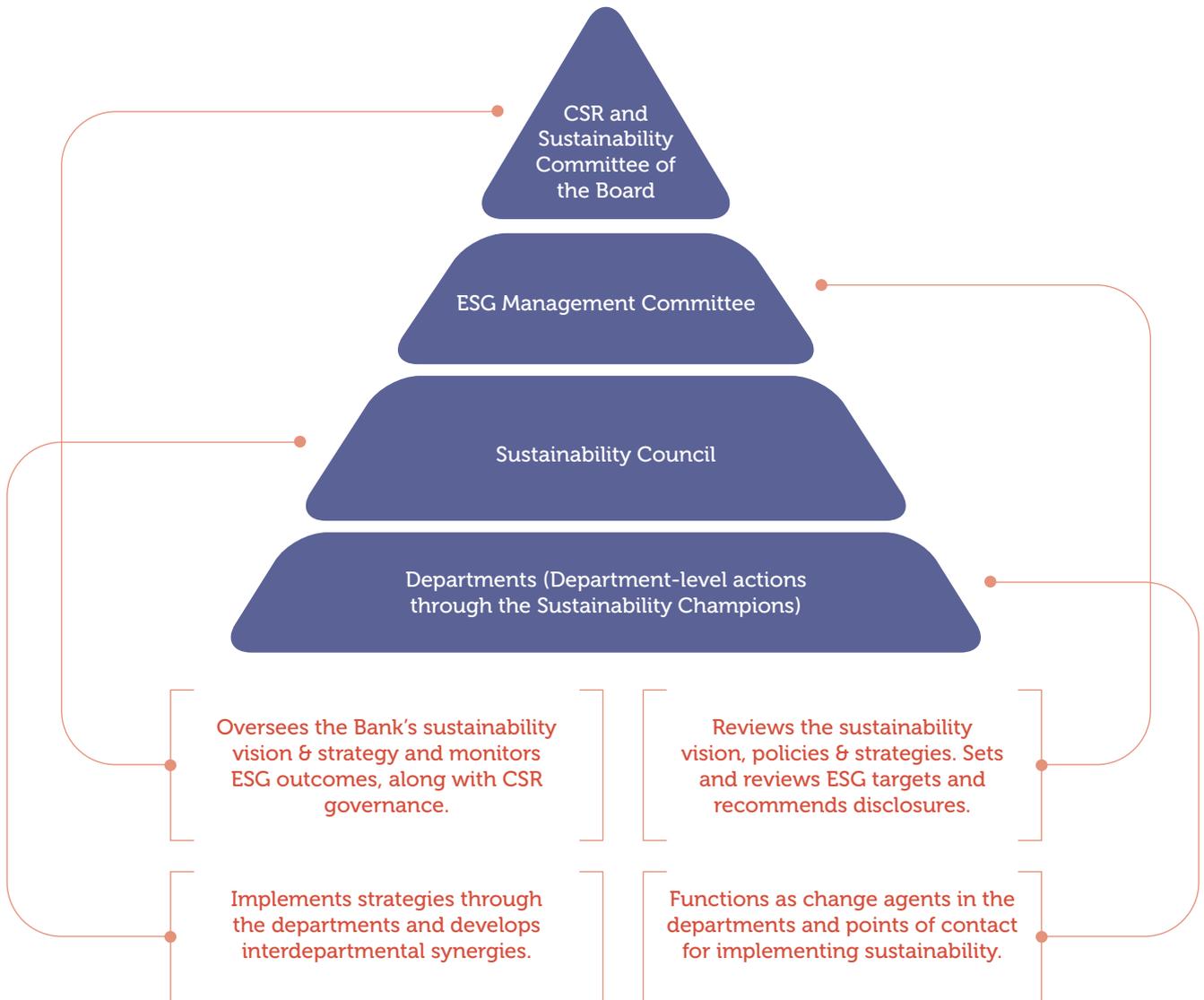
Key Highlights of ESAF Bank's Sustainability Framework

- Financing guidelines for positive environmental and social impact
- Financing low-carbon companies
- Multilayered risk management framework
- Robust internal control system for risk mitigation
- Inclusive growth programmes for stakeholders
- Promotion of sustainable livelihood practices
- Customer care excellence
- Customer data protection
- Governance process aligns with environment, society, and business processes
- Gender inclusion
- Green finance
- Agriculture and allied segments
- Developing sustainable livelihood
- ESG materiality

The Sustainable Value Chain of ESAF Bank

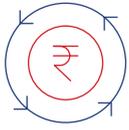
- **Inputs/Resources**
Financial capital, human resources, technology, and infrastructure for sustainable operations
- **Sustainable Product/Service Offering**
Financial products promoting sustainability, green initiatives, responsible investments, and support for socially responsible businesses
- **Efficient Operations**
Energy and resource efficiency, waste reduction, and optimised resource utilisation
- **Risk Management**
Robust practices to identify and address environmental, social, and governance risks associated with operations and lending
- **Stakeholder Engagement**
Engagement with customers, employees, investors, regulators, and the local community to understand sustainability expectations and incorporate feedback
- **Responsible Financing**
Adherence to social and environmental standards in lending, supporting projects with positive impacts on communities and environment
- **Monitoring and Reporting**
Mechanisms to track sustainability performance, including key performance indicators and regular reporting on ESG metrics
- **Continuous Improvement**
Regular review and enhancement of sustainability practices based on feedback, industry best practices, and emerging trends

ESG Framework



Note: In addition to the direct risk mitigation steps initiated through the ESGMC, the Sustainability Council, through the Sustainability Champions takes steps for initiating action at the department level and those actions will be addressed at the other councils as well.

How we Create Value



Financial Capital

The available funds and the funds obtained through debt, profits, equity, deposits and investments.

Linkage to UN SDGs



Intellectual Capital

The Bank's Intellectual capital consists of the combined knowledge of the management and its staff, processes, brands, copyrights and reputation.

Linkage to UN SDGs



Social and Relationship Capital

Relations with the stakeholder groups to enhance individual and collective well-being.

Linkage to UN SDGs



Manufactured Capital

The Bank's manufactured capital represents its physical infrastructure, which includes the traditional brick-and-mortar customer contact points, vehicles, IT equipment and furniture as well as its digital infrastructure.

Linkage to UN SDGs



Human Capital

Human resources, capabilities and ability to align with the Bank's mission and vision.

Linkage to UN SDGs



Natural Capital

All renewable and non-renewable environment sources and processes used for the operations and initiatives to protect natural ecosystems.

Linkage to UN SDGs



Our Inclusive Strategies

Capital Linkage:



Capital Linkage:



Capital Linkage:



Strategy 1

Increasing Bank Networks

The Bank aims to expand its presence by opening more branches, establishing more customer service centres and banking outlets through business correspondents, and forming relationships with new business correspondent entities and facilitators. It plans to increase its ATM networks based on parameters like deposits, growth, urban households, banking access, PSU deposits, and NRI remittances.

Outcomes

The strategy of increasing bank networks has resulted in enhanced accessibility and customer service. ESAF Small Finance Bank operates 753 branches across 23 states and 2 union territories, supplemented by 930 Customer Service Centres, 614 ATMs, and a robust Business Correspondent network, strengthening its financial inclusion footprint and service delivery.

Strategy 2

Expanding Retail Deposits

The Bank aims to increase deposits, with a focus on retail deposits, to drive business growth and reduce the Cost of Funds. This involves targeting new and existing customers through enhanced customer service, competitive pricing, and leveraging outlets and business correspondents. Deposits will be sourced through CASA, fixed deposits, and recurring deposits. Expansion of the business correspondent network and targeting NRIs and HNIs are key aspects of the strategy. The recent Authorized Dealer Category I license allows for deposits in foreign currency. Partnerships with associations, societies, government departments, NGOs, and educational institutions will enable product and service offerings, including tailored savings accounts.

Outcomes

For FY24, the total deposits grew at a CAGR of 32.94%, reaching ₹1,98,678.04 million from ₹1,46,656.24 million in FY23. Retail deposits demonstrated a significant growth of 37.91%, increasing from ₹1,33,186.20 million to ₹1,83,681.00 million. Deposits from NRIs accounted for a substantial share, reflecting the success of targeted campaigns and the expansion of the NRI customer base facilitated by the Authorized Dealer Category I license. Strategic relationships and customised savings accounts further bolstered the deposit base.

Strategy 3

Growing Microloans

The Bank aims to grow its Microloan business by cross-selling and upselling to existing customers, targeting family members of customers, appointing new business correspondents and empowering banking agents to source customers.

Outcomes

For FY24, the Microloan business has continued its strong performance, with the AUM reaching ₹1,37,663 million as of March 31, 2024, constituting a significant share of the Bank's total AUM. Strategic partnerships with new business correspondents and enhanced capabilities of banking agents have bolstered customer outreach, deepened relationships, and reinforced the bank's leadership in the Microloan segment.

Capital Linkage:



Capital Linkage:



Capital Linkage:



Strategy 4

Expanding Retail Loans

Our strategic focus has been on expanding retail loan offerings and diversifying the portfolio. We started offering retail loans in Fiscal 2018 and introduced gold loans in Fiscal 2019. Gold loans have contributed to our retail loan growth. Our plan is to increase retail advances by targeting agriculturists, small-scale entrepreneurs, salaried employees, students, and senior citizens in small towns and rural India. We will also capitalise on existing microloan customers and offer personalised loan products to salaried account holders. Additionally, we aim to expand the number of branches offering gold and mortgage loans, with a focus on affordable housing loans and introduce a mobile-based loan origination system.

Outcomes

As of March 31, 2024, our retail advances were ₹32,735.20 million, representing a significant portion of our AUM. Gold loans are now available at 610 branches, up from 545 the previous year. For mortgages, 230 branches (30.54%) currently offer this service, reflecting our expanded accessibility. The strategic hiring of senior leadership continues to support our mortgage growth initiatives.

Strategy 5

Increasing MSME Loans

We aim to expand our MSME loan portfolio by increasing loan amounts and their share of our AUM. Our strategy involves proactive outreach through relationship managers in banking outlets, offering working capital and term loans to MSMEs. We will support existing microloan customers and collaborate with fintechs to find more customers for small-ticket term loans. Additionally, we plan to strengthen supply chain finance by partnering with tech platforms and increasing activity on web-based platforms for receivables discounting.

Outcomes

For FY24, as of March 31, 2024, the AUM of MSME loans grew to ₹2,259.60 million, reflecting a consistent increase from ₹483.57 million in FY21 and ₹1,233.15 million in FY22. This growth highlights the success of our strategies, including leveraging relationship managers, collaborating with fintechs, and utilising web-based platforms, which have attracted a broader customer base for small-ticket term loans and enhanced the receivables discounting business.

Strategy 6

Expanding Agriculture Loans

We aim to grow our agriculture loan business by expanding our product offerings and geographic reach. Through the establishment of our agricultural loan department in Fiscal 2020, we have introduced new loan products each year, resulting in seven agricultural loan products as of March 31, 2023. To further increase our agricultural advances, we plan to appoint agri-relationship officers in more states, collaborate with Farmer Producer Organisations, and enhance loan sourcing through our banking outlets and business correspondents.

Outcomes

For FY24, as of March 31, 2024, our AUM of agricultural advances grew to ₹10,452 million, representing a substantial share of our total AUM. The agricultural loan business has consistently expanded, driven by the introduction of tailored loan products and strategic geographic growth. Agri Relationship Officers now operate across multiple states, enhancing outreach. Plans for appointing officers in additional states and collaborating with Farmer Producer Organisations remain a priority. Leveraging our extensive network of banking outlets and business correspondents, we aim to accelerate loan sourcing in the agriculture sector, further strengthening our agricultural advances.

Synergising Capitals for Scaling

Capital	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social & Relationship Capital	Natural Capital
Financial Capital	Drives resources for expanding outreach, supporting unbanked areas, and offering affordable financial products	Facilitates investment in physical infrastructure (branches, ATMs, digital platforms) to enhance accessibility in diverse areas	Enables development of unique products and services for diverse customer needs across locations	Supports competitive employee training programmes, enhancing capabilities to serve diverse regions	Provides resources for community investments, financial literacy programmes, and partnerships in underbanked regions	Allocates funds toward sustainable initiatives, renewable energy adoption, and efficient resource management in operations
Manufactured Capital	Physical presence across various regions, including rural unbanked areas, contributes to financial capital growth	Represents the physical network utilised to broaden ESAF's reach, enabling financial inclusion for underserved communities	Infrastructure is tailored to support technology and processes, enabling efficient and accessible banking services	Provides tools and spaces conducive to productivity, enhancing employee engagement and connection with communities	Fosters close community ties, supporting financial empowerment and trust building in underbanked areas	Optimises physical resource use, with eco-conscious design and green facilities that reduce environmental impact
Intellectual Capital	Enables the creation of socially impactful, affordable products that attract and retain customers	Supports innovation in distribution channels, enabling access to banking in remote areas	Includes knowledge and insights into local markets and unbanked demographics, creating meaningful products	Empowers employees with social banking principles and customer-centric skills	Leverages community insights to adapt products and approaches, enhancing ESAF's role as a socially driven bank	Develops knowledge in sustainable practices, aligning products and operations with environmental responsibility
Human Capital	Drives financial outcomes by providing tailored services through a skilled and motivated workforce	Maintains and manages the diverse infrastructure in remote and urban areas	Enhances intellectual resources through Continuous learning initiatives enabling unique banking approaches for underserved areas	Emphasises employee well-being, diversity, and capacity building, aligning with ESAF's socially inclusive mission	Engages with communities through local initiatives and outreach, promoting financial literacy and inclusion	Educates employees on sustainable practices, fostering an eco-conscious workforce within the Bank

Social & Relationship Capital	Reinforces trust and customer loyalty in unbanked and underbanked areas, contributing to long-term financial stability	Supports expansion of physical touchpoints that create accessible banking experiences in underserved regions	Guides intellectual capital, offering insights into new product development by fostering community relationships	Fosters community engagement, increasing employee pride and retention, thus boosting overall productivity	Focuses on financial inclusion, social upliftment, and deep-rooted community relationships	Advocates for community awareness and engagement in environmental responsibility and sustainable practices
Natural Capital	Aligns financial practices with sustainability goals, building ESAF's reputation as an eco-conscious bank	Promotes responsible use of resources, minimising environmental impact across branches and facilities	Incorporates eco-friendly approaches within strategic frameworks, creating sustainable products and processes	Encourages eco-friendly behaviours and practices among employees	Drives environmental initiatives within communities, promoting sustainable banking in both rural and urban settings	Focuses on conservation, responsible resource use, and minimising of ecological footprint

ESG
Environmental
Social
Governance



The Capital Linkage framework demonstrates how ESAF Bank integrates Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural Capital to deliver wholistic and sustainable value. By leveraging these interconnected resources, ESAF Bank enhances financial inclusion, strengthens community relationships, and promotes eco-conscious practices. Each capital plays a critical role—financial resources support outreach, manufactured infrastructure improves accessibility, intellectual capital drives innovation, and human capital empowers employees. Social and natural capitals reinforce community engagement and sustainability, aligning with ESAF Bank's mission of social upliftment and environmental responsibility. This strategic integration ensures ESAF Bank delivers meaningful impact while fostering resilience, inclusivity, and long-term growth.

Sustaining and Scaling ESG Excellence

ESAF Small Finance Bank (ESAF SFB) stands out in the financial sector with its comprehensive and robust approach to Environmental, Social and Governance (ESG) performance. With an impressive ESG score of 68.1, ESAF SFB is positioned at the top among peers, outperforming industry medians in all three ESG pillars. The Bank's commitment to community upliftment, ethical governance, and sustainable finance underscores its mission of fostering financial inclusion and supporting under-resourced communities. Through various innovative initiatives, ESAF SFB aligns with the United Nations Sustainable Development Goals (SDGs), demonstrating its dedication to long-term impact in environmental sustainability, social welfare, and governance excellence. The following sections highlight ESAF SFB's key strengths, focusing on its leadership in social impact, transparency, and governance while setting ambitious targets for environmental stewardship.

Overall ESG Rating and Performance

Score and Rank:

ESAF Small Finance Bank (ESAF SFB) achieved an ESG score of 68.1, which positions it in the "Strong Position" category for managing ESG risk. This score places ESAF SFB well above the industry median score of 51.8, ranking it in the top quartile among small finance banks (SFBs), microfinance institutions, and non-banking financial companies.

Broad ESG Commitment:

ESAF SFB's approach integrates the triple bottom line of "people, planet, and prosperity" into its business model. The Bank's focus on financial inclusion, gender diversity, and environmental impact aligns with United Nations' Sustainable Development Goals (SDGs), demonstrating a broad and inclusive ESG strategy.



Social Pillar Score

76.9



ESAF SFB achieved a leadership score of 76.9 in the social pillar, placing it at the top of its industry for social-centric performance. ESAF's social initiatives are driven by policies promoting diversity, community support, and ethical banking practices.

Priority Sector Lending (PSL)

92%



ESAF SFB directed 92% of its advances towards priority sectors, exceeding the regulatory requirement of 75%. This focus primarily benefits marginalised and underserved communities in rural and semi-urban areas, strengthening ESAF's mission of financial inclusion.

The Bank's dedicated efforts toward PSL help stimulate local economies and create pathways for economic development in under-resourced regions.

Diversity and Inclusion

Women Representation

With **31%**



of its workforce comprising women, ESAF SFB is the industry leader in gender diversity. Additionally, initiatives like the "Mahila Sree" account and priority lending for women borrowers reflect ESAF's commitment to financial empowerment for women.

Differently Abled Inclusion



ESAF SFB actively includes differently abled individuals in its workforce, aligning with the Rights of Persons with Disabilities Act, 2016. It achieved a top ranking in the sector for workforce inclusion of differently abled employees.



Community Support and Development

ESAF SFB
allocates

5%

of its net profit to CSR activities, surpassing the regulatory mandate of 2%. The Bank's projects, such as financial literacy programmes and local employment generation, target 100% of beneficiaries from vulnerable and marginalised communities.

Key programmes include the ESAF SFB Utthan and Dhansree, which provide financial literacy training and resources tailored to rural areas.



Privacy and Data Security

ESAF SFB maintains a leading position in data security, recording zero data breaches over the past two years. It holds an ISO 27001 certification, confirming strong cybersecurity practices, including regular audits and robust data protection policies.

73.9

Governance Pillar Score

With a governance score of 73.9, ESAF SFB ranks above the industry median of 62.8, placing it in the top quartile.

Board Oversight and Ethical Standards

The Bank's comprehensive governance framework aligns with BRSR principles and the UN SDGs. All policies, including its Business Continuity Plan and CSR initiatives, are board-approved and reviewed annually.

ESAF SFB excels in business ethics, maintaining compliance with anti-money laundering (AML) and know-your-customer (KYC) standards. It has an established Insider Trading Committee and Whistleblower Policy, creating a high standard of accountability within its operations.

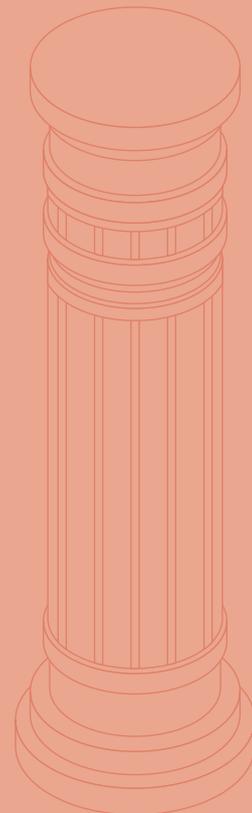
Transparency and Disclosure

ESAF's governance transparency score is 88.2, reflecting extensive disclosures across its social, environmental, and governance initiatives.

The Bank's BRSR-aligned disclosures include quarterly updates to its board on related-party transactions and regular risk management updates, including business impact assessments.

Grievance Redressal

ESAF SFB maintains a robust grievance redressal mechanism for investors, customers, and employees. Customer grievances are addressed through a structured escalation process, including a dedicated customer service committee and the SEBI Complaints Redress System (SCORES) portal.



25.8



Environmental Pillar Score

While ESAF SFB's environmental score is modest, it exceeds the industry median and reflects ESAF's commitment to improving its environmental footprint.

Green Finance Initiatives

ESAF SFB has introduced several green finance products, including the "Go Green Vehicle Loans" and "Clean Energy Loans." These products aim to encourage the adoption of sustainable energy and transport solutions.

Although the green loan book is small, the Bank has set ambitious targets, such as lending for 2 GW of renewable energy installations by 2027. This goal aligns with India's Nationally Determined Contributions (INDC) toward climate resilience.

Climate Change Risk Management

The Bank strategically positions itself to manage climate-related risks through partnerships and forward-looking policies. ESAF SFB has signed a memorandum with the Agency for New and Renewable Energy Research and Technology (ANERT) to promote clean energy.

ESAF has implemented climate change risk measures and aims to install 200,000 renewable energy systems by 2027, targeting 1 GW capacity as part of India's Net Zero commitment.

GHG Emission Tracking and Efficiency

ESAF SFB is beginning to track emissions intensity but has room for growth in areas such as Scope 3 emissions and energy efficiency. Its current environmental strategy includes paperless initiatives, energy conservation measures, and an annual "Green Protocol" audit across branches to reduce greenhouse gas (GHG) emissions.

82.4 Transparency and Reporting Standards Score

While ESAF SFB's environmental score is comparatively lower, it exceeds the industry median and reflects ESAF's commitment to improving its environmental footprint.

High Transparency Scores

ESAF's overall transparency score of 82.4 surpasses the industry average of 71.6. The Bank's commitment to clear and frequent disclosures, especially on community support, workforce diversity, and customer protection, strongly emphasises openness.

It maintains a BRSR transparency score of 87.3 in the social pillar, signalling thorough reporting on its impact and community-oriented programmes.

Benchmarks and Comparison

ESAF SFB performs strongly on medium and high materiality ESG indicators, aligning closely with industry best practices. It leads in "Low" materiality indicators, such as community impact and employee diversity, emphasising its commitment to social value creation.

Future Goals and Roadmap

ESAF SFB has set a comprehensive ESG roadmap (2023-2027) targeting enhanced environmental sustainability, increased financial inclusion, and deeper integration of ESG factors in lending. This roadmap is expected to guide the Bank's ESG journey, with goals such as impacting 10 million direct customers and supporting one million farmer groups and joint liability groups (JLGs).

The Bank has been rated with industry best scores in Community Support and Development, Privacy and Data Security, Human Rights, Products Safety and Quality, Business Ethics



Synergising Resources and Processes for Value Creation

1. Value We Create

Commitment to Financial Inclusion

ESAF Small Finance Bank (SFB) is dedicated to providing equal banking opportunities to all, regardless of economic, social, or cultural differences. As a socially focused financial institution, ESAF has positively impacted underserved and unserved communities by designing client-centric products and services that cater to its customers' entire lifecycle needs.

Alignment with Sustainable Development Goals (SDGs)

The Bank integrates its operations with the Sustainable Development Goals, ensuring that its growth and success contribute to creating an equitable and inclusive society. By addressing financial gaps in underserved regions and among marginalised communities, ESAF reinforces its role in driving economic and social transformation.

Diverse Customer Base

The Bank serves many customer segments, including deprived, aspiring, and middle-class households, MSMEs, farmers, small traders, and other vulnerable populations. By focusing on financial upliftment, ESAF ensures that even those in the remotest parts of India have access to tailored banking solutions.

2. Our Resources

Extensive Physical Network

ESAF operates a strong branch network of 753 outlets across 23 states and 2 union territories. This physical presence is further enhanced by 1,930 Customer Service Centers (CSCs) managed by business correspondent (BC) partners, enabling the Bank to effectively serve rural and semi-urban areas.

Human Capital and Expertise

The Bank's experienced business leaders and talented workforce drive its operational efficiency and strategic growth. Their deep understanding of regional needs ensures that ESAF remains responsive to customer expectations and market demands.

Technology and Innovation

With significant investments in advanced digital capabilities, ESAF leverages a robust technological platform to offer seamless banking experiences. Partnerships with fintech companies and system integrators further enhance the Bank's ability to deliver innovative solutions.

Strategic Collaborations

The Bank collaborates with third-party business entities, including insurance companies, asset management firms, and pension fund regulators. These partnerships broaden ESAF's service offerings and improve operational efficiency by integrating advanced solutions.

3. Our Approach & Processes

Responsive Banking Framework

ESAF prioritises adapting to its customers' evolving needs by maintaining a customer-centric approach. Its processes, products, and services are designed to ensure accessibility, efficiency, and high-quality service for all segments without discrimination.

Channel-Based Operations

The Bank employs a multi-channel strategy to maximise its outreach. Branch banking remains the cornerstone of its operations, facilitating client onboarding, customer service, and relationship management. The digital banking channel ensures seamless, end-to-end processes, while the business correspondent model extends ESAF's reach into rural areas. Direct sales teams and micro-ATM services further enhance financial inclusion efforts.

Customer-Centric Solutions

ESAF provides a comprehensive suite of financial products, including lending, deposit mobilisation, and ancillary services. Special attention is given to securing micro-liabilities and strengthening its Current Account and Savings Account (CASA) base to ensure a robust financial foundation.

Targeted Customer Segments

The Bank's primary focus is serving individuals and businesses in rural and semi-urban areas. Its offerings address critical sectors such as MSMEs, agriculture, housing, and gold loans. For the MSME segment, ESAF concentrates on the "missing middle," providing financial solutions to entrepreneurs with unmet loan needs ranging from ₹1 lakh to ₹10 lakh.

4. Economic and Financial Value Creation

Revenue Diversification

ESAF generates income primarily through yields on loans and advances. It also earns fee-based revenue by distributing third-party products such as insurance, mutual funds, and pension plans. Ancillary services like safe deposit lockers and foreign exchange transactions contribute to its diversified revenue streams.

Focus on Secured Lending

The Bank strategically expands its portfolio in secured lending segments, ensuring financial stability and reducing risk. By addressing the needs of micro and small enterprises and underpenetrated customer bases, ESAF achieves sustainable growth.

Operational Scalability and Efficiency

Integrating physical and digital channels enables ESAF to optimise customer reach while maintaining operational cost efficiency. By leveraging its business correspondent network and digital banking tools, the Bank ensures scalability without compromising service quality.

Capital Stability

ESAF's strong capital base further bolsters its financial stability. This enables the Bank to sustain growth, fund innovations, and maintain sound asset quality in alignment with its long-term objectives.

Through its well-structured business model, ESAF demonstrates its commitment to addressing financial exclusion while ensuring sustainable growth and value creation for all stakeholders.



Financial Capital

Financial capital represents the funds ESAF Small Finance Bank uses to drive its operations, growth, and long-term goals. For ESAF, financial capital comprises shareholders' equity, retained earnings, customer deposits, and debt financing through instruments like loans. These capital sources are vital for advancing ESAF's mission of financial inclusion, especially within underserved and rural areas.

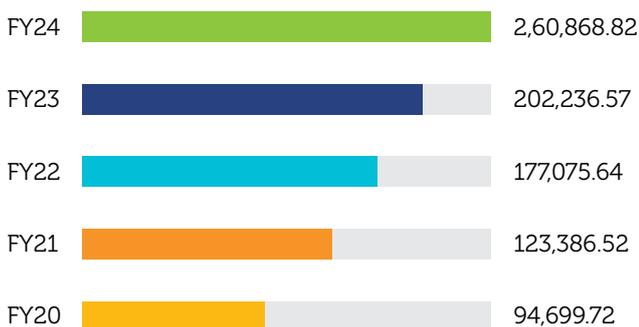
The Bank's emphasis on microbanking relies heavily on its financial capital. This capital enables the Bank to provide loans to small businesses, micro-enterprises, and self-help groups (SHGs), supporting their expansion and fostering employment. By facilitating access to funds, ESAF actively contributes to poverty alleviation and the growth of entrepreneurship within low-income communities. Additionally, financial capital supports investments in digital banking and branch expansion, further extending ESAF's reach and accessibility.

ESAF's commitment to sustainability is embedded in its financial capital management. Through responsible investment strategies, such as green financing for renewable energy projects and eco-friendly businesses, the Bank aligns its growth with environmentally sustainable development. Furthermore, by maintaining a strong liquidity position, ESAF reinforces its stability and enhances the confidence of stakeholders.

Key Performance Indicators (KPIs)

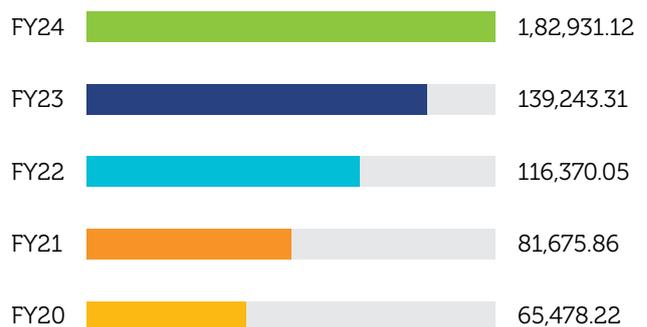
Total Assets

ESAF's total assets have grown steadily, indicating successful capital deployment and asset expansion.



Net Advances

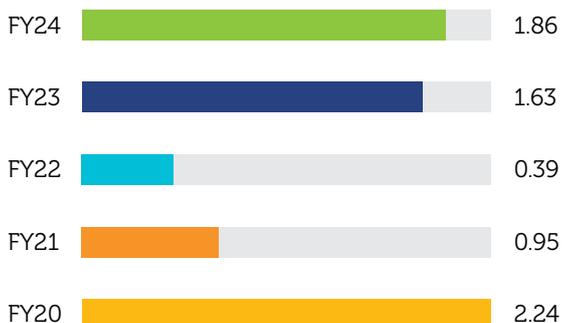
Net advances have grown significantly, indicating the Bank's expanded lending capacity and commitment to supporting customers' financial needs.



Financial Highlights (In ₹ Million Unless Otherwise Specified)

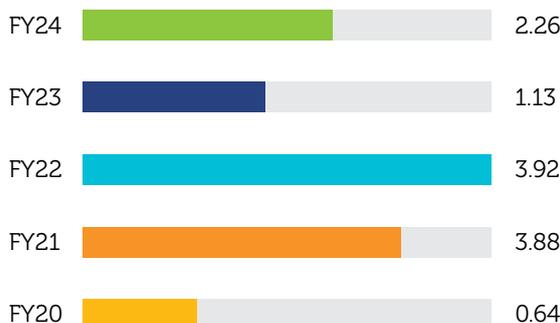
Return on Assets (RoA)

The Return on Assets ratio has shown an upward trend, showcasing ESAF's efficiency in generating earnings relative to its asset base.



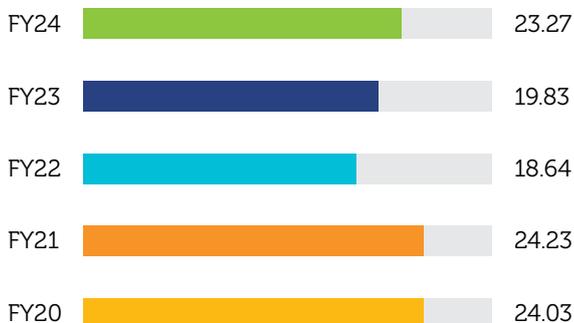
Net Non-Performing Assets (NPA)

The Net NPA ratio reflects ESAF's proactive risk management approach, focusing on maintaining asset quality and minimising default risks.



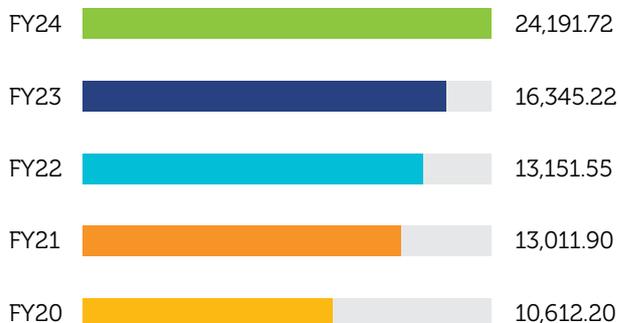
Capital Adequacy Ratio

The Capital Adequacy Ratio demonstrates ESAF's sound capital position, which is crucial for absorbing potential losses and supporting future growth.



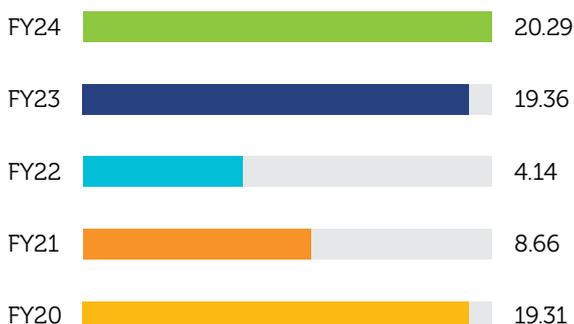
Net Worth

Net worth growth indicates ESAF's strong financial foundation and capacity to fund operations and expansion.



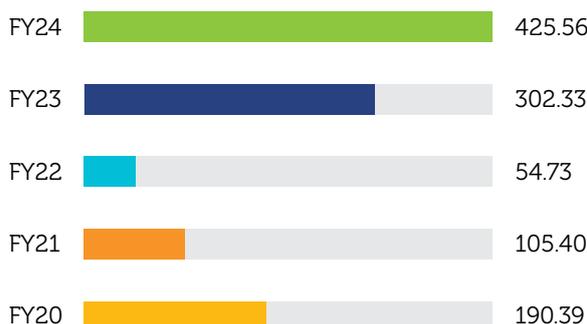
Return on Equity (RoE)

Return on Equity has shown a consistent increase, underscoring ESAF's effectiveness in generating profits for shareholders.



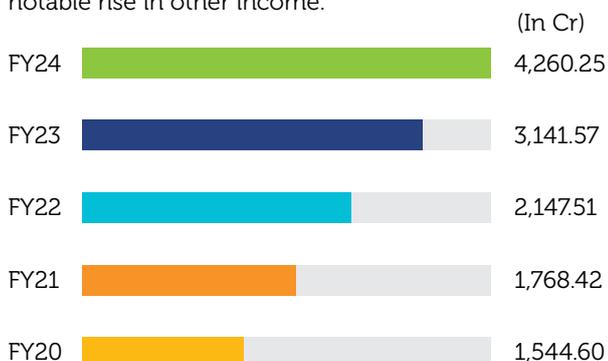
Profit After Tax

Consistent growth in Profit After Tax showcases robust financial performance, with FY24 marking an impressive peak at ₹425.56 crore



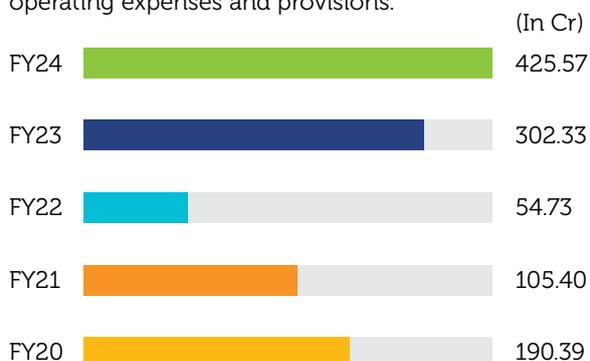
Total Income

There's been a significant growth in total income during 2023-24, driven by an increase in interest earned and a notable rise in other income.



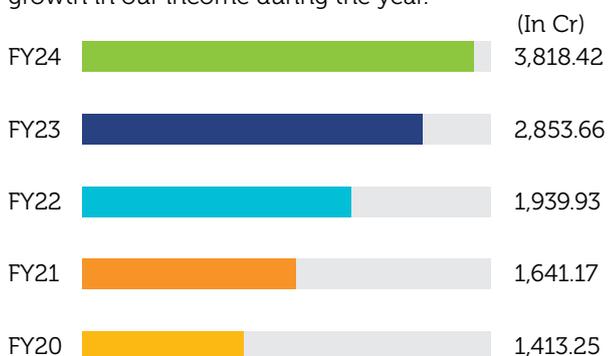
Net Profit for the Year

Net profit increased, driven by higher income from interest and other sources, coupled with effective management of operating expenses and provisions.



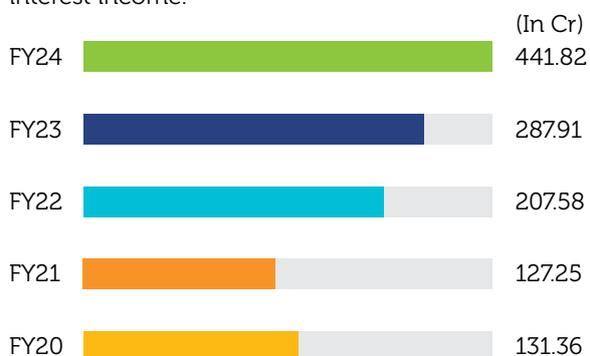
Interest Earned

The increase in interest earned reflects our robust lending operations and effective management of interest-generating assets, contributing significantly to the overall growth in our income during the year.



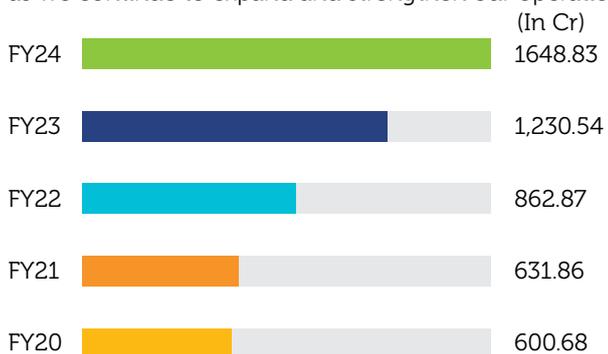
Other Incomes

The growth in other incomes highlights diversified revenue streams and strategic focus on enhancing non-interest income.



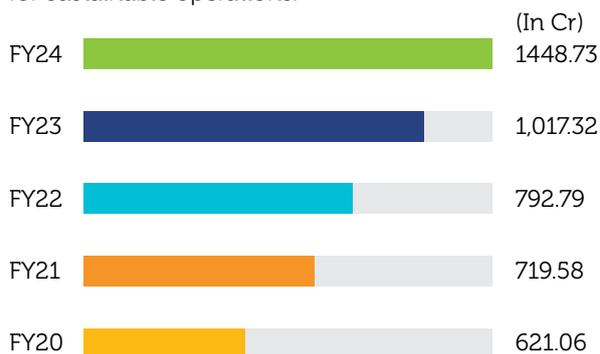
Operating Expenses

The reduction in operating expenses as a percentage of total income reflects our efficient cost management, even as we continue to expand and strengthen our operations.



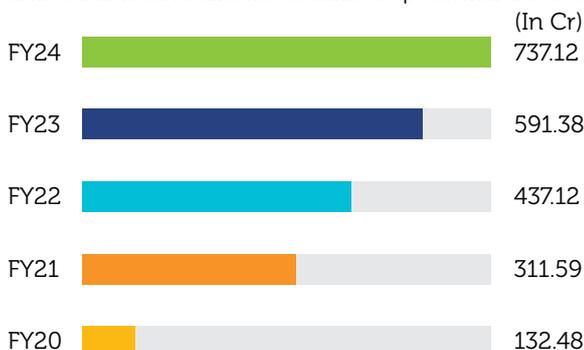
Interest Expended

The increase in interest expended reflects our strategic focus on expanding deposit mobilisation, supporting growth while maintaining a stable cost-to-income ratio for sustainable operations.



Provisions and Contingencies

The increase in provisions and contingencies reflects our prudent approach to risk management, ensuring a stronger financial buffer and enhanced resilience to address potential uncertainties effectively.



Economic Value Distributed (EVD)

At ESAF Bank, our approach to economic value distribution reflects a commitment to fostering growth while driving meaningful societal impact. A significant share of our resources is allocated toward operational costs and employee wages, ensuring smooth functioning and prioritising the well-being of our workforce.

Shareholder dividends form a vital part of our financial strategy, reaffirming our dedication to creating sustained value for our investors. Alongside this, our contributions to taxes emphasise our role in strengthening the broader economic framework and supporting public infrastructure and services.

Our CSR investments are a testament to our commitment to community development, addressing pressing societal needs and promoting inclusive growth. Furthermore, by retaining a portion of economic value for reinvestment, we safeguard our future readiness and resilience. This balanced distribution of economic value underscores our focus on combining financial performance with social responsibility, ensuring long-term sustainability for all stakeholders.

Economic Performance (₹ in million)

Safety Incident/Number	2023-24	2022-23
Direct economic value generated: Net Total Income	28,115.18	21,242.54
Economic value distributed		
Operating Costs	18,658.81	14,319.51
Employee Wages and benefits	3,629.74	2,779.98
Payments to providers of capital (Dividends)	-	-
Provision for Current Tax Expense	1,448.45	1,037.12
Corporate Social Responsibility (CSR)	122.5	82.6
Economic Value Retained	4,255.68	3,023.33

Capital Linkage Framework: Leveraging Financial Capital for Wholistic Value Creation

Linked Capital	Connection	Example
Social and Relationship Capital	Financial capital enables the Bank to strengthen relationships with key stakeholders, including customers, employees, and communities. This is done through funding programmes that build trust and foster long-term loyalty.	Financial investments in women's Self-Help Groups (SHGs) build social relationships and community empowerment, increasing financial inclusivity.
Human Capital	The availability of financial resources allows the Bank to invest in employee training and development programmes, enhancing human capital. A well-trained workforce boosts operational efficiency and customer service.	Allocating funds for employee development programmes improves customer satisfaction and productivity, contributing to profitability.
Manufactured Capital	Financial capital is essential for building and maintaining the Bank's physical and digital infrastructure. This includes branch expansions and investments in mobile and digital platforms to improve service accessibility.	Investments in mobile banking units, financed through financial capital, enhance service delivery in remote areas, strengthening manufactured capital.
Natural Capital	The Bank's financial capital supports environmentally sustainable projects, aligning with its environmental goals and generating long-term financial returns by promoting sustainable industries.	Financing for renewable energy projects or organic farming helps improve environmental outcomes, preserving natural capital while generating financial returns.
Intellectual Capital	Financial capital enables the Bank to invest in research, innovation, and technology, which builds a knowledge base that enhances intellectual capital and fosters innovation in financial products and operations.	Development of data analytics capabilities, funded through financial resources, allows tailored financial products, boosting intellectual capital.

Empowering Dreams, One Stitch at a Time



ESAF Small Finance Bank approved a microloan for Anitha, a small-scale tailor in one of the most underserved areas. Her application came through our community engagement programme, specifically aimed at empowering local women entrepreneurs who often lack access to traditional financial services. Anitha's story is a testament to the impact that accessible finance can have. This loan, though modest, provides her the opportunity to grow her business, support her family, and contribute to her community. Loans like these don't just help individual livelihoods—they create growth and opportunity within communities, empowering other women and stimulating local economies.

These microloans are also financially beneficial for ESAF. They have solid repayment rates and contribute positively to our deposit base, as more entrepreneurs begin saving and opening accounts. As these micro-businesses thrive, the capital they build helps them reinvest in their enterprises, fostering financial stability across rural areas. This approach embodies ESAF's commitment to inclusive finance and sustainable community development, proving that even small steps in financial support can profoundly impact individuals' lives and the resilience of entire communities.

Manufactured Capital

At ESAF Small Finance Bank, our manufactured capital is the foundation of our efforts to drive financial inclusion across underserved communities. This capital encompasses our extensive network of branches, ATMs, digital platforms, and mobile banking units, which ensures we are accessible to customers wherever they are, particularly in rural and semi-urban areas.

Comprehensive Banking Infrastructure for Convenience

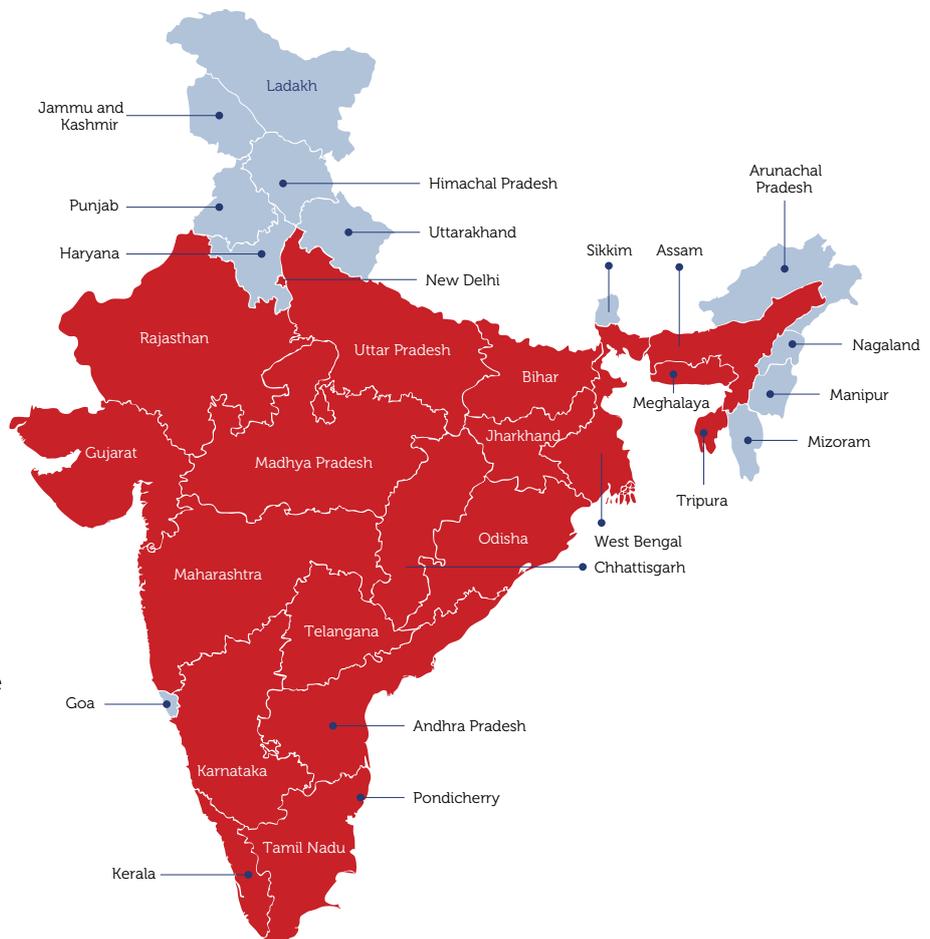
In addition to branches, our infrastructure includes 614 ATMs, 930 Customer Service Centres, and a strong network of 5,024 Banking Agents. These facilities make accessing banking services across India easier for over 8.37 million customers. Further supporting our efforts are 35 Business Correspondents and 772 Business Facilitators, who help bridge the gap between the Bank and customers in areas where conventional banking access may not be feasible.

Digital Transformation for Greater Accessibility

Embracing digital transformation, we have developed user-friendly mobile and online banking platforms that empower clients to manage their finances easily. These digital tools reduce transaction costs and increase convenience, particularly for rural clients with limited access to traditional banking. Our digital platforms allow customers to check balances, transfer funds, and access other banking services from their mobile phones. This approach not only enhances customer convenience but also supports our mission of financial inclusion by reaching clients beyond the physical limits of our branches.

Expanding Our Physical Network

As of March 31, 2024, ESAF Small Finance Bank has established a network of 753 branches across 23 states and 2 Union Territories, creating a robust presence in regions where access to financial services is limited. Our commitment to rural areas is evident, as 46% of our services are dedicated to these regions, surpassing our mandated 25% allocation for unbanked rural areas. This expansion allows us to reach more clients, providing them access to essential financial services, including microloans, savings accounts, and insurance products. Each branch is a critical touchpoint for building long-term customer relationships and meeting the unique needs of local communities.





Highlights



Mobile Banking Units: Reaching the Unreachable

Our manufactured capital also includes mobile banking units that bring financial services directly to clients in areas with little or no banking infrastructure. These units ensure that even the most remote populations can access banking services, reinforcing our commitment to accessibility and inclusivity. The deployment of mobile units has been particularly impactful in remote and underserved regions, where customers would otherwise have to travel considerable distances to reach a branch.

Sustainable Growth and Responsible Operations

Through strategic investments in modern and sustainable infrastructure, ESAF SFB is scaling its operations and enhancing customer experiences in an environmentally conscious manner. By integrating both physical and digital advancements, we can serve our customers more efficiently while minimising our environmental impact. Our manufactured capital is deeply interconnected with our other capitals—financial, intellectual, social, human, and natural—creating a balanced and resilient foundation for long-term sustainable growth.

Branches:

753

across **23 States** and **2 Union Territories**

614 **ATMs**

930

Customer Service Centres

5,024

Banking Agents

35

Business Correspondents

772

Business Facilitators

8.37 **Million**

Customers Served

Service Allocation:

46%

dedicated to rural areas, exceeding the mandated

25%

Sustaining Joy Through Our Products and Services



Agri-Lending Solutions

Our agri-lending products empower farmers with specialised loans for cultivation, infrastructure, allied activities, and business needs. They foster agricultural growth, financial stability, and sustainable rural development.

Loan Book:

₹10,452 million

Customer Base:

2,65,343

- **Dairy Development Loan:** Comprehensive support for dairy farming activities.
- **Kisan Credit Card (E-KCC):** Credit for cultivation and related agricultural needs.
- **Haritha Loan:** Financing for agricultural infrastructure, ancillary activities, and farm credit as per RBI guidelines.
- **Kisan Jyothi:** Overdraft and term loans for diverse agricultural financing needs.
- **Farmer Producer Organisation (FPO) Finance:** Credit for construction, machinery, vehicles, working capital, and more.
- **Kisan Pragati:** Working capital loans for progressive farmers with higher per-acre requirements.
- **Kisan Saral:** Overdraft and term loans for simplified access.
- **Farmer Interest Group Loan:** Tailored for small and marginal farmers for agricultural and allied purposes.
- **SHG-BLP:** Loans for Self-Help Groups to undertake income generation, housing, and livelihood projects.
- **Kisan Vriddhi:** Loans for farm asset repairs, maintenance, and family needs, including solar pumps and green energy products.



MSME Lending Products

Designed to fuel the growth of Micro, Small, and Medium Enterprises, our MSME loans offer working capital, business expansion support, and customised financial solutions for entrepreneurs and business owners.

Loan Book:

₹2,265 million

Customer Base:

1,009

- TReDS Platform:**
Facilitates financing or discounting trade receivables electronically.
- QR Loan:**
Designed for business owners to manage transactions seamlessly via linked accounts.
- Udyog Saral Loan:**
Business loans for small entrepreneurs with established accounts.
- MSME GST Power:**
Working capital for business operations and managing creditors and debtors.
- Business LAP:**
Loans against property for business expansion, equipment purchase, and operational needs.
- MSME Udyog Loan:**
Provides both term and working capital loans to build fixed and current assets.
- Micro Enterprise Loan (MEL):**
Secured loans for microfinance graduates to scale up businesses.
- Vyapar Vikas Yojana (VVY):**
Working capital loans for micro and small traders to purchase stock and enhance operations.

Sustaining Joy Through Our Products and Services

Retail Asset Products

From housing and education to vehicle and personal loans, our retail asset products empower individuals to realise their aspirations and address diverse personal and professional financial needs.

Loan Book:

₹46,213 million

Customer Base:

1,55,405

- **Dream Housing Loans:**
Financing for construction, purchase, and renovation.
- **Affordable Housing Loans:**
Tailored for low- and middle-income groups in the unorganised sector.
- **Loan Against Property:**
Secured loans against residential or commercial properties.
- **Dream Education Loans:**
Covering higher education needs for undergraduate, postgraduate, and professional courses.
- **Lease Rental Discounting:**
Financing against rent receivables from owned properties.
- **School Loans:**
Supporting educational institutions for classroom construction, fixed assets, and smart learning tools.
- **Two-Wheeler and Car Loans:**
Loans for purchasing new and used two-wheelers and cars.
- **Light Commercial Vehicle Loans:**
Financing for new and used commercial vehicles for goods and passenger transport.
- **Personal Loans:**
Unsecured loans for salaried employees of reputed organisations.
- **Clean Energy Loans:**
Financing for solar plants, renewable energy systems, and biomass-based generators.
- **Salary Overdraft:**
Overdraft facility for salary account holders.
- **Easy Gold Loans:**
Quick loans against gold jewellery for personal or agricultural needs.
- **Agri Gold Loans:**
Short-term loans for agricultural and allied expenses.



Micro Banking Loans

Focused on underserved communities, our microfinance solutions provide essential funding for income generation, small business growth, education, green energy, and improving quality of life for low-income households.

Loan Book:

₹1,37,663 million

Total Borrowers:

3.26 million

- **Microfinance Loans:**

For households earning up to ₹3 lakh annually, supporting income generation, green energy, education, and more.

- **Other Microloans:**

Tailored for households earning ₹3-5 lakh annually to support small businesses and quality of life improvements.



Retail Liabilities

Our savings, current accounts, and term deposit products cater to diverse customer segments, offering inclusive banking solutions with tailored features to enhance financial security and convenience.

Liabilities Book:

₹1,98,678 million

Customer Base:

7.16 million

Savings Accounts (Domestic)

- **Eleganza:** Premier savings account with exclusive benefits for elite customers.
- **Pradham:** Tailored for diverse customer needs with innovative features.
- **Royale:** Sophisticated savings account for an elevated banking experience.
- **Mahila Sree:** Dedicated to women, promoting financial independence.
- **Senior Citizen:** Specially crafted for senior citizens with higher returns.
- **Pragati:** Accessible savings account with minimal balance requirements.
- **Lalit and Lalit Plus:** Basic savings deposit accounts with essential features and a Rupay Classic Debit Card.

Current Accounts

- **Diamond, Premium, Classic, and Basic:** Offering solutions for businesses of varying sizes, from start-ups to large enterprises.

Savings Accounts (NR)

- **SB NRE/NRO Pragati:** Simplified banking for NRIs with minimal balance requirements.
- **SB NRE Royale:** Offers exclusive features for NRIs, including higher withdrawal limits.
- **SB NRE/NRO Eleganza:** Priority banking with personalised services for elite NRIs.

Term Deposits

- **Normal TD:** Secure investment options with competitive interest rates.
- **Hrudaya Deposit:** Socially driven term deposits supporting impactful initiatives.



Capital Linkage - Synergising Manufactured Capital

Capital Linkage Framework: Leveraging Manufactured Capital for wholistic Value Creation		
Country	Initiative	Summary
Financial Capital	A robust physical and digital infrastructure (branches, ATMs, mobile banking) increases customer accessibility, leading to more deposits, transactions, and financial growth.	Expanding mobile banking operations leads to greater financial inclusion, driving revenue.
Social and Relationship Capital	The availability of banking infrastructure strengthens relationships with underserved communities by providing essential services and improving accessibility.	A new rural branch fosters closer relationships with local communities, leading to higher customer engagement.
Human Capital	Physical infrastructure, such as modern branches and digital platforms, enables employees to perform more efficiently, increasing their productivity and satisfaction.	Enhanced digital systems streamline banking processes, reducing employee workloads and increasing their efficiency.
Natural Capital	Investments in eco-friendly technologies (e.g., solar-powered branches) and digital banking reduce environmental impact, preserving natural capital.	Green energy initiatives reduce the Bank's carbon footprint.
Intellectual Capital	Advanced technological infrastructure supports innovation, data analysis, and better decision-making, enhancing intellectual capital.	Investment in AI-driven customer insights leads to more tailored product offerings.

Bringing Banking to Rural Communities



In a remote rural area without formal banking facilities, ESAB Small Finance Bank recently opened a new branch, creating a much-needed lifeline for the community. This initiative is part of ESAB's ongoing commitment to building physical infrastructure where needed most, prioritising communities with limited access to financial services. For residents, this branch offers more than just a place to save money or take out loans—it serves as a gateway to financial empowerment. With access to savings accounts, loans, and financial literacy programmes, community members can now plan for a more secure future. Additionally, ESAB has introduced mobile banking vans that extend these services to even more remote villages, ensuring that those in isolated areas are not left behind. The excitement and optimism in the community during the branch opening underscore the importance of ESAB's manufactured capital in bridging the gap to financial opportunities.

Digital Banking for Remote Villages

In a village far from the nearest physical bank branch, ESAF Small Finance Bank's digital banking services have transformed residents' daily lives for several customers. Managing finances used to mean travelling long distances for even the simplest banking tasks. The introduction of mobile banking has changed that, allowing the villagers to manage their savings and apply for loans from the comfort of their homes through ESAF's mobile app. Additionally, a mobile banking unit now visits the village regularly, bringing essential financial services directly to the community. This convenience has made a profound impact, and residents feel that ESAF is committed to making banking accessible to everyone, regardless of location. Through digital banking and mobile units, ESAF is making strides in connecting remote villages to essential financial services, fostering a stronger sense of financial inclusion.



ESAF Bank Products - SDG Materiality Linkages

End poverty in all its forms everywhere

 **ESAF Bank Products**
  • Income Generation Loan • MSME Loans

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

 **ESAF Bank Products**
  • MSME Loans • Income Generation Loan

Ensure healthy lives and promote well-being for all at all ages

 **ESAF Bank Products**
• Jeevadhara Loan • Nirmal Loan

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

 **ESAF Bank Products**
  • Global Career Development Loan

Achieve gender equality and empower all women and girls

 **ESAF Bank Products**
Mahila Sree • MSME Loans • Income Generation Loan

Ensure availability and sustainable management of water and sanitation for all

 **ESAF Bank Products**
Jeevadhara Loan • Nirmal Loan

Ensure access to affordable reliable, sustainable and modern energy for all

 **ESAF Bank Products**
 

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

 **ESAF Bank Products**
    • MSME Loans • Savings Account

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

 **ESAF Bank Products**
 • Fixed Deposits • ESAF FPO Finance

Reduce inequality within and among countries



ESAF Bank Products



- MSME Loans
- Income Generation Loan

Make cities and human settlement inclusive, safe, resilient and sustainable



ESAF Bank Products



Ensure sustainable consumption and production patterns



ESAF Bank Products



- MSME Loans
- Recurring Deposit
- Savings Account

Take urgent action to combat climate change and its impacts



ESAF Bank Products



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss



ESAF Bank Products



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Joint Liability Group Loans, Institutional Loans

Strengthen the means of implementation and revitalise the global partnership for sustainable development



ESAF Bank Products



- Savings Account
- MSME Loans

Intellectual Capital

ESAF Small Finance Bank's intellectual capital embodies our expertise, innovative systems, and advanced digital processes that together enable us to meet the dynamic needs of our customers. As a pioneer in the microfinance sector, we leverage technology and data-driven insights to enhance service delivery and accessibility, thus fulfilling our commitment to financial inclusion. Our intellectual capital is built on a foundation of digital banking platforms, customer-centric products, and sustainable banking solutions that drive operational excellence.



Digital and Alternative Banking Channels Department (DABC)

The Digital and Alternative Banking Channels Department (DABC) is at the heart of ESAF's digital transformation, focused on expanding our retail and corporate banking presence through innovative digital solutions. This department comprises two primary divisions—Digital Banking and Agency Banking—both dedicated to increasing customer engagement, acquisition, and accessibility across India.

Digital Banking Division

The Digital Banking Division oversees digital services tailored to meet customer needs, including Debit Cards, Internet Banking, Mobile Banking, and UPI QR. These services are designed with a customer-first approach, enabling clients to perform transactions conveniently and securely. Our digital offerings reach a broader audience through targeted marketing efforts and exclusive promotions, increasing customer awareness and fostering loyalty.

Some of the standout features of our Mobile Banking App include:

- Biometric login for secure access
- Online deposits and cheque services (book request, stop cheque, and status inquiry)
- Multi-factor authentication on fund transfers
- Debit card e-lock and PIN generation services

Our mobile banking app has witnessed a 30% growth in usage with 3,72,420 total registered customers and 44,911 active users, processing a transaction value of ₹155 crore. Additionally, our commitment to expanding reach is evident, with 20,128 rural customers actively using the app and 39 versions updated to improve functionality and user experience.

Internet Banking

Our Internet Banking platform caters to retail and corporate clients, offering seamless access to accounts and round-the-clock transaction capabilities. Key features include open-term deposits and RD (Recurring Deposits), Debit Card Management with e-lock and PIN generation, and e-statements. With 1,43,709 total retail customers registered and a 30% user growth, our Internet Banking services underscore our dedication to accessibility and convenience.

Types of Internet Banking:

- Retail Internet Banking: Available for individual customers and proprietors
- Corporate Internet Banking: Provided for partnerships, firms, and companies requiring enhanced financial management

Expanding Digital Access and Payment Solutions

To further our financial inclusion mission, ESAF offers various payment solutions and banking services tailored for a digitally evolving landscape.

Debit Cards:

Our RuPay Debit Cards support global usability for online shopping, bill payments, and ATM cash withdrawals. They come with EMV Chip and PIN technology, ensuring secure transactions, while Platinum cardholders receive additional benefits like insurance and exclusive offers.

Green PIN:

This feature allows customers to generate their debit card PINs online, eliminating the need for physical PIN mailers and thus enhancing security and user convenience.

Merchant QR Services:

ESAF's Merchant QR services, featuring UPI Scan and Pay, empower merchants with efficient payment collection tools. With over 45,000 satisfied merchants using our QR services, this solution provides real-time notifications and simplifies payment processing.

Micro ATMs:

In response to the needs of our rural clients, we have deployed 5,024 Micro ATMs nationwide, a 148% growth in deployment. These ATMs offer card-based transactions, Aadhaar-enabled services (AePS), Domestic Money Transfers (DMT), and Bharat Bill Payment Services (BBPS), bringing essential banking services directly to remote communities.

Point of Sale (PoS): Through partnerships with PoS service providers, ESAF enables merchants to offer secure, multi-payment options, driving sales and enhancing customer satisfaction.

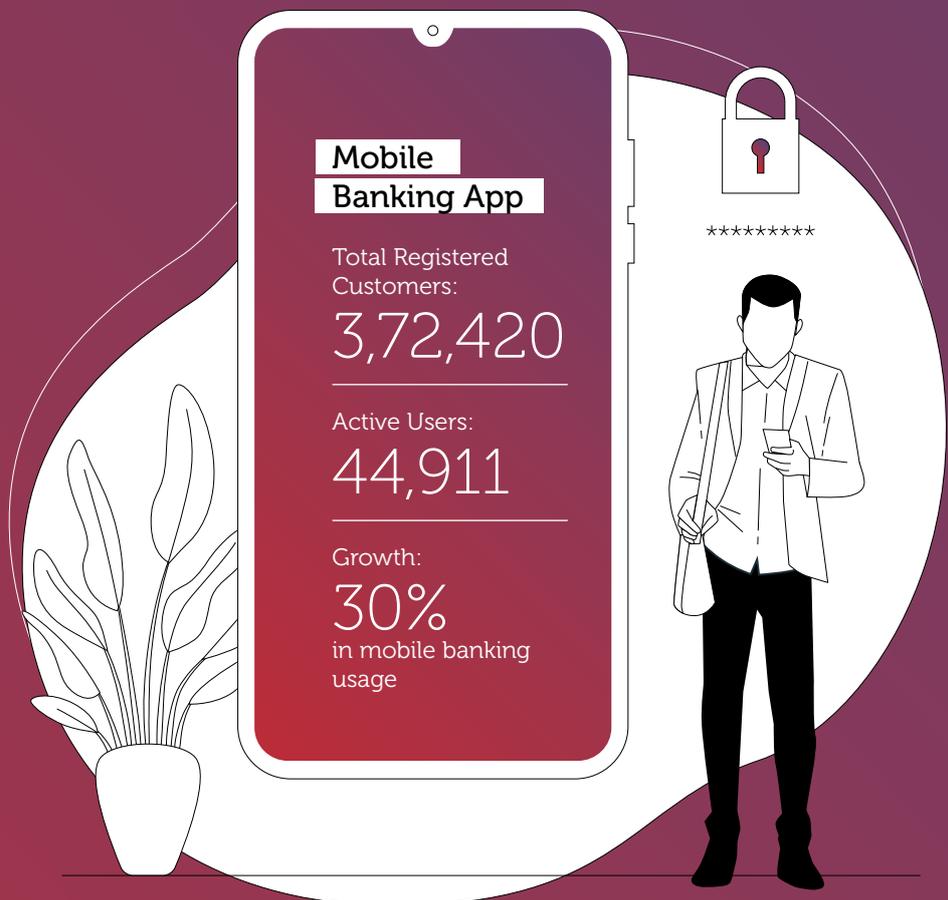
BBPS (Bharat Bill Payment System): Our BBPS platform offers seamless and free bill payment services, covering utilities like electricity, water, and gas, all from a single interface. This service provides customers a secure and hassle-free way to manage their bills.

WhatsApp Banking: To further enhance accessibility, our WhatsApp Banking service offers balance inquiries, mini-statements, cheque requests, and more, along with an overview of branch locators, interest rates, and product details, making banking information readily available at customers' fingertips.

Data-Driven Innovation and Sustainability Focus

Our intellectual capital is continually strengthened through investments in data analytics and sustainable product development. By leveraging customer data, we enhance our risk management, offer customised solutions, and improve the efficiency of our loan portfolio. Our focus on sustainability is also reflected in green loans and impact-driven products that encourage environmentally responsible practices, aligning with global trends in sustainable banking.

Key Numbers



**Internet
Banking App**

Total Retail Customers
Registered:

1,43,709

Growth:

30%

in user adoption

Merchant QR Services:
Over

45,000

merchants enrolled



Micro ATMs:

5,024

deployed
(148% growth)

ISO Certificates

ESAF SMALL FINANCE BANK

HEAD OFFICE: BUILDING NO. VIB83R, ESAF BHAVAN, MANNUTHY P.O., THRISSUR, KERALA - 686 551, INDIA.

This is a multi-site certificate, additional site(s) are listed on the next page(s)

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above Organisation has been audited and found to be in accordance with the requirements of the Management System Standard detailed below.

Standard

ISO/IEC 27001:2022

Scope of certification

IT & IT related operations, Data Center Management, Information Security Operations, Information Security Division including Security operations center of ESAF Bank and Support Services namely Human Resource Department, Learning and Development, Information Security Audit Division, Compliance Department, Admin Department, User Access Management Division, Operation Risk Division under Risk Department and Legal Department.

Statement of Applicability V1.1, Dated 20-05-2024

Original cycle start date: 30 May 2024
 Expiry date of previous cycle: Not Applicable
 Certification Audit date: 15 March 2024
 Certification cycle start date: 30 May 2024

Subject to the continued satisfactory operation of the Organisation's Management System, this certificate is valid until: 29 May 2027

Certificate No. IND 24 18005RSU Version: 1 Issue Date: 30 May 2024

Signed on behalf of BVCH SAS UK Branch
 Jagdish K. MANGAL
 Director – CERTIFICATION, South Asia
 Communications, Industry & Facilities Division

Local office: Bureau Veritas (India) Private Limited (Certification Business)
 17 Business Park, Near Industrial Area, MIDC Cross Road 'C', Andheri (East), Mumbai - 400 061, India

ESAF SMALL FINANCE BANK

Standard

ISO/IEC 27001:2022

Scope of certification

SITE	ADDRESS	SCOPE
Head Office	ESAF SMALL FINANCE BANK, BUILDING NO VIB83R, ESAF BHAVAN, MANNUTHY P.O., THRISSUR, KERALA - 686551	ESAF Data Centre hosted at ESAF Bhavan, Mannuthy and Applications hosted in Micro DC & Cloud (AWS) Mumbai Region & OCI Data Center Operations, Information Security Audit Division, Compliance Department, Administration, Infrastructure & Procurement Department, Legal Department
Site 1	ESAF SMALL FINANCE BANK, SPEEL SHAKRA COMPLEX, KONDANELLUR KANU SHAKRA THE TEMPLE, MANNUTHY, THRISSUR, KERALA - 686551	User Access Management Division under Operations Department
Site 2	ESAF SMALL FINANCE BANK, HO ANNEX B VADHAPALLY ARCADE, MANNUTHY P.O., THRISSUR, KERALA - 686551	Information Security Division, Operation Risk Division under Risk Management Department, Human Resource Department, Learning & Development Department
Site 3	ESAF SMALL FINANCE BANK, GROUND, FIRST AND SECOND FLOOR, JAS COMPLEX, T B ROAD, MESSON QUARTERS, THRISSUR, KERALA - 686001	Information Technology Department - IT & IT Related operations
Site 4	ESAF SMALL FINANCE BANK, 1 st FLOOR POONKODAN ARCADE, NEAR ESAF BHAVAN, MANNUTHY, THRISSUR, KERALA - 686551	Security Operations Center

Certificate No. IND 24 18005RSU Version: 1 Issue Date: 30 May 2024

Signed on behalf of BVCH SAS UK Branch
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Local office: Bureau Veritas (India) Private Limited (Certification Business)
 17 Business Park, Near Industrial Area, MIDC Cross Road 'C', Andheri (East), Mumbai - 400 061, India

CERTIFICATE

This is to Certify that the Management System of
ESAF SMALL FINANCE BANK LIMITED
 VII/83/B, ESAF BHAVAN, Thrisur-Palakkad National Highway,
 MANNUTHY, Thrisur, Kerala, 686551

has been audited and found to comply with the requirements of:

ISO 9001:2015
(Quality Management System)

For the Scope of activities described below:

The Customer Service Quality Initiatives of the Bank.
 The Regulatory and Statutory reporting of the Customer Service Quality Department of the Bank.
 The Customer Grievance Redressal Mechanism of the Bank.
 The Customer Service Call Center Monitoring.

Certificate No.: IN24040213

Date of initial registration 08 April 2021* **Date of this Certificate** 02 April 2024 **Surveillance audits on or before** 07 April 2025 **Recertification Due** 07 April 2027

Validity of this certificate is subject to successful completion of surveillance audit on or before due date, in case surveillance audit not conducted this certificate shall be suspended/cancelled.

Director

Accreditation: IAF

LMS Assessments Limited
 International Office: Suite 1500, Oxford Court, Manchester, M2 3WQ, United Kingdom
 Phone: +44 (0)2030052200
 Corporate Office: TP 14, 15, Apollo Circle, Sector 18, Gurgaon, Haryana - 122015, India
 Phone: +91 992 884 3454

RIR CERTIFICATION
Partners in Growth

CERTIFICATE

ESAF SMALL FINANCE BANK

ESAF Small Finance Bank Limited, Building No. VII/83/B, ESAF Bhavan, Mannuthy, Thrisur - Palakkad National Highway, Thrisur - 686551, Kerala

RIR certifies that the management system-Social responsibility of the organization has been assessed and found to be in accordance with the requirements of the following standard:

ISO 26000:2010

SCOPE

A range of inclusive financial services for social and environmental resilience and returns to individuals, professionals and businesses through ethical practices and global standards

Certificate No | 10545/ESA20C
Registration Date | 19.03.2024
Issue Date | 19.03.2024
Release Due Date | 18.03.2025
1st Surveillance Date | on / Before 18.03.2025
2nd Surveillance Date | On / Before 18.03.2026
Recertification Date | On / Before 18.03.2027

Certification Manager

RIR CERTIFICATION PRIVATE LIMITED

802, Tower-24, Space 1 Park Park, Sector-48, Gurgaon Road, Gurgaon-122015, INDIA
 This certification was conducted in accordance with RIR auditing & certification procedures and subject to regular surveillance audits.
 Certificate valid for 3 years. Validity at <https://www.rircertification.com/audit> or via email: info@rircert.com

Product Development for Micro-Entrepreneurs

In a strategic initiative to meet the unique needs of micro-entrepreneurs, ESAF Small Finance Bank has launched a tailored financial product. Recognising that many small-scale entrepreneurs face challenges with conventional loan structures, ESAF's Product Development team, guided by in-depth market research and long-standing relationships with Micro Banking clients, designed a loan solution with flexible repayment options and lower interest rates. "Innovation is at the heart of everything we do," says the Product Development Manager. This product was shaped by years of collected data and insights into clients' financial behaviours, enabling ESAF to cater precisely to the cash flow requirements of micro-entrepreneurs. The initiative highlights ESAF's approach to intellectual capital, where customer-centric data is harnessed to create impactful, need-based solutions.



Digital Transformation for Enhanced Customer Experience



The IT team at ESAF SFB has been at the forefront of a digital transformation reshaping customer service and operational efficiency. This year's significant achievement has been the launch of a comprehensive digital platform that consolidates account opening, loan applications, and access to financial education resources. This all-in-one platform, underpinned by extensive data collected from customer interactions, has been instrumental in streamlining the user experience. An IT Specialist from ESAF remarked, **"The digital transformation at ESAF SFB has been one of the most exciting parts of my job."** The IT team continually refines the platform to meet evolving needs by leveraging insights from customer data. Here, intellectual capital encompasses technology and the customer insights driving data-backed decision-making, illustrating ESAF's commitment to delivering innovation that aligns with customer expectations.

Capital Linkage - Synergising Intellectual Capital

Capital Linkage Framework: Leveraging Intellectual Capital for wholistic Value Creation		
Linked Capital	Connection	Example
Financial Capital	Our knowledge base enables the creation of innovative financial products and services, driving revenue and profitability.	Data analytics helps the Bank to identify underserved segments, leading to targeted loan products that boost revenue.
Social and Relationship Capital	Insights into customer behaviour and preferences allow the Bank to build stronger, more personalised customer relationships.	Customer feedback leads to the development of personalised financial plans, increasing customer trust.
Human Capital	The Bank's focus on innovation encourages continuous employee learning and development, improving human capital.	Training employees in data-driven decision-making enhances their skills and productivity.
Manufactured Capital	Technological innovations enhance our physical and digital infrastructure, improving service delivery and operational efficiency.	Investment in AI improves digital banking platforms, enhancing customer experience.
Natural Capital	Intellectual capital helps the Bank develop sustainable products and practices, preserving natural resources.	Research into environmental risks informs the Bank's green finance products, promoting sustainability.

Natural Capital

At ESAF Small Finance Bank, we recognise the critical role of natural capital—our planet’s air, water, land, and biodiversity—in sustaining life and business. Our commitment to environmental stewardship is reflected in our lending practices, operational choices, and community engagement initiatives. By prioritising sustainable growth and conservation, we are actively contributing to a resilient future for our customers and the ecosystems they depend on.

Promoting Sustainable Lending

Our lending portfolio is designed to support projects that minimise environmental impact and enhance resource conservation. We provide financing for renewable energy projects, including solar installations, sustainable agriculture, and eco-friendly practices that help reduce the carbon footprint of industries and communities. For instance, we offer loans for solar energy installations and organic farming practices, aligning our financial services with a commitment to responsible, sustainable growth.

Greening Internal Operations

Our dedication to sustainability extends to our operations. ESAF SFB has implemented energy-efficient practices across branches, invested in green infrastructure such as solar-powered branches, and promoted digital banking solutions to minimise paper use. This holistic approach reduces our carbon footprint and supports our mission of environmental responsibility.

Raising Environmental Awareness Through Campaigns and Initiatives

We actively engage employees and communities in environmental initiatives to

reinforce our commitment. Campaigns like Water2Earth and #BeatPlasticPollution raise awareness about conservation and sustainable practices. Observances such as Environment Week and Plastic Bag Free Day further encourage collective action towards a healthier planet.

Water2Earth Campaign: Conducted annually from March to April, this campaign emphasises the need for collective responsibility in managing water resources sustainably. This year, we highlighted themes of 'Water for Peace' and 'Planet vs. Plastic,' stressing the importance of bold action to protect our planet.

#BeatPlasticPollution Campaign: During Environment Week, this campaign mobilised staff to responsibly collect and dispose of plastic waste. By partnering with local waste management authorities, we fostered a cleaner, greener environment within our communities.

Employee and Branch-Level Engagement

Our employees play a crucial role in fostering a culture of sustainability. Initiatives such as the 21 Days Challenge to #BeatPlasticPollution empower staff to adopt environmentally friendly habits. Additionally, our branches actively support local environmental events, such as tree planting and green expos, further embedding

sustainability into our organisational culture.

Supporting Electric Vehicle Adoption

Through the ESAF Go Green EV Disbursement initiative, we offer specialised loans for electric and clean-energy vehicles to reduce emissions and promote sustainable transportation. By financing nearly 300 two-wheeler and 30 four-wheeler EVs, we help our customers embrace eco-friendly mobility options.

Strategic Partnerships for a Greener Future

We have partnered with the Agency for New and Renewable Energy Research and Technology (ANERT) to amplify our impact. This collaboration aims to incentivise solar adoption by providing interest subsidies on solar installation loans, reinforcing our role as a leader in sustainable finance.





Highlights



7 schools in Thrissur, Kerala, equipped with solar panels, generating

35KW

of clean energy.

297 EV

loans for two-wheelers and **31 EV loans** for four-wheelers financed, contributing to reduced carbon emissions.

Green Expo

events are held across branches to showcase eco-friendly products and practices.

Plastic Waste

collection and disposal through #BeatPlasticPollution, enhancing local waste management efforts.

Memorandum of Understanding (MoU) will be used with ANERT to promote solar energy loans and support the transition to

renewable energy.

Capital Linkage - Synergising Natural Capital

Capital Linkage Framework: Leveraging Natural Capital for wholistic Value Creation		
Linked Capital	Connection	Example
Financial Capital	Sustainable practices lead to long-term financial stability by reducing risks and opening new markets for green products, such as eco-loans.	The Bank's green loan products for renewable energy generate consistent returns while promoting environmental sustainability.
Social and Relationship Capital	The Bank's commitment to environmental sustainability strengthens relationships with environmentally conscious customers and communities.	Offering green loans builds trust and loyalty with customers invested in sustainability.
Human Capital	Employees trained in environmental practices can better advise customers on sustainable finance solutions, enhancing their skills and the bank's human capital.	Staff trained in eco-financing help customers adopt green business practices.
Manufactured Capital	Investments in green infrastructure (e.g., energy-efficient branches) preserve natural resources while improving the bank's operational capacity.	Solar-powered branches reduce energy costs and carbon emissions.
Intellectual Capital	Knowledge about sustainable finance and environmental issues feeds into developing eco-friendly products and innovative solutions.	Research into climate risks drives innovation in sustainable banking products.

Supporting Sustainable Agriculture - A Loan Officer's Perspective



As part of ESAF Small Finance Bank's commitment to environmental sustainability, we recently approved a green loan for a local farmer transitioning to organic farming. This loan helped cover the costs of eco-friendly practices like organic fertilisers and crop rotation planning, directly aligning with our mission to support environmentally conscious businesses. Green loans at ESAF SFB, focused on renewable energy and sustainable agriculture, are growing in popularity, not only because they are profitable but also because they help preserve natural resources. By empowering our clients to embrace sustainable practices, we're contributing to positive environmental change in our communities and helping to create a future where economic growth and environmental stewardship go hand in hand.

Embracing Organic Farming - A Farmer's Journey

Switching to organic farming was initially daunting for one of our clients, a local farmer. Still, he could make the leap with ESAF Small Finance Bank's tailored green loan for sustainable agriculture. The loan provided the financial support to invest in organic seeds, natural pest control, and soil enhancement, leading to thriving crops and a growing demand for his organic produce. Beyond the financial benefits, he felt a profound sense of purpose, knowing his farm now contributes to environmental preservation. ESAF Bank didn't just provide him with funds; it empowered him to be part of a solution for a greener planet, showing other farmers that sustainable agriculture can be both profitable and impactful for future generations.



Human Capital

At ESAF Small Finance Bank, human capital is our greatest asset, representing our workforce's skills, knowledge, and dedication. Our employees are essential to achieving our mission of financial inclusion, mainly as we serve diverse and underserved communities. Their technical expertise and a deep understanding of rural and low-income customers' unique needs enable us to deliver impactful financial services and drive positive change.

Investing in Learning and Development

We make significant investments in training and development to ensure our team is well-equipped to serve our clientele. Our Learning & Development (L&D) Programmes provide a comprehensive curriculum to enhance our workforce's professional expertise. In the past year alone, we conducted 481 training programmes with over 33,918 participant engagements, resulting in 7,221 hours of instruction and 1,99,532 workforce hours of learning. These programmes cover critical areas such as micro banking management, customer service, digital solutions, and sustainability practices. Special attention is given to capacity building for women staff, who constitute 31.46% of our team, through customised sessions to hone their skills and empower their growth. By fostering continuous learning, we align individual development with ESAF's broader innovation and financial inclusion goals.

Fostering a Culture of Growth and Inclusivity

Our commitment to human capital extends beyond skills; we are dedicated to creating a supportive, inclusive, and dynamic work environment. Programmes like *Aspire*—aimed at nurturing employees with leadership potential—illustrate our focus on career growth. Through self-nomination, employees shortlisted for the programme undergo tailored

learning and assessments, equipping them with skills for future roles. This programme reflects our commitment to fostering a culture of inclusivity, growth, and upward mobility.

Celebrating Employee Well-Being and Achievements

Employee well-being is at the core of our human capital strategy. Our *Wall of Joy* initiative celebrates milestones and achievements, creating a workplace culture of positivity and gratitude. We also prioritise health and wellness through programmes such as *Anahata* and *Saugya*. These initiatives include health camps, yoga sessions, and wellness seminars, addressing physical and mental well-being and enriching our collective resilience.

Engaging and Connecting Through SARG

Through SARG, we emphasise the importance of employee engagement. This initiative fosters a vibrant work environment where employees can connect, collaborate, and grow. SARG encompasses activities and events that celebrate special occasions like International Women's Day, World Environment Day, and World Health Day, promoting employee unity and learning. Activities like walkathons, quizzes, and creative competitions also help build a sense of belonging and offer employees a platform to showcase their talents.

Listening to Our Workforce

We regularly conduct Mood Surveys, Employee Experience Surveys, and Stay Interviews to stay connected with our employees and understand their perspectives. The results highlight high satisfaction levels, with 83% of employees expressing happiness at work, underscoring the positive impact of our inclusive workplace culture. To ensure every voice is heard, we have introduced the *Venting Box* for anonymous feedback, allowing employees to share concerns freely. Additionally, our *Voice* platform is a virtual channel, enabling employees to communicate directly with HR, share ideas, and propose improvements. This commitment to open communication reflects our dedication to fostering an inclusive and responsive work culture.



Highlights



481 training programmes

were conducted to enhance the skills and expertise of our workforce.

33,918 participant

engagements across various learning and development sessions.

1,99,532

total workforce hours dedicated to learning and development.

7,221 hours

of instruction delivered to equip employees with

essential skills.

31.46%

of the workforce comprises women, with tailored programmes to support their growth and advancement.

83%

of employees expressed happiness, indicating high satisfaction with our inclusive workplace culture.

Capital Linkage - Synergising Human Capital

Capital Linkage Framework: Leveraging Human Capital for wholistic Value Creation		
Linked Capital	Connection	Example
Financial Capital	A skilled and motivated workforce increases productivity, enhances customer service, and drives innovation, improving financial performance.	Employee training in digital banking increases customer satisfaction and revenue growth.
Social and Relationship Capital	Skilled employees with strong interpersonal skills improve the Bank's customer relationships, building trust and loyalty.	Relationship officers trained in micro banking build long-term customer relationships, leading to better retention.
Manufactured Capital	Trained employees ensure better maintenance and use of physical and digital infrastructure, maximising the Bank's manufactured capital.	Skilled IT staff ensure seamless digital banking operations, enhancing customer access and experience.
Natural Capital	Educated employees can promote sustainable practices both internally and to customers, fostering natural capital preservation.	Staff promoting green loans for renewable energy projects help reduce environmental footprints.
Intellectual Capital	Knowledgeable employees contribute to innovation, product development, and efficient decision-making, strengthening the Bank's intellectual capital.	Training in market analysis enables employees to offer data-driven solutions to customer needs.

Empowering Employees Through Digital Banking Training

An ESAF employee recently completed a comprehensive training programme focused on digital banking solutions, an invaluable opportunity to expand skills in a rapidly evolving industry. Having spent years in micro banking, the employee found the training an exciting challenge that enhanced technical knowledge and reinforced ESAF's commitment to employee growth and development. ESAF offers diverse training programmes yearly to sharpen skills and better equip employees to serve customers. This year, there was an added focus on sustainability, teaching employees how to guide clients toward greener practices. "I feel empowered knowing that my work contributes to economic growth and environmental improvement," the employee shared, reflecting ESAF's wholistic approach to training that integrates digital innovation and sustainability.



Building a Skilled and **Motivated Workforce**

For a trainer in ESAF's Learning & Development Department, the most fulfilling part of the job is seeing employees grow and thrive in their careers. "We invest in human capital because a well-trained, motivated workforce is essential to achieving our mission," the trainer explained. ESAF offers a wide range of training programmes, covering everything from digital banking to social entrepreneurship, providing employees with the skills needed to make a meaningful impact. Emphasis is placed on sustainability, inclusivity, and financial literacy, equipping employees to share this knowledge with the communities they serve. By prioritising these areas, ESAF builds expertise within the organisation and strengthens its broader mission of financial inclusion and community upliftment.



Social and Relationship Capital

Social Capital at ESAF Small Finance Bank

Social and relationship capital is fundamental to ESAF Small Finance Bank, representing the trust, goodwill, and collaborative partnerships established with key stakeholders such as customers, employees, regulators, investors, and community groups. This capital forms the foundation of the Bank's business model and drives its mission of financial inclusion, especially in rural and semi-urban areas. By addressing the needs of individuals and micro-entrepreneurs often overlooked by traditional banks, ESAF demonstrates how social capital aligns with its broader goal of improving the quality of life for its customers.



Advancing Financial Inclusion

Financial inclusion is a cornerstone of ESAF SFB's social capital strategy. During FY 2023-24, the Bank made significant strides through initiatives that impacted 1,059,645 beneficiaries across various segments of society. Its 49,048 programmes empower individuals and communities to make informed financial decisions, promote self-reliance, and foster sustainable development.

Financial Inclusion Training - The Grand Panorama

Sl No	Particular	Programmes	Beneficiaries
1	ESAF Dhansree	1,332	48,329
2	ESAF Utthaan	1,449	54,669
3	Regular URC	1,075	16,360
4	ESAF Balajyothi	428	36,447
5	ESAF Vayojyoti	223	2,915
6	ESAF Udyog Jyothi	352	4,503
7	RBI FLW	470	12,282
8	JLG Formation Orientation	42,824	8,56,486
9	Financial Inclusion through CSR Interventions	895	27,654
Total		49,048	1,059,645

Empowering Communities through SHGs

ESAF's enduring relationship with Self-Help Groups (SHGs) is vital to its social capital. The Bank empowers communities economically by providing microloans to predominantly women-led SHGs, fostering trust and partnership. This deep engagement is reflected in the high loan repayment rates, a testament to the Bank's commitment to building relationships grounded in mutual respect and shared prosperity.

Last-Mile Financial Access

In collaboration with NABARD, ESAF SFB deployed 2,157 Micro ATMs across Kerala, Tamil Nadu, Karnataka, Maharashtra, and other regions. Of these, 537 Micro ATMs were operationalised in the last financial year, focusing on providing financial access in 1,721 non-special focus districts and 436 special focus districts. These ATMs enable essential banking services such as deposits, withdrawals, fund transfers, and balance inquiries, ensuring seamless last-mile connectivity. Through Aadhaar-based authentication, these devices simplify banking for underserved communities, further reinforcing ESAF's role as a financial enabler.

Educational and Customer Engagement Programmes

To enhance customer understanding and foster trust, ESAF conducted several innovative programmes:

Educational Safe Banking Series:

This series educated customers on safe banking practices, digital security, identity theft, and financial fraud awareness, actively promoting vigilance and financial well-being.

Customer Awareness Programmes:

Held in collaboration with the RBI Banking Ombudsman, these programmes engaged participants from diverse demographics, helping them better understand financial systems and processes.

Enhanced Customer Experience

The Bank's Customer Service Quality Department drives continuous improvement through:

Telephonic Surveys:

Understanding customer satisfaction and gathering insights.

Virtual Relationship Management (VRM):

Ensuring direct and personalised communication with privileged customers.

Workplace Transformation:

Introducing the Five-S initiative, based on Japanese best practices, to enhance efficiency and productivity.

Capital Linkage Framework: Leveraging Social Capital for Wholistic Value Creation

Linked Capital	Connection	Example
Financial Capital	Strong customer relationships result in more excellent customer retention, more deposits, and a larger base for issuing loans, directly contributing to financial growth.	Trust from rural communities leads to increased savings and loan uptake, boosting the Bank's financial stability.
Human Capital	Healthy social relationships with employees foster loyalty, reduce turnover, and enhance morale while employees transfer knowledge to customers, increasing literacy.	Employee engagement programmes build internal trust, improving teamwork and service quality.
Manufactured Capital	Strong community relationships justify further investment in physical infrastructure, such as new branches or mobile units in high-demand areas.	High demand in underserved regions prompts the Bank to open new branches, improving access to financial services.
Natural Capital	Communities with strong social ties are more inclined to adopt environmentally friendly practices, which are driven by the Bank's eco-friendly initiatives.	Collaboration with farmers on organic agriculture is enabled through trust, which improves environmental outcomes.
Intellectual Capital	Insights from customer interactions inform product development and innovation, enriching intellectual capital with tailored financial products for specific needs.	Feedback from self-help groups leads to the creation of flexible loan products.

Empowering Dreams Through Financial Inclusion



For Rekha (name altered for privacy), stepping into ESAF Small Finance Bank for the first time was an intimidating experience. Unsure of how banking worked and apprehensive about getting a loan, she hesitated. However, her fears were quickly allayed by the relationship officer at the branch, who patiently explained the process in simple terms and reassured her of the Bank's commitment to helping individuals like her.

With that guidance, Rekha received her first loan and set up a small grocery shop in her village. Today, her shop is a bustling hub for locals, providing her with a stable income and financial independence. Beyond financial success, Rekha emphasises the trust and respect she feels with ESAF.

"I still remember the first time I stepped into ESAF SFB's branch. I didn't know much about banking, and I was afraid I couldn't get a loan. But the relationship officer explained everything, and I realised this bank was different. They truly wanted to help. Thanks to that first loan, my small grocery shop is running well. More importantly, I have a trusted partner at ESAF Bank. I've sent many of my neighbours to the bank as well. They're all opening accounts because we feel respected and valued here."

Rekha also highlights ESAF's financial literacy programmes, which have significantly impacted her community. Through these programmes, more individuals are learning how to save, invest, and grow their money wisely, laying the groundwork for a better future for everyone.

Transforming Lives Through Relationship Banking



“Working at ESAF SFB has opened my eyes to the importance of building genuine customer connections. We’re not just bankers but part of the communities we serve. Whether it’s financial literacy programmes or assisting women’s self-help groups, I’ve seen first-hand how our relationship with these communities goes beyond transactions. It’s about trust, respect, and helping people feel secure and empowered.”

As a relationship officer at ESAF Small Finance Bank, Priya (name altered for privacy) has found her role to be far more than managing accounts and facilitating loans. It’s about becoming an integral part of the community she serves, bridging the gap between financial services and the people who need them the most.

Priya recalls numerous instances where her role extended beyond transactions. From organising financial literacy programmes for women to guiding self-help groups towards financial independence, her daily interactions reflect ESAF’s philosophy of fostering trust and empowerment.

Priya’s dedication has increased financial inclusion in the rural areas she serves. By understanding the unique needs of her customers, she has enabled women and families to access previously out-of-reach financial services. Her efforts reflect ESAF’s mission to provide financial support and truly transform lives.

CSR Impact Assessment Overview

This report comprehensively assesses ESAF's CSR initiatives, highlighting their relevance, impact, efficiency, sustainability, and alignment with social equity principles and sustainable development goals. Through targeted programmes, ESAF has addressed critical needs in underserved communities, driving progress in education, health, economic empowerment, and disaster relief. The initiatives underscore ESAF's commitment to uplifting marginalised populations and fostering long-term social and economic development.

The following sections after this overview will detail the impact of each social development initiative, examining how these programmes contribute to wholistic community growth and align with national and international goals. Each theme—from youth development to rural health and sustainable entrepreneurship—will be discussed individually to illustrate the depth and breadth of ESAF's impact on society.

Relevance and Coherence

ESAF's CSR initiatives align closely with its mission to drive social inclusion and community development across critical need areas. Each project has been thoughtfully crafted to meet specific community challenges, such as the Balajyothi Project, which promotes wholistic child development by blending academic, social, and extracurricular growth. Social Entrepreneurship and Mentoring programmes support economic empowerment in economically challenged regions by enabling participants, particularly women, to achieve financial independence through skill-building and enterprise development. Additionally, the Rural Health projects address significant gaps in healthcare access, while the Rural Education projects enhance educational infrastructure and quality in underserved regions. Overall, ESAF's CSR projects align strongly with government priorities

and community needs, ensuring sustainable impact.

Impact Assessment

Wholistic Development of Children and Youth

The Balajyothi Clubs have made notable contributions to children's wholistic development, including leadership, social responsibility, academic support, and personal growth. Club activities have positively impacted children's confidence and community engagement, with parents and volunteers reporting significant improvements in children's discipline and social skills. The project also incorporates educational components on essential topics such as environmental awareness, financial literacy, and health & safety. The clubs foster a positive community space, allowing children to thrive as proactive members of their communities.

Entrepreneurship Development and Mentoring

Programmes like the SKILL LEAP equip women and youth with practical skills in food processing, tailoring, craft-making etc., leading to self-employment and enhanced economic independence. The Urjabandhu and Pashumitra programmes have broadened opportunities by training individuals in clean energy and animal husbandry. The Krushakmitra initiative empowers farmers with sustainable agricultural practices, establishing them as leaders who influence the farming community positively. These entrepreneurship programmes also align with national initiatives, helping beneficiaries to create sustainable livelihoods and contribute to local economic growth.

Entrepreneurship Collectives

The Market Linkage and Capacity Building Project for Farmer Producer Organizations (FPOs) has significantly impacted rural farmers by enhancing their market access and strengthening business management. Training in branding, packaging, and licensing has enabled these FPOs to position themselves more competitively. Buyer-seller meets have facilitated direct market linkages, helping farmers secure profitable business opportunities and build relationships with stakeholders across the agricultural value chain. These programmes strengthen agricultural ecosystems by fostering sustainable business practices and providing farmers with essential resources for long-term growth.

Emergency Relief and Community Interventions

ESAF's Emergency Relief Programme addresses critical disaster needs by distributing essential resources, infrastructure support, and training. These initiatives have improved vulnerable communities' access to healthcare, education, and social services, thus strengthening their resilience. The Garshom Project specifically supports migrant workers, providing them with essential services, legal aid, and access to welfare schemes, thus enhancing their social and economic security. These efforts underscore ESAF's commitment to community well-being and demonstrate significant social impact.

Rural Health Initiatives

Through various projects, ESAF has improved hospital infrastructure, promoted mental health awareness, and supported nursing education for underprivileged women. Hospital infrastructure upgrades have elevated healthcare quality allowing communities with better access to critical health services. The Santhwana Project focuses on mental health, a growing concern, by organising programmes that promote mental well-being and community awareness. Collectively, these efforts support sustainable healthcare improvements and ensure that underserved populations have access to essential health resources.

Rural Education

ESAF's Rural Education Project has enhanced learning environments in rural schools by addressing infrastructure limitations and improving teaching quality. Renovated classrooms and training programmes for teachers have boosted educational quality and student engagement. In communities with low educational access, these

improvements have encouraged higher enrollment rates, particularly among girls, thereby supporting long-term educational advancement in rural areas.

Efficiency and Effectiveness

All CSR projects executed by ESAF demonstrate high levels of efficiency, as evidenced by the consistent budget utilisation across thematic areas. The projects achieved their intended outcomes through careful planning and efficient resource allocation, reaching various beneficiaries in diverse areas. Financial management has been powerful, with ESAF optimising expenditure per beneficiary depending on the nature of each intervention. This efficiency has contributed significantly to the successful execution of health, education, and community support projects.

Sustainability

Wholistic Development Programmes

The sustainability of initiatives like Balajyothi Clubs and study centres largely depends on community engagement and ongoing support. Some clubs have demonstrated the ability to operate independently, reflecting their potential for long-term sustainability, although others may need continued assistance to maintain their activities.

Entrepreneurship Programmes

Many entrepreneurship initiatives, such as those supporting Urjabandhus, Pashumitras, and Krushakmitras, show high sustainability. Beneficiaries can leverage their skills for ongoing income generation, allowing these

projects to have lasting economic and social impact without further external support.

Rural Health and Education

The sustainability of rural health projects, particularly hospital infrastructure upgrades, is promising due to the long-lasting nature of these improvements. Mental health awareness initiatives have fostered community engagement, helping ensure ongoing focus on well-being in underserved regions. In education, improved infrastructure allows schools to increase enrollment, supporting a sustainable model that benefits existing and future students.

Equity

ESAF's CSR projects demonstrate a strong commitment to promoting social equity by addressing the needs of marginalised groups, including women, tribal populations, and economically disadvantaged communities. Programmes like the Balajyothi Project provide opportunities for children in rural and tribal areas to develop leadership and academic skills. At the same time, Social Entrepreneurship Programmes empower women and individuals from low-income backgrounds to become economically self-reliant. Similarly, Emergency Relief Initiatives support marginalised communities in need, and Rural Health Projects improve healthcare access for populations with limited services. These projects collectively reduce inequalities and enhance economic and social inclusion for vulnerable populations.

CSR Initiatives - Geographical Impact

ESAF Small Finance Bank's CSR initiatives are designed to create meaningful and lasting impacts across diverse regions in India. With a focus on addressing the specific needs of communities, these initiatives encompass a wide range of programmes, including education, healthcare, livelihood enhancement, and environmental sustainability. By operating in various states across the country, the Bank aims to empower communities, promote equitable growth, and contribute to society's overall well-being.





Sustaining Social Impact **Through CSR**

At ESAF Bank, we believe in creating lasting social impact through carefully crafted Corporate Social Responsibility initiatives. Our allocation reflects a purposeful approach to addressing societal challenges, from education to entrepreneurship and infrastructure development. With a strong focus on empowerment, we prioritise fostering entrepreneurship through village-level programmes and capacity-building initiatives, ensuring self-reliance and sustainable growth for communities.

Nurturing Social Progress

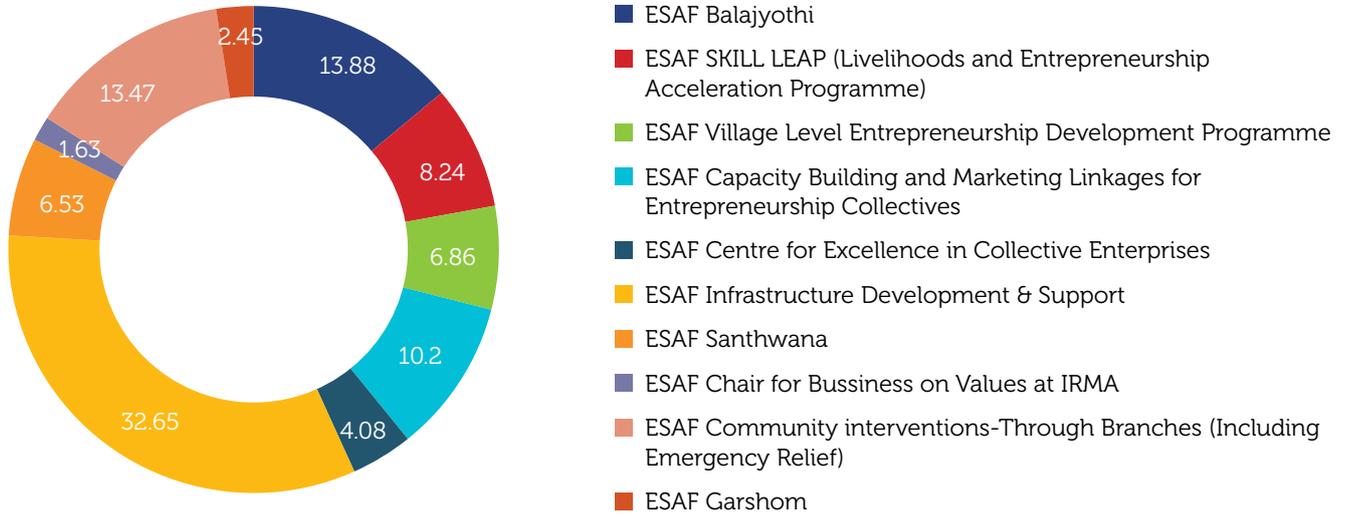
Our CSR activities are designed to promote wholistic development by funding programmes that benefit children, entrepreneurs, and community infrastructure. Initiatives like skill development programmes and centres of excellence are pivotal in nurturing talent and enabling sustainable livelihoods. Our commitment to community interventions, particularly during emergencies, highlights our unwavering dedication to resilience and societal well-being.

Growing Our Commitment to Society

Over the years, we have steadily increased our CSR outlay, reaffirming our dedication to making a meaningful difference in the communities we serve. By diversifying our initiatives and aligning them with community needs, we remain committed to driving inclusive development and setting benchmarks in social responsibility.



Fund Allocation FY 2023-24



CSR Allocation (in Crore)



Alignment with Sustainable Development Goals (SDGs)

ESAF's CSR initiatives align well with several Sustainable Development Goals (SDGs), reinforcing global efforts for social and environmental betterment



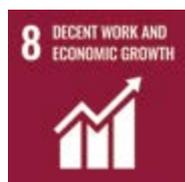
Quality Education

Through Balajyothi Clubs and school infrastructure projects, ESAF promotes educational access and quality for children in underserved areas.



Good Health and Well-being

Initiatives such as hospital infrastructure support and mental health programmes improve rural communities' healthcare and well-being.



Decent Work and Economic Growth

Entrepreneurship programmes enhance skills and provide opportunities for employment and self-reliance, promoting economic growth.



No Poverty

Programmes that support income-generating activities for marginalised individuals and communities directly contribute to poverty alleviation.



Affordable and Clean Energy

The Urjabandhu Project promotes clean energy adoption through solar PV installations, advancing sustainable energy goals.



Climate Action

By supporting solar energy use and sustainable agricultural practices, ESAF's initiatives align with climate action goals.



Peace, Justice, and Strong Institutions

The Balajyothi Clubs foster social responsibility and democratic principles through structured leadership roles and community involvement.

Alignment with Indian Companies Act Schedule VII

Each CSR initiative aligns with the prescribed activities under Schedule VII of Section 135 of the Indian Companies Act. For example:

Education and Skill Development

The Balajyothi Project and school infrastructure improvements align with goals of promoting education and vocational skills.

Rural Development

Projects supporting farmers and rural entrepreneurs fall under rural development and livelihood enhancement initiatives.

Healthcare

Hospital infrastructure support and mental health awareness initiatives align with objectives to promote healthcare, including preventive health measures.

Disaster Relief

Emergency relief interventions align with disaster management, providing essential support to communities in crisis.



Key Learnings

Through these CSR projects, ESAF has built strong expertise in implementing community-based programmes across diverse thematic areas. Balajyothi Clubs have expanded to multiple states, fostering personal growth and leadership among children, while entrepreneurship development programmes have cultivated skills that directly benefit local economies. Partnerships with technical institutions, government agencies, and NGOs have also significantly enhanced project delivery and effectiveness, allowing ESAF to leverage specialised expertise for high-quality implementation. Additionally, the robust tracking and monitoring systems established recently have improved ESAF's ability to assess project progress and impact.

Furthermore, ESAF's extensive outreach network—bolstered by partnerships with farmer collectives and financial institution branches—has increased the reach and efficiency of project rollouts. These connections have enabled swift responses in emergencies, further highlighting ESAF's commitment to efficient and impactful community service.

ESAF Balajyothi

ESAF Balajyothi's educational initiative embodies a holistic and transformative approach, fostering academic excellence, life skills, and advocacy for child rights, which profoundly enriches children's development and well-being. By empowering children to cultivate creativity, collaboration, and leadership, the programme extends its impact beyond the classroom, reaching facilitators, families, and the broader community.

Project Objectives

- Cultivate healthy, academically capable, and socially responsible children along with if possible informed parents.
- Enhance both academic and non-academic skills.
- Prepare children to contribute to societal growth actively.
- Enable children and stakeholders to advocate for child rights.
- Facilitate creative skill development and foster life skills.
- Strengthen collaboration with ESAF Bank branches through employee volunteerism.

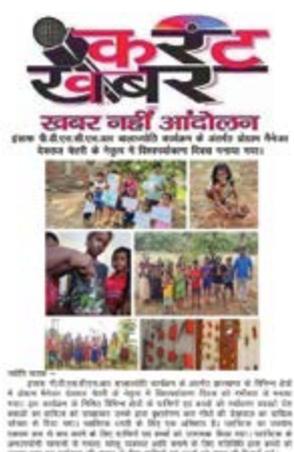


Targeted Beneficiaries

- **Direct:** Children and facilitators
- **Indirect:** Siblings, parents, and the community

Project Locations

Kerala, Tamil Nadu, Assam, Jharkhand, Maharashtra, Madhya Pradesh, Odisha



Alignment

Schedule VII of Section 135

Point (ii), Point (vii)

SDGs



Highlights

Special Day Celebrations

Independence Day:

In Assam, Odisha, Jharkhand, and Maharashtra, 924 children celebrated with essays, quizzes, cultural performances, and sports, fostering patriotism and learning.

National Sports Day:

110 children in Assam broke gender stereotypes by participating in running and Kabaddi, promoting health and inclusivity.

Teachers' Day:

Over 680 children in Assam and Jharkhand honoured educators through performances and gifts, underlining the value of child development initiatives.

National Hindi Diwas:

70 children in Maharashtra and Assam engaged in poetry and Hindi alphabet drawing, appreciating Hindi's role as a national language.

Tote Bag Painting and Cotton Bag Distribution

Children from Jharkhand, Odisha, Assam, and Maharashtra created eco-friendly tote bags. This initiative promotes environmental awareness and fosters a future generation committed to sustainability.

World Environment Day 2024

Celebrations across seven states engaged over 6,500 students in eco-themed activities like skits, drawing competitions, and sapling planting, instilling environmental responsibility.

ESAF Balajyothi Summer Camp - Meraviglia

Around 3753 children from different parts of Kerala and Tamilnadu participate with a total of 42 summer camps. The main theme of the two day summer camp was "Child Friendly family" which includes four subtopics: Family relationships, child safeguarding, the impact of social media on children and Resource mobilisation & management.

Creative Skills Camp

Workshops introduced nearly 1,000 children in Assam, Maharashtra, Jharkhand, and Odisha to magazine creation, fostering artistic and creative skills.

Financial Literacy Sessions

11971 children in Kerala, Tamilnadu, Madhya Pradesh, Odisha, Jharkhand, Assam, and Maharashtra participated in engaging sessions on saving, budgeting, and responsible spending, encouraged by story-based manuals.

ESAF Skill LEAP (Livelihoods and Entrepreneurship Acceleration Programme)

The ESAF Skill LEAP programme is committed to generating social value in rural communities, mainly through livelihood enhancement for women and micro-entrepreneurs. The programme empowers participants to pursue sustainable employment and entrepreneurial opportunities by providing targeted skill training and mentorship, fostering economic resilience. Training in food processing, tailoring, marketing etc is delivered in-person and through online sessions, demonstrating notable success in Kerala and Tamil Nadu, with a vision for further expanding this impact.



Project Objectives

- Enhance employability and entrepreneurship for women and unemployed youth.
- Increase income generation through skill-based initiatives.
- Build support systems with access to finance, mentorship, and networks.

Targeted Beneficiaries

- **Direct:** Women, artisans, rural youth, micro-enterprises
- **Indirect:** Families and rural communities

Project Locations

Kerala, Tamil Nadu, Karnataka, Assam, Jharkhand, Maharashtra, Madhya Pradesh, Telangana, Odisha

Alignment

Schedule VII of Section 135
Point (i) and (ii)

SDGs



Highlights

Tailoring Training for Rural Women

A four-day tailoring programme in Assam trained 60 women in advanced tailoring techniques, enhancing their entrepreneurial skills.

Weaving Training for Mising Women

A three-day handloom weaving programme in Assam helped 20 Mising women preserve their cultural heritage and develop marketable weaving skills.

Livelihood Skill Training

3671 women in Kerala and Tamil Nadu were trained in skills like tailoring, food preparation, and soap production, empowering them economically.

Mahilodaya Exhibition

66 women entrepreneurs showcased and sold their products, generating sales of ₹2,64,245 over four days in Thrissur.

ESAF UDYAMI Programme

A two-day residential programme for 29 women entrepreneurs covered essential skills like social media strategies and compliance regulations.

ESAF Village Level Entrepreneurship Development Programme

The ESAF Village-Level Entrepreneurship Development Programme is pivotal in nurturing rural entrepreneurship through training, mentorship, and resource support, enabling the creation of sustainable social enterprises. Covering critical aspects like business planning, financial management, and customer relations, this programme provides participants with the tools to build successful enterprises that uplift the local economy.



Project Objectives

- Promote social entrepreneurship and sustainable livelihoods at the village level.
- Develop energy, dairy, and agricultural entrepreneurs through tailored training and mentorship.

Targeted Beneficiaries

- **Direct:** Rural youth, women, and farmers
- **Indirect:** Community and small business ecosystem

Project Locations

Kerala, Tamil Nadu, Karnataka, Maharashtra, Jharkhand, Madhya Pradesh, Telangana

Alignment

Schedule VII of Section 135
Point (i) and (ii)

SDGs



Highlights

The ESAF Village-Level Entrepreneurship Development Programmes by ESAF aim to empower rural communities by fostering entrepreneurship, enhancing skills, and creating sustainable livelihood opportunities through targeted energy, healthcare, agriculture, and livestock care initiatives.

Our Initiatives

- ESAF Urjabandhu
- ESAF Pashumitra
- ESAF Krushakmitra

ESAF Urjabandhu

ESAF Urjabandhu, a CSR initiative of ESAF Small Finance Bank, advances renewable energy adoption through comprehensive training in solar energy systems and EV charging. The programme supports economic opportunities by fostering clean energy entrepreneurship while encouraging environmental stewardship.



Project Objectives

- Empower local electricians to transition into clean energy entrepreneurs, promoting sustainable energy access and economic resilience.

Targeted Beneficiaries

- **Direct:** Rural youth
- **Indirect:** Community and small business ecosystem

Project Locations

Kerala, Tamil Nadu, Maharashtra

Alignment

Schedule VII of Section 135
Points (ii) and (iv)

SDGs



Highlights

Solar Technician Training

25 rural youth received solar technician training in Maharashtra, fostering entrepreneurship and technical skills.

ESAF Pashumitra

The ESAF Pashumitra programme focuses on dairy farming and livestock management, providing training to rural youth in dairy entrepreneurship and services like artificial insemination and vaccination. This initiative supports individual livelihoods while enhancing milk productivity and sustainability in rural agricultural practices.



Project Objectives

- Train youth in dairy entrepreneurship and support farmers in veterinary services.
- Improve breed quality and milk production through training in artificial insemination.

Targeted Beneficiaries

- **Direct:** Rural youth, women, and artisans
- **Indirect:** Farmer community and small business ecosystem

Project Locations

Kerala, Tamil Nadu, Maharashtra, Madhya Pradesh

Alignment

Schedule VII of Section 135
Point (ii)

SDGs



Highlights

Pashumitra Animal Health Camp

250+ livestock belonging to 32 farmers in Madhya Pradesh received health check-ups, medicine, and care guidance during an animal health camp.

Empowering Pashumitras

10 AI kits and 45 certificates were distributed in Yavatmal, Maharashtra, promoting animal husbandry and business opportunities.

ESAF Krushakmitra

Designed to holistically support farmers, ESAF Krushakmitra offers financial services, training, and resources to boost agricultural productivity and economic growth in rural communities. The programme equips rural youth to become agri-entrepreneurs, advancing technology adoption and strengthening the agricultural ecosystem.



Project Objectives

- Empower unemployed rural youth through training in agri-entrepreneurship.

Targeted Beneficiaries

- **Direct:** Rural youth, women, and artisans
- **Indirect:** Farmer community, small business ecosystem

Project Locations

Kerala, Tamil Nadu, Maharashtra

Alignment

Schedule VII of Section 135

Points (ii), (iv), and (x)

SDGs



Highlights

28 Krushakmitras were trained at the Madurai Agri Incubation Forum through four days of classroom sessions and a one-day field visit to FPOs excelling in the agri-commodities business.

Conducted a Spraying Safety Measures workshop with 86 participants in Yavatmal, Maharashtra, to educate farmers on safe pesticide spraying practices. Safety kits were also distributed to enhance protection during spraying.

ESAF Centre for Excellence in Collective Enterprises

ESAF Centre for Excellence in Collective Enterprises supports collective enterprises by providing skill development, policy advocacy, knowledge management, and market linkage resources. Tailored guidance, training manuals, and market linkage manuals help collectives enhance operational efficiency and profitability.

Project Objectives

- Develop a framework and provide resources for collective enterprises, enabling sustainable growth and community development.

Targeted Beneficiaries

- **Direct:** Rural youth, women, and artisans
- **Indirect:** Farmer community and small business ecosystem

Project Locations

Kerala, Tamil Nadu, Karnataka, Maharashtra, Jharkhand, Madhya Pradesh, Odisha, Chhattisgarh

Alignment

Schedule VII of Section 135
Points (ii) and (iv)

SDGs



Highlights

Buyer-Seller Meets & Agri-Products Exhibition

432 participants attended events in Maharashtra, generating business matches worth ₹1.8 lakh and improving market linkages.

State-Level Workshop on Ecosystem Approach for FPO Excellence

A series of one-day state-level workshops on the 'Ecosystem Approach for FPO Excellence' was conducted under the Centre for Excellence in Collective Enterprises. These workshops took place in Ranchi Jharkhand, Raipur, Chhattisgarh, and Yavatmal, Maharashtra reaching to 27,900 farmers.

ESAF Chair for Business on Values at IRMA

ESAF Chair for Business on Values at IRMA fosters value-based business education, promoting ethical leadership and sustainable business practices. This initiative aims to develop ethical frameworks, encourage servant leadership, and nurture socially and environmentally conscious leaders.



Project Objectives

- Establish a framework for business ethics, curriculum development, and research.

Targeted Beneficiaries

- **Direct:** Students and universities
- **Indirect:** Broader business community

Project Location

Gujarat

Alignment

Schedule VII of Section 135
Point (ii)

SDGs



Highlights

National Case Study Competition

A competition on business values was held at IRMA Campus on 15th September.

ESAF Infrastructure Development and Support

The ESAF Infrastructure Development and Healthcare Support Project transforms rural education and healthcare. Enhancing school infrastructure and supporting healthcare facilities uplifts overall well-being and positively impacts underserved communities.



Project Objectives

- Improve rural healthcare and education infrastructure, fostering sustainable development.

Targeted Beneficiaries

- **Direct:** Local and rural communities
- **Indirect:** Health and education institutions

Project Location

Kerala, Assam, Jharkhand

Alignment

Schedule VII of Section 135
Point (i)

SDGs



Highlights

- Completion of Ayakkad school blocks
- Classroom construction at Nonihat school, Jharkhand
- Infra support for Thachampara Hospital and research centre in Kerala

ESAF Emergency Relief and Community Interventions

The ESAF Emergency Relief and Community Intervention Project enhances resilience and preparedness for emergencies in partnership with communities, NGOs, and government agencies, providing vital assistance and fostering sustainable recovery.



Highlights

Assam Flood Relief

Food kits were distributed to 780 flood-affected households in Assam, alleviating their immediate needs during recovery.

5 KW Solar Panel donated in Maharashtra

A 5 KW solar panel was donated to Mission India Vidyaniketan English Medium School, Kuhi, Nagpur, to promote sustainable energy education among students and the community.

15 Desktop Computers donated in Bihar

15 computer systems were provided to St. Thomas Mission School in Arnia, Jandaha, Vaishali, Bihar, to support students and improve the quality of education in extremely rural areas of India.

Mahindra Bolero Neo donated to Vellanikkara-CHC

Mahindra Bolero Neo was donated to Vellanikkara Community Health Centre to provide health services to rural communities.

പാലിയേറ്റീവ് കെയറിന് വാഹനം കൈമാറി

അടവ് പൊലീസിന്റെ നേതൃത്വത്തിലുള്ള അടവ് പൊലീസ് സ്റ്റേഷൻ പാലിയേറ്റീവ് കെയറിന് വാഹനം കൈമാറി. വാഹനം പാലിയേറ്റീവ് കെയറിന് വാഹനം കൈമാറി. വാഹനം പാലിയേറ്റീവ് കെയറിന് വാഹനം കൈമാറി.

ईसाफ स्माल फायनान्स बैंकेतर्फे सिरोंचा तालुक्यातील पुरवस्ताना अन्न धान्य किटचे वाटप

सिरोंचा तालुक्यातील पुरवस्ताना अन्न धान्य किटचे वाटप करण्यात आले. मरुतु संजय वाटप आणि गैर सदस्यांना ३०० फूड किटचे वाटप करण्यात आले.

Project Objectives

- Minimise emergency impacts, build resilience and support recovery efforts.

Targeted Beneficiaries

- Direct:** Communities, frontline workers, migrant workers, tribal populations, students, elected representatives, and SHG women
- Indirect:** Families and social institutions

Project Location

Pan India

Alignment

Schedule VII of Section 135 Point (ii)

SDGs



ESAF Garshom

The ESAF Garshom initiative supports migrant labourers by offering social, health, and legal assistance alongside skill development. The Bandhu helpline provides immediate support, fostering inclusivity and improving migrant communities' well-being.



Project Objectives

- Establish a comprehensive support system for migrant workers.

Targeted Beneficiaries

- **Direct:** Migrant labourers
- **Indirect:** Families and community services

Project Locations

Kerala, Odisha

Alignment

Schedule VII of Section 135
Point (i)

SDGs



Highlights

Athidhi Sangam Event

Over 200 guest workers and their families in Thrissur enjoyed cultural programmes and launched a health clinic. The event fostered a sense of belonging and community.

Medical Camps and Financial Literacy

490 guest workers benefited from medical check-ups and financial literacy sessions in Thrissur, equipping them with essential health and financial skills.

Flood Relief for Guest Workers

340 families in flood-affected Wayanad received provision kits, helping them rebuild their lives with community support.

Onam Celebration

Over 80 guest workers in Thrissur participated in Onam celebrations, promoting social inclusion and community bonding.

ESAF Santhwana

The ESAF Santhwana project addresses mental health, promoting awareness and providing essential counselling and community outreach. By reducing stigma and offering tailored support, it fosters improved mental health outcomes and social inclusion.



Highlights

Mental Health Outreach

Mental health sessions in Tamil Nadu and Kerala reached 4,619 individuals, addressing topics like stress, family values, and dementia.

Life Skills and Career Guidance

3,537 students received life skills and career guidance training in Kerala and Tamil Nadu, along with mental health awareness sessions.

Senior Citizen Day Programmes

3,074 senior citizens engaged in active ageing and stress management sessions.

Project Objectives

- Increase public awareness and early intervention for mental health issues.

Targeted Beneficiaries

- **Direct:** Students, elderly, women
- **Indirect:** Families

Project Locations

Kerala, Tamil Nadu

Alignment

Schedule VII of Section 135
Point (ii)

SDGs



Empowered to Excel



Safiya Sheikh's Journey of Determination

In the heart of Nagpur, Maharashtra, the Petesur Balajyothi Study Centre stands as a beacon of hope and transformation. Among its many success stories is Safiya Sheikh, a determined and bright student who recently achieved an impressive 88% in her SSC exams. Her accomplishment is remarkable because she relied entirely on self-study, a feat rarely seen in today's competitive academic landscape. Since 2015, her progress has been diligently guided

and monitored by her mother, Shamshad, the study centre facilitator.

Shamshad, a devoted mother and educator, has been an integral part of the Balajyothi Study Centre (formerly the Community Knowledge Centre) for nearly a decade. Despite financial challenges, she has been a tireless advocate for education, inspiring her family and the children in the community to aim higher. Her commitment has fostered a nurturing environment for learning and growth.

Safiya's success story extends beyond academics. Her creativity and skills in arts, crafts, and other co-curricular activities showcase her well-rounded development. Her achievements reflect her hard work and her mother's unwavering dedication. This inspiring narrative underlines the transformative power of education and community-driven support, emphasising how strong mentorship can unlock potential and create a brighter future.

Crafting New Futures



Nisha M.V.'s Diversified Enterprise

From the serene village of Chenthrappinni in Thrissur, Kerala, emerges the inspiring story of Nisha M.V., a spirited 42-year-old entrepreneur. As the owner of a tailoring shop, Nisha had always been determined to expand her business and contribute more to her family's income. Two years ago, she sought financial assistance through ESAF's Bhagyam Sangham and used the

loan to improve her tailoring shop's infrastructure.

In May 2023, Nisha identified an opportunity to diversify her income further. ESAF Foundation introduced her to detergent-making training, where she learned to produce detergent powder, bathing soap, and dishwasher solutions. Eager to apply her newfound skills, she began manufacturing and selling these products alongside her tailoring services.

Today, Nisha's tailoring shop has transformed into a multi-faceted business hub, catering to clothing needs and household cleaning products. This diversification has provided a steady income stream, enhancing her family's financial stability. Her journey reflects resilience, creativity, and the power of skill-building in empowering individuals to achieve economic independence.

Bright Horizons Ahead



Dinesh's Solar Energy Venture

In the Palakkad district of Kerala, a journey of reinvention began with Dinesh, a 46-year-old former CCTV technician. After spending 15 years working in Saudi Arabia, Dinesh returned to his hometown, driven by a desire to establish a business that could benefit his family and community.

Dinesh's interest in renewable energy led him to ESAF's Urjabandhu programme, a CSR

initiative of ESAF Small Finance Bank. Through this programme, he gained technical expertise and entrepreneurial guidance in the solar energy sector. Armed with this knowledge, Dinesh founded Dakshin Energy Solution, a limited liability partnership (LLP) that soon earned accreditation from the Ministry of New and Renewable Energy (MNRE).

Within a short period, Dakshin Energy Solution installed 70 kW of solar power systems, generating business worth ₹49 lakh and earning a profit of ₹5.8

lakh. The venture provided sustainable energy solutions and created employment opportunities for the local community, employing four permanent staff and four daily wage earners.

Dinesh's story exemplifies how determination and support can drive significant change. His efforts bring clean energy to homes and inspire others to embrace sustainability and entrepreneurship.

Rooted in Resilience

Vikas Sanap's Multifaceted Agribusiness

In the rural landscape of Yavatmal, Maharashtra, 23-year-old Vikas Arun Sanap embarked on an ambitious journey to reshape his future. Selected under ESAF's Pashumitra programme, Vikas began training in dairy entrepreneurship and animal rearing. His rigorous training equipped him with technical knowledge and set the stage for his transformation into a community leader.

After completing Level 1 training, Vikas advanced

to become an artificial insemination (AI) technician, undergoing an intensive three-month programme provided by BAIF. This specialisation allowed him to serve as a primary veterinarian, making a tangible difference in the lives of farmers by improving livestock health and productivity.

Vikas didn't stop there. Venturing into vegetable farming, he leveraged a loan from ESAF Bank to purchase a tractor, enhancing his efficiency and expanding his agricultural output. Focusing on sustainability, he adopted green fodder management and

participated in RBP (Ration Balancing Programme) training, reflecting his commitment to responsible farming practices.

Today, Vikas not only uplifts his livelihood but also shares his expertise with fellow farmers, fostering growth and innovation in his community. His story is a testament to how access to resources and training can empower individuals to create a ripple effect of positive change.



Cultivating Collective Growth

Shubham Farkade's Agricultural Revival

From Wandali village in Yavatmal, Maharashtra, 28-year-old Shubham Farkade turned his passion for agriculture into a mission to uplift rural farmers. Despite limited resources and technical knowledge, Shubham's determination led him to connect with Prachodhan Development Services (PDS) in 2023.

Through PDS's support, Shubham received training and equipment, including a Mega T15 power tiller, enabling him to enhance his farming practices. With

the assistance of a dedicated team, Shubham expanded his operations, providing employment and valuable agricultural services to his community.

Shubham's story is one of resilience and innovation. By combining his dedication to agriculture with the resources provided by PDS and ESAF, he not only improved his own livelihood but also became a pillar of support for local farmers. His journey underscores how determination and the right opportunities can lead to transformative success in rural communities.



Harvesting Prosperity



Sandeep Khorgade's Farming Revolution

In Shirasgaon village, Yavatmal, Maharashtra, 41-year-old Sandeep Khorgade faced significant challenges in managing his 3-acre dry land farm. Natural calamities, labour shortages, and low crop prices had affected his productivity and income.

Sandeep's turning point came when he connected with Ner FPC

and ESAF's PDS programme. Through a workshop on Kharif Crop Management, he received training and access to PDS's Soil Testing Lab. With this knowledge, Sandeep implemented tailored fertilisation techniques that doubled crop yields. Selling his produce through Ner FPC's procurement centre further ensured fair pricing and reduced costs.

Sandeep's soybean yield increased from 12 to 27 quintals, and his Tur yield rose from 5 to 15 quintals. Expressing gratitude for the transformative guidance, Sandeep remains committed to adopting innovative agricultural practices. His story illustrates the profound impact of collaboration and resource-sharing in fostering rural prosperity.

Listening with Empathy



Sheethala Venugopal's Positive Impact

In Wayanad, Kerala, 49-year-old Sheethala Venugopal has become a beacon of support for her community. Trained as a Manomitra under ESAF Santhwana, Sheethala gained skills in empathic listening and mental health intervention. These new abilities significantly enhanced her role as an ASHA worker and her work

in the Family Health Centre.

Sheethala regularly organises mental health awareness sessions for sangam members and life skills workshops for students in local schools. Her positive attitude and non-judgmental approach have made her a trusted confidante in her community, addressing family and personal challenges with care and professionalism.

Her efforts reflect the profound impact of skill-building programme in empowering individuals to create meaningful change. Sheethala exemplifies how training can uplift communities and transform lives by fostering mental health awareness and providing compassionate support.



**Business Responsibility and
Sustainability Report FY24**

Business Responsibility and Sustainability Report FY24

The Business Responsibility and Sustainability Report (BRSR) of ESAF Small Finance Bank Ltd. reflects the Bank's steadfast commitment to fostering sustainable development through comprehensive environmental, social, and governance (ESG) practices. Anchored in financial inclusion and community empowerment, the Bank prioritises underserved and vulnerable segments, including women entrepreneurs, small farmers, and marginalised communities. This report captures ESAF's progress in aligning its operations with the principles of transparency, accountability, and inclusivity while navigating the dynamic regulatory and environmental landscapes. It underscores the Bank's efforts in ethical governance, stakeholder engagement, and environmental stewardship, fostering shared prosperity and long-term resilience.

Highlights of BRSR

Principle 1: Integrity and Governance Businesses should conduct and govern themselves with integrity, ethics, transparency, and accountability.

Highlights

- Policies cover all nine NGRBC principles, which are approved by the Board and integrated into organisational processes.
- Ethical behaviour and transparency are enforced through Codes of Conduct for employees and directors.
- Anti-corruption and anti-bribery policies, including KYC/AML/CFT, are in place.



Principle 2: Safety and Sustainability Businesses should provide goods and services in a sustainable and safe manner.

Highlights

- The nature of ESAF's business limits the relevance of product reclamation, EPR, and sustainable sourcing practices.
- No hazardous waste or air emissions are generated, as the bank does not produce physical goods.
- Sustainable practices include transitioning to digital platforms to reduce paper waste.



Principle 3: Employee Well-being Businesses should promote the well-being of all employees, including those in their value chains.

Highlights

- 100% of permanent employees are covered by health and accident insurance.
- Career development reviews were conducted for all permanent employees in FY24.
- Occupational health and safety systems are in place, including inspections and risk assessments.



Principle 4: Stakeholder Centricity Businesses should respect the interests of and be responsive to all its stakeholders.

Highlights

- Regular engagement with employees, customers, and community groups fosters trust.
- Customers can access grievance redressal channels via SMS, helplines, and physical branches.
- Community-focused CSR projects address rural health, education, and livelihood needs.



Principle 5: Respect for Human Rights Businesses should respect and promote human rights throughout their operations and value chains.

Highlights

- Equal opportunity and inclusivity are emphasised, including accessibility for differently-abled employees.
- Two cases of sexual harassment were resolved in FY24 under the POSH framework.
- Human rights are incorporated into HR policies, ensuring national and international standards compliance.



Principle 6: Environmental Stewardship Businesses should respect and make efforts to protect and restore the environment.

Highlights

- The Bank does not generate hazardous waste or emissions due to the nature of its operations.
- Water usage is minimal and sourced entirely from third-party providers.



Principle 7: Responsible Advocacy

Businesses should be responsible and transparent when influencing public and regulatory policy should be responsible and transparent when influencing public and regulatory policy.

Highlights

- ESAF is affiliated with 23 trade associations, including the Indian Banks Association and the Global Alliance for Banking on Values (GABV).
- Advocacy efforts focus on financial inclusion and ESG, with participation in public policy forums.



Principle 8: Inclusive Growth and Development Businesses should promote inclusive growth and equitable development.

Highlights

- CSR programmes impacted over 1.64 lakh beneficiaries in FY24, focusing on health, education, and community projects.
- Rural and semi-urban employees accounted for 68% of total wage costs, promoting local job creation.



Principle 9: Responsible Customer Engagement Businesses should engage with and provide value to their customers responsibly.

Highlights

- Customer feedback is addressed through a 24-hour multilingual call centre, email support, and physical branch interactions.
- Digital transaction-related complaints (10,211) were resolved, with 299 pending at year-end.
- Cybersecurity frameworks ensure data protection, with zero data breaches reported in FY24.



Section A - General Disclosures

I Details of the listed entity

S. No	Details	Information
1	Corporate Identity Number (CIN) of the Listed Entity	U65990KL2016PLC045669
2	Name of the Listed Entity	ESAF Small Finance Bank Ltd.
3	Year of Incorporation	May 05, 2016
4	Registered Office Address	Building No. VI/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN-680 651
5	Corporate Office Address	Building No. VI/83/8, ESAF Bhavan, Thrissur - Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN-680 651
6	E-mail Address	investor.relations@esafbank.com
7	Telephone	0487-7123456
8	Website	www.esafbank.com
9	Financial Year for which reporting is being done	April 01, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 5,14,77,98,580
12	Name and contact details of the person for queries on the BRSR report	Shri Ranjith Raj P., Company Secretary, Telephone: 0487-7123456, E-mail: investor.relations@esafbank.com
13	Reporting Boundary	Standalone Basis
14	Name of Assurance Provider	NA
15	Type of Assurance Obtained	NA

II. Products/Services

16. Details of Business Activities (Accounting for 90% of Turnover)

Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
Financial and Insurance Service	Banking activities by Central, Commercial, and Saving Banks	100%

17. Products/Services Sold by the Entity (Accounting for 90% of Turnover)

Product/Service	NIC Code	% of Total Turnover Contributed
Financial and Related Services	64990	100%

ESAF Small Finance Bank offers a diverse range of financial products tailored to meet the needs of various customer segments. These include agri-lending solutions like Kisan Credit Cards and Haritha Loans, MSME financing such as Udyog Loans and Business LAP, microfinance loans for underserved communities, retail asset loans like housing and education loans, and savings accounts with exclusive benefits, ensuring inclusive banking for all.

Product Category	Total Loan Book / Liabilities Book (₹ Million)	Customer Base / Total Borrowers (Million)
Agri-Lending	10,452	2,65,343
MSME Financing	2,265	1,009
Retail Assets	46,213	1,55,405
Micro Banking Loans	1,37,663	3.26
Retail Liabilities	1,98,678	7.16

III. Operations

18. Number of Locations where Branches or Operations/Offices are Situated

Location	Number of Plants	Number of Offices	Total
National	0	759	759
International	0	0	0

Note: ESAF Small Finance Bank operates 753 retail branches, 3 regional offices, 1 zonal office, 1 Central Processing Centre (CPC), and 1 national registered office.

19. Markets Served by the Entity

Markets	Number of Locations
National	25 states and UTs
International	0 countries

19(b).Contribution of Exports as a Percentage of Total Turnover

Contribution of Exports	Percentage
Exports	0%

19(c).A Brief on Types of Customers

Customer Types
ESAF Bank serves underserved communities, particularly in rural areas, including small and marginalised farmers, Micro/nano entrepreneurs, women, children, senior citizens, transgender individuals, and NRIs.

IV. Employees

20(a). Employees and Workers (Including Differently Abled)

Employees

Sr. No.	Particulars	Total (A)	Male (B)	% (B/A)	Female (C)	% (C/A)
1	Permanent (D)	5,479	3,847	70.21%	1,632	29.79%
2	Other than Permanent (E)	488	273	55.94%	215	44.05%
3	Total (D + E)	5,967	4,120	69.05%	1,847	30.95%

Workers

Sr. No.	Particulars	Total (A)	Male (B)	% (B/A)	Female (C)	% (C/A)
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total (F + G)	0	0	0%	0	0%

20(b). Differently Abled Employees and Workers

Differently Abled Employees

Sr. No.	Particulars	Total (A)	Male (B)	% (B/A)	Female (C)	% (C/A)
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	1	1	100%	0	0%
3	Total (D + E)	2	2	100%	0	0%

Differently Abled Workers

Sr. No.	Particulars	Total (A)	Male (B)	% (B/A)	Female (C)	% (C/A)
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total (F + G)	0	0	0%	0	0%

21. Participation/Inclusion/Representation of Women

Particular	Total (A)	No. (B)	%(B/A)
Board of Directors	10	1	10%
Key Management Personnel	11	0	0%

22. Turnover Rate for Permanent Employees and Workers

2023-24 (Turnover rate in current FY)*

Particular	Male	Female	Total
Permanent Employees	28.01%	21.14%	25.79%
Permanent Workers	NA	NA	NA

2022-23 (Turnover rate in previous FY)*

Particular	Male	Female	Total
Permanent Employees	35.39%	30.01%	33.66%
Permanent Workers	NA	NA	NA

2021-22 (Turnover rate in the year prior to the previous FY)**

Particular	Male	Female	Total
Permanent Employees	24.49%	23.43%	24.16%
Permanent Workers	NA	NA	NA

* The Bank does not have any staff in the 'Workers' category.

** The Bank has changed the methodology of calculating turnover rate for permanent employees to bring it more in line with BRSR requirements.

V. Holding, Subsidiary, and Associate Companies (Including Joint Ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Nil

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)

CSR Applicability	Details
CSR is Applicable	Yes
Turnover (₹)	42,60,25,19,830.00
Net Worth (₹)	24,19,17,17,453.92

We are committed to uplifting communities through targeted Corporate Social Responsibility (CSR) initiatives. Guided by its vision of fostering a just and equitable society, the Bank allocates 5% of its profits towards impactful projects, exceeding statutory requirements. Its CSR strategy integrates social, environmental, and economic solutions to address critical challenges, emphasising sustainable development with a Triple Bottom Line approach. Initiatives span diverse areas, including wholistic development for children, rural healthcare, farmer collectives, and emergency relief. Projects are executed through ESAF Foundation and Prachodhan Development Services, leveraging employee participation and strategic partnerships.

For more details of our CSR initiatives refer pages 84 to 113

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	2023-24 Current Financial Year			2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	1,041	0	NA	0	0	NA
Shareholders	Yes	1	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	13	0	NA
Customers	Yes	10,344	303	NA	7,658	220	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

26. Overview of the entity's material responsible business conduct issues

At ESAF Small Finance Bank, we are committed to responsible business conduct and sustainability. We actively identify and address material issues related to environmental and social matters that present risks or opportunities to our operations. These issues are carefully evaluated based on their relevance and potential impact on our business and stakeholders. Our approach to mitigating these risks or adapting to opportunities is designed to ensure resilience and sustainability. Additionally, we assess the financial implications of these matters, reflecting our commitment to integrated and transparent decision-making.

Sl. No.	Material Issue Identified	Indicate Whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1	Corporate Governance and Ethics	Opportunity	Strong governance mechanisms improve the Company's reputation, decision-making processes, risk management, and long-term sustainability. It helps create a culture of integrity, transparency, and accountability.	-	Positive

Sl. No.	Material Issue Identified	Indicate Whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
2	Risk Management	Risk	The Company operates in a high-risk business involving large amounts of data and funds. To ensure compliance, reduce fraud risk and ensure business sustainability, the Company should place immense focus on constantly strengthening and improving its risk management and control systems.	ESAF Small Finance Bank employs a thorough strategy to mitigate risks. By conducting regular internal assessments, strengthening governance practices, leveraging cutting-edge technologies, promoting staff integrity, and providing ongoing education to its team, the Bank prioritises proactive measures to reduce risks, ensure security, and maintain stakeholder trust. The Bank is also ISO/IEC 27001:2022 certified which is a testament to our commitment to ensuring top-tier data protection across IT and related operations within the Bank.	Negative
3	Responsible Lending	Risk	Overlooking the evaluation of ESG criteria prior to loan approval poses a significant risk for the Bank. It could potentially lead to the risk of borrower defaults, financial setbacks, increased regulatory scrutiny and damage to the Bank's reputation.	The Company's approach to responsible financing involves thoroughly assessing borrowers and their collateral, adhering to regulatory standards, maintaining strong internal governance, implementing risk assessment frameworks, promoting financial literacy, and fostering transparency and accountability in all financial transactions.	Negative
4	Financial Inclusion	Opportunity	Financial inclusion enhances business growth while exerting a beneficial social impact on communities. By educating and extending services to unserved and underserved customers, including women entrepreneurs and youth in rural and semi-urban areas, MSMEs and micro-entities, the Company makes substantial progress in advancing financial inclusion. This approach not only broadens the Company's market reach but also demonstrates a commitment to inclusive economic development.	-	Positive

Sl. No.	Material Issue Identified	Indicate Whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
5	Community Engagement & Empowerment	Opportunity	The Company has a strong CSR practice in the areas of education, environment, livelihood and poverty alleviation. These programmes focus on caring for the young and old, migrant labourers and agriculture. Through its presence in rural and semi-urban areas, the Company helps in job creation in these areas. Additionally, this aids to enhance and strengthen the Company's reputation and brand image, attract customers and young talent who value such commitment.	The Company actively focuses on community development through its initiatives such as FIG Loans, Micro ATMs, Village Level Entrepreneurship Development Programme, Balajyothi Clubs for wholistic development of children, with a presence in rural and semi-urban areas. There are different levels of financial literacy that are provided to customers, children and youth.	Positive
6	Human Rights	Risk	Upholding Human Rights through the promotion of equal opportunities, anti-discrimination, and the eradication of child and forced labour is not just a moral imperative but also a legal necessity. Compliance with labour laws is paramount, as any violations can cause severe financial penalties and even imprisonment. Ensuring employee well-being is a fundamental aspect of human rights, fostering dignity, respect, and a supportive work environment for all.	ESAF Small Finance Bank prioritises human rights by ensuring equal opportunities, preventing discrimination, and eradicating child and forced labour. The Bank integrates these principles into its daily operations through comprehensive policies, regular training, and stringent compliance checks. By fostering a culture of respect and accountability, the Bank aims to safeguard the rights of all stakeholders and mitigate the risk of legal and financial repercussions.	Negative
7	Climate Change and GHG Emissions	Opportunity	Embracing sustainable practices and reducing emissions can enhance the Company's reputation, attract environmentally conscious clients and create positive impact to the environment.	-	Positive
8	Public Policy Advocacy	Opportunity	Operating in the BFSI sector, it is vital for the Bank to engage in public advocacy as the engagement not only enhances its reputation, but also facilitates the alignment.		

Section B - Management & Process Disclosures

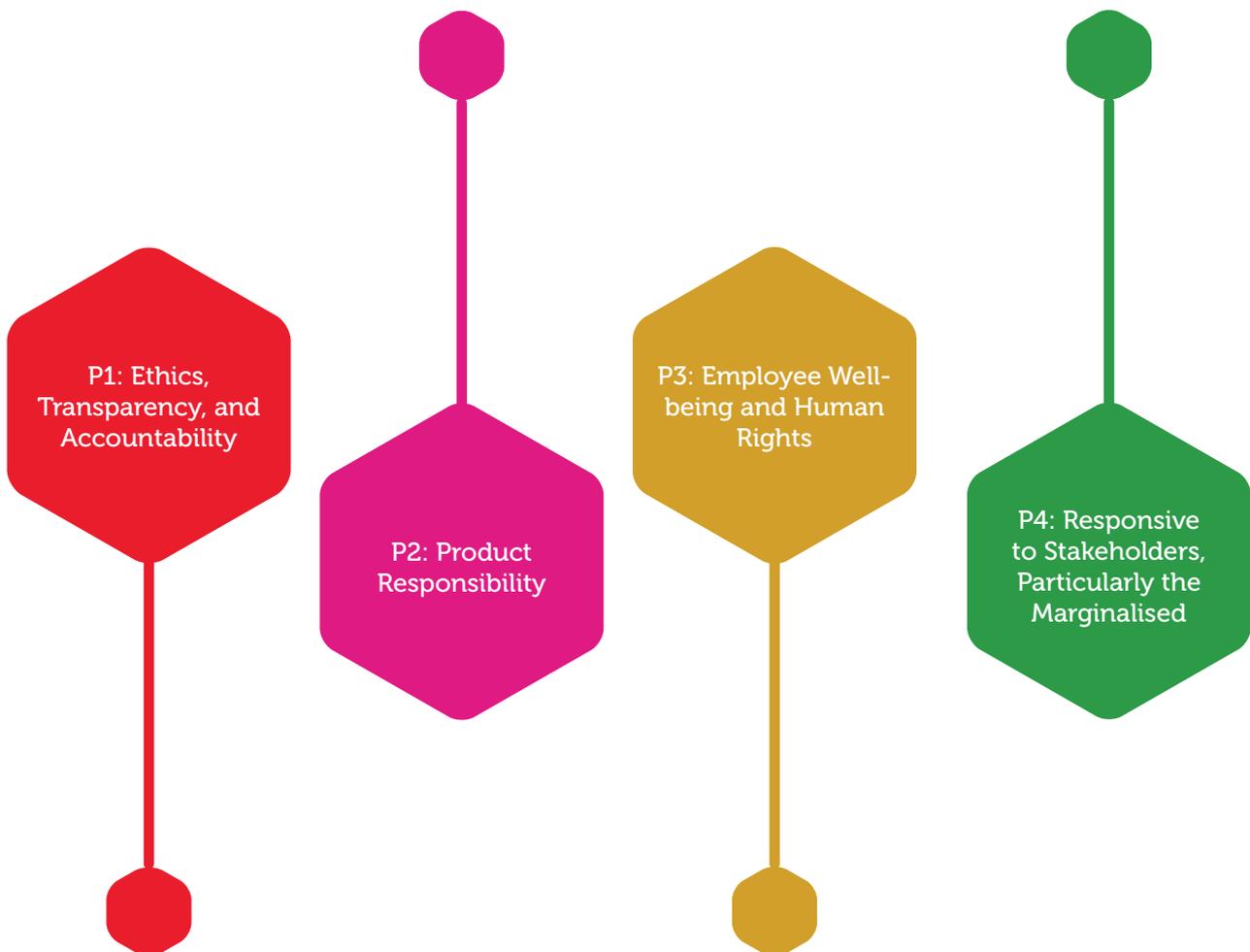
This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sl. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1b	Has the policy been approved by the Board? (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
1c	Web Link of the Policies, if available	https://esafbank.com/pdf/ESG%20POLICY.pdf https://www.esafbank.com/policies/								
2	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes. The Bank has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Bank undertakes. It is also compliant with the guidelines of the RBI.								
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes. The Bank's Code of Conduct largely imbibes the above-mentioned principles and the Bank expects all its stakeholders to adhere to the same in all their dealings.								
4	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. ISO 9001:2015			2. ISO/IEC 27001:2022			ISO 26000:2010		1. ISO 9001:2015 2. ISO/IEC 27001:2022
5	Specific commitments, goals, and targets are set by the entity with defined timelines, if any.	<p>The Bank has adopted a four-year ESG Roadmap for 2023–2027 as follows:</p> <ol style="list-style-type: none"> 1. Impacting 10 million (one crore) direct customers as per the Sustainable Development Goals. 2. Fostering local sustainable economic growth through 1 million Joint Liability Groups (JLGs). 3. Fostering food security through financial services to 5 million farmers. 4. Fostering energy security through 2,00,000 renewable energy installations (1GW). 5. Energy conservation & greater reliance on renewable energy in operations align with the Government of India's Net Zero Plan. 								
6	Performance of the entity against the specific commitments, goals and targets, along with reasons in case the same are not met.	The Bank has taken the above-mentioned ambitious targets. The progress on the targets is tracked periodically.								

Principle-wise Policies

The Bank's Fair Practices Code and Terms and Conditions guide this principle. KYC and the Prevention of Money Laundering Policy are also critical components of product responsibility. The Bank follows inclusive lending policies to facilitate increased social inclusion and environmental stewardship.

As a Small Finance Bank (SFB) the Bank focuses on rural development and financial inclusion, specifically targeting poor and marginalised communities. Joint Liability Groups (JLGs) formed in rural/marginalised communities are maturing as social institutions promoting cooperation and networking. The Bank also serves small and marginal farmers through group loans such as FIG (Farmer Interest Group).



Various bank policies, Such as the Code of Conduct for Employees, Directors & Senior Management, Non-Executive Directors, Code of Conduct for Recovery Officers, Whistle Blower Policy, Quality Policy, KYC and Prevention of Money Laundering Policy, Privacy Policy, Related Party Transaction Policy, Fair Practice/Customer Service Policy, Policy on POSH, and other internal policies, interpret ethical behaviour, transparency, and accountability.

The Bank has a very robust mechanism to ensure employee well-being and the protection of human rights. Its comprehensive HR Policy covers various aspects, such as the Code of Conduct, Diversity & Inclusion, Leave Benefits (including Maternity Leave and Paternity Leave), Compensation Policy, etc.

Policies such as the Policy on Protection of Women Against Sexual Harassment at the Workplace and the Staff Handbook (an internal document that clearly defines the benefits entitled to staff, such as Insurance Benefits and Health and Safety) are also in place.

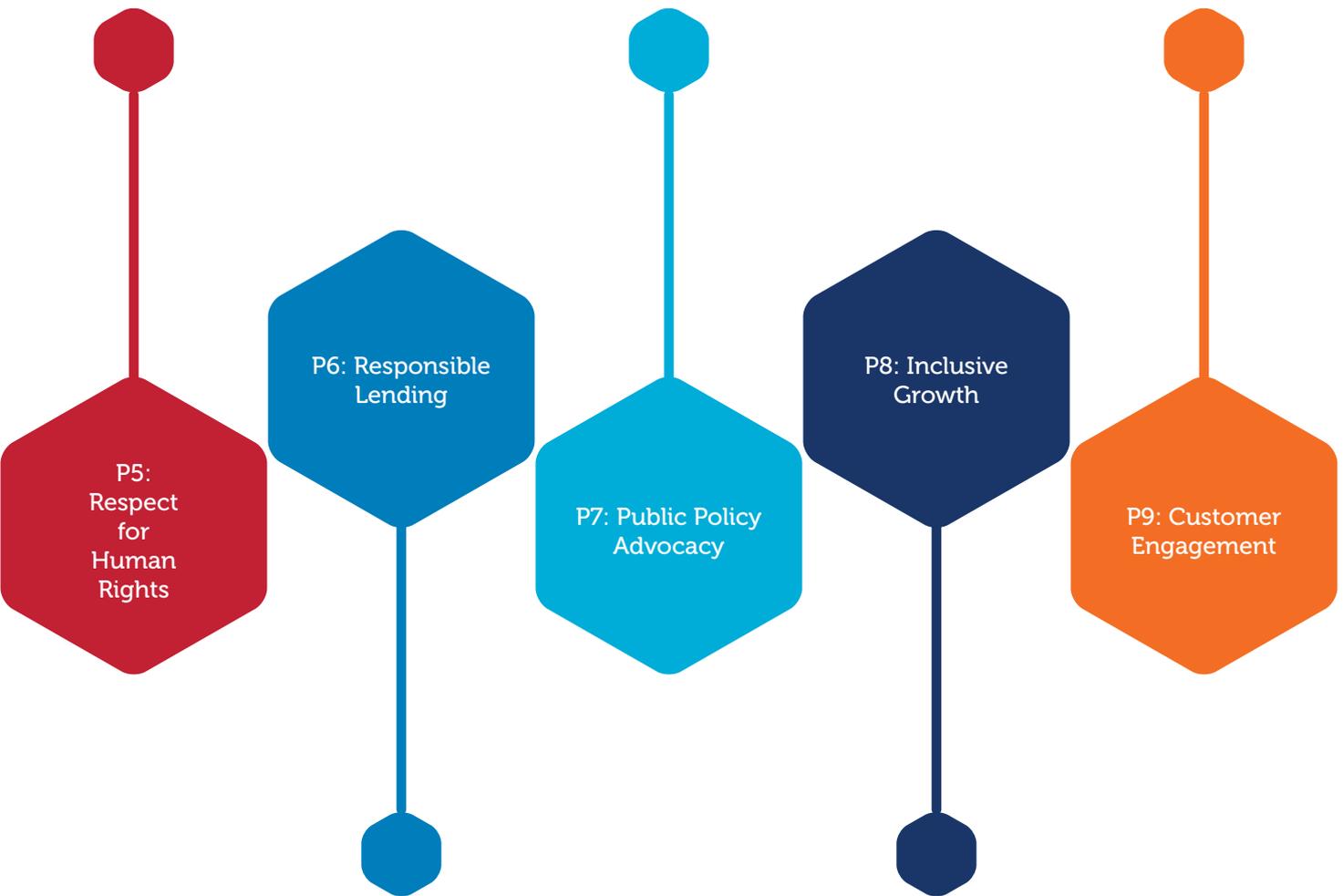
The Bank has a dedicated Learning and Development Department that ensures continuous employee learning and development. There is an online portal, Learning Management System (LMS), where customised modules are available 24/7 for employee reference. Women comprise 31.46% of the workforce, a positive step towards inclusion. Additionally, the HR Department is ISO 9001:2015 certified.

The Code of Conduct details the Bank's policy on respect for human rights. Through its Inclusivity and Diversity statement (as part of the Human Resource Policy), the Bank upholds human rights as enshrined in the Constitution of India and supports principles in the United Nations' Universal Declaration of Human Rights.

The Bank actively participates in discussion forums/committees of the government, regulator, or industry bodies, sharing expertise and helping formulate or review policies to enhance the business ecosystem, economy, and society. The MD & CEO of the Bank is the Co-Chair of Sa-Dhan, a national network of micro banking institutions.

There is also an ESG Management Committee, Sustainability Council, CSR Management Committee, and CSR and Sustainability Committee of the Board to ensure transparency and ESG governance.

The Fair Practice/ Customer Service Policy and other internal guidelines ensure customer satisfaction and encompass this principle. The Customer Service Quality Department has revamped many processes to meet ISO 9001 standards, resulting in the Bank receiving ISO 9001:2015 certification.



The Bank has a comprehensive Credit Policy that addresses Responsible Lending Practices, including Green and Inclusive Finance. A Prohibition List in the Credit Policy outlines the types of businesses/activities that will not receive credit support due to potential negative environmental and social impacts.

The ESG Policy, Sustainable Banking Policy, and CSR Policy define a focused pathway for inclusive growth.

Note: The policies have been developed based on best practices, regulatory requirements, and appropriate consultations with relevant stakeholders. Policies include a combination of internal Bank policies accessible to all internal stakeholders and those available on the Bank's website.

Governance, Leadership and Oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).

Our sustainability strategy aligns harmoniously with our business strategy, emphasising the significance of shared prosperity. This philosophy is encapsulated in our approach, which prioritises financial inclusion, sustainability, and growth, ultimately fostering balance within the entire ecosystem.

K. Paul Thomas

Managing Director & CEO

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).

Board of Directors

9. Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No/ NA).

Yes.

If Yes, please provide details.

Corporate Social Responsibility and Sustainability Committee of the Board

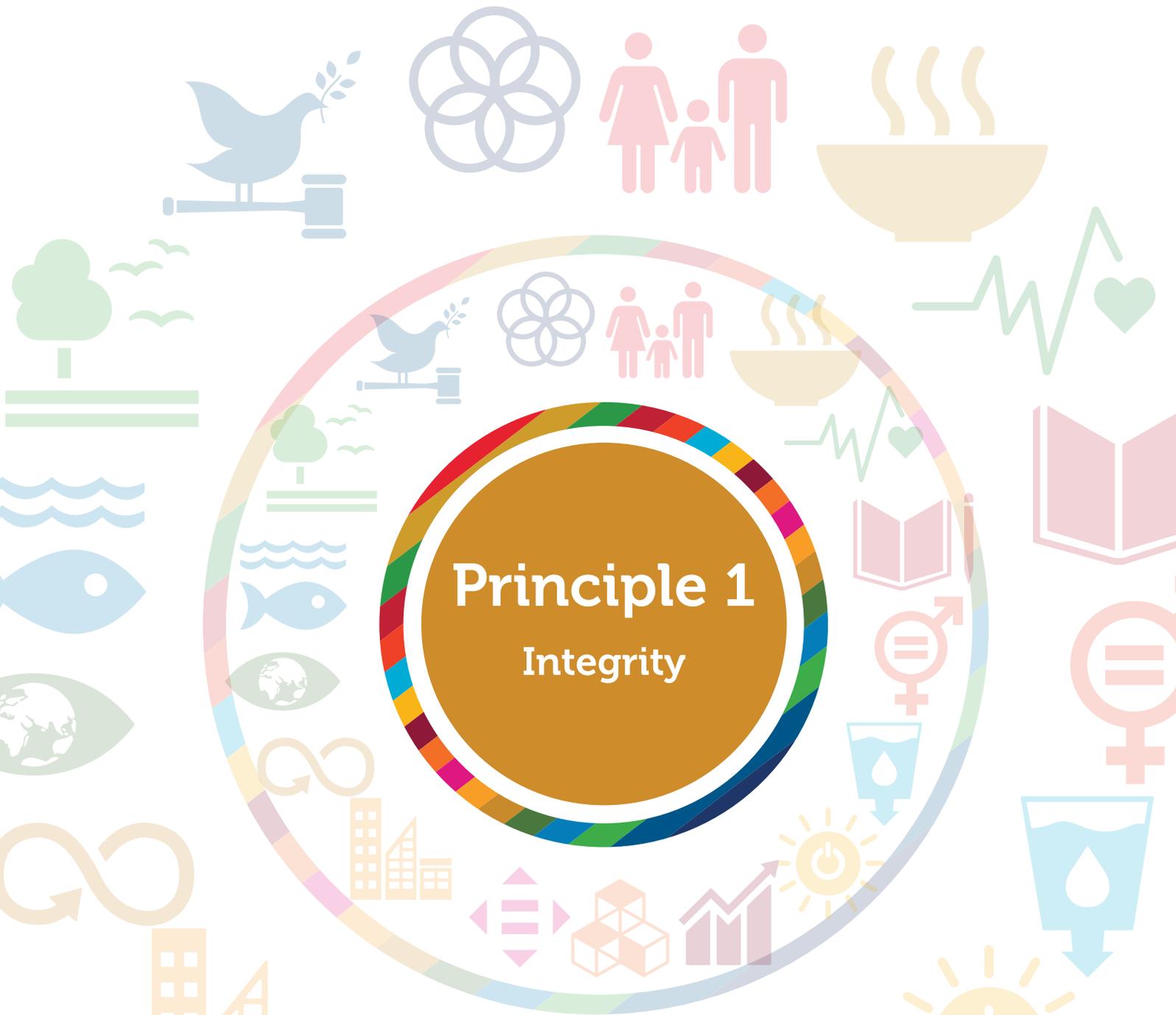
Details of Review of NGRBCs by the Company

10. Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
a. Performance against above policies and follow-up action										Committee of the Board
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances										Committee of the Board

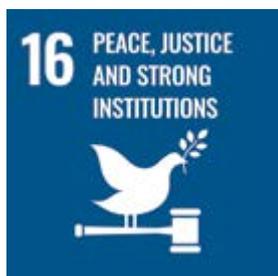
11. Subject for Review	Frequency (Annually / Half yearly / Quarterly/ Any other—please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
a. Performance against above policies and follow-up action										Annually
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances										Annually
c. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No)	No	No	No	No	No	No	No	No	No	No
<i>If yes, provide name of the agency.</i>										NA

* The Bank did not carry out an independent assessment.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the Principles material to its business (Yes/No)										NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										NA
The entity does not have the financial or human and technical resources available for the task (Yes/No)										NA
It is planned to be done in the next financial year (Yes/No)										NA
Any other reason (please specify)										NA



Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.



Principle 1

Ethics, Transparency, and Accountability

Commitment to Ethical Governance

ESAF Small Finance Bank strongly emphasises ethical governance, ensuring that its operations adhere to high standards of integrity and accountability. The Bank's policies, including codes of conduct, anti-bribery frameworks, and whistleblower mechanisms, underscore its commitment to fostering a culture of transparency and fairness. ESAF demonstrates its dedication to upholding stakeholder trust by embedding these principles into its operational framework.

Training and Awareness Programmes

The Bank has implemented comprehensive training initiatives to align employees, key managerial personnel, and board members with its ethical and transparent practices. Director training sessions focus on regulatory amendments and leadership development, enhancing their ability to oversee the Bank's governance. Key managerial personnel participate in structured programmes that refine their technical and professional capabilities, focusing on inclusivity and empowerment. Employees receive targeted training to strengthen their functional and behavioural standards knowledge, ensuring alignment with ESAF's commitment to ethical practices.

Addressing Regulatory Compliance

ESAF has encountered regulatory challenges and taken corrective measures to address non-compliance issues. Monetary penalties for procedural lapses highlight the need for continuous vigilance in operational oversight. The Bank's proactive stance in addressing these issues without pursuing appeals reflects its accountability and willingness to improve its processes.

Anti-Corruption and Conflict of Interest Management

The Bank's anti-corruption and anti-bribery measures are well-integrated into its operational policies, including frameworks for monitoring insider trading and adherence to KYC/AML guidelines. Additionally, ESAF has established robust mechanisms to manage conflicts of interest, ensuring that directors and key personnel operate within transparent and fair guidelines. The absence of complaints related to conflicts of interest indicates the effectiveness of these systems.

Transparency in Business Practices

Openness in business dealings is a hallmark of ESAF's approach to governance. The Bank maintains zero dependency on related-party transactions, emphasising its commitment to fair and impartial business practices. This transparency extends to its procurement and sales processes, conducted without favouritism or undue concentration.

Future Scope for Leadership Initiatives

While ESAF's focus on ethical governance is evident, there remains an opportunity to extend training and awareness programmes to its value chain partners. This expansion can further reinforce the Bank's commitment to ethical practices across all levels of its operations.

Alignment with Sustainable Development Goals

ESAF's dedication to fostering ethical and transparent institutions aligns with the objectives of the United Nations Sustainable Development Goal 16, which promotes peace, justice, and strong institutions. The Bank contributes to creating an equitable and accountable ecosystem by investing in governance frameworks and capacity-building initiatives.

Over 90% of Key Managerial Personnel (KMPs) were covered under structured training programmes.

The Bank faced a penalty of ₹29.55 lakh by RBI and ₹17,700 by BSE for non-compliance issues.

Governance Academy covered 11% of the Board of Directors for training on leadership and compliance.

No disciplinary action or complaints about bribery, corruption, or conflicts of interest were reported.

Section C - Principle-Wise Performance Disclosures

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent, and Accountable.

(This principle focuses on ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting and accountable for their actions.)

Review of Integrity Practices for Sustainability Report

At ESAF Small Finance Bank, we prioritise ethical conduct, transparency, and accountability across all our operations, aligning with Principle 1 of the NGRBC. Our governance framework is designed to instill integrity and ensure that all stakeholders—from directors to employees—adhere to the highest ethical standards.

During FY 2023-24, significant strides were made in training and awareness programmes. The Board of Directors participated in the Governance Academy 2023-24, covering 11% of members. Key Managerial Personnel attended six specialised programmes, achieving 90% coverage. These programmes addressed essential topics, including SEBI regulatory amendments, leadership enhancement, collaboration, and promoting employee well-being. For employees, 481 training sessions were conducted to enhance functional, behavioural, and technical competencies, focusing on empowering women employees. While the coverage rate stood at 6.2%, the structured approach highlights our dedication to skill development. Plans are in place to extend such initiatives to value chain partners in the coming years.

Transparency is evident in our approach to handling penalties and disclosures. Monetary penalties were

imposed by the RBI and BSE for procedural lapses, amounting to ₹29.72 lakhs. While no appeals were preferred, we remain committed to addressing these issues proactively and ensuring compliance with regulatory requirements as we advance. Moreover, the absence of disciplinary actions, bribery complaints, or conflicts of interest reflects our robust governance mechanisms.

The Bank has implemented a robust anti-corruption and anti-bribery framework embedded in its Code of Conduct and KYC/AML/CFT policies, ensuring ethical practices across all levels. Additionally, our Board evaluation process includes comprehensive assessments of governance, compliance, stakeholder responsibility, and conflict of interest management, further strengthening our commitment to integrity.

While challenges remain, ESAF Small Finance Bank continues to build a culture of trust, ethical conduct, and transparency, ensuring sustainable value creation for all stakeholders.



Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Governance Academy 2023-24	11%
Key Managerial Personnel	6	- SEBI Regulations amendment - Leadership programmes - Happiness is the key - Information processing - Collaboration	90%
Employees other than BOD and KMPs	481	- The training is structured with a robust framework of training sessions, each meticulously designed to enhance the professional acumen of our workforce, especially women staff. - These training sessions were provided to augment the knowledge and skills of our staff in functional, behavioural, and technical areas.	6.2%
Workers	NA	NA	NA

Note: The Bank does not have any staff in the 'Workers' category.

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year:

Particular	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Monetary		Has an appeal been preferred? (Yes/No)
			Amount (in ₹) (for monetary cases only)	Brief of the Case	
Penalty/Fine	P1	RBI	29,55,000	The Reserve Bank of India (RBI), by order dated 5 th January 2024, and press release dated 12 th January 2024, has imposed a monetary penalty of ₹29.55 lakhs (Rupees Twenty Nine lakhs and Fifty Five Thousand only) on ESAF Small Finance Bank Ltd. (The Bank) for non-compliance with the directions issued by RBI on 'Customer Service in Banks'.	No
Penalty/Fine	P1	BSE Limited	17,700	Delayed submission of financial results for the quarter and half year ended on 30 th September 2024, under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

Non-Monetary				
Particular	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	
Punishment	NIL	NIL	NIL	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

Note: There were no cases where appeal/revision was preferred in the reporting period.

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/No)

Yes

If Yes, provide details in brief

The various aspects of the Bank's Anti-corruption and Anti-bribery practices are covered in the Code of Conduct for Employees and also in the policy for monitoring insider trading.

Further, the Bank has a KYC/AML/CFT Policy in place, owned by the Transaction Monitoring Division of Risk Management Department.

If Yes, Provide a web link to the policy, if available

www.esafbank.com/policies/

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for charges of bribery/ corruption:

Category	2023-24	2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	2023-24		2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:

NA

There were no instances related to fines/penalties/actions, on cases of corruption and conflicts of interest.

8. Number of days of accounts payables in the following format:

Particular	2023-24	2022-23
Number of days of accounts payables	NA	NA

Due to the nature of its operations, this is not applicable to the Company.

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments	0	0

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	-	0%

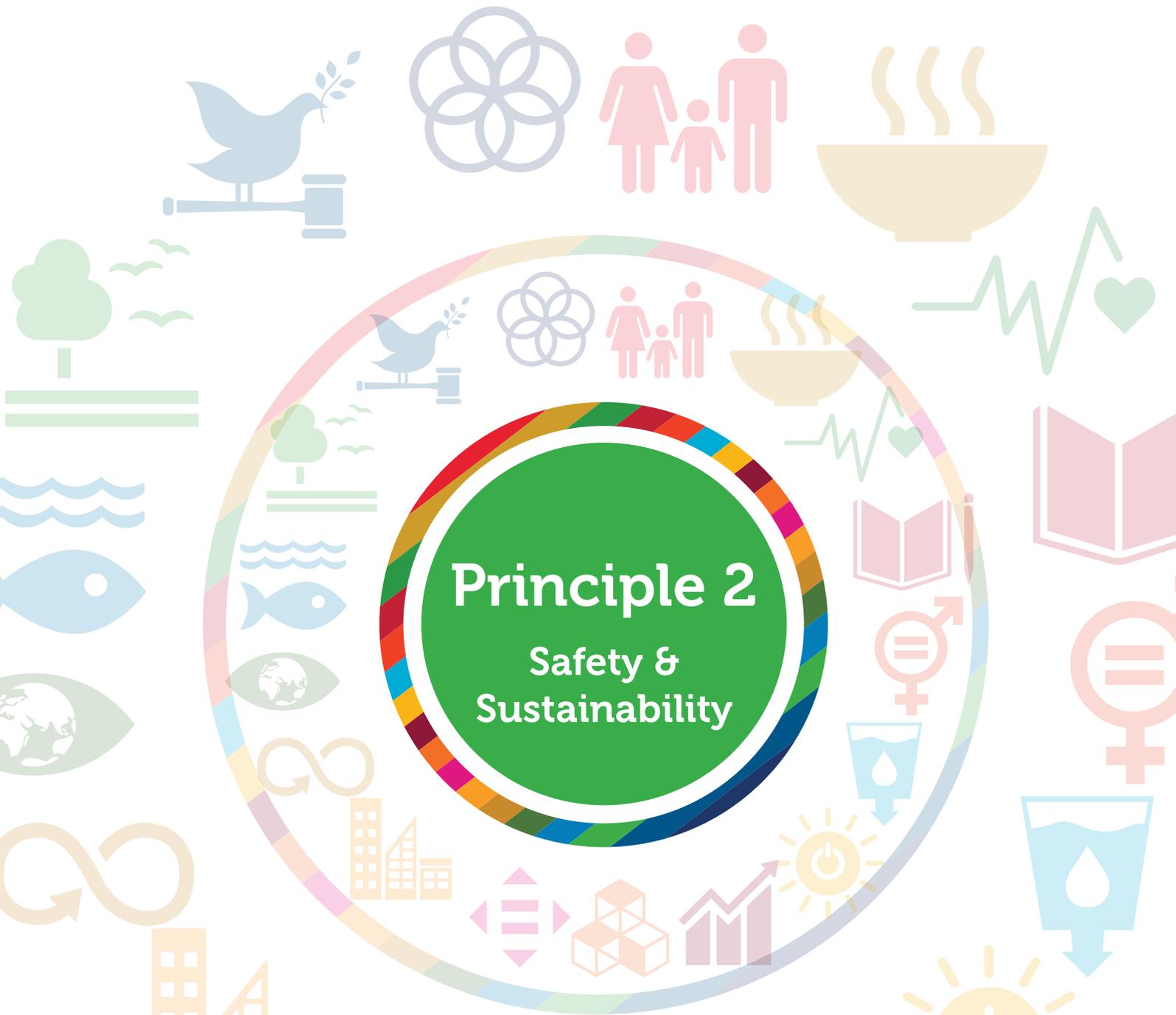
It is in discussion to conduct this in the coming years.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)

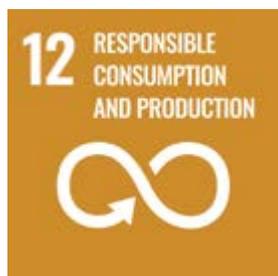
Yes

If Yes, provide details of the same.

The Board has formulated a Performance Evaluation Policy including the questionnaire for performance evaluation of the Individual Directors, Committees of the Board, Chairman, Managing Director and CEO and the Board as a whole. The questionnaire, designed for the performance evaluation, covers various aspects of performance including the structure of the Board, meetings of the Board, functions of the Board, role and responsibilities of the Board, governance and compliance, evaluation of risks, grievance redressal for investors, conflict of interest, stakeholder value and responsibility, the relationship among Directors, Director competency, Board procedures, processes, functioning and effectiveness is circulated to all the Directors of the Bank for the annual performance evaluation.



Businesses should provide goods and services in a manner that is Sustainable and Safe.



PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	2023-24	2022-23	Details of improvements in environmental and social impacts
1	R&D	0%	0%	NA
2	Capex	0%	0%	NA

Given the nature of the business of the Bank, the relevance of the above is largely restricted to Information Technology (IT) capex. Greater adoption of digital platforms has brought in increased efficiencies of operations.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

Given the nature of the business of the Bank, the consumption of natural/industry context resources is limited.

- b. If yes, what percentage of inputs were sourced sustainably?

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

(a) Plastics (including packaging)	(b) E-waste	(c) Hazardous waste	(d) Other waste
NA	NA	NA	NA

Given the nature of its business, this is not relevant as the Bank does not manufacture any physical products.

4. a. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)

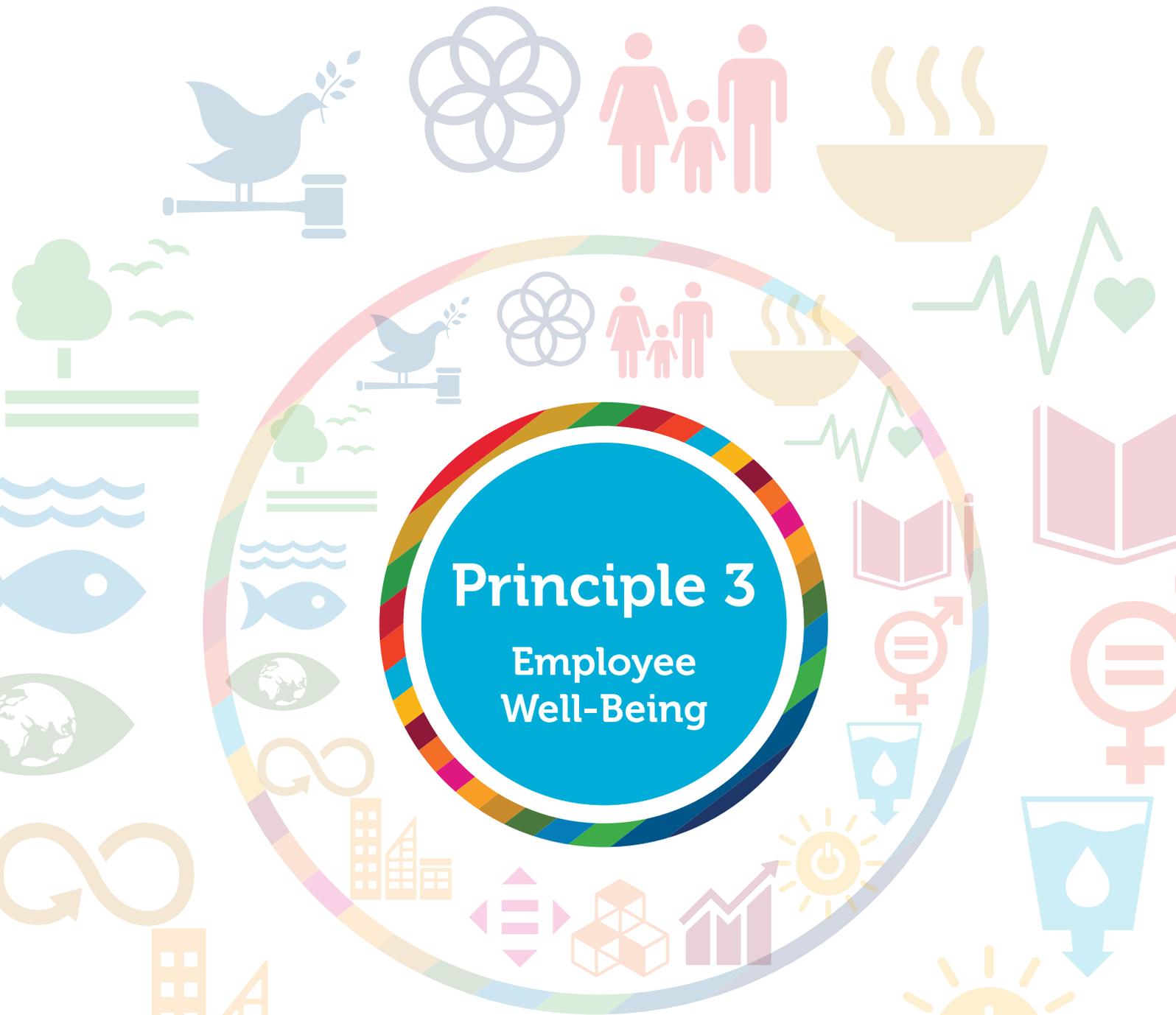
No

- b. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

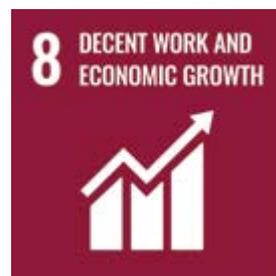
NA

- c. If not, provide steps taken to address the same

NA



Business should promote the well-being of all employees including those in their value chain.



Principle 3

Employee Well-Being

Commitment to Employee Welfare

ESAF Small Finance Bank prioritises employee well-being at the core of its operations. By implementing comprehensive welfare measures and fostering an inclusive workplace, the Bank demonstrates its commitment to providing its workforce with a safe, supportive, and growth-oriented environment. Through its policies and initiatives, ESAF ensures that employees across all levels can access resources and opportunities that enhance their professional and personal lives.

Health and Welfare Measures

ESAF provides all permanent employees extensive health insurance and accident coverage, ensuring financial security and support during unforeseen circumstances. Female employees are further supported through maternity benefits, reflecting the Bank's emphasis on gender inclusivity and empowerment. Paternity benefits are also extended to male employees, fostering a culture of shared responsibilities. Despite these robust measures, similar benefits are not extended to non-permanent employees, highlighting an area for further improvement to ensure parity across all workforce categories.

Workplace Accessibility and Inclusivity

The Bank adheres to the Rights of Persons with Disabilities Act, ensuring its premises are accessible to differently abled employees. This compliance underscores ESAF's dedication to inclusivity, providing equal opportunities for all. By removing physical and systemic barriers, the bank fosters an environment where all employees can contribute meaningfully.

Grievance Mechanisms and Support Systems

All employees have access to a structured grievance redressal system, allowing them to raise concerns effectively. Permanent employees utilise the HRMS platform, while non-permanent employees have access to grievance resolution as part of the HR policy. The absence of grievances related to working conditions or safety incidents reflects the Bank's proactive approach to addressing employee needs and creating a harmonious workplace.

Training and Development

ESAF invests significantly in its employees' skill development and continuous learning. Training programmes focus on health and safety measures and

skill upgrades, ensuring that employees are equipped to navigate the evolving demands of their roles. The participation rate in training initiatives demonstrates the Bank's commitment to fostering a culture of learning and growth, enabling employees to realise their potential fully.

Health and Safety Framework

The Bank has implemented an occupational health and safety management system that includes hazard identification, regular workplace inspections, and risk assessments. Employees are encouraged to report potential hazards and take preventive measures to mitigate risks. Access to non-occupational healthcare services further reinforces ESAF's focus on safeguarding the well-being of its workforce.

Retention and Career Progression

Employees returning from parental leave are retained, highlighting the Bank's supportive stance towards work-life balance. Career development reviews are conducted for all employees, ensuring they know their growth trajectories within the organisation. This focus on structured career development fosters loyalty and long-term engagement.

Leadership in Employee Well-Being

The Bank's leadership has established mechanisms to proactively address the safety and well-being of employees. Regular assessments of workplace conditions and health and safety practices ensure the highest standards are maintained. While ESAF does not have workers in its category, it extends similar principles of well-being to its contractors and suppliers, reinforcing its broader commitment to responsible business practices.

Alignment with Sustainable Development Goals

ESAF's initiatives align with the United Nations Sustainable Development Goals, particularly

- **Goal 3 - Good Health and Well-Being:** Through comprehensive health and accident insurance, maternity benefits, and healthcare access.
- **Goal 5 - Gender Equality:** By fostering an inclusive environment that supports gender-specific needs like maternity and paternity benefits.
- **Goal 8 - Decent Work and Economic Growth:** By investing in training, skill development, and career growth opportunities for its employees.

100% of permanent employees are covered under health and accident insurance.

Job creation in semi-urban regions accounts for 62% of total wages paid, reflecting inclusivity.

Female employees constitute 29.79% of the workforce receiving maternity benefits.

Training on health and safety measures covered 56% of employees.

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasises the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	3,847	3,847	100%	3,847	100%	0	0%	3,847	100%	0	0%
Female	1,632	1,632	100%	1,632	100%	1,632	29.79%	0	0%	0	0%
Total	5,479	5,479	100%	5,479	100%	1,632	29.79%	3,847	70.21%	0	0%
Other than permanent employees											
Male	273	0	0%	0	0%	0	0%	0	0%	0	0%
Female	215	0	0%	0	0%	0	0%	0	0%	0	0%
Total	488	0	0%	0	0%	0	0%	0	0%	0	0%

1. b. Details of measures for the well-being of workers:

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

The Company has no staff in the "Workers" category.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particular	2023-24	2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.40%	0.48%

2. Details of retirement benefits for the Current FY and Previous Financial Year:

Provident Fund (PF)

Year	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
2023-24	99%	0%	Yes
2022-23	99%	0%	Yes

Gratuity

Year	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
2023-24	100%	0%	Yes
2022-23	100%	0%	Yes

Employee State Insurance (ESI)

Year	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
2023-24	0%	0%	N.A.
2022-23	0%	0%	N.A.

Others - Please Specify

Year	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
2023-24	0%	0%	N.A.
2022-23	0%	0%	N.A.

3. Accessibility of Workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard:

NA

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web link to the policy:

This is covered in the Diversity and Inclusion statements of the HR Policy. The Bank is dedicated to being an Equal Opportunity Employer, fostering diversity and inclusivity in its workforce. This involves creating a work culture where visible differences such as age, gender, ethnicity, region, physical appearance, thinking styles, and religion are valued; where everyone has the opportunity to develop skills and talents consistent with the Bank's values and business objectives.

5. Return to work and retention rates of permanent employees and workers that took parental leave:

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male	100%	150%	N.A.*	N.A.
Female	100%	100%	N.A.	N.A.
Total	100%	100%	N.A.	N.A.

The Company has no staff in the "Workers" category.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA	
Other than Permanent Workers	NA	
Permanent Employees	Yes	Yes, in our HRMS System employees can raise their grievances.
Other than Permanent Employees	Yes	Part of HR Policy

Note:

- *The Company has no staff in the "Workers" category.*

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	3,847	0	0%	3,450	0	0%
Female	1,632	0	0%	1,584	0	0%
Total	5,479	0	0%	5,034	0	0%
Total Permanent Workers						
Male	0	0	NA	0	0	NA
Female	0	0	NA	0	0	NA
Total	0	0	NA	0	0	NA

Notes:

ESAF Staff Welfare Trust was established on 15th January 2008, to undertake welfare measures for trust members and their families.

The Company does not have any staff in the "Workers" category.

8. Details of training given to employees and workers:

Category	2023-24					2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (C / D)
Employees										
Male	3,847	2357	61%	3,847	100%	3,450	3,450	100%	3,450	100%
Female	1,632	732	45%	1,632	100%	1,584	1,584	100%	1,510	95.32%
Total	5,479	3089	56.37%	5,479	100%	5,034	5,034	100%	4,960	98.53%
Workers										
The Banks doesn't have any staff under the workers category.										

9. Details of performance and career development reviews of employees and workers:

Category	2023-24	2023-24	2023-24	2022-23	2022-23	2022-23
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (D / E)
Employees						
Male	3,487	3,847	100%	3,450	3,220	93.33%
Female	1,632	1,632	100%	1,584	1,367	86.30%
Total	5,479	5,479	100%	5,034	4,587	91.12%
Workers						
The Banks doesn't have any staff under the workers category.						

10. Health and safety management system

- a. Whether the entity has implemented an occupational health and safety management system? (Yes/ No)

Yes

If Yes, the Coverage for such systems?

The scope involves assessing workplace hazards, establishing safety protocols for Employees & Customers, providing training on safety procedures, conducting inspections and ensuring compliance with regulatory standards. It is crucial to create a culture of safety and accountability to prioritise the well-being of all stakeholders.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non- routine basis by the entity?

The processes to identify work-related hazards and assess risk on routine and non-routine basis are:

1. Office Space Inspections - Inspections of workplace are conducted to identify potential hazards of any kind.
2. Reporting Systems - Employees are encouraged to report hazards they encounter while they are at work through their supervisors.
3. Risk Assessments - We do periodic assessments and issue circulars regarding the safety of People & Property for example - Circular regarding Heat Wave is issued in summer based on the predictions of Indian Meteorological Department.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)

Yes

- d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety-related incidents

Safety Incident/Number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
Number of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Including in the contract workforce

12. Measures taken to ensure a safe and healthy workplace

- **Placement of fire extinguishers:** The Company ensures that fire extinguishers are strategically placed throughout its premises and properly maintained to ensure readiness.
- **Electrical safety:** Earth Leakage Circuit Breakers (ELCBs) are installed across the Company's facilities to enhance electrical safety and protect its operations.
- **Routine checks:** Regular checks and inspections are conducted to uphold the highest safety and operational efficiency standards.
- **Awareness programmes:** The company regularly organises awareness programmes to educate its employees on safety protocols and best practices.
- **Emergency preparedness:** Safety is prioritised, and regular fire and safety demonstrations, as well as evacuation drills, ensure that the team is well-prepared for emergencies.

13. Number of complaints made by employees and workers

Category	FY 2023-24		FY 2022-23	
	Filed during the year	Pending resolutions at the end of the year	Filed during the year	Pending resolutions at the end of the year
Working Conditions	0	0	NA	0
Health & Safety	0	0	NA	0

14. Assessments for the year

Particulars	% of plants and offices assessed (by entity, statutory authorities, or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Details of corrective action

No corrective actions were reported, as there were no safety-related incidents or significant risks/concerns arising from the assessments of health and safety practices and working conditions.

Leadership Indicators

1. Does the entity extend any life insurance or compensatory package in the event of death?

Employees (Y/N): Yes

Workers (Y/N): NA

2. Measures undertaken by the entity to ensure statutory dues are deducted and deposited by value chain partners:

The Company ensures regular audits and monitoring of its value chain partners to confirm that statutory dues are appropriately deducted and deposited as per compliance standards.

3. Rehabilitation and employment placement for affected employees/workers:

Category	Total Number of affected employees/workers		Number of employees/workers rehabilitated or whose family members are placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

*The Company does not have any staff in the 'Workers' category.

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & safety practices	100%
Working conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no such risks or concerns arising from health and safety assessments.



Businesses should respect the interests of, and be responsive to, all their stakeholders



Principle 4

Stakeholder Centricity

Commitment to Stakeholder Engagement

ESAF Small Finance Bank emphasises a stakeholder-first approach, ensuring that its operations align with diverse groups' interests, concerns, and aspirations. This approach reflects the Bank's inclusivity, transparency, and responsiveness philosophy, extending from employees and customers to shareholders, regulators, and communities. The Bank ensures sustained trust and collaboration by embedding stakeholder engagement into its policies and operational frameworks.

Identifying Key Stakeholders

The Bank adopts a structured process for identifying stakeholders based on their roles, needs, and impact on its operations. This process is detailed in department-specific policies and SOPs, ensuring a clear and consistent approach across the Organisation. Key stakeholders include employees, customers, shareholders, channel partners, regulators, and communities, each of whom plays a vital role in ESAF's ecosystem.

Channels of Communication

The Bank employs diverse communication channels to effectively engage with stakeholders. These include digital platforms like emails and SMS, traditional methods such as newspapers and pamphlets, and in-person interactions through community meetings and supplier engagements. This multi-channel strategy ensures stakeholders access relevant information and feedback opportunities, regardless of their geographic or demographic profiles.

Engagement Frequency and Focus Areas

The Bank maintains regular interactions with its stakeholders, tailored to their needs. Employees engage through town hall meetings, newsletters, and appraisals, creating a culture of collaboration and support. To understand and address their concerns, customers are reached via digital platforms, customer care centres, and satisfaction surveys. Investors and shareholders interact with the Bank through meetings, grievance channels, and annual general meetings, ensuring transparency in financial and strategic matters. The Bank also engages with regulators through performance reports and compliance updates, strengthening its governance. For communities, CSR initiatives and direct outreach programmes form the core of engagement.

Responsiveness to Vulnerable and Marginalised Groups

A key focus of ESAF's stakeholder engagement is addressing the needs of vulnerable and marginalised

groups. The Bank supports rural education and healthcare infrastructures through targeted CSR interventions in regions like Kerala, Jharkhand, and Assam. Disaster response initiatives demonstrate ESAF's commitment to uplifting communities during critical times. These efforts reflect the Bank's belief in equitable growth and social inclusion.

Incorporating Stakeholder Feedback

The Bank values stakeholder input as a critical policy and strategy formulation driver. Feedback is gathered from customers during interaction touchpoints and synthesised into actionable insights by governance committees like the Customer Service Committee of the Board and the CSR & Sustainability Committee. Employees' perspectives are captured through engagement programmes such as ESAF SARG, ensuring alignment with organisational goals. Integrating stakeholder feedback into decision-making processes ensures that ESAF remains adaptive and relevant.

Specialised Projects for Stakeholder Engagement

ESAF undertakes specialised projects to address environmental and social concerns raised by stakeholders. Initiatives like Environment Week, Balajyothi Week, and Water2Earth provide platforms to promote awareness and engagement on pressing sustainability issues. These programmes also highlight the Bank's commitment to creating a lasting impact on society.

Leadership in Stakeholder Management

The Bank's leadership actively fosters stakeholder engagement. By participating in regular consultations, investor meetings, and policy discussions, the leadership ensures that the Bank's strategic direction aligns with its stakeholders' expectations. This approach strengthens ESAF's reputation as a responsible and responsive organisation.

Alignment with Sustainable Development Goals

ESAF's stakeholder engagement practices align with the United Nations Sustainable Development Goals, particularly:

- **Goal 1 - No Poverty:** Through targeted community upliftment initiatives and CSR programmes.
- **Goal 10 - Reduced Inequalities:** By addressing the needs of vulnerable and marginalised groups.
- **Goal 17 - Partnerships for the Goals:** Collaborating with regulators, investors, and communities to achieve shared objectives.

The Bank is affiliated with 23 trade and industry bodies.

Regular customer engagement contributed to 92% of its portfolio, aligning with priority sector lending.

Inputs from stakeholder engagements were channelled through three key Board Committees: Customer Service, HR, and CSR.

Grievances are addressed through structured mechanisms, covering all operational touchpoints.

PRINCIPLE 4

This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

The stakeholder identification process depends upon the type of stakeholder and it is mentioned in the policies/SOPs pertaining to the concerned departments.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable or Marginalised Group	Channels of Communication (e.g., Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of Engagement (e.g., Annually, Half-yearly, Quarterly, Others)	Purpose and Scope of Engagement (including key topics and concerns raised during such engagement)
Employees	No	Direct & other communication mechanisms	Daily	The Bank follows an open-door policy
Shareholders/ Investors	No	Email, SMS, newspaper advertisements, website, quarterly conference calls, face-to-face meetings, annual general meetings, investor grievance channels, investor meets, etc.	Quarterly and need-based	To stay abreast of developments in the Bank and give necessary directives
Customers	No	Email, SMS, website, advertisements, newspaper, tele-calling, notice board	Daily	Monetary and non-monetary transactions pertaining to customers' accounts
Channel Partners and Key Partners	No	Multiple channels - physical and digital	Frequent and need-based	Help to increase reach and enhance business
Regulators	No	Email, one-on-one meetings, conference calls, video conference	Need-based	Discussions with regard to various regulations and amendments, inspections, approvals
Communities and NGOs	No	Directly or through the CSR implementing agencies	Frequent & need-based	Support socially high-impact projects

Leadership Indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Bank communicates with investors and shareholders during investor meets, through investor grievance channels, at roundtables, quarterly conference calls, face-to-face meetings, annual general meetings, and more. These are aimed at providing relevant information as well as understanding stakeholders' perspectives on the Bank's performance and strategy.
- The Bank interacts continuously with customers through digital channels such as customer care, satisfaction, and social media platforms to understand their requirements and create better solutions, products, and services for them. We publish a booklet "Joyful Stories of Transformation" which showcases the real-life case studies of the lives of our customers through our products and services. These are collected by the employees by interacting directly with the customers. The feedback received is apprised to the Customer Service Committee of the Board and actions are initiated appropriately.

- The Bank has ongoing regular communication with its employees using town-hall meetings, appraisal processes, newsletters, and other channels to understand and support their concerns and ensure they are aligned with the Bank's strategic priorities.
- The Bank interacts with its suppliers through supplier meets, regular interactions, etc. The Bank subscribes to responsible procurement practices and invests in building relationships with its suppliers.
- The Bank engages with regulators through one-to-one meetings, emails, and the submission of performance reports. It strives to be a good corporate citizen and complies with applicable regulations. The Bank plays its role in developing and implementing public policies.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No).

Yes

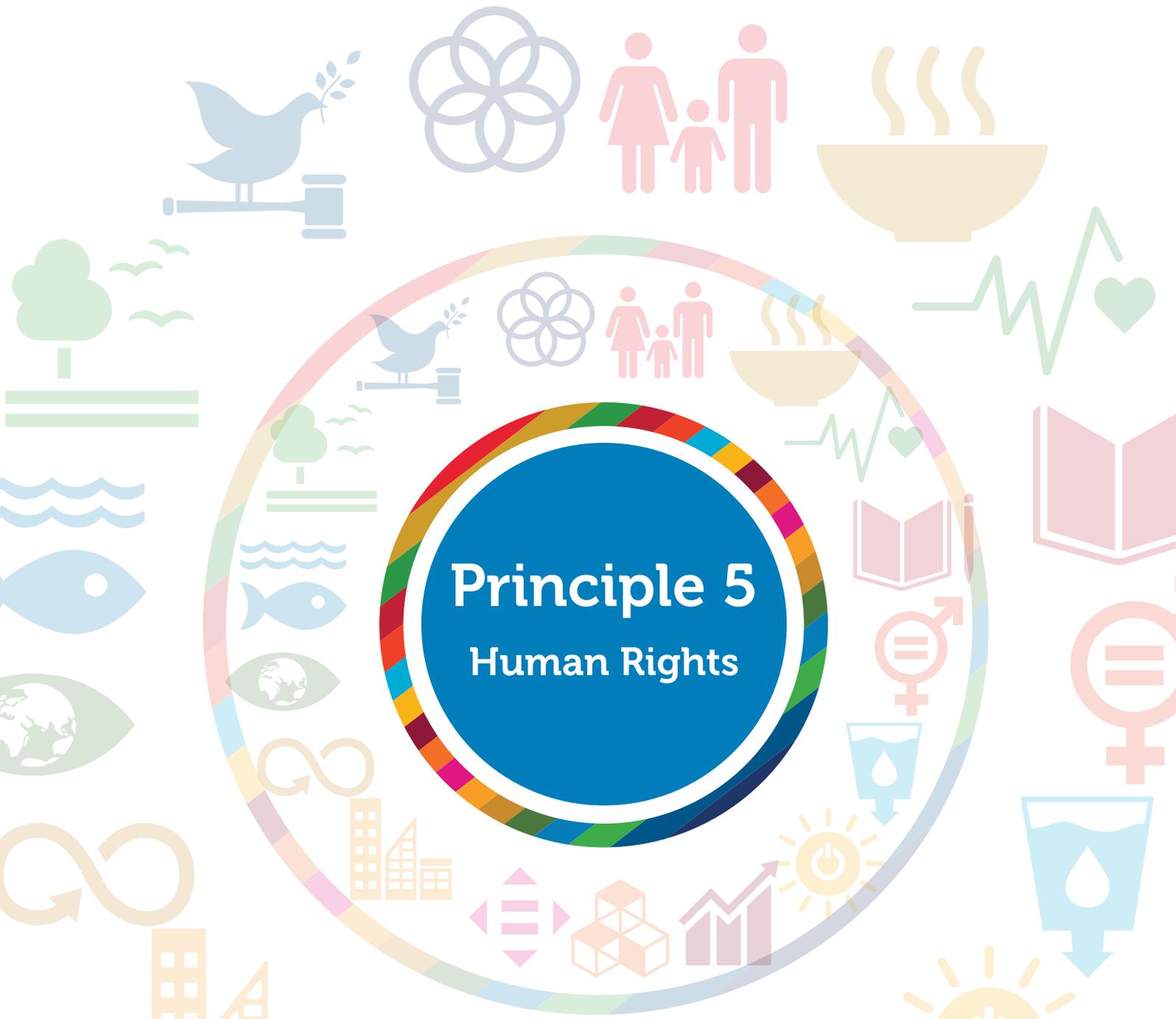
Details of instances in which the inputs received from stakeholders on these topics were incorporated into the entity's policies and activities.

- There are regular stakeholder engagements, in particular with employees and customers, on a variety of environmental and social concerns through the Bank's projects like Environment Week, Balajyothi Week, Vayojyoti Week, Udyog Jyothi Week, RBI FLW, Water2Earth, Women's Day, Water Day, Earth Day, etc. The Employee Engagement wing of HR engages the employees through ESAF SARG.
- Larger communities are also engaged through the CSR projects of the Bank. Inputs from these engagements are synthesised as policy inputs through the governance committees of the Bank, in particular, the Customer Service Committee of the Board, HR Committee of the Board, and the CSR & Sustainability Committee of the Board.

3. Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

The Bank is committed to uplifting the communities in its areas of operations. It engages with the community through its CSR initiatives regularly. There were several community interventions as Emergency/Disaster Response through CSR during the year.

The Bank also has supported rural school and healthcare infrastructures in Kerala, Jharkhand, and Assam.



Business should respect and promote
Human Rights



Principle 5

Human Rights

Commitment to Upholding Human Rights

ESAF Small Finance Bank underscores its dedication to respecting and promoting human rights across its operations and value chains. The Bank integrates human rights principles into its policies, workplace culture, and business agreements, fostering an environment of dignity, equality, and fairness. By addressing grievances effectively and aligning its practices with global standards, ESAF demonstrates its commitment to safeguarding human rights at every level.

Employee Training and Awareness

Human rights training is a cornerstone of ESAF's commitment to building employee awareness and accountability. Despite not training employees on human rights issues during the reporting year, the Bank acknowledges the importance of capacity building in this area. Historically, ESAF has demonstrated its focus on educating its workforce, as reflected in prior training initiatives. Including human rights elements in its Human Resources Policy signals the Bank's intent to reinvigorate awareness and compliance measures.

Fair Wages and Equal Pay

ESAF ensures that all permanent and non-permanent employees are compensated above the minimum wage, demonstrating its adherence to fair pay practices. The absence of wage-related complaints highlights the Bank's compliance with wage-related statutory norms. However, there is scope for further transparency in disclosing detailed remuneration structures and ensuring gender pay parity. Gross wages paid to female employees as a percentage of total salaries reflect ESAF's focus on equitable pay practices.

Mechanisms for Grievance Redressal

A robust grievance redressal framework allows employees to report issues related to discrimination, harassment, and other human rights concerns. ESAF complies with statutory and regulatory norms to protect complainants from adverse consequences. The Bank has handled two sexual harassment cases during the year, with all instances resolved and no pending grievances. This reflects its commitment to creating a safe and respectful workplace.

Human Rights in Business Practices

Human rights considerations form a core component of ESAF's agreements with suppliers and value chain partners. All partners must adhere to the Bank's code of conduct, which includes human rights principles. These provisions are systematically incorporated into business agreements during renewals, reinforcing ESAF's commitment to responsible and ethical practices.

Proactive Risk Assessments

The Bank conducts assessments to identify risks related to child labour, forced labour, discrimination, sexual harassment, and wage disparities. While no significant risks were reported during the year, ESAF's focus on these areas ensures that potential concerns are identified and mitigated proactively.

Leadership in Human Rights Integration

ESAF's leadership is pivotal in embedding human rights principles into its organisational culture. Recent updates to the Human Resources Policy, incorporating elements of diversity and inclusion, highlight the Bank's efforts to align with best practices. Thorough research on statutory requirements and industry benchmarks ensures that ESAF stays at the forefront of human rights compliance.

Accessibility and Inclusivity

In compliance with the Rights of Persons with Disabilities Act, ESAF ensures its premises are accessible to differently-abled employees, visitors, and customers. This commitment to inclusivity reflects the Bank's belief in creating opportunities for all, irrespective of physical or systemic barriers.

Alignment with Sustainable Development Goals

ESAF's human rights initiatives are closely aligned with the United Nations Sustainable Development Goals, particularly:

- **Goal 5 - Gender Equality:** Through measures to address sexual harassment and ensure equitable pay.
- **Goal 8 - Decent Work and Economic Growth:** By preventing exploitative practices such as child and forced labour.
- **Goal 10 - Reduced Inequalities:** Fostering a workplace culture that values diversity and inclusion.

0 data breaches or complaints related to discrimination, child labour, or forced labour were reported.

Two cases of sexual harassment were reported and resolved during the year.

All offices and premises comply with the Rights of Persons with Disabilities Act, 2016, ensuring accessibility.

All employees adhere to human rights requirements integrated into the Bank's Code of Conduct and contracts.

PRINCIPLE 5

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24			2022-23		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	5,479	0	0%	4,967	2,252	45.33%
Other than Permanent	488	0	0%	67	67	100%
Total Employees	5,967	0	0%	5,034	2,319	46.06%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	%(B/A)	No.(C)	%(C/A)		No.(E)	%(E/D)	No.(F)	%(F/D)
Permanent Employees										
Male	3847	0	0%	3847	100%	3,386	0	0%	3,386	100%
Female	1632	0	0%	1632	100%	1,581	0	0%	1,581	100%
Total	5479	0	0%	5479	100%	4,967	0	0%	4,967	100%
Other than Permanent Employees										
Male	273	0	0%	273	100%	0	0	0%	0	0%
Female	215	0	0%	215	100%	0	0	0%	0	0%
Total	488	0	0%	488	100%	0	0	0%	0	0%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*The Company does not have any staff in the 'Workers' category.

3. Details of remuneration/ salary/ wages (including differently abled)

a. Median Remuneration/ Wages

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors	9	22,10,000	1	21,60,000
Key Managerial Personal	11	55,62,445	0	0
Employees other than BoD and KMP	4113	2,16,423	1947	193,758
Workers	Nil - *The Company does not have any staff in the 'Workers' category.			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24	2022-24
Gross wages paid to females as % of total wages	23.15	24.12

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes*

The POSH Committee, HR Management Committee and HR Committee of the Board look into the Human Rights aspects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At ESAF Small Finance Bank, we have an automated Help Desk so that Employees can raise their concerns and reach out to concerned, if they have concerns of any nature. Most importantly, we have Open Door Policy wherein Employees can reach out to the respective Department Heads or Executive Personnel as required. We also conduct Mood Surveys & Stay Interviews to understand the pulse of Employees. Another, effective feedback collection mechanism that was rolled was the Venting Box where they can share their experiences, suggestions, etc., in an anonymous manner.

6. Number of Complaints on the following made by employees and workers:

Particulars	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	NA	0	0	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human Rights Related Issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	2023-24	2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	0
Complaints on POSH as a % of female employees / workers	0.11%	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

At ESAF Small Finance Bank, we comply with Statutory & Regulatory norms that are applicable to us to prevent adverse consequences of any nature.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

10. Assessments of the year

Category	% of plants and offices that were assessed (by the entity or by the statutory authorities or third parties)
Child Labour	
Forced/Involuntary Labour	
Sexual harassment	100%
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NIL

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

We have incorporated the Human Resources Policy with elements of human rights, such as diversity and inclusion, which we uphold as an organisation.

2. Details of the scope and coverage of any human rights due-diligence conducted

We did a thorough research about Statutory & Regulatory requirements and also tried to benchmark ours with the Best Practices in the industry.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at Workplace	
Child Labour	100%
Forced Labour/Involuntary Labour Wages	

All the suppliers and value chain partners have to agree to and accept the Bank's code of conduct and abide by it. The human rights requirements will be added to agreements and contracts during the respective renewals.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA



Businesses should respect and make efforts to protect and restore the environment.



Principle 6

Environmental Stewardship

Commitment to Environmental Responsibility

ESAF Small Finance Bank demonstrates a strong commitment to environmental sustainability by embedding responsible practices into its operations. As a financial institution with a relatively low ecological footprint, the Bank actively monitors its resource consumption and emissions, ensuring alignment with its sustainability goals. By adopting structured processes and leveraging data-driven insights, ESAF strives to minimise its environmental impact while delivering value to stakeholders.

Energy Consumption and Efficiency

The Bank's energy consumption centres around operational needs, focusing on maintaining efficiency and minimising waste. ESAF continuously tracks energy intensity relative to its financial performance, reflecting its commitment to operational sustainability. While its energy requirements are presently met through non-renewable sources, ESAF is well-positioned to explore renewable energy integration as a natural extension of its sustainability journey. The Bank's focus on efficient energy use ensures alignment with its long-term environmental objectives.

Water Usage and Management

ESAF adopts a responsible approach to water management by sourcing its water requirements from third-party suppliers, thereby minimising direct extraction from natural resources. The Bank efficiently uses water resources to meet operational needs, ensuring no wastage or unnecessary impact on ecosystems. As part of its forward-looking strategy, ESAF is positioned to explore innovative water conservation techniques and recycling mechanisms to enhance its environmental stewardship further.

Waste Management Practices

The Bank's waste generation is minimal, reflecting the nature of its operations. Current waste management practices focus on responsible disposal through established methods, ensuring compliance with environmental standards. ESAF's proactive stance on waste management aligns with its sustainability vision, with opportunities to incorporate recycling and reuse initiatives to strengthen its impact.

Greenhouse Gas Emissions and Air Quality

ESAF tracks and reports its Scope 1 and 2 greenhouse gas emissions, ensuring transparency and accountability. The Bank calculates emission intensity relative to its revenue and uses these insights to drive efficiency. While ESAF's operations

ensure minimal air pollutant emissions, the Bank continues to focus on reducing its environmental footprint by adopting sustainable practices.

Sustainability in Operations

The Bank ensures compliance with all applicable environmental regulations, such as the Water Act, Air Act, and Environment Protection Act, demonstrating its adherence to statutory norms. ESAF's operational model inherently reduces environmental risk, with processes in place to ensure no adverse impact on ecologically sensitive areas. By maintaining a strong foundation of environmental compliance, ESAF positions itself as a responsible corporate citizen.

Business Continuity and Disaster Management

ESAF has implemented a comprehensive Business Continuity and Disaster Management Plan to address potential disruptions, including natural disasters and operational risks. This plan ensures resilience and preparedness across the Bank's critical functions, safeguarding its infrastructure, workforce, and stakeholders. ESAF showcases its forward-thinking approach to environmental and operational challenges by integrating sustainability into its risk management processes.

Opportunities for Environmental Leadership

As part of its growth strategy, ESAF is well-placed to explore renewable energy options, water recycling systems, and circular economy initiatives to build on its existing efforts. These forward-looking measures can further reinforce ESAF's commitment to sustainability and position it as a leader in environmental stewardship within the financial sector.

Alignment with Sustainable Development Goals

ESAF's environmental initiatives align seamlessly with the United Nations Sustainable Development Goals, particularly:

- **Goal 6 - Clean Water and Sanitation:** Through responsible water sourcing and efficient consumption.
- **Goal 7 - Affordable and Clean Energy:** Maintaining energy efficiency and exploring future renewable energy adoption.
- **Goal 12 - Responsible Consumption and Production:** Minimising waste and ensuring responsible resource use.
- **Goal 13 - Climate Action:** Through proactive monitoring of greenhouse gas emissions and a focus on reducing environmental impact.

The energy intensity per rupee of turnover was 0.000007644 (total energy consumed/ revenue from operations).

Total Scope 1 GHG emissions were 15.88 metric tonnes, while Scope 2 emissions were 36,730.80 metric tonnes.

Water intensity per rupee of turnover stood at 0.000003197 kilolitres.

Due to the nature of operations, no air pollutants such as NO_x, SO_x, or particulate matter were emitted.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasises the importance of environmental stewardship. Companies should minimise their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2023-24	2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	1,84,680 GJ	0
Total fuel consumption (E)	252.41 GJ	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,84,932.41 GJ	0
Total energy consumed (A+B+C+D+E+F)	1,84,932.41 GJ	0
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000007644	0
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000002110	0
Energy intensity in terms of physical output	NA*	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	30.992529233	

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

NA

*The nature of our business activity is such that there is no physical output.

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2023-24	2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	77,332	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	77,332	0
Total volume of water consumption (in kilolitres)	77,332	0
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000003197	0
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000000882	0
Water intensity in terms of physical output	NA*	0
Water intensity (optional) – the relevant metric may be selected by the entity	12.959946372	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

No

NA

* The nature of our business activity is such that there is no physical output

4. Provide the following details related to water discharged:

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	77,332	0
With treatment – please specify level of treatment	0	
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	77,332	0

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)

NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2023-24*	2022-23*
NOx	NA	0	0
SOx	NA	0	0
Particulate Matter (PM)	NA	0	0
Persistent Organic Pollutants (POP)	NA	0	0
Volatile Organic Compounds (VOC)	NA	0	0
Hazardous Air Pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

NA

*The nature of our business activities is such that there are no air emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	15.88	0
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	36730.80	0
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Total scope 1 and 2 GHG emissions/ Revenue from operations	0.000001519	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Total scope 1 and 2 GHG emissions/ Revenue from operations adjusted for PPP	0.000000419	0
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA*	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Total employees	6.158292274	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

NA

*The nature of our business activity is such that there is no physical output.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No) Yes

The Company is tracking per capita emissions across its branches to identify areas for actionable improvements.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24	2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	0	
E-waste (B)	0	
Bio-medical waste (C)	0	
Construction and demolition waste (D)	0	
Battery waste (E)	0	
Radioactive waste (F)	0	
Other hazardous waste. Please specify, if any. (G)	0	
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	
Pantry waste	34.4	
Total (A+B + C + D + E + F + G + H)	34.4	
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000001	
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000004	
Waste intensity in terms of physical output	NA*	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	0.005765041	

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	2023-24	2022-23
(i) Recycled		
(ii) Re-used	0	
(iii) Other recovery operations	0	
Total	0	

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	2023-24	2022-23
(i) Incineration	0	
(ii) Landfilling	0	
(iii) Other disposal operations	34.4 MT	
Total	34.4 MT	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

NA

*The nature of our business activity is such that there is no physical output.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has a sustainable approach to waste management. The Bank primarily generates e-waste and paper waste. Many operational transitions have been implemented to reduce waste generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NA				

*The Company has no operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

*The Company has not conducted EIA during the reporting period.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA			

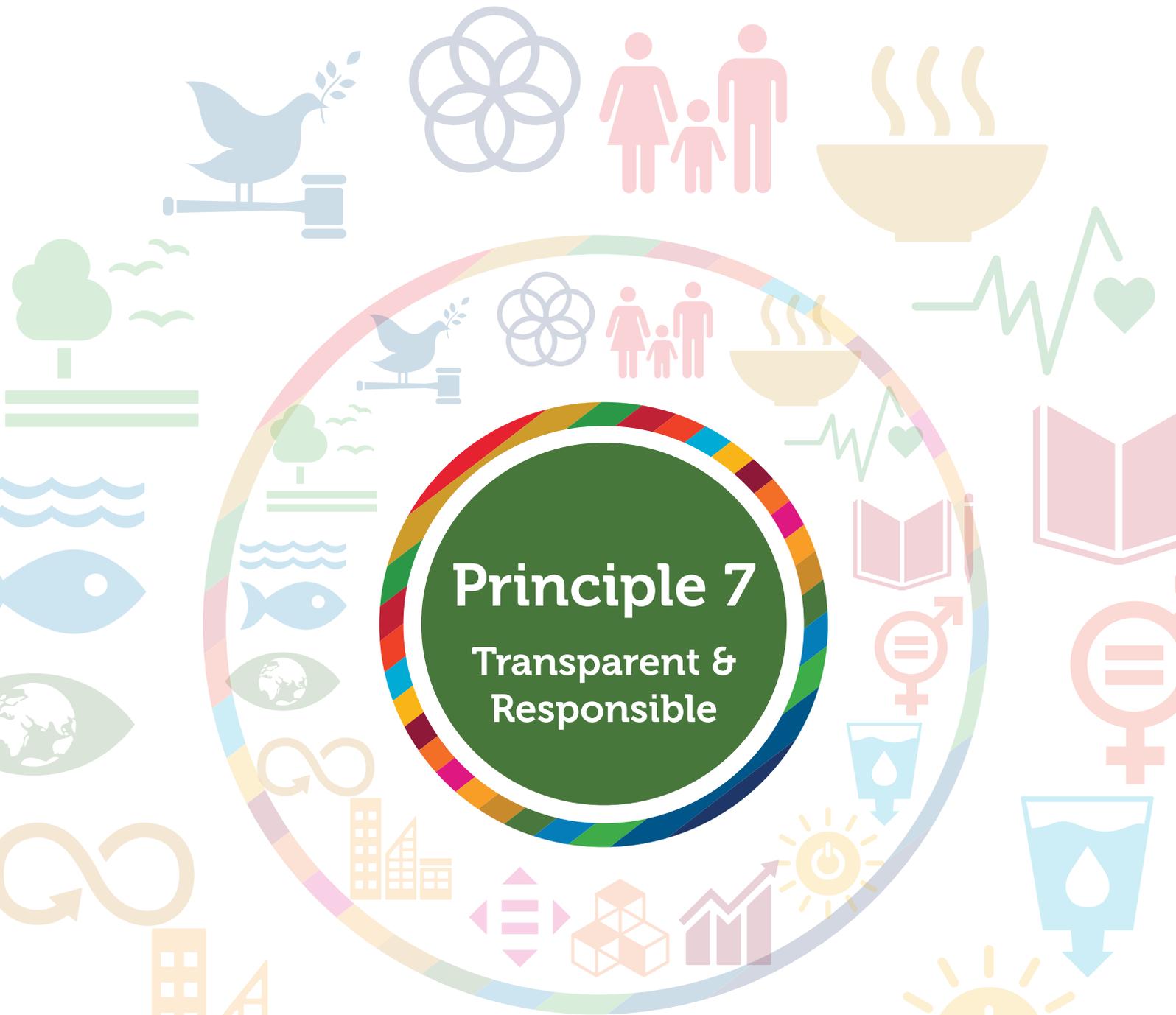
Leadership Indicators

1. Does the entity have a business continuity and disaster management plan? (Yes/No)

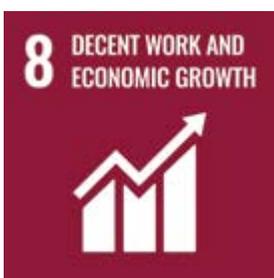
Yes

Give details in 100 words/ web link.

The Bank has a Business Impact Analysis (BIA) and Business Continuity Plan (BCP) Document (Current V 2.0) duly approved by the Risk Management Committee of the Board. The document deals with how the Bank would continue operating during an unplanned disruption in service. In BIA, the Bank identifies and prioritises processes and systems and evaluates the potential effects (for example financial, life/safety, regulatory, legal/contractual, reputational and so forth) of natural and man-made events or disasters on the IT and other services that support business. The document analyses the potential loss in transactions to the Bank in case of disruption, the list of Critical and Non- Critical applications, their RPO and RTO and their potential impact types. The BCP part ensures that the Bank has appropriate strategies and procedures to ensure continuity, resumption and recovery of critical processes, at an agreed level to limit the impact of the disaster on people, processes and infrastructure (including IT); and to minimise the operational, financial, legal, reputational and other material consequences arising from such a disaster. The document contains the details of Key outsourcing arrangements and BC arrangements, how to deal with different business scenarios, certain situations like power failure, Cyber-attacks, Hardware and Software failures, Network failures, Natural disasters, etc. The document also has the roles and responsibilities of various officials who are part of the Crisis Management and Quick Response team, Cyber Crisis Management team, Activating Disaster Recovery procedures, Communication responsibilities, Work from Home and Work from alternate arrangements, Emergency contact numbers, etc. The Bank also has a Business Continuity Management Policy, which is reviewed annually and approved by the Board of Directors.



Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Principle 7

Transparent and Responsible Advocacy

Commitment to Responsible Advocacy

ESAF Small Finance Bank is deeply committed to ethical, transparent, and public-interest-aligned advocacy efforts. The Bank ensures that its participation in policy-making contributes to sustainable development and upholds democratic values. By maintaining a responsible approach to advocacy, ESAF strengthens its role as a socially conscious and forward-thinking institution.

Affiliations with Trade and Industry Bodies

The Bank is affiliated with many trade and industry chambers, enabling it to actively participate in state, national, and international policy discussions. These affiliations allow ESAF to remain engaged in critical conversations on financial inclusion, governance, and sustainability, contributing to meaningful industry-wide initiatives.

Policy Advocacy and Public Engagement

ESAF's advocacy efforts focus on financial inclusion and Environment, Social, and Governance (ESG) principles. Through participation in industry events, panel discussions, and conferences, the Bank emphasises the importance of creating an inclusive and sustainable financial ecosystem. These advocacy initiatives are designed to align business goals with broader societal and environmental objectives, ensuring long-term benefits for all stakeholders.

Commitment to Transparency and Ethical Conduct

ESAF ensures that its advocacy efforts adhere to the highest ethical standards. The Bank has had no instances of regulatory actions or anti-competitive behaviour, reflecting its commitment to transparent and responsible practices. This approach reinforces ESAF's reputation as a trustworthy and accountable institution.

Impact of Advocacy on Stakeholders

The Bank's advocacy efforts have a tangible impact on its stakeholders, including regulators, customers, and industry participants. By championing financial inclusion, ESAF addresses gaps in access to banking services, fostering socio-economic growth. Its focus on ESG principles contributes to adopting sustainable practices that benefit both communities and the environment.

Opportunities for Enhanced Advocacy

ESAF is well-positioned to expand its advocacy efforts by increasing public access to information about its initiatives. Leveraging digital platforms and enhancing transparency around the outcomes of its policy positions can amplify the Bank's role as a leader in responsible advocacy.

Alignment with Sustainable Development Goals

The Bank's advocacy initiatives align with the United Nations Sustainable Development Goals, particularly:

- **Goal 8 - Decent Work and Economic Growth:** Supporting inclusive economic practices through policy engagement.
- **Goal 10 - Reduced Inequalities:** Advocating for equitable access to financial services.
- **Goal 13 - Climate Action:** Promoting the integration of sustainable practices within the financial sector.
- **Goal 16 - Peace, Justice and Strong Institutions:** Ensuring transparency and ethical conduct in advocacy initiatives.

The Bank maintains affiliations with 23 trade and industry associations, contributing to policy advocacy.

Advocacy efforts included participation in events such as the GABV Annual General Meeting and regional conferences.

No corrective actions were reported related to anti-competitive conduct or regulatory interventions.

Information on products and services is disseminated through branches, a website, and digital platforms.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

23

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1	Global Alliance for Banking on Values (GABV)	International
2	Confederation of Indian Industry (CII)	National
3	Indian Banks Association (IBA)	National
4	Association of Small Finance Banks of India (ASFBI)	National
5	Foreign Exchange Dealers Association of India	National
6	Bombay Chamber of Commerce (BCCI)	National
7	Microfinance Institutions Network (MFIN)	National
8	National Institute of Bank Management (NIBM)	National
9	Fixed Income Money Market and Derivatives Association of India (FIMMDA)	National
10	Uttar Pradesh Microfinance Association (UPMA)	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NA	

*There were no cases of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Leadership Indicators

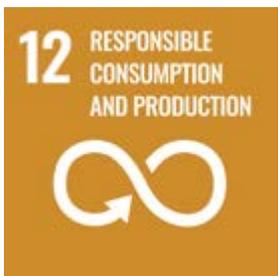
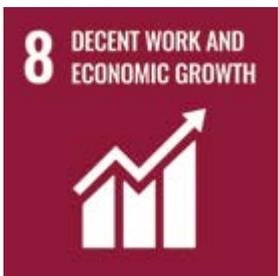
1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others- Please specify)	Web Link, if available
1	Financial Inclusion	Panel discussion	Yes	Others	https://www.sa-dhan.net/regional-conference/#:~:text=Sa%2DDhan%20organised%20a%20regional,apart%20from%20the%20inaugural%20session
2	ESG	Panel discussion	Yes	GABV Annual General Meeting 2023	https://www.gabv.org/wp-content/uploads/2024/02/GABV-2023-Annual-Report.pdf
3	ESG	Panel discussion	No	GABV Asia Pacific Conference 2024	



Principle 8
Inclusive growth
and equitable
development

Businesses should promote inclusive growth
and equitable development



Principle 8

Inclusive Growth and Equitable Development

Commitment to Inclusive Development

ESAF Small Finance Bank is dedicated to fostering inclusive economic growth and equitable development. Through its initiatives, the Bank creates opportunities for marginalised and disadvantaged groups, supports local communities, and contributes to social and economic empowerment. By integrating inclusivity into its operational and social frameworks, ESAF reinforces its role as a socially conscious organisation committed to sustainable development.

Focus on Local Sourcing and Employment

ESAF sources all its input materials from within India, underscoring its commitment to strengthening local supply chains and supporting domestic industries. Although the Bank does not currently source directly from MSMEs or small producers, its operations are well-aligned with the principles of promoting local economic growth.

The Bank's job creation initiatives significantly impact smaller towns and semi-urban areas, where a majority of its workforce operates. Wages paid in rural and semi-urban regions account for a substantial portion of the total wage cost, reflecting ESAF's focus on decentralisation and inclusivity in employment. The Bank supports local economies and addresses socio-economic disparities by contributing to employment opportunities in these regions.

Community Engagement and CSR Initiatives

ESAF's community engagement is deeply rooted in its Corporate Social Responsibility (CSR) activities. The Bank undertakes CSR projects in aspirational districts, addressing pressing social issues such as education, healthcare, and rural development. All beneficiaries of these projects belong to vulnerable and marginalised groups, reinforcing the Bank's commitment to equity and inclusion.

Significant monetary investments are made in CSR projects, directly benefiting communities in need. These initiatives demonstrate ESAF's dedication to uplifting underserved populations and aligning its activities with broader national development goals.

Mechanisms for Grievance Redressal

The Bank is in the process of establishing a formal grievance redressal mechanism for the community. This initiative aims to create a structured channel for addressing concerns and feedback, further strengthening

its relationship with the communities it serves.

Social Impact Assessments and Mitigation Efforts

While no Social Impact Assessments (SIA) were conducted for ongoing CSR projects during the reporting period, ESAF remains committed to ensuring that its projects generate positive outcomes for the communities they serve. The absence of rehabilitation and resettlement activities reflects the nature of the Bank's operations, which are inherently non-disruptive to local ecosystems and livelihoods.

Preferential Procurement Practices

The Bank's policy prioritises procurement from local and vulnerable groups, demonstrating its commitment to empowering these segments. While processes to quantify the percentage of total procurement from these groups have yet to be implemented, ESAF's focus on preferential procurement underscores its inclusive approach to supply chain management.

Opportunities for Expansion

ESAF has significant opportunities to expand its impact through systematic social impact assessments and the formalisation of mechanisms to measure the outcomes of its preferential procurement practices. By enhancing data collection and analysis in these areas, the Bank can further refine its strategies for inclusive growth and maximise its contributions to equitable development.

Alignment with Sustainable Development Goals

ESAF's initiatives for inclusive growth and equitable development align with the United Nations Sustainable Development Goals, particularly:

- **Goal 1 - No Poverty:** Through targeted CSR initiatives and job creation in underserved regions.
- **Goal 8 - Decent Work and Economic Growth:** Supporting employment and wages in smaller towns and semi-urban areas.
- **Goal 10 - Reduced Inequalities:** Through community development and support for vulnerable and marginalised groups.
- **Goal 12 - Responsible Consumption and Production:** Sourcing materials locally and supporting sustainable supply chains.

100% of CSR beneficiaries were from marginalised and vulnerable groups.

Job creation in rural and semi-urban areas accounted for 68% of total wages paid.

CSR contributions in aspirational districts totalled over ₹37 lakhs during the year.

All sourcing was domestic, with 100% of materials procured from within India.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

(This principle emphasises the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalised groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

* During the current financial year, there was no Social Impact Assessment carried out for ongoing CSR projects.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

*No such projects were undertaken by the Company.

3. Describe the mechanisms to receive and redress grievances of the community.

The Bank is working on establishing a grievance redressal mechanism for the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	2023-24	2022-23
Directly sourced from MSMEs/ small producers	0%	0%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	2023-24	2022-23
Rural	6%	7%
Semi-urban	62%	62%
Urban	19%	17%
Metropolitan	14%	15%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective actions taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount Spent (In ₹)
1 Kerala	Wayanad	1,74,813
2 Jharkhand	Dumka, Maheshpur (Pakur), Godda, Gumla, Pashchimi Singhbhum	37,25,000
3 Maharashtra	Gadchiroli, Nandurbar	4,34,200
4 Tamil Nadu	Virudhunagar	24,767
5 Assam	Udalguri	Nil
6 Odisha	Rayagada, Kalahandi, Nuapada, Kandhamal	4,15,000
7 Madhya Pradesh	Vidisha	1,10,000

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No/NA)

Yes

- b) From which marginalised /vulnerable groups do you procure?

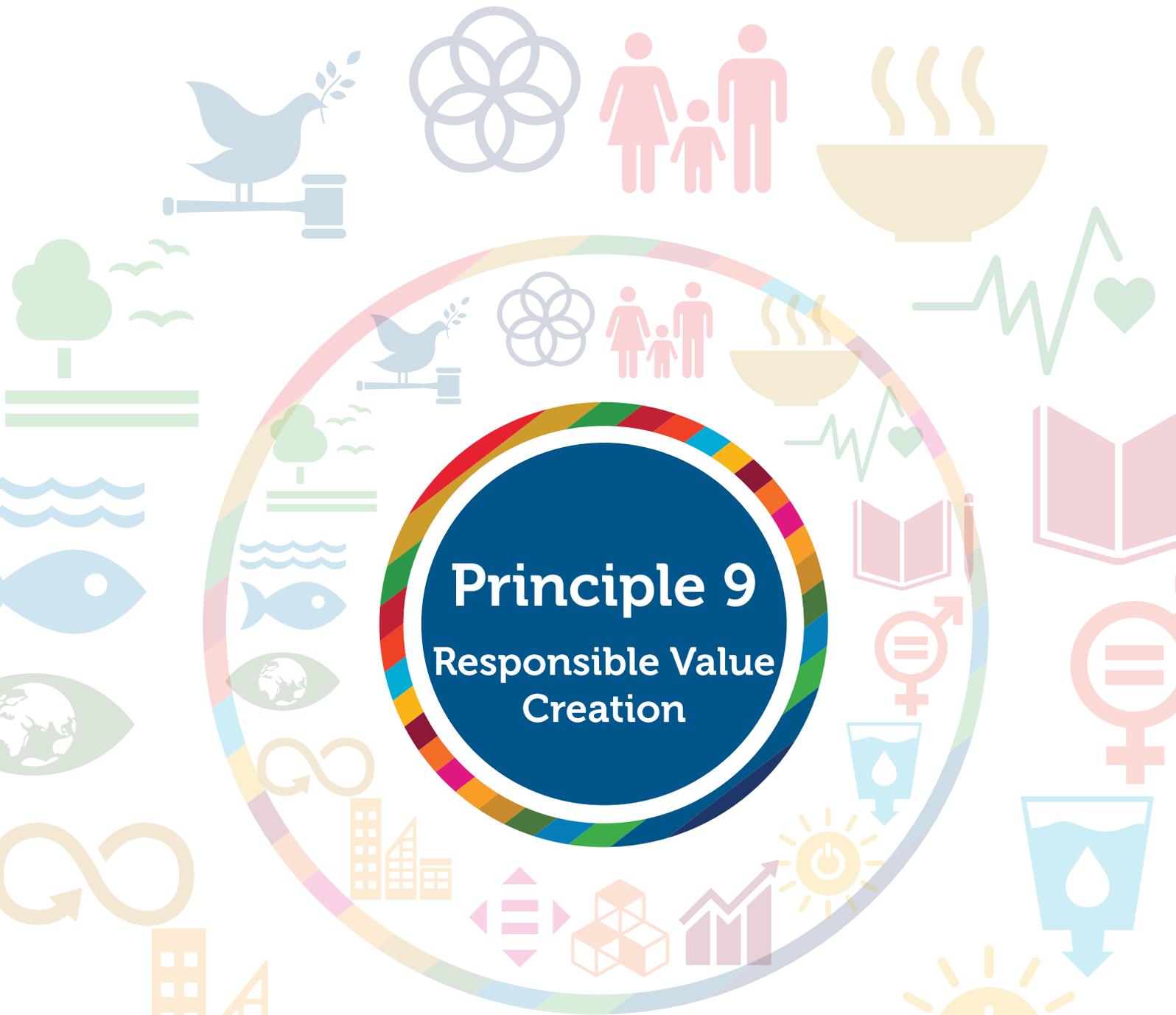
There is preference for procuring from local and vulnerable groups.

- c) What percentage of total procurement (by value) does it constitute?

*We currently do not have a process in place to capture this percentage.

4. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1 ESAF Balajyothi	13,013	100%
2 ESAF Skill Leap	6,313	100%
3 ESAF Village Level Entrepreneurship Development Programme	5,813	100%
4 ESAF Capacity Building and Market Linkages	14,317	100%
5 ESAF Centre for Excellence in Collective Entrepreneurship	171	100%
6 ESAF Rural Health Infrastructure and Development Support	83,580	100%
7 ESAF Rural School Infrastructure and Development Support	1,106	100%
8 ESAF Emergency Relief & Community Intervention	10,010	100%
9 ESAF Santhwana	15,195	100%
10 ESAF Garshom	11,086	100%
11 ESAF Community Intervention - Through Branches	3,757	100%
Total	1,64,361	



Principle 9
**Responsible Value
Creation**

Businesses should engage with and provide value to their consumers in a Responsible Manner



Principle 9

Responsible Value Creation

Commitment to Responsible Consumer Engagement

ESAF Small Finance Bank is dedicated to fostering responsible consumer engagement by providing transparent, ethical, and high-quality services. The Bank ensures that its products and services meet the needs of its customers while aligning with environmental and social priorities. By prioritising consumer satisfaction and maintaining transparency, ESAF reinforces its position as a socially responsible and customer-centric organisation.

Focus on Priority Sector Lending

The Bank's operations align with responsible value creation, with a significant portion of its lending portfolio directed toward priority sectors. This commitment underscores ESAF's dedication to addressing societal needs, fostering economic empowerment, and contributing to inclusive growth. While specific recycling and safe disposal measures do not apply to its financial services, the Bank's lending focus emphasises environmental and social considerations.

Transparency and Consumer Information

ESAF prioritises transparency by making comprehensive product and service information accessible to consumers. Details are displayed at all branches, on the Bank's website, and through brochures and leaflets. The Bank also leverages digital and social media platforms to disseminate information, ensuring consumers are well-informed about its offerings. Additionally, ESAF goes beyond statutory requirements by providing detailed product-related information to enhance customer understanding and trust.

Consumer Satisfaction and Feedback

The Bank actively engages with consumers to understand their needs and improve service quality. Regular surveys are conducted to measure customer satisfaction, enabling ESAF to refine its offerings and effectively address consumer concerns. This feedback-driven approach ensures that the Bank's services align with customer expectations and market demands.

Commitment to Data Security and Privacy

ESAF maintains robust systems to safeguard consumer data and ensure privacy. No reported data breaches occurred during the financial year, reflecting the Bank's strong focus on cybersecurity. By maintaining zero

incidents of data breaches, ESAF demonstrates its commitment to protecting customer information and fostering trust.

Grievance Redressal Mechanism

The Bank has a well-structured grievance redressal mechanism to address consumer complaints. Many digital transaction complaints related to UPI, ATM, and NEFT have been resolved efficiently, with minimal pending cases. This reflects ESAF's responsiveness and focus on maintaining high service standards. Additionally, no advertising, data privacy, or cyber security complaints have been reported, underscoring the Bank's adherence to ethical and responsible practices.

Ethical Marketing and Responsible Practices

ESAF ensures its marketing efforts are ethical and compliant with all regulatory standards. The Bank communicates charges, facilities, and key product details through channels, including branch notice boards and brochures. No instances of product recall or corrective actions related to advertising or service delivery have been reported, highlighting the Bank's commitment to delivering safe and reliable services.

Opportunities for Enhanced Engagement

The Bank has opportunities to strengthen consumer engagement further by expanding initiatives that emphasise financial literacy and responsible use of its products and services. Enhanced customer education and continued investment in digital platforms can amplify the Bank's impact and foster deeper trust with its consumers.

Alignment with Sustainable Development Goals

ESAF's responsible value creation aligns with the United Nations Sustainable Development Goals, particularly:

- **Goal 8 - Decent Work and Economic Growth:** This goal is achieved through its focus on priority sector lending and inclusive financial services.
- **Goal 9 - Industry, Innovation, and Infrastructure:** Leveraging digital platforms to enhance accessibility and transparency in its offerings.
- **Goal 12 - Responsible Consumption and Production:** Ensure ethical marketing practices and transparency of product and service information.

92% of the Bank's portfolio aligns with priority sector lending, promoting social and environmental responsibility.

A total of 10,211 digital complaints were received, with 299 pending resolution at year-end.

No data breaches occurred, ensuring 100% compliance with data privacy standards.

Consumer satisfaction surveys were conducted across major operations, enhancing service alignment.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has enabled different channels for its customers to get connected for communicating customer complaints and feedback like: Toll free 24 hour Call Centre with multi-language and interactive voice recognition facility, Website communication link for grievances, Branches and Escalation matrix with phone numbers, Customer care emails, Complaint box, Complaint registers, etc.

2. Turnover of products and/ or services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	92%
Safe and responsible usage	0%
Recycling and/or safe disposal	0%

*92% of the Bank's book is in Priority Sector Lending

3. Number of consumer complaints in respect of the following:

Particular	2023-24			2022-23		
	Received during the year	Pending resolution at end of the year	Remark	Received during the year	Pending resolution at end of the year	Remark
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other			NA	0	0	NA
a. Digital complaints: UPI, ATM, POS, IMPS, NEFT, RTGS, BILLDESK, AEPS	10,211	299	NA	0	0	NA
b. Other miscellaneous	133	4	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

This is not relevant to the Bank as it is not in the business of manufacturing or selling products.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No)

Yes

If available, provide a web link of the policy

<https://www.esafbank.com/privacy-policy/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

*There were no corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches

- a. Number of instances of data breaches along-with impact

0

- b. Percentage of data breaches involving personally identifiable information of customers

0

- c. Impact, if any, of the data breaches

NA*

*There were no data breaches during the FY 2023-2024.

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information related to all the products and services given by the Bank is published in all the branches. Also, it is available on our website, <https://www.esafbank.com/>. In addition, the Bank actively uses various social media and digital platforms to disseminate information on its loans and deposits.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Bank has taken multiple actions to sensitise customers on cyber frauds and educating them on the Do's and Don'ts in the area of digital payments and observe necessary cyber discipline. Few of such efforts are : SMS to retail and micro banking customers including SMS in their regional languages, Website popup messages and safe banking tips uploaded on the website home page of the Bank, safe banking posters published on social media handlers like Facebook, Instagram, X, LinkedIn, Threads, etc., sensitising customers about digital frauds and safe banking through branch level customer service committee meetings, SMS content to report call centre in the transaction alert messages if the same is not done by the customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Bank has multiple communication mechanism or channels like bulk SMS facility to all customers, bulk email facility to all customers, 24 hour multilingual call centre, customer care, common email services, and all branches and other touch points Pan India for communicating with our customers in case of any kind of information needs to be passed on to the customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)

Yes

- a. If yes, provide details in brief.

Apart from the product details mentioned on the Bank's website and the product applications, various types of brochures and leaflets are available at all the branches of the Bank, and also display of key information related to the product's charges and facilities in all the branch notice boards for public to access.

- b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

GRI-General Disclosure Linkage

GRI General Disclosure	Description	Reported Item Matching the GRI	Page Number
2-6	Activities	Activities, Products, Value Chain and Other Business Relations	42-43, 50-56
2-7	Ethics, Transparency, and Accountability	Focus on ethical conduct, anti-corruption training, and transparency mechanisms	44-47
2-9	Governance	Governance Structure and Composition	14-21
2-17	Collective Knowledge of the highest Governing Body	Skills, Experience	16
2-22	Strategy	Sustainable Development Strategy	24 to 33
201-1	Economic Value	Economic Value Generated and Distributed	44-47

GRI-BRSR Linkage

GRI Disclosure	Description	Reported Item Matching the GRI	Page Number
2-2, 2-3	General Disclosures	Entities included in the reporting, reporting period and contacts	117
2-26, 205-2	Ethics, Transparency, and Accountability	Focus on ethical conduct, anti-corruption training, and transparency mechanisms	127, 128
2-7, 2-8, 401-2	Employee Well-being	Employee composition, benefits, health insurance, and inclusivity efforts detailed	134, 136
404-1, 404-2	Training and Awareness Programmes	Coverage of training initiatives and programme effectiveness	128, 133
302-1, 302-3, 302-4	Energy Consumption	Detailed energy usage, efficiency improvements, and monitoring	146
305-1, 305-2, 305-4	GHG Emissions	Scope 1 and 2 GHG emissions intensity data disclosed	147, 148
306-1, 306-2	Waste Management	Details of waste generation, disposal, and sustainability practices	149
303-1, 303-3	Water Usage	Water sourcing and consumption aligned with environmental responsibility	147
413-1	Community Engagement and CSR	Community initiatives focus on health, education, and livelihood improvement	139, 155
2-29, 102-40	Stakeholder Engagement	Stakeholder identification and engagement processes explained	139
406-1, 412-2, 412-3	Human Rights	Policies ensure compliance with human rights; grievance redressal mechanisms exist	143, 144 & 155
417-1, 418-1	Consumer Engagement	Product transparency, consumer satisfaction surveys, and data privacy focus	158, 159

Advancing



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