

Shared Goals Responsibility-Driven Future-Focused

Sustainability Report 2024-25



ABOUT THE REPORT

Sustainability is woven into the core of ESAF Small Finance Bank's operations, shaping every decision with a long-term vision for inclusive growth. This report reflects our commitment to transparency, accountability, and continuous improvement in environmental, social, and governance (ESG) performance. By aligning with global standards and

best practices, ESAF Bank aims to create a people and planet-positive impact by empowering communities and preserving natural capital. Through this sustainability report, we seek to engage stakeholders and reaffirm our dedication to building a more resilient and responsible future.

This document captures ESAF Bank's journey and performance highlights for the reporting period from 1 April 2024 to 31 March 2025, where relevant, disclosures have been made in reference to the Global Reporting Initiative (GRI) Standards to ensure a consistent and

comparable reporting framework. This report is structured independently, covering ESAF Bank's performance in India. It follows the same reporting boundary as outlined in the Bank's Annual Report for FY2024-25.

Key Aspects Covered in the Report

The report reflects on ESAF Bank's commitment to driving equitable progress and promoting climate-resilient development. Through a robust governance framework, we ensure transparency and ethical practices that guide every decision we make. Our proactive risk management strategies are designed to ensure long-term resilience, safeguarding the future of both our business and the communities we serve. Aligned with our sustainability vision, we are leading the way in green financing and renewable energy projects, while also championing financial inclusion, women's empowerment, and the holistic development of underprivileged communities. At ESAF Bank we believe that true growth is sustainable, inclusive, and responsible.

ESAF Small Finance Bank is hereinafter referred to as 'the Bank,' 'our Bank,' or 'ESAF Bank' in this report.



The Sustainability Champions along with Dr. K. Paul Thomas, MD & CEO, ESAF Small Finance Bank, Shri. George Thomas, Executive Vice President and Shri. Reji. K Daniel, Head- Sustainable Banking.

For feedback and suggestions on this report, please write to: sustainablebanking@esafbank.com

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Disclaimer

This report contains forward-looking statements based on past performance, present priorities, and future possibilities. While they reflect our current vision, they may evolve with changing circumstances. We urge stakeholders to view these statements as guideposts—not guarantees.

SHARED GOALS, RESPONSIBILITY-DRIVEN, FUTURE-FOCUSED

In the rapidly changing world of banking, ESAF Bank leads with the spirit of collective ambition, grounded responsibility, and boundless optimism for a shared future. Our theme for this year, "Shared Goals, Responsibility-Driven, Future-Focused," reflects our dedication to supporting inclusion and sustainable development to uplift communities.

Promoting Shared Goals for All-round Development

Our vision of becoming a leading social bank is rooted in the belief that every individual, especially the underserved, should have equal access to opportunities. By championing financial inclusion and committing to sustainable development, we are dismantling barriers and providing the resources needed to empower people to shape their own futures.

Beyond offering loans, the Bank actively partners in social transformation by supporting skill development, aiding MSMEs, and facilitating the adoption of green mobility. The Bank's dedication to supporting children, youth, and migrant workers ensures that its influence extends far beyond financial services, contributing to a brighter, more inclusive future.

Responsibility at the Core

For our Bank, responsibility is not an afterthought but it is the guiding principle that stitches our actions. We have implemented a robust governance framework, ensuring transparency, ethical conduct, and sound risk management at every level. From stakeholder engagement to credit lending, we uphold accountability and fairness in all practices, ensuring that everyone is treated with dignity.

In the area of environmental stewardship, our responsible progress is exemplified through comprehensive sustainability initiatives, where we focus on addressing global challenges like climate change. Furthermore, we also empower communities by investing in education, healthcare, and women's leadership, shaping resilient communities that are equipped to thrive.

Moving Ahead with Future-Focused Innovations

All our actions are future-focused. In a world shaped by rapid change, the Bank stays ahead of the curve by embracing innovation and adaptability. We are transforming communities by bringing sophisticated financial services to those who were once excluded. By rolling out digital banking services to both urban and rural areas, we have facilitated doorstep banking. The branches at rural locations and Micro ATMs are helping us expand our geographical footprint even to the remotest areas, while new products specifically designed for farmers, small businesses, and women entrepreneurs empower individuals to create positive change within their communities. Through these efforts, we align with international standards like the UN Sustainable Development Goals (UN SDGs), ensuring that our actions remain relevant and inclusive.

By holding itself accountable to the highest standards and nurturing partnerships that stretch across society, our Bank exemplifies what it truly means to be "Shared Goals, Responsibility-Driven, Future-Focused." ESAF Bank is not only meeting the challenges of tomorrow but actively shaping them. Together with its communities, ESAF Bank ensures that its efforts will leave a lasting legacy of growth, opportunity, and empowerment for generations to come.



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LETTER FROM THE CHAIRMAN



Our ESG recognition reflects this balance of purpose and performance, reinforcing ESAF Bank's commitment to doing right by our customers while meeting global sustainability standards.



Dear Stakeholders,

It is with great honour that I present to you the Sustainability Report of ESAF Small Finance Bank for 2024-25. This report not only outlines our journey of responsible growth but also reaffirms our conviction that true sustainability begins with customer-centricity, serving each individual with dignity, accessibility, and care.

At ESAF Bank inclusivity lies at the heart of our mission. Guided by our motto, 'fighting the partiality of prosperity'®, we are nurturing a banking system where no community is overlooked - whether it's rural households, micro-entrepreneurs, farmers, or urban youth embarking on their first financial journey. Our expanding network across aspirational districts ensures that geographical barriers no longer hinder financial access. Each branch is more than just a banking counter; it is a bridge to opportunity, empowerment, and progress.

We are reimagining the customer banking experience. By integrating both physical and digital services, we aim to make every interaction seamless and personalised. From paperless microloans and biometric access to omnichannel

service, we are embedding convenience, speed, and trust into every transaction. These innovations make banking with ESAF Bank human, empathetic, accessible, and truly joyful.

While we have embraced innovative digital technology to make our services more accessible, we have not lost sight of the importance of human connection. Respecting the trust our customers place in us means safeguarding it with integrity at every step. We have trained our teams to be responsive and compassionate, not just in delivering products, but in designing solutions that add genuine value to people's lives.

For us, sustainability goes beyond environmental responsibility. It is about creating lasting impact for all stakeholders across society. Our initiatives in renewable energy financing, affordable housing, women empowerment, and farmer livelihood support are designed to drive economic growth while improving quality of life in meaningful ways. Sustainability is ingrained in our operations through our Sustainable Banking Policy and ESG framework, which align with the UN Sustainable Development Goals (SDGs) and national priorities.

Trust is the foundation of every financial relationship. That is why we place special emphasis on data security, transparency, and ethical governance. Our ESG recognition reflects this balance of purpose and performance, reinforcing ESAF Bank's commitment to doing right by our customers while meeting global sustainability standards.

Looking ahead, our path is clear: to be known as a customer-first, values-driven, and sustainability-led institution. We will continue to expand our reach, enhance our digital capabilities, and strengthen our service delivery so that every individual, regardless of their location or circumstances, can find a trusted partner in ESAF Bank.

On behalf of the Board, I thank our customers, employees, shareholders, regulators, and partners for standing with us. Together, we are building a resilient and inclusive financial ecosystem that empowers People, protects the Planet, and nurtures Prosperity for generations to come.

With gratitude and commitment,

**Ravimohan Periyakavil
Ramakrishnan**
Chairman

ESAF Small Finance Bank

MESSAGE FROM THE MANAGING DIRECTOR & CEO



As the world navigates profound shifts in climate, technology, and society, banks like ESAF Bank must not only adapt but lead with purpose. Since our inception, our mission has been to responsibly empower the underserved, and sustainability has always been an integral part of that mission.



Dear Stakeholders,

It brings me immense joy to introduce ESAF Small Finance Bank's Sustainability Report for the financial year 2024-25. This report reaffirms our belief that banking must drive inclusive development, responsible growth, and climate-conscious progress.

As the world navigates profound shifts in climate, technology, and society, banks like ESAF Bank must not only adapt but lead with purpose. Since our inception, our mission has been to responsibly empower the underserved, and sustainability has always been an integral part of that mission. We view our role not just as financial providers but as catalysts for transformation, uplifting communities, protecting the environment, and fostering shared prosperity.

Driving Sustainable Banking at Scale

Guided by our ESG Roadmap (2023-27), we have continued embedding sustainability across our products, processes, and partnerships. I am pleased to share that, as of March 2025, we have directly impacted over 9.4 million customers, steadily progressing towards our goal of reaching 10 million lives.

Our microfinance portfolio has helped create livelihoods while prioritising digital-first processes. This year alone, we processed over 1.8 million loans digitally, saving significant resources and reinforcing our commitment to paperless, low-carbon operations. We remain focused on ensuring that inclusive finance aligns with environmental stewardship.

Milestones in Renewable Energy and Community Impact

This year marked a turning point in our clean energy journey. Thanks to the dedication of ESAF Urjabandhus—community entrepreneurs trained under our CSR arm—we have achieved 10 MW of installed solar capacity. At our Head Office in Thrissur, a rooftop solar installation was commissioned, setting a template for renewable energy adoption at branch levels across our network.

We also celebrated Environment Week 2024, focusing on 'Land Restoration and Drought Resilience.' Over 5,000 saplings were distributed to customers, reinforcing our collective responsibility toward ecological restoration.

Our community development initiatives in education reached new heights. In partnership with IIM Kozhikode, we introduced a financial literacy curriculum for children aged 10-12, using participatory theatre and creative learning methods. Over 700 students across 45 schools benefited, with research-led monitoring underway to generate valuable insights for future policy and educational programmes.

Ethics, Governance, and Recognition

The ESAF Bank Chair for Business on Values at IRMA is designed to integrate ethics, environmental responsibility, and servant leadership into management education. This initiative reflects our belief that tomorrow's leaders must balance enterprise with empathy.

Externally, our efforts were recognised with an ESG score of 68.1, well above the industry median, placing ESAF Bank in the 'Strong Position' category. This reflects our strong performance in areas such as business ethics, data security, human rights, and community engagement. Such recognition strengthens our resolve to scale up green financing, enhance risk frameworks, and align our work more closely with the UN Sustainable Development Goals (SDGs).

Looking Forward

The journey ahead is ambitious. By 2027, we aspire to increase 1 renewable energy installations through customer financing and reach 10 million direct customers through SDG-linked interventions. We are committed to gender equity, climate-resilient lending, and deeper engagement with farmer groups and micro-enterprises.

A Shared Mission

None of these achievements would be possible without the unwavering dedication of our employees, the trust of our customers, and the support of regulators, shareholders, and partners. Every step we take is driven by the belief that banking must serve people and the planet alike.

To all our stakeholders, thank you for your continued encouragement and confidence. Together, we are shaping an institution that not only delivers financial services but also creates an enduring impact for communities and generations to come.

Warm regards,

Dr. Kadambelil Paul Thomas
Managing Director & CEO,
ESAF Small Finance Bank

ABOUT ESAF SMALL FINANCE BANK

ESAF Bank stands as a trusted name in India's banking sector. Backed by strong operational metrics, the Bank has consistently demonstrated its dedication to advancing financial inclusion, enabling livelihoods, and promoting economic development through responsible banking.

With a legacy spanning over three decades, ESAF Bank leads with intent, setting an example of purpose-driven progress in the financial sector, rooted in People, Planet, and Prosperity.

Driven by a strong commitment to using business as a tool for social transformation, ESAF Bank has continuously advanced financial inclusion, aiming for more equitable growth. Our efforts focus on envisioning a future of inclusive growth, embracing new technologies, and empowering communities, especially women, to increase their participation in the workforce and engage in income-generating activities to support their families.



Mission

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



Vision

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

Values



Customer-Centricity



Servant Leadership



Commitment



Transparency



Accountability

PIVOTAL MILESTONES OF OUR JOURNEY

Our journey began in 1992 as a vision-driven NGO, dedicated to nurturing sustainable development for the marginalised. Dr. K. Paul Thomas, our visionary founder and MD & CEO, introduced Micro Enterprises Development (MED) services in 1995. This was the foundation for what would become ESAF Microfinance and Investments Pvt. Ltd. in 2008, a move that allowed us to introduce structured group lending at the village level, strengthening trust and cultivating financial discipline within the communities.

Through the years, our efforts have empowered countless women and families, providing them with the opportunity to join the workforce and enable meaningful employment opportunities. Our financial literacy initiatives have been instrumental in helping individuals build secure financial futures. With our social business strategy rooted in the principles of People, Planet, and Prosperity, we continue to make strides in bringing together financial inclusion and sustainable growth.

2008

Commenced the journey of ESAF Microfinance and Investments Pvt. Ltd., establishing a structure for financial inclusion in underserved communities

1995

Started ESAF Micro Enterprises Development services

1992

ESAF started its journey as an NGO

2015

RBI granted in-principle approval to ESAF to set up a new Small Finance Bank

2016

Received licence from RBI to commence banking operations

2017

Became the first private bank in Kerala to receive a banking licence since independence and started operations

2021

Achieved the Great Place to Work Certification

2020

- » Surpassed ₹1,00,000 million in business
- » Recipient of the Energy & Environment Foundation Global Sustainability Award, 2020
- » Expanded Network to over 500 Retail Banking Outlets

2019

- » Expanded our retail network by adding 222 new branches
- » Selected as runner-up in the ASSOCHAM Award 2019
- » Won the Economic Times Best BFSI Brand 2019 Award

2018

- » Empanelled by the Government of India to offer the Atal Pension Yojana scheme
- » Introduced 100 new retail banking branches during the year
- » Became a valued member of the Global Alliance for Banking on Values (GABV)
- » Granted the 'Scheduled Commercial Bank' status
- » Granted approval by the RBI for Non-Resident Indian (NRI) operations
- » Awarded the PFRDA Award
- » Achieved finalist status at the prestigious European Microfinance Award

2022

- » Conferred with the Coveted Rising Brand of Asia Award
- » Recognised with the Synnex-Small Finance Bank of the Year Award
- » Awarded the Inclusive Finance India Award 2022

2023

- » Awarded the Excellence in Customer Service and Product Distribution Award
- » Became a listed entity on the BSE and NSE on 10th November 2023

2024

- » Successfully operationalised Authorised Dealer Category 1 Licence for foreign exchange operations
- » Partnered with IIM-K to expand educational initiatives aimed at empowering children
- » Partnered with Tata Motors to offer commercial vehicles loans
- » Achieved an ESG rating score of 68.1 out of 100, evaluated under the SEBI framework by Care Edge ESG Ratings
- » Recognised with a special CSR commendation by The Economic Times

2025

- » Honoured with the Gold Award at the Effie Awards India 2024
- » Partnered with Tata Power Renewable Microgrid Limited to accelerate the adoption of renewable energy in rural India

OUR PRESENCE

ESAF Bank's reach extends far beyond the cities, bringing essential banking services to the most remote and underserved regions of the nation. Our focus on rural and aspirational districts allows us to unlock new financial opportunities for those who were once excluded from the formal banking system. Through our tailored services, we support rural entrepreneurs, empower farmers, and create pathways to sustainable livelihoods. With the help of Micro ATM agents, we have broken down geographical barriers and brought banking directly to people's homes. ESAF Bank's branch expansion is not just a growth strategy—it is integral to the Bank's broader ambition of advancing social sustainability and financial inclusion for all.

We operate across 24 states and 2 UTs in India, with a deep reach into rural and remote areas—ensuring that underserved communities are meaningfully included in the formal banking ecosystem.

52%
Customers in Rural and Semi-urban Areas

66%
Banking Outlets in Rural and Semi-urban Areas



Presence in Aspirational Districts

State	No. of Branches
Andhra Pradesh	2
Bihar	8
Chhattisgarh	12
Gujarat	1
Jharkhand	15
Karnataka	1
Kerala	20
Madhya Pradesh	10
Maharashtra	7
Odisha	5
Tamil Nadu	3
Tripura	1
Uttarakhand	4
Total	89

787
Branches

693
ATMs

1,106
Customer Service Centres (CSCs)

4,405
Banking Agents

24 States + 2 UTs
States & UTs

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Bank or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

All data as of 31st March 2025

Industry Alliance

As a purpose-driven bank, ESAF Bank collaborates with forward-thinking industry platforms and organisations at local, regional, national, and international levels to amplify its impact. We work closely with these partners to develop tailored, affordable, and need-based solutions that address the unique challenges faced by diverse communities. Through strategic alliances, we actively shape policies, share knowledge, and advocate for ethical banking practices.

These partnerships not only enhance the effectiveness of our services but also expand our reach across larger platforms. By working together with key stakeholders, we are driving positive change and helping to shape a more inclusive and sustainable future, both locally and globally.

- SME Finance Forum
- Global Alliance for Banking on Values (GABV)
- Indo Gulf and Middle East Chamber of Commerce (INMECC)
- All India Management Association (AIMA)
- Confederation of Indian Industry (CII)
- Indian Banks Association (IBA)
- Sa-Dhan
- Micro Finance Institutions Network (MFIN)
- Association of Small Finance Bank of India (SFB Association)
- Foreign Exchange Dealers Association of India (FEDAI)

Awards, Commendations, and Ratings

With consistent business performance and pioneering innovations, ESAF Bank has garnered several industry awards, recognising its dedication to making a positive impact on society and the environment.

These awards are a testament to ESAF Bank's untold stories of transformation. Each recognition honours the remarkable journeys of individuals and communities that have experienced profound change through our efforts. ESAF Bank takes pride not only in achieving milestones but also in the lives it has touched and uplifted along the way, embodying its true commitment to creating lasting, meaningful change.

ESAF Bank Leads Global Dialogue on Sustainable and Inclusive Finance at Global Alliance for Banking on Values (GABV)

ESAF Bank played a pivotal role in sharing India's perspective on inclusive and sustainable finance in the 17th Annual Meeting of the Global Alliance for Banking on Values (GABV), held in Kampala, Uganda on March 2025. Dr. K. Paul Thomas, our Managing Director & CEO, participated in a high-level CEO panel, alongside values-based banks from Palestine and Nigeria, where he addressed the unique challenges and opportunities in India's diverse economy.

He stated, 'We embrace the diversity of our country across language, geography and culture. In our journey

of resilience, we have learned that having a strong community focus, as values-based banks, is fundamental.'

ESAF Bank's participation at the GABV Annual Meeting reinforced the Bank's long-standing commitment to financial inclusion, ethical finance, and community-centered growth. By contributing to key discussions on climate adaptation, digital transformation, and inclusive finance, ESAF Bank continues to align closely with the GABV's mission of using finance as a force for good.



Dr. K. Paul Thomas, MD & CEO of ESAF Small Finance Bank alongside the other participants during the Annual Meeting of the Global Alliance for Banking on Values (GABV)

Awards and Recognitions 2024-25



ESAF Small Finance Bank honoured with two prestigious awards at the **CI-MSME Banking Excellence Awards 2024** held at New Delhi.



BFSI CXO Summit & Awards – Awarded for Innovative Initiatives in the Social Sector



DHANAM BFSI Summit & Awards – Honoured with the Emerging Bank of the Year Award



Cannes Lions Award – Awarded Bronze in the Sustainable Development Goals category



ESAF Small Finance Bank has won multiple accolades at the **Tusker Awards 2024**.



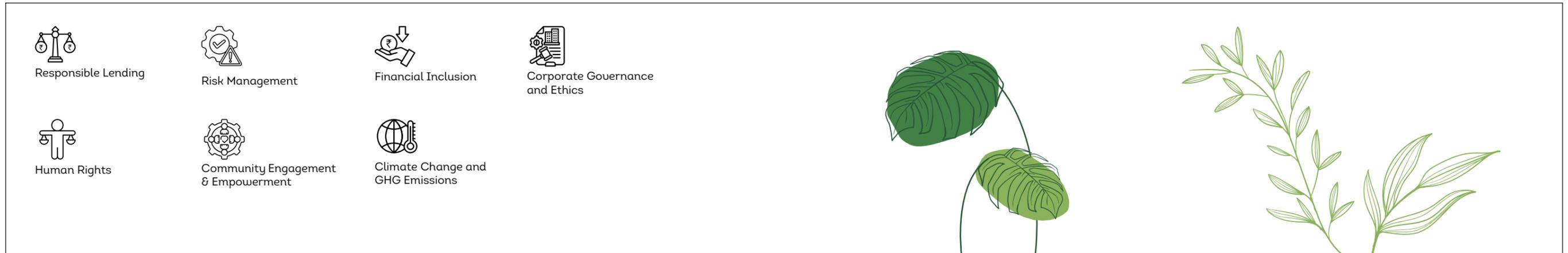
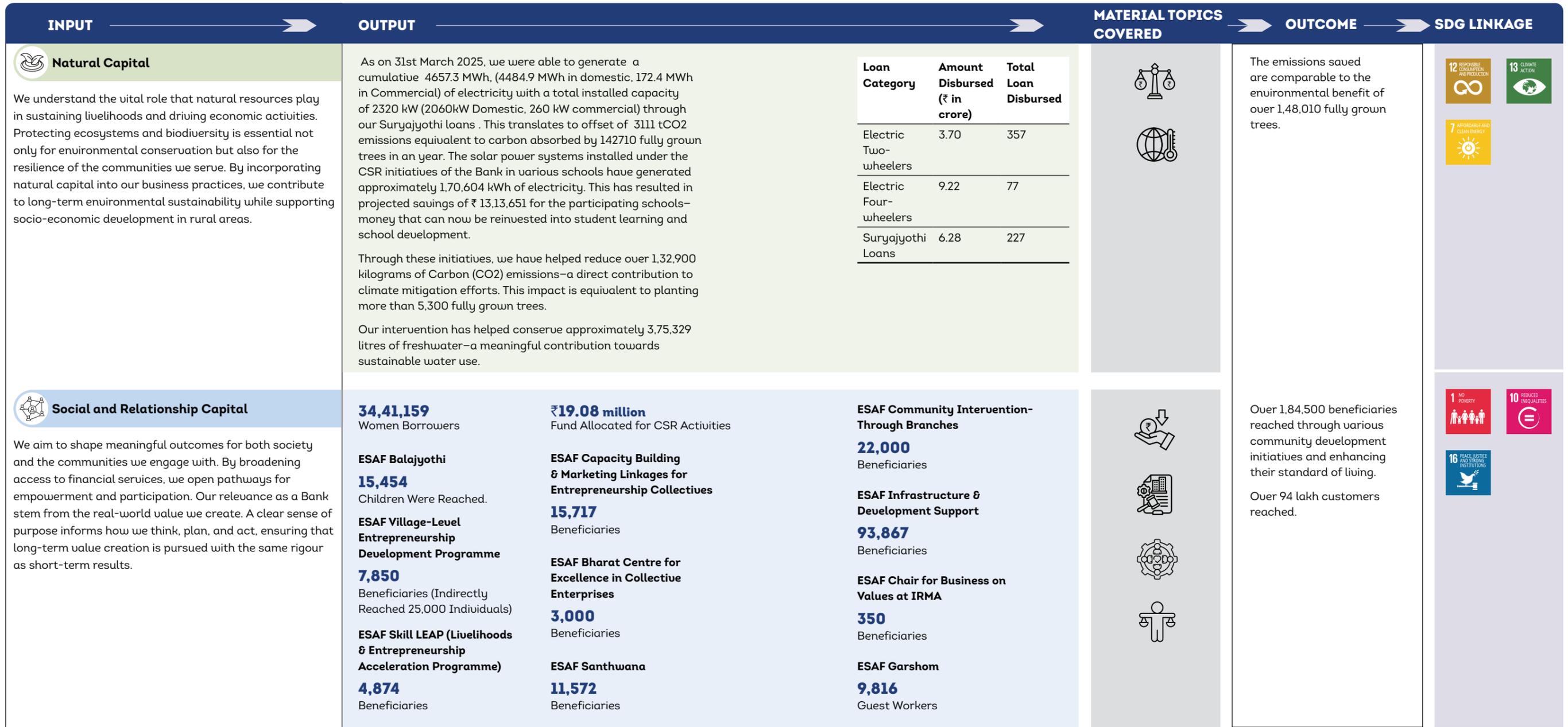
Effie Awards India 2024– Secured Gold for the innovative 'Dabba Savings Account'. In addition, also clinched two Bronze awards for innovative campaigns in Small Budgets – Services and Positive Change – Social Good categories.



ESAF Small Finance Bank was recognized for at the **2024 Economic Times (ET) 2Good 4Good Awards** to honor outstanding corporate social responsibility (CSR) initiatives.

Value Creation Model

INPUT	OUTPUT	MATERIAL TOPICS COVERED	OUTCOME	SDG LINKAGE
<p>Manufactured Capital</p> <p>Provide accessible financial services to unserved and underserved communities, contributing to the building of a resilient economy. With each new branch/ BCs, ATMs, and Micro ATMs, we establish in emerging locations, we move closer to serving the people in the last mile, making banking a source of empowerment and joy.</p>	<p>24+2 States and UTs</p> <p>693 ATMs</p> <p>4,405 Banking Agents</p> <p>35 Business Correspondents</p> <p>787 Banking Outlets</p> <p>9.4 million Customers</p> <p>735 Business Facilitators</p> <p>1,106 Customer Service Centres</p>	<p>62,969 Merchant QR Code</p>	<p>7,726 Customer Touchpoints</p> <p>66% Banking Outlets in Rural and Semi-urban Areas</p> <p>52% Customers in Rural and Semi-urban Areas</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>
<p>Financial Capital</p> <p>It is fundamental to our mission of promoting financial inclusion, creating livelihoods, and fostering sustainable, inclusive growth. Through carefully crafted financial products that cater to a variety of needs, we equip individuals and businesses with the resources necessary for investment, growth, and success.</p>	<p>₹17,086.19 million Net Worth</p> <p>(1.94%) Return on Asset (RoA)</p> <p>₹(5,213.89) million Profit/(Loss) After Tax</p> <p>(22.68%) Return on Equity (RoE)</p> <p>21.84% CRAR</p>		<p>(1.94%) Return on Asset</p> <p>(22.68%) Return on Equity</p> <p>4.18% Asset Growth</p>	<p>1 NO POVERTY</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>10 REDUCED INEQUALITIES</p>
<p>Intellectual Capital</p> <p>To create an ecosystem that not only enhances efficiency but also fosters innovation in our services. This commitment to technological progress helps us deliver sustainable solutions and improves the overall customer experience.</p>	<p>7,02,061 Total Digital Customers Registered</p> <p>61,968* Active Users</p> <p>₹179 million Average Transaction Volume</p> <p>5,14,454 Mobile Banking Customers</p> <p>31% Growth in Users of Mobile Banking</p> <p>49 Versions Updated</p> <p>55,548* Customers Using the App</p> <p>*Average per month</p>	<p>ESAF Small Finance Bank Internet Banking</p> <p>1,77,449 Total Retail Customers Registered</p> <p>23% Growth in Users of Internet Banking</p>	<p>0 Incidents of Data Breach</p> <p>31% Growth in Users of Mobile Banking</p> <p>5,024 Units of Micro ATMs</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
<p>Human Capital</p> <p>By fostering a culture rooted in learning, inclusion, and meaningful engagement, we create an environment where talent thrives. This focus on nurturing potential, embracing diversity, and ensuring fairness underpins our ability to deliver exceptional service and build lasting relationships with stakeholders.</p>	<p>12,520 Employees</p> <p>31.05 years Average Age of Employees</p> <p>78.9% Employee Retention Rate in FY 2024-25</p> <p>31 Average Training Hours Conducted in FY2024-25</p> <p>28,123 Virtual Learning Man-hours of Training</p> <p>Through our external capacity building initiatives, we have leveraged external expertise to drive innovation, hosting 78 training programmes that have empowered 277 participants to tap into cross-industry insights. Spanning 1,379 hours, these programmes have yielded 3,290 hours of specialised training. A remarkable 8,672 employees have benefitted from 330 training programmes, totalling 2,303 hours of peer-to-peer knowledge sharing, ultimately yielding 1,35,832 person-hours of enriched understanding and skills. 150 induction training sessions for new employees in Retail Banking and Micro Banking, reaching 4,000 employees, as well as 60+ Core Banking Solution (CBS) training sessions, covering approximately 700 employees across critical operational roles. 36 customised training sessions were conducted, led by cluster leaders and tailored to address specific needs of each cluster.</p>	<p>18.66% Middle-layered Management Associated for Over 3 Years</p> <p>1 Female Board Member</p> <p>These initiatives included a Senior Management Annual Retreat, as well as 20 Gold Appraisal & Standard Operating Procedures (SOP) Training Programmes, 19 Leadership Training Programmes for Branch Heads and Area Sales Managers (ASMs), 15 Customer Service Excellence Programmes for Relationship Officers and ASMs, 51 Diligence Training Programmes for Gold Loan Officers and Branch Operations Managers, and 10 Pragati refresher training programmes for Customer Service Officers.</p>	<p>100% Coverage- Performance and Career Development Reviews</p> <p>100% Return to Work and Retention Rate</p> <p>85% Employees Trained on Skill Upgradation</p>	<p>5 GENDER EQUALITY</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>10 REDUCED INEQUALITIES</p> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>



ISO Certificates

ESAF Bank continues to strengthen its commitment to quality, security, and social responsibility through a series of globally benchmarked ISO certifications. These certifications validate the Bank's dedication to ethical governance, customer service excellence, and robust information security practices.



ISO 9001:2015



ISO 9001:2015



ISO/IEC 27001:2022



ISO 26000:2010



ISO 9001:2015

Social Banking Weeks FY2024-25

ESAF Bank's Social Weeks are a key opportunity for collaboration, where stakeholders unite to drive common goals. These initiatives are designed to engage customers and communities, enhance financial understanding, and ensure the growth of affordable banking for holistic betterment. Social Banking Weeks at ESAF Bank are vital in reinforcing our

role as a socially responsible institution dedicated to financial inclusion. This special period is focused on spreading awareness of responsible banking practices and promoting financial literacy, while also strengthening our relationship with underserved communities. Our efforts, including Environment Week, Udyog Jyothi for entrepreneurs, Vayojyoti Week for seniors citizens,

Balajyothi Week for children, Krushakjyothi Week for farmers, and RBI's Financial Literacy Week, are designed to ensure that financial services reach those who need them most. This initiative embodies our 'Joy of Banking' philosophy and encourages our employees to continue working towards our overarching goal of shared economic progress.

Key Initiatives

Environment Week 2024

World Environment Day 2024 with the theme "Our Land, Our Future" inspired collective action for a thriving planet, urging communities worldwide to restore land, combat drought, and champion sustainability. ESAF Bank echoed this global mission, empowering thousands through impactful green initiatives and grassroots engagement. During the event, the Bank reached 444 branches with sapling drives, green expos, and community-led programmes, turning awareness into action.



Vigilance Awareness Week

ESAF Bank's Vigilance Awareness Week 2024 highlighted integrity, diligence, and fraud prevention. Through quizzes, awards, awareness sessions, and employee engagement, the Bank inspired staff and customers to embrace honesty and vigilance in daily banking.



Championing Financial Inclusion



In the past year, ESAF Bank has enriched over 90,000 lives through 3,168 financial literacy programmes—spanning classrooms, villages, and SHG circles—equipping children, women, seniors, and rural communities with the skills to save, bank safely, and embrace digital finance.

ESAF Bank equips senior citizens with the knowledge and confidence to use banking services securely. This empowerment spreads beyond individuals, inspiring families and communities to adopt safe financial practices and digital tools.

Empowering Youth through Engagement

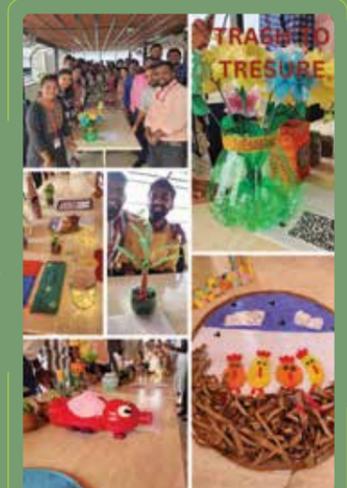


The Risk Control Division supported a Balajyothi Club at VVS High School, Mannuthy, Thrissur driving youth engagement through monthly training on safety, leadership, and digital well-being. Events like quizzes, drawing contests, and special day observances nurtured creativity and social consciousness.

Trash to Treasure Initiative

The 'Trash to Treasure' programme, conducted within the Operations department, focused on repurposing waste into valuable products, reducing landfill

waste while funding social initiatives. Proceeds support food for staff and educational supplies for children, promoting our circular economy principles.



Our Comprehensive Banking Solutions

Retail Banking Solutions

We offer a full range of retail banking services, from savings accounts and affordable loans to fixed deposits that are designed to meet diverse needs and make financial security accessible to all. Our products are specifically designed around the unique needs of underserved groups, ensuring that financial tools are accessible to every individual to support their growth.

Backing Bold Entrepreneurs

Small businesses are the backbone of the rural economy, and by fuelling their growth, we strengthen rural development and drive financial inclusion. With dedicated lending, capital support, and mentorship, we help enterprises grow stronger. Our microfinance programmes open doors for women, self-help groups, and rural entrepreneurs to create sustainable livelihoods.

Supporting Agriculture and Rural Life

To strengthen rural livelihoods, we offer tailored loan products designed to meet the unique financial needs of farmers and agri-entrepreneurs. These include affordable seasonal crop loans, equipment financing and working-capital support that help farmers manage cash-flow cycles, invest in modern technologies and improve productivity.

Bridging the Digital Divide

We are committed to ensuring that digital banking benefits are accessible to all, including underserved and remote communities. To bridge the digital divide, we expand digital infrastructure, introduce user-friendly platforms, and promote inclusive technologies that simplify access to essential financial services. We endeavor to reducing barriers to digital access and equipping communities with the tools and knowledge to participate in the digital economy.



Agri-Lending Products

₹ **10,167.48** million
Asset Book

2,57,628
Customer Base

- ESAF Dairy Development Loan
- ESAF Kisan Credit Card (E-KCC)
- ESAF Haritha Loan
- ESAF Kisan Jyothi
- ESAF Farmer Producer Organisation (FPO) Finance
- ESAF Kisan Pragati
- ESAF Kisan Saral
- ESAF Farmer Interest Group (FIG) Loan
- ESAF SHG Bank Linkage Programme (SHG-BLP)
- ESAF Kisan Vriddhi



MSME

₹ **5,577.14** million
Asset Book

2,106
Customer Base

- TReDS (Trade Receivables Electronic Discounting System)
- QR Loan
- Udyog Saral Loan
- MSME GST Power
- MSME Business LAP
- MSME Udyog Loans
- Micro Enterprise Loan (MEL)
- Vyapar Vikas Yojana (VVY)





Micro Banking

- Microfinance Loans
- Other Microloans

₹ **97,046.58** million
Asset Book

32,91,363
Customer Base

59.08%
Revenue Contribution



Retail Assets

₹ **83,636.63** million, **1,93,954** Customer Base, **17.45%** Revenue Contribution

- Dream Housing Loans
- Affordable Housing Loans
- Loan Against Property
- Dream Education Loans
- Lease Rental Discounting
- School Loans
- Two-Wheeler Loans
- Car Loans
- Light Commercial Vehicle Loans
- Personal Loans
- ESAF Suryajyothi Loans
- Salary Overdraft
- Easy Gold Loans
- Agri Gold Loans
- INORI Credit Card



Retail Liabilities

₹ **2,32,764.4** million
Asset Book

20,64,963
Customer Base



Savings Account (Domestic)

- Eleganza
- Pradham
- Royale
- Mahila Sree
- Senior Citizen
- Pragati
- Lalit Plus and Lalit
- Student
- Balajyothi
- Krishak Bandhu
- Zero Balance

Savings Account (NR)

- SB NRE/NRO Pragati
- SB NRE Royale
- SB NRE/NRO Eleganza

Current Account

- Diamond
- Premium
- Classic
- Basic

Term Deposits

- TD (Normal)
- TD (Hrudaya)

Debit Card

- Classic Debit Card
- Platinum Debit Card



Environmental Social Governance (ESG) at ESAF Bank

Sustainability is a promise embedded in the core values and reflected in every aspect of our operations at ESAF Bank. We believe that financial growth and environmental responsibility go hand in hand, with each unlocking opportunities for the other. Our approach combines sustainable lending, green operations, community engagement, and strategic partnerships to create lasting value for people and the planet.

In our pursuit of sustainable growth, the Bank aligns its financial services with the UN SDGs ensuring that our progress helps secure a better future. We actively contribute to environmental sustainability through green finance, eco-friendly business support, and energy-efficient practices.

Our lending portfolio is closely aligned with environmentally responsible growth, supporting sustainable projects such as organic farming, renewable energy, and solar adoption. Through the Go Green EV Disbursement initiative, we also provide loans for electric and clean energy vehicles, helping customers embrace sustainable mobility.

Extending our commitment beyond finance, we actively embed green practices across our operations and partnerships. By collaborating with government agencies such as the Agency for New and Renewable Energy Research and Technology (ANERT), we are driving solar adoption in rural areas. At the same time, we engage employees and communities in sustainability initiatives that encourage environmentally conscious habits and collective action—paving the way for a cleaner, healthier future.

On the social front, we empower communities with accessible financial products, ethical lending, and strong support for essential sectors like agriculture, education, healthcare, women's

entrepreneurship, and rural development. Through financial literacy and digital inclusion initiatives, we are building resilient, self-reliant communities.

Our mission to serve the underserved and promote financial inclusion is supported by the strong pillars of governance, ethics, and accountability. Every business practice is evaluated for its contribution to sustained institutional growth and long-term stakeholder value. To ensure these standards are upheld, the Bank has implemented a robust governance framework that emphasizes transparency, effective oversight, and compliance with regulatory requirements. With a strong code of conduct, regular policy reviews, and rigorous internal controls, we maintain the highest ethical standards in all our operations. This governance approach strengthens our commitment to long-term sustainable growth and reinforces trust among our stakeholders.

We are recognised for our industry-leading achievements in key ESG areas, including:

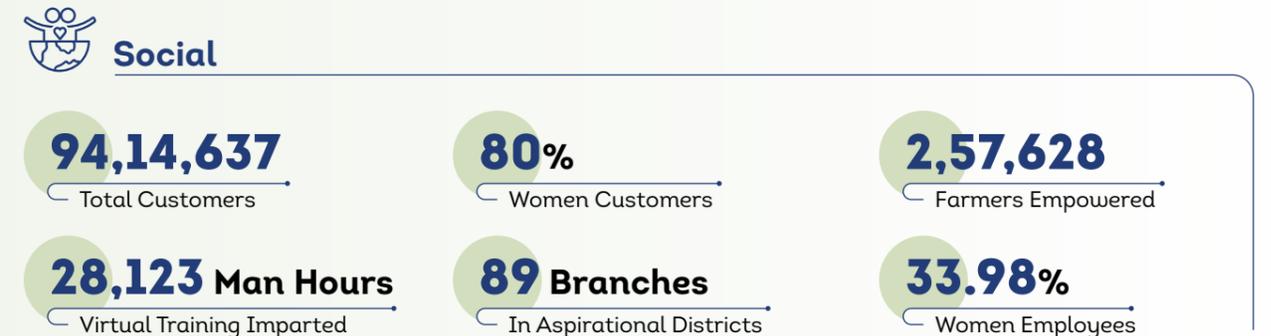
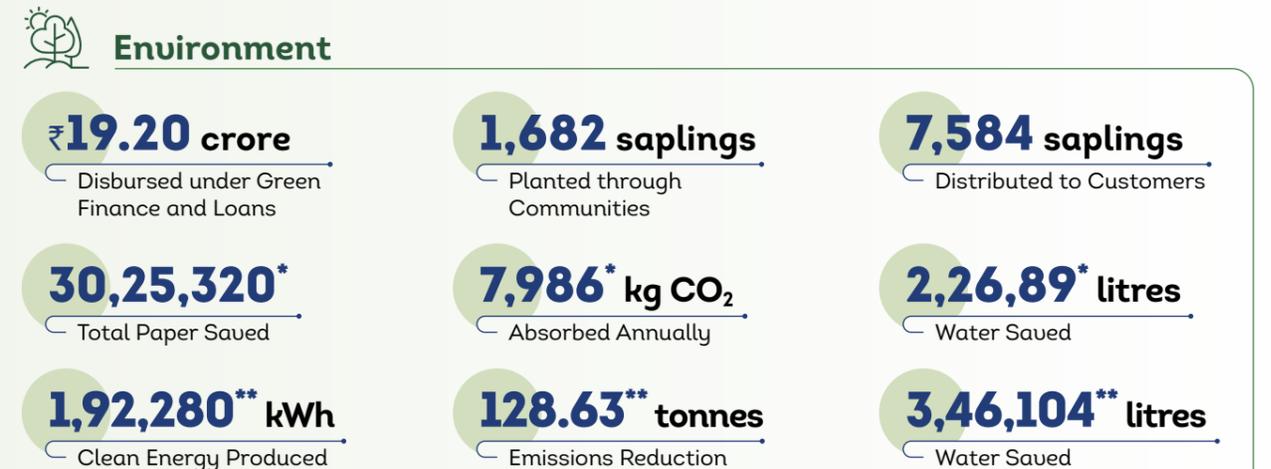


CareEdge ESG Ratings: Shining Through ESG Leadership

During the period under review, ESAF Bank achieved a CareEdge ESG rating of 68.1 – outperforming the industry median of 51.8. Placed in a 'Strong' position, the rating clearly reflects our capabilities in managing and mitigating ESG risks through robust disclosures, sound policies, and consistent performance.



ESG Highlights



*Based on E-sign processed loans as on 31st March 2025. | **Based on the solar installation done as a part of CSR intervention.

Vision 2027: Tomorrow's Roadmap for Responsible Growth

Commitment to sustainability is a strategic choice, embedded in responsibility. ESAF Bank has charted a forward-looking ESG roadmap for 2023-27, strategically aligned with the United Nations Sustainable Development Goals (UN SDGs). By embedding environmental stewardship, social responsibility, and inclusive growth into its core business strategy, ESAF Bank is ensuring that sustainability fuels both impact and innovation.

Energy Conservation and Greater Reliance to Renewable Energy in Operations in line with Govt's Net Zero Plan

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

Impacting 10 million (1 crore) Direct Customers through any of many SDGs

The Bank continues its legacy of offering impactful products and services. There is a special focus on products related to the following SDGs:



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.

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 concerns related to deep energy security is the need of the hour.

Integrating Sustainability across Operations

ESAF Bank has established a comprehensive, multi-tiered sustainability framework that integrates sustainability at every level of the organisation. The CSR and Sustainability Committee provide strategic oversight, supported by the ESG Management Committee and the Sustainability Council. Department- and cluster-level champions ensure the effective implementation of sustainability strategies, driving action and accountability across the Bank's operations.

Corporate Social Responsibility and Sustainability Committee of the Board (CSRSCB)

Oversees the Bank's sustainability vision & strategy and monitors ESG outcomes, along with CSR governance.

Environmental Social Governance Management Committee (ESGMC)

Reviews the sustainability vision, policies & strategies. Sets and reviews ESG targets and recommends disclosures.

Sustainability Council

Implements strategies through the departments and develops interdepartmental synergies.

Departments and clusters (Department and Cluster Level Actions through the Sustainability Champions)

Functions as change agents in the departments as well as clusters and points of contact for implementing sustainability.

Sustainable Loan Products Aligned with SDGs

Sustainable Loan Products

ESAF Dairy Development Loan

SDG



Sustainable Loan Products

ESAF Kisan Credit Card (E-KCC)

SDG



Sustainable Loan Products

ESAF Haritha Loan

SDG



Sustainable Loan Products

ESAF Kisan Jyothi

SDG



Sustainable Loan Products

ESAF Farmer Producer Organisation (FPO) Finance

SDG



Sustainable Loan Products

ESAF Kisan Pragati

SDG



Sustainable Loan Products

ESAF Kisan Saral

SDG



Sustainable Loan Products

ESAF Farmer Interest Group Loan (FIG)

SDG



Sustainable Loan Products — ESAF SHG Bank Linkage Programme (SHG-BLP)

SDG — 1 NO POVERTY, 2 ZERO HUNGER, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS

Sustainable Loan Products — ESAF Kisan Vriddhi

SDG — 1 NO POVERTY, 2 ZERO HUNGER, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 15 LIFE ON LAND

Sustainable Loan Products — School Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Loan Products — Two-Wheeler Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Sustainable Loan Products — QR Loan (Small Traders)

SDG — 1 NO POVERTY, 2 ZERO HUNGER, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES

Sustainable Loan Products — Udyog Saral Loan

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES

Sustainable Loan Products — Car Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Sustainable Loan Products — Light Commercial Vehicle Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Sustainable Loan Products — MSME GST Power

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES

Sustainable Loan Products — MSME Business LAP

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Loan Products — ESAF Suryajyothi Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Sustainable Loan Products — MSME Udyog Loans

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES

Sustainable Loan Products — Micro Enterprise Loan (MEL)

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES

Sustainable Loan Products — Agri Gold Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION

Sustainable Loan Products — Vyapar Vikas Yojana (VYY)

SDG — 1 NO POVERTY, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Loan Products — Dream Housing Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Loan Products — Affordable Housing Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Loan Products — Dream Education Loans

SDG — 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable Loan Products — Nirmal Jeevadhara Loans

SDG — 6 CLEAN WATER AND SANITATION, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES



At ESAF Bank, all our products are carefully aligned with the UN SDGs, reinforcing our commitment to leveraging finance as a force for positive change. Each product is thoughtfully designed to create meaningful social, economic, and environmental impact.

Our diverse product offerings, including microloans, savings accounts, sustainable livelihood financing, and green products, all contribute directly to major SDGs such as No Poverty (SDG 1), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10), and Climate Action (SDG 13).

By integrating the principles of SDG into product design and delivery at ESAF Bank, financial inclusion, women empowerment, entrepreneurship, and environmental sustainability remain key in our operations. This practice reflects our vision: nurturing a financial ecosystem that empowers communities to grow and advances both national and global development goals. Each product has been assessed from an ESG quotient and has been scored (ESG quotient) on its extended impact and its alignment with our sustainability objectives.

STAKEHOLDER ENGAGEMENT

ESAF Bank's approach to stakeholder engagement is grounded in understanding inclusiveness and collaboration. We actively listen to our stakeholders, ensuring that their voices shape our path toward responsible growth and help us create inclusive value for the communities we impact.

ESAF Bank places meaningful stakeholder engagement at the heart of its operations. Our engagement framework is supported by well-defined policies and Standard Operating Procedures (SOPs) across relevant departments, ensuring consistency transparency and accountability. Each department adopts structured approach to identify, assess, and engage with its specific stakeholder groups, enabling targeted and impactful interactions. This approach has strengthened our relationships with stakeholders, aligning our actions with their expectations, and, as a result, created enduring value.

We have established structured, direct, and open communication channels to amplify stakeholders' voices and drive progress.



Internal

Stakeholder Group	Channels of Communication	Purpose and Scope of Engagement	Frequency
Employee	<ul style="list-style-type: none"> Town Hall Meetings Performance appraisals Joy Talk - Internal Newsletter SARG – Employee Engagement Monday Morning Senior Management Connect Webinars Paathshala- Compliance Training Other Engagement Channels 	Open communication promoting mutual trust, cultural transparency, and strategic alignment with goals.	Daily

External

Stakeholder Group	Channels of Communication	Purpose and Scope of Engagement	Frequency
Shareholders/Investors	<ul style="list-style-type: none"> Investor Meets Grievance Redressal Roundtable Discussions Face-to-face Meets Quarterly and Annual Conferences (AGMs) 	To keep pace with the Bank's initiatives, provide informed direction, and understand investors' perspectives.	Quarterly — Need-based
Customers	<ul style="list-style-type: none"> Customer Care Services Customer Satisfaction Surveys Customer Education through Financial Literacy Customer Monthly Meetings 	Identify customer needs and update them on innovative products and services.	Daily
Channel Partners	<ul style="list-style-type: none"> Annual Stakeholder Meet Periodic Reviews 	Strengthen supplier relationships, extend outreach, and scale sustainable business.	Frequent — Need-based
Regulators	<ul style="list-style-type: none"> E-mail Meetings Performance Reports 	To ensure compliance with evolving regulations and amendments, while actively contributing to policy formulation and implementation.	Need-based
Communities/NGOs	<ul style="list-style-type: none"> Direct Communications Engagement through CSR Implementation Agencies 	Support high-impact social development projects.	Frequent — Need-based

The insights and feedback gathered are translated into policy actions through our key governance committees—Customer Service, HR, and CSR & Sustainability Committees of the Board.

MATERIAL PRIORITIES FOR A SUSTAINABLE FUTURE

A robust materiality assessment is vital for building a resilient and sustainable future. It empowers us to identify, evaluate and strategically align our actions with key priorities, driving meaningful outcomes that contribute to long-term growth and value creation.

In 2023-24, a comprehensive materiality assessment exercise was undertaken to identify key ESG risks and opportunities, with a focus on business impact and stakeholder relevance. Aligned with the GRI 2021 Standards, this exercise evaluated how material issues affect the business and the company's influence on environmental and social outcomes. This assessment has been instrumental in recalibrating our sustainability strategies to align with both business goals and stakeholder expectations. The material topics were reviewed in 2024-25 to ensure their ongoing relevance and alignment with strategic priorities.

Determining Key Focus Areas

Conduct systematic, multi-source analysis, incorporating peer benchmarking, strategy reviews, site assessments, and leadership consultation.

Stakeholder Engagement

Engage internal employees and external partners through comprehensive survey instruments, ensuring all relevant viewpoints are represented. By integrating stakeholder perspectives into our decision-making process, we create a more inclusive, informed, and future-focused sustainability strategy.

Prioritisation

Utilise survey data analytics to assess and prioritise material impacts. This systematic prioritisation ensures that our resources are directed toward areas where we can create the greatest positive impact, drive meaningful change, and build a resilient, future-ready organisation.

ESG Strategy

Establish specific Key Performance Indicators (KPIs) and measurable goals for each prioritised impact area.

Material Issue	Corporate Governance and Ethics
Stakeholders Impacted	Investors, Regulators, Customers
Risk/ Opportunity	Opportunity
SDGs Impacted	
Management Approach	Transparent and structured governance, robust risk management, and a data privacy policy, ensuring compliance and resilience against market dynamics.
Relevant GRI Disclosures	GRI 2

Material Issue	Risk Management
Stakeholders Impacted	Regulators, Shareholders, Employees, Customers
Risk/ Opportunity	Risk
SDGs Impacted	
Management Approach	Implementing a robust mitigation framework, reinforced by strong governance, advanced technology, ethical conduct, and regular reviews. The ISO/IEC 27001:2022 certification further reflects our commitment to the highest standards of data security.
Relevant GRI Disclosures	GRI 2

Material Issue	Responsible Lending
Stakeholders Impacted	Borrowers, Regulators
Risk/ Opportunity	Risk
SDGs Impacted	
Management Approach	The approach combines thorough borrower assessments, compliance with regulations, robust governance, and a focus on transparency and financial literacy.
Relevant GRI Disclosures	GRI 2

Material Issue	Financial Inclusion
Stakeholders Impacted	Regulators, Communities, Customers
Risk/ Opportunity	Opportunity
SDGs Impacted	 
Management Approach	Driving financial inclusion by crafting products specifically designed for underserved communities, unlocking opportunities through accessible financing, enhancing livelihood, and empowering individuals with financial literacy to build enduring financial discipline.
Relevant GRI Disclosures	GRI 401, GRI 413

Material Issue — Community Engagement & Empowerment

Stakeholders Impacted — Local Communities, Employees

Risk/ Opportunity — Opportunity

SDGs Impacted —  

Management Approach — Aims at addressing the needs of children, farmers, migrant workers, and the elderly. Initiatives such as FIG Loans, Micro ATMs, entrepreneurship programmes, and Balajyothi Clubs empower communities, create jobs, and strengthen local communities.

Relevant GRI Disclosures — GRI 401, GRI 413

Material Issue — Human Rights

Stakeholders Impacted — Employees, Communities, Suppliers

Risk/ Opportunity — Risk

SDGs Impacted —  

Management Approach — ESAF Bank upholds the highest human rights standards by ensuring equal opportunities, eliminating discrimination, and prohibiting child and forced labour through clear policies, training, and compliance checks.

Relevant GRI Disclosures — GRI 406, GRI 408

Material Issue — Climate Change and GHG Emissions

Stakeholders Impacted — Employees, Communities, Regulators

Risk/ Opportunity — Opportunity

SDGs Impacted —  

Management Approach — Establishing a robust sustainability roadmap aligned with the UN SDGs and India's vision for a net-zero future. ESAF Bank forms strategic partnerships with industry players, communities, and employees to advance its People, Planet & Prosperity vision.

Relevant GRI Disclosures — GRI 302, GRI 305

Material Issue — Public Policy Advocacy

Stakeholders Impacted — Regulators, Communities

Risk/ Opportunity — Opportunity

SDGs Impacted —  

Management Approach — Advocating for policy reform and amendments to ensure banking for the underserved and fuelling financial inclusion on prominent platforms such as global as well as regional level associations and networks.

Relevant GRI Disclosures — GRI 415



FINANCIAL PERFORMANCE OF ESAF BANK

We have built a business model that is deeply rooted in creating tangible benefits for society. Guided by the 3 Ps—People, Planet, and Prosperity—we follow a growth strategy that is both balanced and responsible. Through this approach, we create value not only for the communities we serve but also for our stakeholders, ensuring that our success contributes to the broader well-being of all.

Progress is often shaped by the strength to persist, the wisdom gained from each experience, and the commitment to purposeful action. Even when faced with challenges, we continue to focus on strengthening our core, deepening our impact, and creating a future of sustainable growth and long-term value.

₹ (5,213.89) million
Profit/(Loss) After Tax

(21.84%)
CRAR

8.08%
Net Interest Margin

(1.94%)
Return on Assets (RoA)

(22.68%)
Return on Equity (RoE)

Stories of Change

ESAF Mithra- Digital Access Made Simple

At Edavanna in Malappuram district, the 15 members of Unaru Sangam decided to try something new – banking on their phones with ESAF Mithra App. The small step they took now changed their daily routine. ESAF Bank continues to lead the way in digital transformation at the grassroots level.

From loan repayments to checking outstanding balances, viewing mini statements, tracking next EMI dates, and even checking loan application status – the

members now manage everything at their fingertips. This digital transition has brought not just convenience but also greater transparency and financial awareness within the group. They no longer need to visit the branch or wait for the Customer Service Centre representative to collect repayments. Everything is now quick, transparent, and right at their fingertips. Conversations in the group are clearer, decisions are easier, and everyone knows where they stand currently.

“Earlier, EMI payment was a time-consuming process for us. We had to go to bank or wait for the CSC visit, often missing half day wage. Now the story has changed, with ESAF Mithra I can pay from wherever I am and the receipt reflects in the app within seconds. I feel more confident because now I can see my balance repayment, next EMI date and mini statement anytime. Thanks to ESAF Bank.”

- Binitha P. Unaru Sangam, Malappuram

This transformation is not just about convenience – it’s a reflection of ESAF’s strength in building

digitally equipped, self-reliant communities. Unaru Sangam’s story inspires many other sangams to take the digital leap with ESAF Mithra.



Our customers are our driving force. Their success inspires us to continue our mission to touch more lives and become a trusted partner in their transformation journey.

Empowered by Hope: Hema’s Entrepreneurial Rise

Hema, a determined woman from a modest background, faced immense challenges as her husband, Manjunath, earned just ₹300 a day, working in a bakery. Despite financial struggles, they dreamed of opening their own bakery. When traditional avenues failed, Hema found hope through Nauachetana (BC) of ESAF Bank, securing ₹50,000 to start her business. Her bakery has now* become a local favourite, bringing stability and hope for her son’s education. She now earns ₹1000 per day. Hema now plans to expand, creating jobs and empowering her community. Her story is one of resilience and transformation.

It demonstrates how a bank can unlock opportunities and ensure financial security.



Rising Wings: Laila’s Journey from Crisis to Confidence

In 2012, Laila’s life changed when her husband was diagnosed with severe kidney failure, leaving the family in emotional and financial distress. Determined to support her home, she connected with ESAF Small Finance Bank and formed a Joint Liability Group of ten women, Shobika Sangam. With her first loan of ₹ 25,000, she started a small poultry unit with 100 chicks under the Badavara Kerala Chicken initiative.

Her persistence paid off. With each cycle, Laila expanded her poultry business, repaid her loans on time, and steadily increased her income. Today, she rears over 4,000 chickens and earns about ₹35,000 a month, enabling her husband’s treatment and her children’s uninterrupted education.

Now aspiring to open a larger poultry outlet, Laila stands as a symbol of resilience and enterprise, one among the many who began dreaming big with ESAF Bank.



Threads of Courage: A Mother’s Path to Success

Padma Priya, a single mother of two, refused to give up after her husband Veerashetty’s sudden passing. She took charge of the family’s silk-saree weaving business in Bengaluru and learned to manage its challenges with determination.

A neighbour introduced her to ESAF Small Finance Bank, through which she availed a Micro Enterprise Loan of ₹3,00,000 to strengthen and expand her business. Alongside her entrepreneurial journey, Padma passionately teaches yoga for free, believing deeply in holistic well-being. She continues to attend training sessions to eventually earn full certification in the discipline.

Today, her weaving unit thrives, producing around 60 sarees a week and she is able to save nearly ₹20,000 every month. Padma Priya is one among the many who began dreaming big with ESAF.



SUSTAINABLE FINANCING

Through sustainable financing, we strive to bridge gaps in access and opportunity. Our mission is to ensure that progress reaches everyone, especially those left on the margins, helping them share in the promise of growth and opportunity.

With an innovative product portfolio designed to address grassroots needs, ESAF Bank delivers solutions that uplift farmers, small entrepreneurs, and women. Our Micro ATM service carry these services deep into rural India, reaching areas where traditional banks cannot. As part of our broader agenda, the Bank advances green solutions—offering loans for solar energy, electric vehicles (EVs), and digital innovations. This holistic approach links inclusion with sustainability, ensuring that communities are not just part of development but are also leading the way towards a greener, more resilient future.

We aim to achieve our sustainability goals through:

Building Resilience Through Micro-Lending



By providing small, collateral-free loans and tailored financial products, we enable individuals especially women, small entrepreneurs and rural households to build resilient livelihoods and participate more fully in the formal economy.

Last Mile Banking through ESAF Micro ATMs



Through a network of local banking correspondents equipped with portable Micro-ATMs, we enable customers to access essential services such as cash withdrawals, balance enquiries, fund transfers and Aadhaar-enabled payments without the need to travel long distances.

Enabling Wiser Decisions through Awareness



We continued to prioritize financial literacy particularly first-time banking customers to build essential money-management skills. Our initiatives focused on helping communities understand budgeting, savings, responsible borrowing, digital payments, and fraud prevention, enabling them to make informed financial decisions.

Dabba Savings- Blending Tradition With Modern Banking

Our Dabba Savings initiative promotes a simple, community-driven approach to financial inclusion, particularly for underserved and rural populations. 'Dabba' refers to a small, secure container, traditionally a box or

tin which is used by individuals to save money at home in small, regular amounts. The initiative formalizes this habit by encouraging participants to deposit small sums into a structured, secure account, helping them cultivate disciplined savings practices. By providing an easy-to-access, low-barrier savings solution, we empower individuals and families to plan for emergencies, invest in education, and improve household financial stability.



STRATEGIC OVERSIGHT AND LEADERSHIP

ESAF Bank's leadership combines efficacy with human empathy, positioning the Bank as a strong pillar of financial inclusion, future resilience, and enduring growth. Our governance framework aligns with leading reporting standards, including the Business Responsibility & Sustainability Reporting (BRSR) framework and the UN SDGs, demonstrating our dedication to responsible business practices. It ensures robust oversight, strategic decision-making, regulatory compliance, and risk management, all of which help promote trust within the organisation and among stakeholders.

Built on the fundamentals of serving the underserved and driving financial inclusivity, our governance ensures that every business practice contributes towards strengthening our business performance and creating value for all stakeholders. Our approach centres around a clearly defined organisational structure, providing strategic oversight, promoting cultural integrity, and guiding every decision. We assign roles and responsibilities to key personnel and committees, which enables us to maintain effective oversight, manage risks, and comply with regulations through comprehensive policies and procedures.

Our decision-making is driven by regular board meetings, where transparency and strategic planning take centre stage, alongside ongoing performance evaluations. Risk mitigation and regulatory compliance are integral to our governance practices, supported by strong controls and adherence to industry standards. At the heart of our approach are the values of ethical behaviour, accountability, and transparency, which build trust and confidence in all our stakeholders. By upholding these principles, ESAF Bank ensures operational stability and supports sustainable growth.

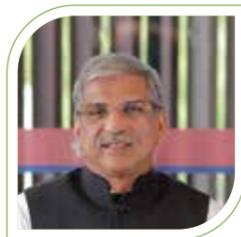
The Changemakers



Shri. Ravimohan Periyakavil Ramakrishnan

Part-Time Chairman
Non-Executive
Independent Director

- » Banking
- » Payment and Settlement Systems
- » Risk Management



Dr. Kadambelil Paul Thomas

Managing Director
Chief Executive Officer

- » Banking
- » Finance
- » Rural Economy
- » Business Management
- » Co-operation



Shri. George Kalaparambil John

Executive Director

- » Banking
- » Finance
- » Agriculture and Rural Economy
- » Co-operation
- » Human Resources
- » Business Management



Shri. Thomas Jacob Kalappila

Non-Executive
Independent Director

- » Finance
- » Information Technology
- » Accountancy



Dr. Vinod Vijayalekshmi Vasudevan

Non-Executive
Independent Director

- » Information Technology
- » Business Management



Shri. Ravi Venkatraman

Non-Executive
Independent Director

- » Accountancy
- » Finance
- » Information Technology
- » Risk Management
- » Agriculture and Rural Economy



Ms. Kolasseril Chandramohan Ranjani

Non-Executive
Independent Director

- » Banking
- » Co-operation
- » MSME/SSI
- » Business Management
- » Agriculture and Rural Economy



Prof. Biju Varkkey

Non-Executive
Independent Director

- » Banking
- » Human Resource



Dr. Joseph Vadakkekara Antony

Non-Executive Director

- » Banking
- » Human Resources
- » Law
- » Economics



Shri. Ajayan Mangalath Gopalakrishnan Nair

Non-Executive Nominee Director

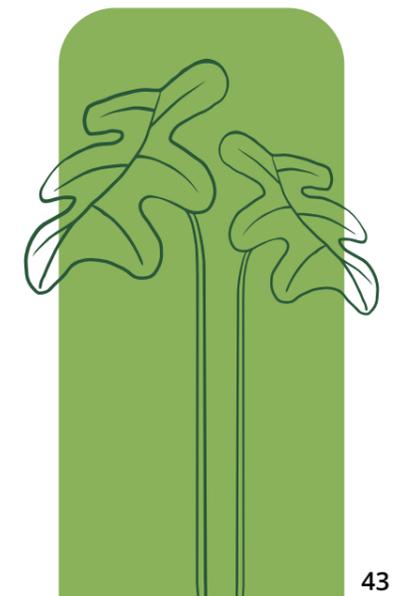
- » Agriculture & Rural Economy
- » Banking
- » Economics
- » Information Technology
- » Risk Management
- » Finance



Shri. Gabriel John Samuel

Non-Executive Nominee Director

- » Accountancy
- » Banking
- » Economics
- » Agriculture and Rural Economy
- » Finance
- » Business Management



Driving Impact through Diversity

The composition of our Board reflects a wide array of perspectives, with members bringing a diverse mix of expertise, experience, gender, and age. This diversity helps ensure decisions are made from multiple viewpoints, addressing both the opportunities and challenges the Bank faces. By promoting a culture of respect and constructive dialogue, the Board fuels collaboration and plays a pivotal role in the Bank's growth and sustainability. This inclusive approach improves governance and enhances stakeholder confidence. For more details, please refer to our Board Diversity Policy on the website.

The nomination of Board members is approached with care and responsibility. Recognising the profound impact leadership has on the Bank, each nomination is guided by the Nomination Policy, ensuring fairness, transparency, and alignment with our values. The process follows clear Standard Operating Guidelines, designed to

select individuals who bring not only expertise but also integrity and commitment.

Appointments and reappointments are made with integrity, diligence, and respect for the overall purpose. Each decision is guided by the recommendations of the Nomination, Remuneration and Compensation Committee

of the Board (NRCCB) and is further endorsed by the Board, Shareholders, and Regulatory Authorities where required. Beyond compliance, our focus remains on selecting leaders who embody the Bank's values, inspire trust among stakeholders, and commit to ESAF Bank's long-term growth.

Conflict of Interest

All members of the Board and Senior Management Personnel are expected to prioritise the Bank's interests above personal gain and act with fairness in every decision. Adherence to our Code of Conduct ensures transparency, accountability, and the avoidance of any conflict of interest. By upholding these principles, we strengthen our relationships with stakeholders and safeguard the values ESAF Bank stands for.



ZERO

Instances of Conflict of Interest During the Period Under Review

GOVERNANCE COMMITTEES

As the highest governing body, the Board provides strategic oversight and steers the organisation towards making a meaningful impact across society, the environment, and the economy. Decision making power is shared thoughtfully across the Board and its sub-committees, enabling stakeholder engagement.

A robust governance framework is established through internal audits and by maintaining vigilant monitoring systems, always putting integrity and trust first.

Audit Committee of the Board (ACB)

Responsibilities

The Audit Committee oversees the Bank's financial reporting, safeguards the integrity of the Bank's financial statements and reporting processes. It monitors auditor performance, scrutinises major transactions, and supports the Board in maintaining high standards of governance, transparency, and accountability.

Members

Shri. Thomas Jacob Kalappila (Chairman)

Shri. Ravi Venkatraman (Member)

Ms. Kolasseril Chandramohanam Ranjani (Member)

Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)

Independent Directors - 3

ESG Adherence — Governance

Risk Management Committee of the Board (RMCB)

Responsibilities

The Committee is responsible for overseeing the Bank's risk management framework, approving policies, strategies, and risk limits, and ensuring proper organisational structures and independence of risk functions. It provides the Board with detailed insights into risk exposures, emerging challenges, and regulatory developments, ensuring informed decision-making and operational resilience.

Members

Shri. Ravi Venkatraman (Chairman)

Shri. Ravimohan Periyakavil Ramakrishnan

Dr. Kadambelil Paul Thomas (Member)

Shri. Thomas Jacob Kalappila (Member)

Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)

Independent Directors - 3

ESG Adherence — Environmental, Governance

Nomination, Remuneration and Compensation Committee of the Board (NRCCB)

Responsibilities

The Committee oversees appointments and reappointments of directors and senior management, ensuring transparency, competence, and leadership. Additionally, it determines fair and balanced remuneration packages, links pay to performance, and monitors succession planning to strengthen governance, Board effectiveness, and organisational resilience.

Members

Prof. Biju Varkkey (Chairman)

Shri. Ravimohan Periyakavil Ramakrishnan (Member)

Ms. Kolasseril Chandramohanam Ranjani (Member)

Dr. Joseph Vadakkera Antony (Member)

Independent Directors- 3

ESG Adherence — Social, Governance

IT Strategy Committee of the Board (ITSCB)

Responsibilities

Constituted as per the RBI guidelines in 2017, the IT Strategy Committee provides strategic oversight of the Bank's technology landscape, guiding IT investments, risk management, and digital transformation initiatives.

ESG Adherence

Environmental, Governance

Members

- Dr. Vinod Vijayalekshmi Vasudevan (Chairman)**
- Shri. Thomas Jacob Kalappila (Member)
- Dr. Kadambelil Paul Thomas (Member)
- Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)
- Shri. George Kalaparambil John (Member)
- Independent Directors- 2

Management Committee of the Board (MCB)

Responsibilities

The Committee oversees the Bank's operational and strategic execution, ensuring efficient governance and organisational performance.

ESG Adherence

Governance

Members

- Shri. Ravimohan Periyakavil Ramakrishnan (Chairman)**
- Dr. Kadambelil Paul Thomas (Member)
- Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)
- Dr. Joseph Vadakkekara Antony (Member)
- Shri. George Kalaparambil John (Member)
- Independent Directors- 1

Customer Service Committee of the Board (CSCB)

Responsibilities

Constituted by the Board in line with the RBI directives, the Customer Service Committee oversees initiatives to enhance the quality of customer service. It monitors and guides the Bank's strategies for delivering timely, fair, and efficient services to its diverse clientele.

ESG Adherence

Social, Governance

Members

- Shri. Ajayan Mangalath Gopalakrishnan Nair (Chairman)**
- Dr. Vinod Vijayalekshmi Vasudevan (Member)
- Shri. Gabriel John Samuel (Member)
- Ms. Kolasseril Chandramohanan Ranjani (Member)
- Shri. George Kalaparambil John (Member)
- Independent Directors- 2

Corporate Social Responsibility and Sustainability Committee of the Board (CSRSCB)

Responsibilities

The Committee drives the Bank's CSR strategy, recommending policy and expenditure, while ensuring projects are effectively executed and aligned with the Bank's commitment to social and environmental sustainability.

ESG Adherence

Environmental, Social, Governance

Members

- Shri. Gabriel John Samuel (Chairman)**
- Dr. Kadambelil Paul Thomas (Member)
- Ms. Kolasseril Chandramohanan Ranjani (Member)
- Dr. Joseph Vadakkekara Antony (Member)
- Independent Directors- 1

High Value Fraud Monitoring Committee of The Board (HVFCB)

Responsibilities

The Committee monitors major frauds, tracks investigative progress, and ensures swift staff accountability. It also reviews and reinforces internal controls to prevent recurrence and protect the Bank's assets.

ESG Adherence

Governance

Members

- Dr. Kadambelil Paul Thomas (Chairman)**
- Shri. Ravimohan Periyakavil Ramakrishnan (Member)
- Shri. Thomas Jacob Kalappila (Member)
- Shri. Ravi Venkatraman (Member)
- Shri. Gabriel John Samuel (Member)
- Independent Directors - 3

Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds (SCBMF)

Responsibilities

The Special Committee of the Board oversees the monitoring and follow-up of fraud cases, ensuring timely investigation, reporting, and adherence to regulatory guidelines. It strengthens the Bank's fraud risk management framework and safeguards stakeholder interests.

ESG Adherence

Governance

Members

- Dr. Joseph Vadakkekara Antony (Chairman)**
- Shri. Thomas Jacob Kalappila (Member)
- Shri. George Kalaparambil John (Member)
- Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)
- Independent Directors- 1

Stakeholders Relationship Committee of the Board (SRCB)

Responsibilities

The Committee manages and resolves shareholder concerns, reviews voting rights and service quality, and ensures prompt receipt of dividends, reports, and statutory notices. It also supervises share transfers, certificates, and compliance with applicable regulations.

ESG Adherence

Social, Governance

Members

- Ms. Kolasseril Chandramohan Ranjani (Chairperson)**
- Dr. Kadambelil Paul Thomas (Member)
- Shri. Ravi Venkatraman (Member)
- Shri. Gabriel John Samuel (Member)
- Shri. George Kalaparambil John (Member)
- Independent Directors- 2

Human Resource Committee of the Board (HRCB)

Responsibilities

It oversees the Bank's HR strategy, policies, and succession planning. The Committee supports the Board in steering talent strategy, succession planning, and employee engagement, driving HR excellence across the Bank.

ESG Adherence

Social, Governance

Members

- Prof. Biju Varkkey (Chairman)**
- Shri. Ravimohan Periyakavil Ramakrishnan (Member)
- Dr. Vinod Vijayalekshmi Vasudevan (Member)
- Dr. Kadambelil Paul Thomas (Member)
- Dr. Joseph Vadakkekara Antony (Member)
- Independent directors- 3

Review Committee of the Board for identification and Classification of Wilful Defaulters (RCBWD)

Responsibilities

The Review Committee of the Board monitors and reviews cases of wilful default, providing guidance on classification and regulatory adherence.

ESG Adherence

Governance

Members

- Dr. Kadambelil Paul Thomas (Chairman)**
- Shri. Ravimohan Periyakavil Ramakrishnan (Member)
- Shri. Ajayan Mangalath Gopalakrishnan Nair (Member)
- Independent Directors- 1

The roles and responsibilities of directors and senior management are clearly outlined in ESAF Bank's Code of Conduct, ensuring integrity, consistency in leadership, and alignment with ESAF Bank's values. Critical concerns are addressed through timely meetings of the Board or the relevant committees, ensuring swift and thoughtful action.

Performance Evaluation and Remuneration

The process for evaluating the performance of the highest governance body is well-defined in our policy, ensuring that the Board, sub-committees, and directors contribute to the Bank's success with clarity and purpose.

To support this, non-executive directors are paid sitting fees for attending meetings, while the MD, CEO, and Executive Directors receive remuneration based on the guidelines set out in the Bank's Compensation Policy. Further details on the policy are available on our website here. [<https://www.esaf.bank.in//storage/2025/02/Policy-on-Performance-Evaluation-of-the-Board-Sub-Committees-of-the-Board-and-the-Directors-of-the-Bank.pdf>]

The annual total compensation of the highest-paid individuals in the Bank compared to the median annual compensation of all employees (excluding the highest-paid individuals), stood at 53.3%.

Policy Architecture

The policy framework is approved and validated by the Board to align with the Bank's core values. Carefully designed, our policies uphold the highest standards of governance and responsibility across all key areas. This robust framework supports our promise and strengthens our ongoing commitment to transparency and accountability in every aspect of our business.

To read our policies in detail, please refer to our website here <https://www.esaf.bank.in/policies/>

Our Bank has crafted policies that comprehensively address all BRSR principles.

Governance, Transparency, and Accountability

- Policy for Appointment/Reappointment/Removal of Statutory Auditors
- Policy for Determination of Materiality of Events or Information
- Policy for Monitoring of Insider Trading
- Related Party Transaction Policy

- Whistle Blower Policy
- Policy for Dividend Distribution
- Policy on Performance Evaluation of the Board Sub-Committee of the Board and the Directors of the Bank
- Nomination Policy

Ethical Business Practices and Fair Treatment of Stakeholders

- Policy on Dealing with Unclaimed Amount of Non-Convertible Securities and Process to be followed for Claiming of Unclaimed Amount by Investors

- Customer Grievance Redressal Policy
- Customer Compensation Policy
- Fair Practice/Customer Service Policy

Environmental Impact

- Environmental Social and Governance Policy
- Sustainable Banking Policy

Employee Welfare and Labour Standards

Policy on Prevention of Sexual Harassment at Workplace

Community and Social Impact

Corporate Social Responsibility Policy

Communications and Public Relations Policy

Product and Service Responsibility

WhatsApp Banking Terms and Conditions

Deposit Policy

Cheque Collection Policy

Safe Deposit Locker Policy

Protection of Privacy and Data Security

FATCA Policy

Website Usage Policy

Policy for Preservation of Documents and Web Archival

Customer and Stakeholder Engagement

Procedure for Release of Documents and/or Satisfaction of Charge in the Event of Demise of Property Owner

NAVIGATING CHALLENGES AND MITIGATING RISKS

A strong risk management framework allows us to safeguard our operations and mitigate potential disruptions while continuing to strengthen our ability to deliver on our mission with integrity. The Board at the top is responsible for defining risk policies and prescribing broad risk management practices. This oversight cascades through the Risk Management Committee of the Board (RMCB) and various executive-level committees, ensuring that risk awareness and accountability are embedded across all levels of the organisation.

Chief Risk Officer

Head Credit Risk Division

Head Operational Risk Division

Head Market Risk Division

Head Info Sec Division (CISO)

CRM Committee

ORM Committee

ALCO Committee

OVAC Committee

ISG Committee

Board of Directors

Risk Management Committee of the Board

MD & CEO

IT Strategy Committee of the Board

Audit Committee of the Board

The Risk Management Department comprises four specialised divisions: Credit Risk, Operational Risk, Market Risk, and Information Security. Each division plays a vital role in monitoring, assessing, and mitigating risks within its domain. This multi-layered framework ensures enhanced control and visibility across the organisation.

Additionally, the Information Security Division (ISD) is responsible for overseeing and managing information security and cyber security risks, as outlined in the Bank's Information Security Policy and Cyber Security

Policy. It is led by the Chief Information Security Officer (CISO), who reports directly to the Chief Risk Officer, safeguarding the Bank against emerging digital threats.

The Board is assisted by the Information Technology Strategy Committee (ITSCB) and the Audit Committee (ACB).

This structure supports risk-informed decision-making within executive committees and encourages open dialogue among senior leaders, enabling effective oversight from the Board.

Building Trust through Ethical Practices

The Bank takes a proactive approach to combat corruption and bribery, integrating anti-corruption and anti-bribery principles into its Code of Conduct for Employees and the Insider Trading Monitoring Policy to promote a culture of accountability. In addition, a robust KYC/AML/CFT Policy, managed by the Transaction Monitoring Division under the Compliance Department, guarantees strict compliance with regulatory requirements and upholds the highest ethical practices.

To explore the complete anti-corruption and anti-bribery policy, click here for more details.

[www.esafbank.com/policies/]



PRIVACY AND DATA SECURITY

In today's digital era, safeguarding customer data requires more than just intent. ESAF Bank prioritises privacy and data security by employing strong policies, advanced technologies, and constant vigilance to protect personal and financial information.

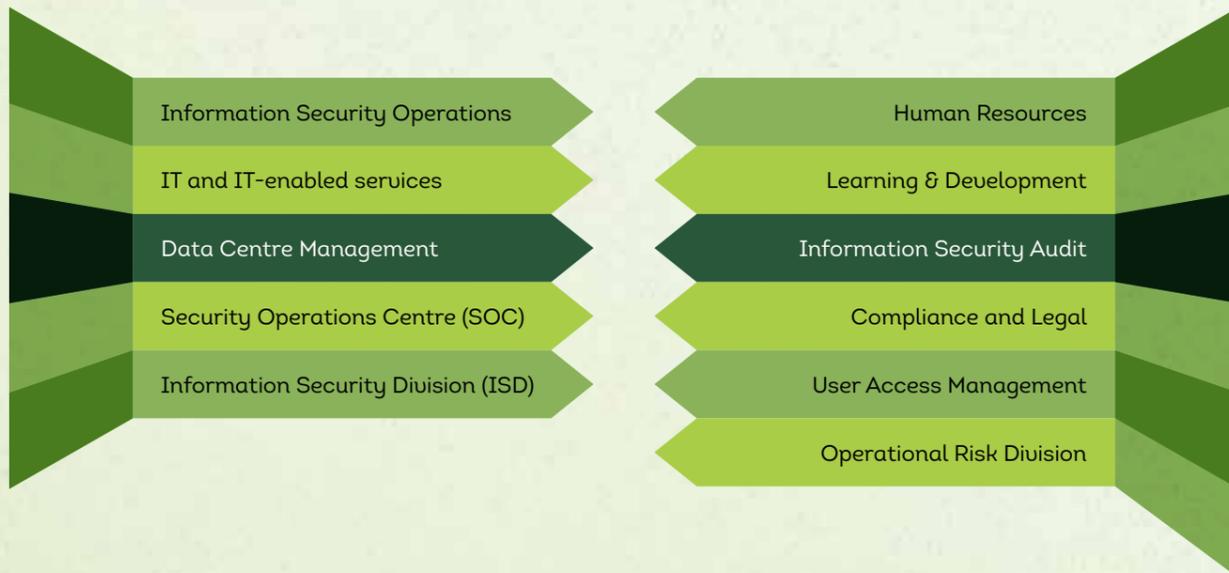
The Information Security Division (ISD) plays a pivotal role in ESAF Bank's Risk Department, protecting the confidentiality, integrity, and availability

of the Bank's information assets. ISD ensures trust and reliability by embedding globally recognised practices and aligning with regulatory priorities.

During the period under review, ESAF Bank has proudly earned the prestigious ISO 27001:2022 certification, reinforcing its commitment to safeguarding information through a robust Information Security Management System (ISMS).

The certification validates the strength of our practices across key areas of:

Its scope also extends to critical support functions, including:



Advancing Cyber Resilience

- Implementation of a comprehensive data protection framework for managing the lifecycle of sensitive data**
- Periodic security audits, risk and impact assessments, and both automated and manual vulnerability scanning**
- Stricter access management through Role-Based Access Control (RBAC), Multi-Factor Authentication (MFA), and regular access reviews and user provisioning audits**
- Conducting bank-wide awareness programmes for employees**
- Extending risk management to third-party vendors, ensuring every partner upholds the Bank's standards of data protection and cybersecurity without compromise**
- Implementation of a comprehensive Incident Response Plan (IRP) to safeguard against both known and emerging threats**

The role of the Information Security Division (ISD) extends beyond safeguarding data. It is equally focused on ensuring business continuity, upholding compliance, strengthening customer trust, and building operational resilience. To achieve this, the ISD collaborates closely with risk, compliance, audit, governance, and Security Operations Centres (SOC), creating a unified line of defence. This integrated, cross-functional approach supports an enterprise-wide security posture, continuous monitoring, swift responses to threats, and sustained compliance with regulatory requirements.



Strengthening Governance through Vigilance Practices

For Small Finance Banks, maintaining robust monitoring and oversight ensures that risks are detected early, compliance is uncompromised, and customer interests are safeguarded. The Bank's internal audit and vigilance mechanism ensures operational discipline, timely risk identification, and adherence to regulatory standards. By doing so, we protect our customers, enhance operational resilience, and strengthen trust in every interaction.

To further reinforce our commitment to ethical and transparent banking, we have employed a Whistleblower Policy that allows employees, customers, and stakeholders to report any concerns not addressed through normal channels. These complaints can cover a wide range of issues, from fraud and corruption to operational risks and misuse of office, helping protect the interests of the bank and its stakeholders.

Observing Vigilance Awareness Week

The Vigilance Awareness Week actively promotes transparency, accountability, and governance, helping to establish a corruption-free governance framework across the organisation. Key programmes included:

- » Virtual talk on vigilance awareness conducted by the Chief Risk Officer
- » Integrity pledge by all employees administered by Chief of Internal Vigilance
- » Customer awareness and education on fraud and corruption prevention
- » National quiz competitions
- » Felicitating Vigilant Warriors for exemplary diligence in fraud prevention
- » Survey on preventive vigilance
- » Speeches from the Vigilance Commissioner and MD & CEO on the theme "Culture of Integrity for Nation's Prosperity"

Ensuring Compliance for Sustainable Governance

Compliance plays a crucial role in modern banking, especially as we navigate complex digital information and regulatory landscapes. The PCI DSS certification we have achieved is a testament to our commitment to protecting customer data and ensuring secure transactions. This accomplishment not only underpins our dedication to good governance but also supports our mission to advance digital awareness and encourage our customers to bank with confidence.

Additionally, to cultivate a strong compliance culture, we conduct monthly "**Paathshala - Compliance Training**," keeping employees informed of critical regulatory changes and ensuring the bank remains compliant at all levels.



ESG GOVERNANCE

Our commitment to Environmental, Social and Governance (ESG) principles is overseen by a dedicated governance framework that ensures accountability, transparency and strategic alignment with sustainability objectives. At ESAF Bank, we have institutionalised ESG principles by establishing a Board-level Corporate Social Responsibility & Sustainability Committee, an Environmental Social Governance management committee and a departmental and cluster-level Sustainability Council. This multi-tiered approach ensures that sustainability and responsible governance are embedded into our core business strategy and decision-making processes.

The highest governance body, including the CSRSCB, ESGMC, MCB, and RMCB, is responsible for reviewing and approving the reported information, including

material topics. The ESG Management Committee is responsible for driving the organisation's sustainability agenda and ensuring effective implementation of ESG policies.

Additionally, the Bank remains cognisant of any potential negative impacts caused by its operations and proactively addresses these issues to mitigate risks. Through effective policies and processes, we work to ensure that our activities result in negligible harm to both individuals and the environment

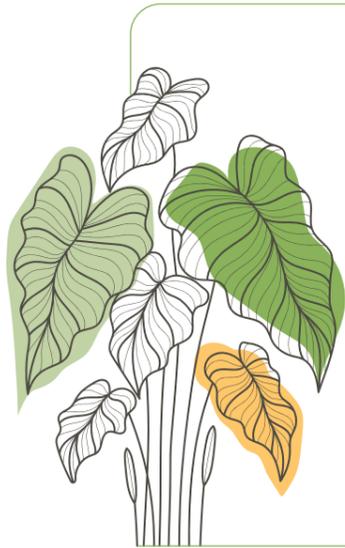
The Bank takes its role as an ethical and compliant corporate citizen seriously, actively engaging in public policy development and implementation. It contributes to panel discussions on key topics such as ESG, financial inclusion, CSR, and sustainability.



The bamboo bridge constructed at Majuli, Assam as a part of the CSR intervention of ESAF Small Finance Bank

EMPOWERING LIVES BEYOND FINANCE

ESAF Bank's social approach extends far beyond traditional banking, embodying its identity as a purpose-driven social bank dedicated to holistic social transformation. While advancing financial inclusion through lending to the underserved remains a fundamental pillar, ESAF Bank's overarching objective is to drive broad-based social impact, striving for lasting change in customers' lives, workforce well-being, and community empowerment.



Reaching the Last Mile Customers

Our success is deeply rooted in our focus on customers. From branch-level interactions to digital touchpoints, we remain dedicated to enriching customer journeys at every stage of their experience with us. Anchored in global benchmarks, our consistent pursuit of excellence has earned the Bank widespread recognition and prestigious industry accolades.

At ESAF Bank, banking goes far beyond transactions. Through our services, we continue to touch lives—bringing millions into the fold of banking, even in the remotest corners of the nation where few have reached, and becoming a part of their journey towards financial freedom. We focus on creating real value for our customers by extending financial support, promoting financial literacy, and enabling active participation in growth. Women remain at the heart of our mission, as we empower them with the skills, resources, and confidence to lead and create lasting change.



ISO Certification: Commitment to Global Standards

As a socially conscious bank, we strive to create lasting community benefits through our financial services, promoting equitable growth. Our core focus is to empower individuals and communities, ensuring that every financial decision we make contributes to sustainable development. To meet the evolving needs of our customers, we have continuously revamped our processes—enhancing customer experience and delivering services that reflect our unflinching resolution to social impact and customer satisfaction.

In FY 2024-25, the Customer Service Quality Department modernised several processes to meet global standards and drive operational excellence across ESAF Bank. The result is the prestigious ISO 9001:2015 re-certification. We ensure process enhancement in the following areas:

Enhancing Customer Service Quality Initiatives

Ensuring Regulatory and Statutory Compliance

Strengthening the Customer Grievance Redressal Mechanism

Monitoring the Bank's Call Centre to uphold Customer Service

Awards for Customer Service Excellence

Providing exceptional customer service is the cornerstone of our operations. Our dedication to quality, continuous improvement, and customer satisfaction has resulted in significant achievements and earned us several prestigious awards during the reporting period, reaffirming our commitment to excellence across every touchpoint.

During the first half of the year, ESAF Bank achieved multiple prestigious awards in customer excellence:



Best CX Leader of the Year - Awarded to Shri. Abiesh Jose, ESAF Small Finance Bank

India Banking Summit and Awards 2024 - Small Finance Bank of the Year awarded to ESAF Bank by Synnex Group

Digital Customer Experience Conference and Awards 2024 - Organised by Gain Skills Group

Nil Penalties from the Banking Ombudsman

During the financial year FY2024-25, ESAF Bank received 64 complaints through the Banking Ombudsman– the lowest in India compared to the previous financial year. All the complaints were addressed and resolved within the timeline, maintaining the Bank’s record of zero penalties in the form of “Awards” from the Banking Ombudsman.

Maximising Customer Delight

At ESAF Bank, we are committed to delivering an exceptional experience to our customers at every touchpoint. From innovative banking solutions to attentive, personalised service, our initiatives are designed to offer seamless, convenient, and efficient solutions that elevate the customer experience.

Throughout the year, we implemented multiple initiatives to uplift customer service.



CX Guru

To inspire and equip our branch staff with the tools they need to create memorable customer experiences, our Customer Service Quality Department launched the CX GURU awareness email series. This initiative is designed to promote a culture of excellence by sharing valuable tips, industry-best practices, and fresh ideas from the world of customer service. Through CX GURU, we aim to empower our staff with the knowledge and skills to transform every interaction into an opportunity to exceed expectations.



Process Enhancements and Reduction in TAT

We harnessed the Customer Relationship Management (CRM) application to generate reports on various customer request processes. Insights from these reports allow us to pinpoint areas that need improvement, ultimately enhancing operational efficiency. By reviewing each process routed through the CRM system, we have optimised operations, delivering faster solutions to our customers.



Digital Premiere League

The Customer Service Quality Department launched the Digital Premiere League (DPL) to drive Internet Banking (IB) and Mobile Banking (MB) adoption, encouraging both new and existing customers to embrace digital banking.

DPL blended friendly competition and attractive incentives to engage customers and accelerate the adoption of digital services across branches. The first phase of DPL, which was conducted between 1st May 2024 and 30th June 2024, was marked by exceptional enthusiasm and impressive engagement from participants.



Increased adoption

22,332 customers signed up for Internet Banking and Mobile Banking, successfully embracing the convenience of digital banking.

Enhanced customer satisfaction

Access to digital banking improved the customer experience through faster and smoother banking processes.

Improved service quality and engagement

This initiative encouraged stronger customer bonds by improving services and creating an interactive environment.

Branch Level Customer Service Committee Meeting (Sampark)

The monthly Sampark meetings bring together the voices of our customers and the collective efforts of our teams. These sessions provide an interactive space to discuss feedback, challenges, and suggestions, while driving meaningful improvements in customer service. Through collaboration between the Customer Service Quality, Branch Banking, and Micro Banking teams, we consistently strive to meet and exceed customer expectations.

Interactions with Sangam Members – Direct Visits

To deepen our relationship with Micro Banking customers and broaden financial inclusivity, our Customer Service Quality Department has been reaching out to these customers in person at various locations. These direct engagements have enabled us to gather valuable feedback on essential processes. Responses are carefully analysed and shared with the Customer Service Committee of the Board, guiding improvements that further enrich the customer experience and broaden access to financial services.



Workplace Transformation through Five-S

In alignment with the Kaizen philosophy of continuous improvement, the Bank's Customer Service Quality Department, together with the SARG-HR team, rolled out the Five-S workplace transformation initiative. While the programme began in FY2023-24, a five-day review drive was carried out in December 2024, reinforcing the practices across all branches. By focusing on efficiency, productivity, and quality, Five-S has created a structured, disciplined workplace. Branch participation was validated through implementation photos, ensuring 100% adherence. This initiative is building a culture of excellence, where better processes translate into better service for our customers.

Harnessing Digital Transformation

The CSQ Department has presented a comprehensive report to the Customer Service Committee of the Board, highlighting the latest digital enhancements and technologies shaping the banking industry. The committee, recognising the potential of next-generation solutions powered by Artificial Intelligence in transforming the customer experience, has directed that these enhancements be implemented across the Bank in collaboration with other departments.

As part of this ongoing digitisation journey, the IT department is spearheading a thorough overhaul of the Bank's digital infrastructure. ESAF Bank is reviewing and carefully executing every possible enhancement with the goal of providing an exceptional, streamlined experience for customers.



Empowering Customers through Knowledge

In line with the Reserve Bank of India's directive (Reference No: CEPD.CO.PRS. S1245/20-43-001/2024-25 dated 3rd January 2025), our Bank launched a year-long initiative aimed at enhancing customer awareness and education on vital banking themes. Starting from January 2025, we have designed a series of engaging and informative programmes that aim to popularise banking services while also reinforcing customer rights and safe banking practices.

Our initiatives include:

SMS Alerts on Safe Banking

Regular reminders to keep banking information safe.

ATM Kiosk Display

Providing information on digital banking and safe banking tips.

Email Campaign on Safe Banking

Safe banking tips delivered directly to customers' inboxes on how to safeguard banking information and assets.

Workshops on Financial and Digital Literacy

Educating customers to make informed decisions.

NRI Customer Communication

Providing information on foreign remittances, along with details on fees and best practices.

Empowering Communities through Inclusive Banking

Name of the Programme	Segment	No. of Programmes	Total No. of Beneficiaries Reached
ESAF Dhansree (NABARD Supported)	SHG/JLG Women	64	1,920
ESAF Utthaan (Through MBC Branches)	SHG/JLG Women	399	10,495
ESAF Vayojyoti	Senior Citizens	706	8,463
ESAF Balajyothi	Children/ Students	651	50,020
Regular FL @ Branches	Rural Communities	983	13,216
RBI FLW	Entrepreneurs & Traders	318	5,441
ESAF Bank and IIMK Balajyothi Impact Assessment Project	Students	47	646
FL during JLG Formation	Women	75,487	5,76,451
Total		78,655	6,66,652

Financial inclusion is not just about access—it is about creating pathways for individuals to manage their finances with confidence. At ESAF Bank, we recognise that financial literacy is essential for people to navigate their personal financial journeys effectively.

With targeted initiatives such as ESAF Dhansree for women, ESAF Utthaan for rural communities, and ESAF Vayojyoti for senior citizens, we help individuals from diverse backgrounds make informed choices and empower

them to participate fully in the formal financial system. Through these initiatives, we have made a tangible difference in the lives of over 6,60,000 beneficiaries, strengthening the foundation of financial inclusion.

Our financial literacy programmes, an essential part of our broader sustainability strategy, align with the UN Sustainable Development Goals - SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work), and SDG 10 (Reduced Inequalities) – aiming to make real differences in people's lives.



Additionally, we also ensure that our efforts align with the Reserve Bank of India's Financial Literacy Framework and contribute to the National Strategy for Financial Education (NSFE 2020-25). Looking ahead to FY2025-26, we plan to introduce ESG-focused financial awareness programmes, helping our customers navigate topics like green finance and sustainable livelihoods.

Through our initiatives, we have significantly improved awareness of various loan products, financial rights, and government benefit schemes. We have also worked to highlight the importance of cybersecurity and the available grievance redressal mechanisms.

To celebrate the human stories behind our success, we come out with our annual publication- Joyful Stories of Transformation.



Resolving Grievances

ESAF Bank believes that trust is built when every client feels heard and respected. We see every client interaction as an opportunity to grow together. Through Sampark, our regular customer meetings at the branch level, we provide a space where clients can openly share concerns, suggestions, and experiences.

These conversations nurture transparency, accountability, and genuine connection.

Additionally, we have integrated a robust CRM system, ensuring that every piece of feedback is carefully tracked, monitored, and resolved. By combining personal dialogue with smart technology, we continue to shape services

that reflect the needs of our customers.

Customer grievances are addressed through a well-defined policy framework that ensures unbiased and fair outcomes for all customers. This structure also safeguards customers from potential fraud or unethical practices.



Through Social Banking Weeks, we provide a valuable platform to engage with customers and gain insights into their satisfaction levels with the services offered by the Bank. Additionally, we host townhall meetings to foster customer education and strengthen our relationships with them.



Approach to Grievance Management

Receiving Complaint

Customers can raise their concerns through:

- Branches
- ATMs
- Business Correspondents or Facilitators
- Call Centres
- Website and E-mail channel of the Bank

Investigate

The Banks investigates each complaint and ensures quick resolution.

For further details, please refer to our Customer Grievance Resolution Policy here. https://www.esaf.bank.in/pdf/Customer%20Grievance%20Redressal%20Policy_ESAF%20SFB-V6.pdf

ESAF Bank, as an enabler of enduring social transformation, focuses on Priority Sector Lending, fully in line with the Reserve Bank of India's framework. Guided by our philosophy of People, Planet, and Prosperity, we channel credit to sectors that support economic equality and progress. These initiatives are key to improving rural livelihoods, encouraging entrepreneurship, and enhancing the well-being of communities.

Escalation Mechanism.

The Bank should resolve customer concern within 7 working days of its receipt.

If the customer is not satisfied with the resolution, the Bank has a four-tier escalation mechanism comprising Cluster Head, Regional Nodal Officer, and Principal Nodal Officer.

The Bank shall look into the grievance for resolution within 30 working days from the date of the receipt of the grievance.

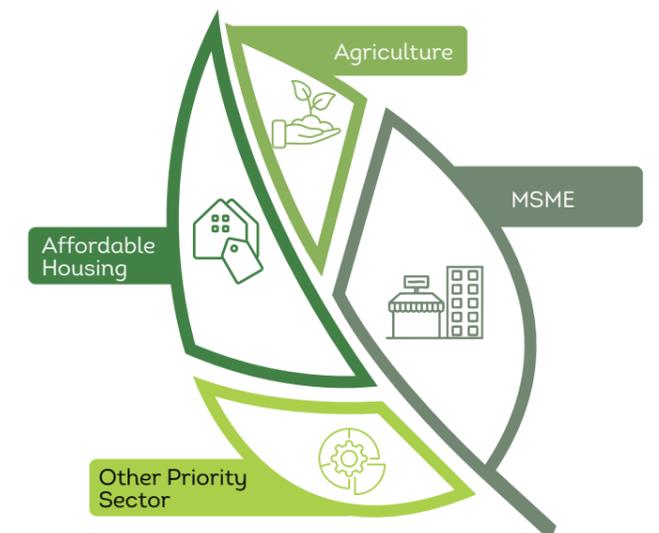
Review of Redressal Mechanism

The Bank maintains a robust MIS to record and track all grievances.

An ageing analysis of the outstanding items are prepared and shared periodically with the Customer Service Committee of the Board .

Targeted Priority Areas

For FY 2024-25, ESAF Bank continued to build a strong PSL portfolio of ₹12,204 crore. with significant lending directed at underserved communities. Through our microfinance and agricultural lending programmes, we have empowered women entrepreneurs, small farmers, and Self-Help Groups, helping them build financial resilience. We have over 63% of our lending in agriculture, 24% in other priority sector activities and 10% in MSME. Furthermore, our green lending initiatives have accelerated the adoption of clean energy and electric mobility, ensuring that our financial inclusion efforts align with sustainable practices for a brighter future.



OUR PEOPLE, OUR PURPOSE, OUR IMPACT

ESAF Bank is firmly grounded in the pillars of People, Planet, and Prosperity, advancing the values of gender, financial, and social inclusivity. Our HR framework upholds these principles, which guide every aspect of our operations, from daily activities to long-term strategic decisions.



At ESAF Bank, we view regulatory compliance not just as a legal requirement, but as a cornerstone of our organisational culture. Our HR initiatives are designed to create an environment of awareness, fairness, and accountability, from sensitising employees on labour laws and workplace safety to promoting diversity, equity, and inclusion. Over the past year, we have strengthened our compliance framework through structured training programmes, dedicated induction sessions, and ongoing self-learning platforms. This approach has helped us build a robust compliance culture, and we are proud that our workforce dedicated to compliance has grown by 143%, reflecting our commitment to ethical, transparent, and sustainable business practices.

– **George Thomas,**
Executive Vice President (HR)



To create an environment where our employees can thrive, we have developed a comprehensive HR framework that addresses every stage of the employee lifecycle. These policies ensure that we operate as a lawful and ethical organisation, consistently upholding human rights and the principles of natural justice. To strengthen our approach, we conducted an in-depth review of statutory and regulatory requirements and benchmarked our practices against industry best standards. This ensures that our policies not only meet compliance obligations but

also reflect our commitment to fairness, excellence, diversity and the overall well-being of our people.

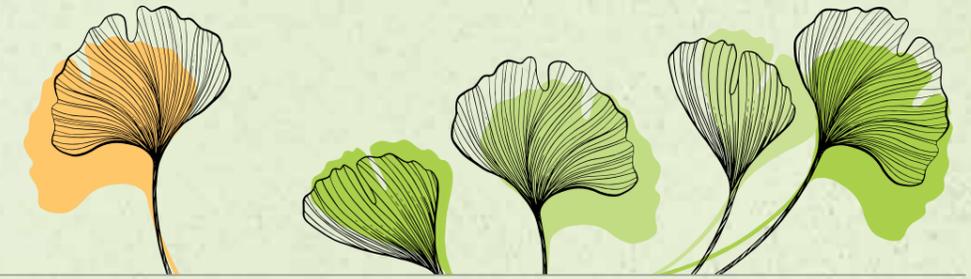
We believe in cultivating a workplace where every individual is respected, valued, and encouraged to succeed. This approach forms an integral part of our sustainability approach, aligning with the UN Sustainable Development Goals, particularly SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

Our hiring practices are anchored in the principles of fairness, equity and transparency. We

combine inclusive recruitment strategies with a comprehensive background verification process, ensuring that all candidates are thoroughly vetted to meet our ethical standards and regulatory requirements. This holistic process not only promotes stakeholder trust but also guarantees equal opportunities for all qualified individuals. Our HR policies are designed to empower employees, support their development, and prioritise their well-being, with a focus on gender sensitivity and inclusiveness as foundational to sustainable growth. These principles guide us through every

phase of the employee lifecycle, ensuring equity in recruitment, onboarding, development, and career progression.

Further building on this foundation, we have implemented an advanced HRMS platform, offering digital, user-friendly services through an intuitive web interface. This modern system enhances efficiency, accessibility, and engagement, further elevating our HR capabilities and employee experience.



Snapshot of Employee Profile (including differently-abled employees)

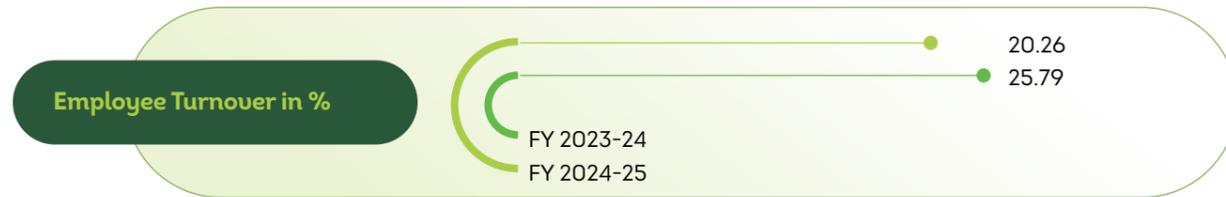
Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
Employees	Permanent (D)	8,336	5,448	65.36	2,888	34.64
	Other than Permanent (E)	4,184	2,818	67.35	1,366	32.65
	Total Employees (D + E)	12,520	8,266	66.02	4,254	33.98
Workers	Permanent (F)	0	0	0	0	0
	Other than Permanent (G)	0	0	0	0	0
	Total Workers (F + G)	0	0	0	0	0



Details of Differently-abled Employees and Workers

Particulars	Total	Male		Female	
	(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
Permanent (D)	1	1	100	0	0
Other than Permanent (E)	2	2	100	0	0
Total Differently Abled Employees (D + E)	3	3	100	0	0
DIFFERENTLY ABLED WORKERS					
Permanent (F)	0	0	0	0	0

Employee Turnover Rate



ESAF Bank believes that an organisation truly thrives when people from different walks of life come together with equal opportunity and a shared purpose. At ESAF Bank, we embrace this belief by nurturing a culture of inclusivity and mutual respect.

We are proud that our workforce features 33.98% women employees. This showcases our commitment to creating a diverse and inclusive workplace where fairness and equal opportunity thrive.

Remuneration Ratio

Category of Employees	FY 2024-25		FY 2023-24	
	Male	Female	Male	Female
Junior Management	58%	42%	56%	44%
Middle Management	76%	24%	79%	21%
Senior Management	97%	3%	99%	1%
Total	69%	31%	74%	26%



Building Our People, Sustaining Our Purpose

A strong organisation is built on a foundation of continuous learning and growth. Our human capital development strategy is built to empower employees with essential tools, knowledge, and leadership qualities to navigate and succeed in an evolving banking environment.

Joining ESAF Bank means embarking on a transformative journey, not just starting a career. We prioritise learning and development, offering each individual ample opportunities to pursue their professional aspirations while aligning with our mission to make a positive impact on communities.

The Learning and Development (L&D) Department at ESAF Bank plays a key role in our mission to create a thriving, high-performing workforce. By focusing on career growth and performance development, we ensure our employees have the skills they need to succeed in the fast-paced world of banking. This emphasis on development not only helps retain top talent but also enhances employee satisfaction and drives greater productivity. Through initiatives like a dedicated learning platform, clear and transparent performance evaluations, and annual reviews, we support the growth of our people while aligning with the broader goals of the organisation.

Additionally, to meet the evolving demands of the industry and the changing global workforce, the Bank invests in ongoing training programmes that enhance our employees' skills. From induction and software training to behavioural and leadership training, we offer a wide range of development opportunities. We identify training needs through a thorough Training Needs Analysis (TNA) and create a structured training calendar for the financial year.



Empower HER

In our pursuit of gender equality and alignment with SDG 5, we invest in empowering women by providing tailored leadership training at every stage of their career. These programmes focus on developing essential skills such as strategic thinking, executive presence, and negotiation techniques, while also creating clear pathways for career growth. By empowering women with the tools to lead, we are helping to create a more balanced leadership pipeline while driving inclusive decision-making throughout the organisation.



Structured Induction for Seamless Integration

Starting a new role at our Bank means entering a well-supported environment where every employee undergoes a thorough induction programme. This comprehensive introduction is designed to help them integrate effortlessly into our culture, understand our systems, and comply with regulatory standards. The programme includes vital areas such as Compliance, General Banking, Information Security, Risk Management, Privacy Policy, Know Your Customer, Anti-Money Laundering, Counter Financing of Terrorism, Financial Action Task Force and customer service standards, as well as our commitment to sustainability. This foundational experience ensures that each employee's journey is built on the Bank's core values.

4,000+
employees reached through 150 induction sessions

Core Banking Solution (CBS) Training

To enhance efficiency and system proficiency, we conduct regular Core Banking Solution (CBS) training for relevant staff members. This ensures they are well-prepared to leverage essential platforms, maintain data accuracy, and drive digital transformation in both customer-facing and back-office functions.



60+ Core Banking Solution (CBS) sessions were imparted to
700+
employees in critical roles.

Training for a Future of Responsible, Impactful Banking

Empowering our employees with the right skills is essential for building a sustainable future. Our capacity-building initiatives span technical upskilling, digital literacy, financial inclusion training, and sustainability education, all aligned with current business needs and emerging trends like climate risk, digital finance, and inclusive banking. We also offer tailored learning pathways for specialised roles such as risk management, treasury, and credit operations.

Training is delivered through a blended approach, combining classroom sessions, e-learning, workshops, and peer learning platforms. We track the effectiveness of these initiatives through feedback, assessments, and real-world application, ensuring ongoing impact and improvement.

Through investment in training and development, the Bank is not only boosting employee performance but also helping to build a more inclusive, sustainable, and resilient financial system.

8,672
employees reached

330
structured training programmes

1,35,832
person-hours of learning

78
external programmes empowered

277
participants explored industry-wide best practices

Learning Management System

Our internal online learning platform, eShiksha offers more than 200 meticulously curated courses. Covering key areas like HR, POSH, risk management, compliance, banking, and behavioural skills.



Through its 200 specialised courses, the platform has achieved 84% reduction in costs, expedited certification timelines, extended its reach to more than 12,000 learners, and minimised logistical complexities.



External Training and Learning Opportunities

Learning beyond the workplace opens doors to new ideas and perspectives. Over 270 employees gained external exposure through training programmes at top institutions, including the Reserve Bank of India, Indian Institute of Management, Institute of Rural Management Anand, and Centre for Advanced Financial Research and Learning. These initiatives enriched participants with industry knowledge, advanced banking practices, and strategic insights, aligning with our mission to continuous learning and professional development.



Creating Equitable Pathways to Growth

Rooted in inclusivity, respect, and collaboration, our culture is designed to empower individuals from all backgrounds. Our HR policies are centred around the principles of personal growth, employee well-being, and gender inclusivity—recognising that these are essential to achieving sustainable business success.



Recruitment Programmes

Our hiring approach prioritises diversity by hiring individuals from various backgrounds, such as first-generation graduates, women from diverse communities, and senior retired professionals. We also focus on rural campus recruitment, where we conduct training and awareness sessions to prepare candidates for thriving careers in the banking sector.

Aspire – Wings to Career Dreams of Women Employees

The Bank supports the professional growth of women employees, who account for 33.98% of our workforce, by nominating them for specialised training at leading institutes like Reserve Bank of India-College of Agricultural Banking, Indian Institute of Banking and Finance, National Institute of Bank Management, Bankers Institute of Rural Development, and Centre for Advanced Financial Research and Learning. We also motivate them to engage in seminars and industry discussions (Knowledge Management Society, The Management Association, Confederation of Indian Industry, National Institute of Personnel Management) to build leadership capabilities and further their careers.

Leadership Programme for Young Leaders and Women Employees

A unique two-year programme designed to identify and develop selected employees, including women, by providing them with essential leadership skills and preparing them for future leadership roles within the Bank.

Thejasvi Programme

An initiative to recognise, celebrate, and encourage outstanding women personalities within the Bank. It aims to motivate and uplift women employees by highlighting their contributions and achievements.

EmpowerHER

EmpowerHER is a flagship initiative designed to equip women with the skills and confidence needed for leadership roles. Through tailored leadership training and personalised coaching, the programme fosters career growth, enhances leadership capabilities, and creates a strong pipeline of future women leaders, driving a more inclusive and balanced leadership culture within the organisation.

Training hours

Category/ Level/ Grade of Employees#	Total No. of Employees per Category				No. of Hours of Training per Category				Average Hours of Training per Year per Employee			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
All Bank Employees	8,266	4,254	0	12,520	2,50,117	1,07,194	0	3,57,311	30.26	25.20	0	25.20

Empowering Our People: Key Workforce Initiatives

Women Leadership Development

Supporting women employees at every stage of their careers, with a focus on nurturing women leaders who can take charge at all levels, including department heads.

Diverse Hiring

Promoting diversity by conducting recruitment drives in remote locations, focusing on first-generation graduates, and hiring retired personnel.

Sageness

Igniting Knowledge, Inspiring Action: The Sageness initiative energised the Operations team through participatory weekly knowledge and motivation sessions. These staff-led sessions boosted engagement, promoted collaboration, and drove measurable impact, including a 21.31% improvement in ticket-to-staff ratio and a 23.48% reduction in errors.

HR Excellence

The Human Resources Department has been successfully reassessed and certified to ISO 9001:2015 standards, demonstrating the Bank's commitment to delivering quality HR services and supporting employees in achieving continuous growth.

Career Reboot Programme

Encouraging women to re-enter the workforce with renewed confidence and updated skills through the Restart. Reskill. Relaunch. programme.

Smart Candidate Checks

The HR-led Background Verification (BGV) efficiency project streamlined candidate verification through standardised SOPs, early triggers, vendor accountability, and performance monitoring.

Continuous Improvement

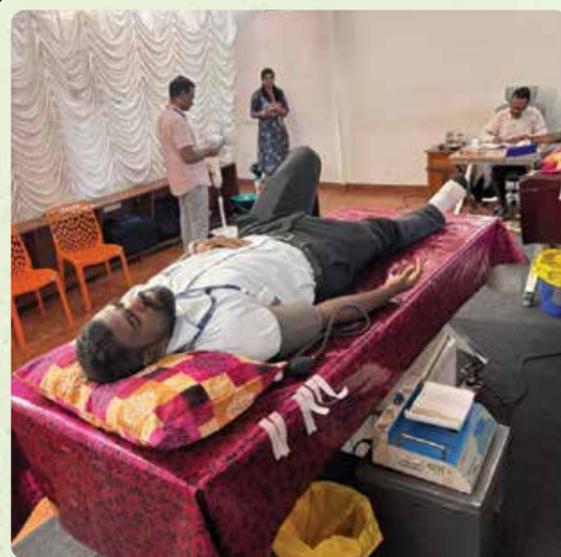
In keeping with the principle of continuous improvement, the Bank has implemented the Kaizen framework across all departments.

Unnati Programme

Enabling over 5,000 employees to seamlessly transition from ESAF Co-operative to ESAF Bank across more than 50 locations.

Technical and Emotional Intelligence Training

Focused sessions were delivered to strengthen both technical skills and emotional intelligence, including five specialised MS Excel sessions and three Emotional Quotient (EQ) workshops.



Embedding Safety in Our Workforce Culture

Workplace safety at ESAF Bank is proactive and employee-focused. The Bank ensures full compliance with occupational health and safety regulations while continuously enhancing internal policies. Safety standards are implemented across all branches, offices, and operational sites, and are regularly reviewed to ensure relevance and effectiveness.

Through periodic audits, evacuation drills, and risk assessments, we minimise hazards and improve preparedness. Employees are trained on emergency response, ergonomics, and safe workplace behaviours. We also promote a culture of shared responsibility, encouraging employees to identify risks and maintain a safe environment for all.



Prioritising People's Well-Being

We take a holistic approach to employee well-being, extending beyond professional development to overall health and wellness. The Bank supports the health and happiness of its team while recognising personal milestones such as parenthood and career growth. Benefits such as Group Health Insurance, Life Insurance, and staff welfare initiatives ensure employees feel valued and supported.

Holistic Wellness Initiatives

To ensure complete physical and mental well-being, ESAF Bank has introduced a range of wellness initiatives, including Diabetes Day, Cancer Awareness programmes, yoga, and regular health check-up camps. These are conducted both in-person and virtually to help employees maintain a healthy lifestyle.

Emotional Well-Being

Beyond physical wellness, the Bank prioritises emotional well-being through initiatives such as "Voice - Listening to You", where the HR Department engages directly with branches to gather feedback, understand challenges, and provide effective support. During the year, 1,691 employees participated in Health and Wellness Programmes, while 1,280 attended Fire and Safety Sessions via Webex.

100%

Employees covered under health & accident insurance

100%

Employees receive PF and Gratuity benefits

100%

Employees covered for parental benefits

100%

Return to work and Retention rate

Empowering Voices, Strengthening Connections

Maintaining a strong connection between leadership and employees promotes transparency, builds trust, and fuels organisational growth. Our Bank ensures clear, consistent communication through platforms where ideas are shared, voices are heard, and concerns addressed.

<p>Quarterly In-Person Town Halls</p> <p>Provide opportunities for employees to ask questions, share concerns, and suggest solutions, while recognising and rewarding exceptional contributions.</p>	<p>Monday Morning Devotion</p> <p>Every Monday, leadership—including the Managing Director & CEO, Executive Director, and Executive Vice Presidents—engage with all employees to reiterate business goals, values, and organisational culture.</p>	<p>Employee Feedback Surveys</p> <p>Engagement surveys gauge employee perceptions and align initiatives with the Bank's Vision, Mission, and Core Values. The latest survey showed a strong 85.6% engagement score.</p>	<p>Joy Talk E-Newsletter</p> <p>Monthly updates highlight important achievements, team successes, and organisational news.</p>
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Employee Engagement Initiatives



SARG Initiative

A platform fostering a positive, inclusive, and collaborative work environment.

We have a dedicated Employee Engagement team within our HR Department that coordinates and drives all the employee-related activities.

Other activities include competitions, recognition events, wellness programmes, volunteering, and social gatherings to build a sense of belonging.



- 1 Motherhood Hampers**
Motherhood Hampers are gifted to female employees welcoming new children—honouring parenthood as a joyful milestone.
- 2 Wall of Joy**
Celebrates birthdays, work anniversaries, and highlights the Employee of the Month, promoting appreciation and motivation.
- 3 Voice - Listening to You**
Informal HR-employee sessions encourage open dialogue, trust-building, and relationship strengthening.
- 4 Special Day Celebrations**
Marks significant occasions such as Teachers' Day, Farmers' Day, and Women's Day, recognising contributions and importance.
- 5 Wellness Programmes**
Practical sessions and resources nurture physical and mental well-being.
- 6 Retention Initiatives**
Engaging with employees considering resignation to understand concerns and provide solutions, supporting talent retention.
- 7 Fun Day**
Celebrated across branches to promote work-life balance, team bonding, and a positive workplace environment.
- 8 Long Service Recognition (5 Years)**
Celebrates employees completing five years of service, acknowledging loyalty, contributions, and their role in driving the Bank's mission forward.

Campaigns to Promote Sustainable Lifestyle Practices among Employees

As part of our mission for sustainable banking, we empower employees to make environmentally conscious choices through internal sustainability campaigns. These initiatives focus on raising awareness around energy conservation, waste reduction, responsible consumption, and sustainable commuting.

Through digital campaigns and interactive challenges, we encourage employees to integrate sustainable practices into daily decisions at work and at home. Beyond raising environmental awareness, these efforts strengthen a culture of shared responsibility and collective impact, reflecting our belief that individual action drives meaningful change and advances our sustainability goals.



ShramJyothi - Employee Volunteering

Through ShramJyothi, our volunteering platform, employees are invited to participate in the Bank's CSR initiatives, extending their support to the underserved and underprivileged. This not only creates a meaningful impact in communities but also promotes a spirit of teamwork and strengthens alignment with our vision of being the leading social bank in the country.

By giving back to society together, our employees grow as individuals while contributing to the bigger purpose of building a more equitable and empowered future.



Committing to Human Rights

Adherence to human rights best practices is ensured across all facets of our operations, confirming that no form of labour law violation or discrimination, including child labour, takes place. We comply with all applicable statutory and regulatory norms to prevent negative consequences and protect those with whom we work. Our commitment is further reflected in our vendor agreements and contracts, where we explicitly require adherence to strict labour and human rights standards, reinforcing our dedication to ethical business practices.



Strengthening Employee Relations through Open Communication

By implementing structured mechanisms, we empower each individual to raise concerns, share feedback, and feel supported at every step of their journey with us.

Our automated Help Desk system streamlines the process for employees to address concerns and directly connect with the relevant departments. This system is complemented by our Open

Door Policy, where employees are encouraged to approach their Department Heads or Executive Personnel for any matter that requires attention.

In addition to these efforts, we regularly conduct Mood Surveys and Stay Interviews to gauge employee sentiment and ensure their well-being. We have also introduced the "Venting Box,"

a confidential and anonymous platform for employees to express their thoughts, experiences, and suggestions. Our Grievance Redressal and Counselling platform (GRACE) via HRMS allows employees to quickly raise grievances, ensuring a timely and fair response.



At ESAF Bank, sustainability is not just a concept but a way of life that permeates through every initiative of the organisation. Although I began my banking career in 1984, my true understanding of sustainability—its depth, relevance, and the impact it can create—came only after I joined ESAF Bank in 2020. It was here where I realised that sustainability is not merely an additional responsibility but an integral part of how we should approach growth, business, and community development. I am proud to be a Sustainability Champion, contributing to the Bank's vision of creating lasting social and environmental impact.

- Shri. Gopalakrishnan V. N.
Sustainability Champion,
Deputy Vice President, Vigilance
Department



I am proud to be the first in my family to begin a professional career, and ESAF Bank gave me that opportunity. Starting my journey at the Rajakumari branch, I have gained valuable experiences, learned the importance of serving people with compassion, and grown both personally and professionally. ESAF Bank has not only been my workplace but also a platform that shaped my confidence and commitment to making a difference in society.

- Ms. Agnus K. Sabu
First job in family, Senior
Officer, Rajakumari Branch



There is something beyond banking at ESAF Bank. Having worked in the banking industry for 39 years, what I see as different here is the demonstration of empathy towards the marginalised sections of society. The organisation's commitment to uplifting them brings a deeper sense of meaning to my work.

- Smt. Beena Davis
Senior Employee, Assistant Vice
President, Branch Operations

SHARED GOALS, EMPOWERING COMMUNITIES



At ESAF Bank, our impact goes far beyond numbers—it is reflected in the real-world change we help create. Guided by a strong sense of purpose, we reach out to underrepresented and underserved communities, from women in rural Self-Help Groups to families in remote tribal regions, ensuring that growth is both inclusive and sustainable. Through our diverse CSR initiatives spanning livelihood development, education, healthcare, social inclusion, infrastructure, and community interventions, we turn intent into tangible progress. Every initiative, whether enabling women’s entrepreneurship, supporting tribal livelihoods, or fostering financial independence, is anchored in our commitment to creating lasting value with integrity, empathy, and long-term vision.

- Dr. K. Paul Thomas,

Managing Director & CEO ESAF Small Finance Bank



Our CSR initiatives are guided by the belief that every programme we design is rooted in purpose and relevance. Our projects ensure that women, tribal communities, vulnerable groups, and the financially excluded are not left on the margins of progress.

For women, we create opportunities to earn, lead, and build financial independence through capacity-building and empowerment programmes. For communities in remote areas, ESAF Bank bridges critical gaps by providing access to schools, health clinics, clean energy, and essential infrastructure—transforming everyday living and opening doors to a brighter future.

Social inclusion takes shape through compassionate initiatives such as mental health support, life skills education, and palliative care—reaching those

often overlooked, while financial inclusion equips underserved households with the tools to build security and stability, empowering them with knowledge and resources to participate fully in the economy.

The CSR projects and programmes were implemented directly and through implementing partner organisations with a proven track record of implementing process-efficient CSR projects and programmes that were scalable, sustainable, outcome-driven, and committed to making a positive societal impact. We have a Corporate Social Responsibility Management Committee and Board level Corporate Social Responsibility and Sustainability Committee of the Board that monitors and directs the CSR framework of the Bank.



Key Highlights

1,84,500
Total Beneficiaries

34,41,159
Women Borrowers

₹19.08 million
Fund Allotted for CSR Activity

CSR Interventions

ESAF Balajyothi

Through dedicated study centres and child-focused clubs, the Bank creates safe spaces for underprivileged children to learn, grow, and thrive. By advancing education and fostering leadership, life skills, and financial awareness, these initiatives empower children to shape brighter futures for themselves and their communities.



Locations

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

Reach

15,454 children impacted

SDGs



ESAF Skill LEAP (Livelihoods & Entrepreneurship Acceleration Programme)

We believe that strengthening women's role in the economy not only transforms households but also uplifts entire communities. Through financial literacy, vocational training, and entrepreneurship support, we nurture confidence, independence, and long-term empowerment.



Locations

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

Reach

4,874 beneficiaries

SDGs



ESAF Capacity Building & Marketing Linkages for Entrepreneurship Collectives

Enable FPOs and women-led groups to thrive by combining leadership and governance training with sustainable farming solutions and strategic market connections, ensuring they are competitive, self-reliant, and economically empowered.



Locations

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

Reach

15,717 beneficiaries

SDGs



ESAF Bharat Centre for Excellence in Collective Enterprises

By offering tailored training programmes, evidence-based research, and proactive policy support, we uplift Farmer Producer Organisations and cooperatives, driving resilience, innovation, and inclusive growth across India.



Locations

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

Reach

3,000 beneficiaries

SDGs



Initiatives included

- Urjabandhu (Solar energy entrepreneurs)
- Pashumitra (Dairy entrepreneurs)
- Krushakmitra (Agri-entrepreneurs)

SDGs



Locations

Kerala, Tamil Nadu, Maharashtra, Madhya Pradesh, Karnataka

Reach

7,850 beneficiaries

ESAF Infrastructure & Development Support

Dedicated to uplifting rural India, we focus on building robust healthcare and educational infrastructure. Our efforts make healthcare and education not just available but accessible and affordable, directly improving the living conditions and opportunities for rural populations.

We upgraded ESAF Hospital (Thachampara), Lahanti Public School (Nonihat), and Ayakkad Admin Block.



SDGs



Locations

Kerala, Jharkhand, Assam

Reach

93,867 beneficiaries

ESAF Santhwana

ESAF Bank transcends traditional banking, serving as a social institution that addresses mental health challenges through tele-counselling, life skills training, and palliative care, offering compassionate support to the terminally ill and their families. Project Santhwana helps community members to increase the understanding of mental health, reduce stigma and promote early recognition of mental health issues.



SDGs



Locations

Kerala and Tamil Nadu

Reach

11,572 beneficiaries

ESAF Chair for Business on Values at IRMA

Established in 2024 through the CSR initiatives of ESAF Small Finance Bank, the ESAF Chair for Business on Values at IRMA aims to promote value-based business practices through a collaborative industry-academia approach. The Chair focuses on advancing research, education, and capacity building in areas such as social inclusion, ethical leadership, and sustainable enterprise.

As a newly instituted initiative ESAF Chair has over the course of past one year supported a range of initiatives including research studies, case competitions for postgraduate students, a 1.5-credit elective course on Value Driven Leadership, and management development programmes for senior executives- contributing to the broader goal of fostering strong, value-driven organizations and reducing inequality.



SDGs



Locations

Gujarat

Reach

350 beneficiaries



ESAF Garshom

Focused on migrant workers in underserved areas, it empowers them through social, legal, and skill-based interventions, directly supporting their well-being while positively impacting families and communities. Bandhu helpline provides immediate assistance and vital information to workers in distress, ensuring their safety and access to essential resources.



SDGs



Locations

Kerala

Reach

9,816 migrant workers

ESAF Community Interventions (Pan India)

ESAF Bank implements direct community intervention projects nationwide, uplifting underserved and tribal communities in the remotest regions by enhancing education, healthcare, clean energy access, infrastructure, and holistic community development. The project emphasises local participation and aligns with the community needs ensuring that the benefits are impactful and enduring.



SDGs



Locations

PAN India

Reach

22,000

Turning Dream into Reality: Ninu's Story of Transformation

Ninu Denny is a homemaker from Mattoor village, Kerala. Like many other women from her community, she spent her days balancing the daily demands of caring for her family of six. Yet, she longed for financial independence and the chance to contribute more meaningfully to her household.

That opportunity arrived in February 2024, when she joined a KVIC-certified training programme on masala powder making, organised by ESAF Bank. The training equipped her with practical skills and confidence, encouraging her to dream bigger. Soon after, she completed a pickle-making workshop and launched her own food brand, Myrrh.

From curry powders to millet snacks, Ninu's products found instant popularity. With FSSAI and Udyam certifications, support from ESAF Udyami, and exposure through exhibitions like Mahilodaya and Onachantha, her venture flourished.

By September 2024, she proudly opened Maria Goretti Foods, now earning ₹50,000 monthly—transforming not just her future, but inspiring other women entrepreneurs along the way.



The Power of Change: Jay's Path to Independence

At just 18, Jay Ramesh Mahakulkar from Wadgaon, Yavatmal, stood at a crossroads. Born into a farming family with little more than a cow, two bullocks, and a dream, he was unsure of his future—even after completing a course in Livestock Management and Dairy Production.

His turning point came when he joined a training programme on animal rearing and dairy entrepreneurship, conducted by implementing CSR partner of ESAF Bank, Prachodhan Development Services (PDS). The programme gave him practical skills, confidence, and a vision for what was possible.

With this foundation, Jay expanded his family's farm, added two more cows—including a Jersey—and launched a dairy business. Soon, he was also offering basic veterinary services in nearby villages, earning ₹10,000–₹15,000 each month.

Eager to grow further, Jay trained as a certified Artificial Insemination Technician and now works at the local veterinary hospital—respected, independent, and proud to serve his community.



Transforming Challenges into Resilience: Shibani is Stitching Dreams in Every Seam

20-year-old Shibani Burh from Nonaipara village, Assam, has never let her locomotor disability define her spirit. Raised by a single mother working as a daily-wage labourer, she was forced to leave school after Class 5. Although her world was often limited to the walls of her home, her dreams quietly endured.

Life changed when Prachodhan Development Services, CSR implementing partner of ESAF Bank, introduced a 30-day tailoring programme in her village. Recognising her potential, the trainer gave her special guidance. Shibani soon mastered cutting, knitting, and stitching—crafting beautiful garments entirely with her hands.

Among 50 trainees, she stood out, earning the title of Best Trainee. For the first time, she saw a future filled with possibility: opening her own tailoring centre and supporting her family.

With resilience, skill, and community support, Shibani transformed her challenges into strength—emerging as a symbol of dignity, independence, and hope.



Special Focused Social Inclusion Drives

Customer Awareness Programme

Through ESAF Bank's Customer Awareness Programme, tribal communities in remote areas are now gaining a clear understanding of banking services. By educating households on savings, digital transactions, and financial security, the programme has empowered many to break free from the cycle of informal moneylenders, improving their economic stability and well-being.

Monsoon Awareness Programme

ESAF Bank's Monsoon Awareness Programme has equipped tribal communities with vital knowledge to face seasonal challenges. From health precautions to sanitation practices, the initiative empowers participants with tools to safeguard their families during the monsoon, ensuring better health, stronger livelihoods, and financial security in the face of unpredictable weather.

Balajyothi Clubs in Attapadi

Balajyothi Clubs in Attapadi are transforming the lives of tribal children by providing access to education, sports, and leadership development. These clubs help bridge the opportunity gap, offering life skills, financial literacy, and health education. By nurturing confidence and creativity, Balajyothi Clubs are empowering the next generation to thrive.

Skill Training to the Particularly Vulnerable Tribal Groups (PVTG)

Through ESAF Bank's CSR interventions, skill training on agarbathi and diya making was given to the Particularly Vulnerable Tribal Groups of Yavatmal.

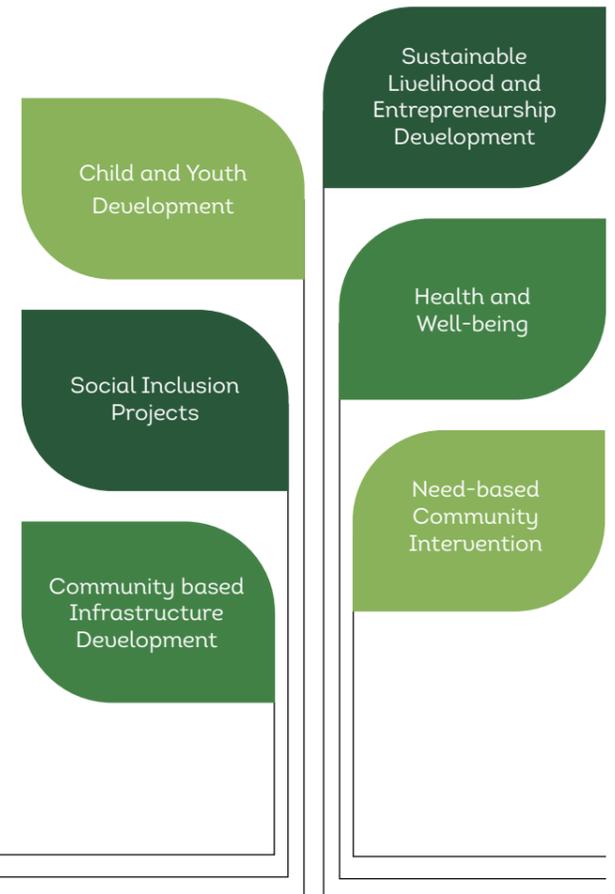


Impact Assessment

CSR Impact

Through initiatives in education, healthcare, livelihoods, social inclusion, and infrastructure, ESAF Bank aims to create tangible community impact and promote holistic growth. To ensure its CSR efforts align with broader sustainability goals and effectively serve communities, the Bank engaged an external consultant for an independent evaluation. The evaluation was conducted for FY 2023-24. Using the IRECS framework—focusing on Inclusiveness, Relevance, Efficiency, Convergence, and Sustainability—the assessment highlighted the real-life impact of these programmes.

The review encompassed the following projects:



Theme / Project	Objective	Reach FY 2023-24
Child and Youth Development - Balajyothi	Balajyothi nurtures holistic development among marginalised children, including girls, tribal youth, orphans, and children with disabilities. With strong participation in clubs and camps, the programme builds life skills and leadership, reinforced by trained local facilitators.	» 272 Balajyothi Clubs with 9,453 children
		» 55 Balajyothi Study Centres with 1,182 students
		» 12,774 Creating Saving Habit sessions through Financial Literacy programmes
		» 220 students received scholarships
		» 3,753 students benefitted through summer camps
		» 15,454 students participated in different arts and sports activities

Impact Assessment Highlights FY 2023-24

ESAF Balajyothi programme is designed to be inclusive across gender, age, disability, and region. The educational clubs and interactive sessions serve as vital platforms for underrepresented groups in tribal and rural areas, enabling children and youth to access holistic learning experiences beyond the classroom. Nearly 70% of participants also acknowledged notable improvements in skills such as communication, leadership, sports, confidence, money management and academics. With strong local partnerships and ongoing capacity-building initiatives, the Balajyothi programme aligns closely with SDG 4 (Quality Education) and demonstrates significant potential for creating lasting positive impact within communities.



Theme / Project	Objective	Reach FY 2023-24
Sustainable Livelihood and Entrepreneurship Development - Skill LEAP and Entrepreneurship Programmes	Serving rural youth and economically vulnerable populations, these programmes deliver vocational training and entrepreneurship support, improving skills, employment, and income.	» 1,728 benefitted from tailoring and beautician and other crafting training sessions
		» 1,188 improved their skills through Entrepreneurship Development Training Programmes
		» 1,967 benefitted from food processing training sessions
		» 25 Udyogmitras were provided ToT training to support micro-entrepreneurs on documentation procedures of owning business
		» 20 trained craft production for the Mising tribal community
Impact Assessment Highlights FY 2023-24		
The Sustainable Livelihood Programme demonstrates strong inclusivity and reach, engaging beneficiaries across age, gender and income. Of the respondents, 70.7% earn less than ₹3 lakh annually, reflecting the programme's focus on economically vulnerable groups in rural, tribal, and tier 2/3 regions. Notably, 68.7% of participants expressed the need for such initiatives, primarily to enhance income-generating skills in agriculture, livestock, and solar sectors. Service utilisation was high, with 95.9% availing vocational training and 72% leveraging market linkages. Around 78.8% reported better employment prospects, while 50-60% noted improved income levels. Skill perception remained positive, with 57.6% rating their vocational and business abilities as improved, underscoring the programme's effectiveness in fostering livelihood resilience and economic empowerment.		

Theme / Project	Objective	Reach FY 2023-24
Social inclusion Projects - Garshom	Garshom provides culturally-sensitive healthcare, emotional support, and financial literacy to migrant workers and their families. Full utilisation of services has improved mental health and social connection.	» 5,062 migrant workers and their families received medical assistance
		» 2,220 financial literacy sessions conducted for migrant labourers
		» 1,508 individuals reached through recreational activity
		» 1,026 individuals reached through helpline number
Impact Assessment Highlights FY 2023-24		
Project Garshom effectively addressed critical needs of migrant labourers in Thrissur, Kerala. All beneficiaries participated in medical camps and awareness sessions, with 80.5% reporting improved social connectedness and nearly all respondents noting significant positive impact on mental health. Community events, legal guidance, and psychosocial support further enhanced well-being and belonging among migrants. The initiative aligns closely with SDG 3 (Good Health and Well-being), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice and Strong Institutions). By planning to establish Drop-in Centres and deploying community facilitators, Garshom is building a solid foundation for continued engagement and support for migrant communities.		

Theme / Project	Objective	Reach FY 2023-24
Health and Well-being - Santhwana	Santhwana addresses mental health needs of women, children, elderly, and persons with disabilities through counselling, awareness, and peer support. Beneficiaries report improved mental well-being and connectedness.	» 4,619 individuals reached through mental health awareness sessions
		» 3,537 students supported through information on mental illness, life skills, and school counselling
		» 3,074 elderly reached through mental health outreach programme
		» 342 beneficiaries received tele-counselling services
Impact Assessment Highlights FY 2023-24		
The Santhwana project exemplifies inclusive and community-centred mental health outreach across Kerala and Tamil Nadu, engaging women in Self-Help Groups elderly individuals, and students through accessible counselling, workshops, and awareness programmes. By addressing gender-specific challenges such as domestic stress and financial insecurity, along with age-related issues like elder neglect and social isolation, Santhwana delivers highly relevant, need-based interventions. Nearly 60% of respondents reported improved mental well-being and 30% noted increased mental health awareness, reflecting the project's tangible impact. Through initiatives like tele-counselling, yoga-based stress management, and school life skills programmes, Santhwana not only bridges critical gaps in mental health access but also fosters long-term community ownership, with beneficiaries themselves becoming advocates for mental wellness.		

Theme / Project	Objective	Reach FY 2023-24
Community-based Infrastructure Development - Hospital and School Development	Infrastructure projects improve healthcare and education access in underserved communities. Enhanced facilities have increased patient inflow and school participation.	» More than 39,000 beneficiaries reached through infrastructure support services
Impact Assessment Highlights FY 2023-24		
ESAF Bank's infrastructure initiatives in health and education serve diverse age groups, from students to senior citizens, reaching remote and underserved communities in Kerala and Jharkhand. Survey findings show significant improvements—over 60% of respondents noted better quality and accessibility of healthcare, while nearly 70% reported similar gains in educational infrastructure. The projects, integrated with government schemes like the Mid-Day Meal Programme and the National Health Mission, ensure coordinated and holistic service delivery. By combining sustainable design, community participation, and multi-stakeholder partnerships, the initiatives align with SDG 3, SDG 4, and SDG 17, laying a strong foundation for long-term community well-being and resilience.		

Theme / Project	Objective	Reach FY 2023-24
Need Based Community Interventions	Community interventions focus on disaster relief and emergency preparedness, supporting vulnerable populations affected by floods, cyclones, and other crises. Proposals from local branches guide timely responses with food, shelter, and medical aid, while awareness and capacity-building efforts strengthen community resilience.	» Community interventions reached 32,400+ beneficiaries with flood relief, food kits, medical camps, and solar installations
	Impact Assessment Highlights FY 2023-24	
ESAF Bank's community development projects addressed diverse needs across education, healthcare, basic amenities, and disaster relief, reaching over 30,000 beneficiaries, including children, students, the elderly, and disaster-affected families in underserved regions. The initiatives tackled critical local challenges—clean water, flood relief, medical camps, and infrastructure gaps—while promoting long-term resilience through solar installations, durable assets, and digital inclusion. Strong local partnerships enabled efficient implementation and broad reach. Aligned with SDGs 3, 4, 6, 7, 13, and 17, these efforts reflect ESAF Bank's commitment to sustainable, inclusive, and future-ready community development.		

Please refer to our full Impact Assessment report for detailed findings.

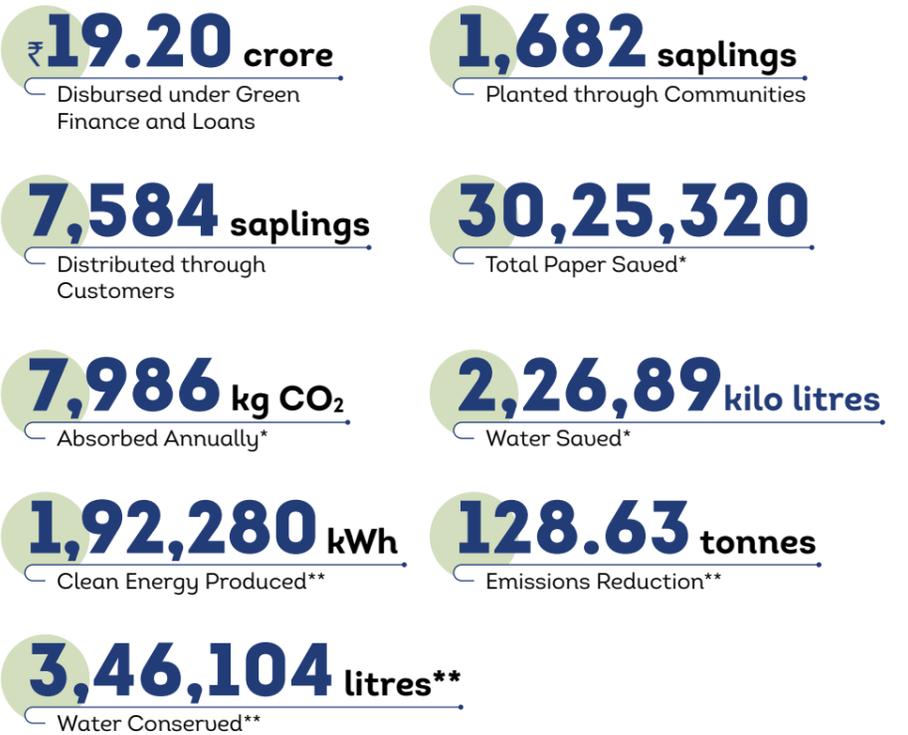


CHAMPIONING ENVIRONMENTAL SUSTAINABILITY

ESAF Bank's dedication to environmental stewardship is anchored in a clear sustainability roadmap that aligns with the UN Sustainable Development Goals and India's net-zero vision. Our initiatives focus on improving energy management, promoting the responsible use of resources, and safeguarding the shared environment. By translating global climate priorities into actionable steps, we place the preservation of the planet at the core of our People, Planet, and Prosperity vision.

Our green initiatives focus on solar energy adoption, efficient water management, and stringent waste reduction practices. Beyond optimising our internal operations, we encourage communities and customers to embrace sustainable solutions, creating a shared impact that aligns with our vision of a greener, healthier future.

Environment



*Through E-sign process
**Through Solar interventions

Protocols of Care: Our Green and Water Commitment

Green Protocol

As part of our commitment to environmental sustainability, we have adopted a Green Protocol to minimise our ecological impact across all operations. This protocol guides our efforts to reduce resource consumption, promote eco-friendly practices, and integrate sustainability into our daily business processes.



Our Green Protocol is more than an internal guideline – it reflects our commitment to being a responsible financial institution that balances growth with care for the environment.

GREEN PROTOCOL

AIM PAPERLESS: Print only if necessary. Use electronic media for whatever that can be sent and viewed for various internal and external meetings. And if printing absolutely is necessary - Print double side so as to avoid paper wastage.

SAVE ENERGY: Use natural light as far as possible. Switch off the light/fan/AC when not in use. Consider LED lamps, which use even less power than compact fluorescent bulbs do. Solar lamps to be given priority.

SAVE WATER: Timely repair of leaking water taps/toilet flush to avoid wastage of water.

BEAT THE PLASTIC POLLUTION: Minimise the use of plastic for office and personal matters. Bring food in steel/porcelain utensils. Stop using plastic containers. Avoid the use of plastic bottles for water in all meetings and functions. Arrange to serve food/beverages in reusable plates/glass and cups. Avoid plastic carry bags in offices. Use cloth banners for public functions, avoid flex printing.

GO GREEN & NATURAL: Plant trees and plants at home and office. They absorb air borne pollutants and give a healthy green ambience. Go natural in all consumptions. Use non-hazardous and eco-friendly cleaning products that does not harm the air or soil.

WoW- A WAR on WASTAGES: Reduce quantity of waste generated in branches, meetings and events. Dispose the waste responsibly with separate bins for wet waste and dry waste and with a responsible waste collector who can use to recycle or use waste for composting or generation of bio-gas.

BEAT THE AIR POLLUTION: Use electric vehicle, car-pooling or public transport to commute. If the distance is short consider walking or cycling.



ESAF Bank's Water Protocol

Water is a finite resource, and at ESAF Bank, we emphasise the preservation of water through responsible usage. Our Water Protocol is designed to optimise water usage, minimise waste, and champion conservation efforts across all our operations. By actively monitoring usage and promoting water conservation awareness, we aim to minimise our ecological footprint while helping to safeguard the future of the communities we support.



ESAF SMALL FINANCE BANK ENVIRONMENT COMMITMENT STATEMENT

ESAF Small Finance Bank is committed to:

1. Creating awareness and participation in environmental protection, climate change risk mitigation, and compliance among staff, customers, and other stakeholders to encourage them to adopt an environment-friendly lifestyle.
2. Facilitating the development and access to clean energy and natural resources for ESAF Small Finance Bank customer community, especially among the economically deprived and marginalised, by providing appropriate financial products, services and training, thus responding to climate change risks.
3. Promoting the stewardship of natural resources, eco-friendly livelihoods, green enterprises, local economic ecosystems, etc., in line with the Sustainable Development practices for an inclusive society.

ESAF WATER PROTOCOL



Water Conservation: To promote and practice water conservation as a lifestyle choice, using water responsibly, avoiding potential wastages by leakages, etc., and preventing any possible water loss.



War on Water Pollution: To wage war against contamination of water sources by disposing of waste responsibly; to promote eco-friendly cleaning agents and prevent chemical-based pollutants from entering water systems; and to promote and participate in cleaning water bodies.



Water Harvesting: To promote and practice water harvesting to improve groundwater levels, collect and store water from natural sources, and reuse water wherever possible, such as using treated wastewater for cleaning purposes, etc.



Be Water Smart: To promote and practice less water-intensive lifestyles and food habits, such as millets and pulses, that would reduce agricultural water consumption. To adopt water-smart infrastructure, such as sensor-based faucets, aerator taps, and dual-flush systems in toilets, etc., to conserve water and take such conservative measures.



Banking for Water Security: To support credit access to products that encourage water conservation, access to clean drinking water, sanitation, rainwater harvesting, climate-smart agriculture, water-smart irrigation techniques, eco-friendly housing, etc.

Fuelling Change through Clean Energy Loans

True financial inclusion must embrace environmental sustainability. Through our Green Portfolio, ESAF Small Finance Bank is actively directing credit to sectors that build climate resilience, enhance resource efficiency, and protect ecological health.

Financing a Greener Tomorrow

In FY 2024-25, the Bank disbursed ₹6.28 crore under this portfolio, supporting a range of green initiatives such as:

Renewable Energy

Financing rooftop solar installations and solar-powered appliances for homes, micro-enterprises, educational institutions, etc.

Energy-Efficient Housing

Financing eco-conscious housing and social infrastructure, particularly in rural and low-income areas.

Looking ahead, the Bank is dedicated to scaling its Green Portfolio and embedding environmental sustainability throughout its operations. Our focus will include:

Expanding green loans for MSMEs, farmers, and affordable housing.

Enhancing ESG impact measurement for transparency and accountability.

Leveraging digital tools for better credit monitoring and environmental reporting.

Forging new partnerships with green tech companies, impact investors, and climate finance platforms.

We disbursed 227 Suryajyothi Loans during the reporting period, amounting to ₹6.28 crore. This substantial outreach is further reinforced by several Clean Energy Awareness Drives that we organised throughout the year:

Driving awareness and promoting the economic and environmental advantages of clean energy.

Facilitating product demonstrations and vendor interactions.

Encouraging customers visiting our branches to explore loan options for solar installations.



Driving the Green Transition through ESAF Go Green



In its ongoing journey towards sustainability, ESAF Bank has introduced the 'ESAF Go Green' loan to promote Electric Vehicles (EVs) and renewable energy adoption. This initiative offers customers affordable financing options to make the switch to EVs and invest in clean energy, helping them make more environmentally conscious choices.

Aligned with our Triple Bottom Line approach People, Planet, and Prosperity, the products like ESAF Go Green reflects our belief that economic development and environmental care can go hand in hand. The loan supports the national vision of reaching net-zero emissions by 2070, while encouraging individuals to reduce their carbon footprints and make sustainable investments.

In FY 2024-25, ESAF Bank disbursed a total of ₹12.92 crore, including ₹3.70 crore for 357 electric two-wheelers and ₹9.22 crore for 77 electric four-wheelers. These efforts are key in reducing reliance on fossil fuels and promoting cleaner, greener mobility options.

Digital Transformation for a Low-Carbon Future

Digital transformation is playing a crucial role in our sustainability efforts. By embracing paperless processes, online transactions, and digital communication, we are significantly reducing paper waste and conserving resources. These digital initiatives not only improve operational efficiency but also contribute to a smaller carbon footprint, helping to build a greener, more sustainable future.

ESAF Office Suite (EOS)

The EOS has transformed the Bank's approval process, replacing paper-intensive procedures with a fully digital workflow. It allows users to track approval status in real time and efficiently manage tasks with an integrated calendar. Beyond improving operational speed and accountability, EOS also helps reduce the Bank's environmental impact by cutting down on paper usage and lowering carbon emissions.

IKIGAI

To improve both operational efficiency and sustainability, ESAF Bank has introduced IKIGAI, an advanced application for managing user access across banking platforms. This secure and transparent tool streamlines access requests, approvals, and audits, all while integrating advanced security features like two-factor authentication. Available to all employees, including mobile users, IKIGAI simplifies several processes with its intuitive interface, offering an ownership-based approval system, a monthly review mechanism, and customised reporting.

Before IKIGAI, user access management was time-consuming and manual, requiring up to 20 days to process, along with significant manpower and paper usage. By automating these tasks, the system now completes the process in just five days, cutting manpower from four employees to one and completely eliminating paper-based procedures. This transformation not only reduces operational costs but also aligns with our sustainability goals by reducing environmental impact and improving governance.

E-sign

The adoption of E-sign technology has played a key role in enhancing both our environmental sustainability and operational efficiency. By digitising loan processing, paper usage per loan has been reduced from seven sheets to just three, saving over 3 million sheets annually. This effort helps conserve around 363 trees and prevents the absorption of nearly 8,000 kg of carbon dioxide. Additionally, the initiative has saved over ₹18 lakh in paper-related costs, while conserving more than 22.6 million liters of water. This shift also improves security and customer experience through Aadhaar-based biometric authentication, demonstrating how technology can support both sustainable practices and efficient banking.

Championing Environmental Responsibility

Our efforts towards sustainability are more than just promises—they are evident in every project we undertake. From reducing our carbon footprint to conserving natural resources, we are committed to fostering eco-consciousness within our teams, customers, and communities. Each initiative we implement is a building block for a future that is both sustainable and resilient.

Green Branch Award



We introduced the Green Branch Awards in 2020 as an initiative aimed at recognising and rewarding branches that exemplify a strong commitment to sustainability. The Green Branch Awards serve a dual purpose. Firstly, they celebrate the branches that have made tangible efforts to integrate environmentally responsible practices into their operations. Secondly, they promote the growth of the Bank's green portfolio, ensuring that sustainability becomes a core part of how we do business.

These awards incentivise and motivate other branches to adopt green protocols, creating a ripple effect of positive change throughout the Bank's network.

Campaigns Raising Environmental Awareness

As part of our environmental commitment, we actively engage with employees and communities, driving holistic awareness. During the period under review, we organised campaigns aimed at encouraging sustainable practices and environmental responsibility across our network.

We host the annual Water2Earth campaign, observed from 22nd March to 22nd April, promoting the importance of conserving water for future generations. This year's theme, "Water for Peace,"

with the slogan "It takes a lot of Blue to stay Green – Conserve Water," brought together employees, communities, and local stakeholders in meaningful actions.

The ESAF Bank Environment Week, observed from 3rd June to 8th June 2024, centred on "Land Restoration and Drought Resilience," with the theme "Our Land, Our Future," highlighting the urgent need for environmental stewardship.



Environmental conservation is woven into the Bank's heart and extended to all individuals within the organisation. From the first day of its inception, the Bank has dedicated a week around World Environment Day to engage with local communities, creating meaningful connections and raising awareness about sustainability. This commitment has been reflected annually through ESAF Bank Environment Week, marked by various activities that align with broader environmental goals. Continuing this tradition, ESAF Bank observed Environment Week from 3rd June to 8th June 2024, with a series of impactful initiatives.

Joy of Planting



On Environment Day, employees and communities came together to plant trees. Over 5,033 saplings were planted and distributed as a promise for a better future.

Green Expo & Green Finance Promotion at Branches & HO

Branches showcased a range of eco-friendly solutions, including solar panels, micro-grid plants, and inverters, demonstrating the possibilities of hybrid renewable energy use. Electric Vehicles were also displayed, helping raise awareness among customers about the benefits and importance of embracing clean energy technologies.



Green Joy Awards



The Green Joy Award is given to ESAF Bank customers or community leaders, recognising their transformative impact on the environment. These individuals exemplify environmental consciousness, integrating sustainable practices into their everyday lives and livelihoods. Their deep-driven passion for the environment and society makes them inspirations for others to make lasting changes in their lives.

At the Nedumkandam Branch in Idukki Cluster, Ernakulam region, the Green Joy Award was presented to 8-year-old Aadishree A. Nair, a student at the local Government School. Even at her young age, Aadishree has made a remarkable impact by planting and managing over 618 saplings across Idukki district. Her incredible efforts contributed to the planting of 1,500 plants, a feat that has been recognised in the World Record, Asia Book of Records, and India Book of Records.



Climate-Smart Agriculture Awareness and Training for FPOs & FIGs

Our ongoing dedication to sustainable rural development has led to the launch of several initiatives aimed at empowering farming communities. We actively engage with Farmer Producer Organisations (FPOs) and Farmer Interest Groups (FIGs) across various branches, conducting awareness sessions on Climate-Smart Agriculture (CSA). Our aim is to help farmers integrate eco-friendly practices to enhance both productivity and environmental resilience.

We currently support 75 active FPOs in Kerala, Tamil Nadu, Chhattisgarh, Jharkhand, Maharashtra, Odisha, and Madhya Pradesh. Through these partnerships, we provide training, capacity-building, and financial assistance to help farmers tackle climate change challenges. Our initiatives promote sustainable farming techniques like water-efficient irrigation, the use of climate-resilient crops, and soil management practices, driving a stronger and more resilient rural economy.



Brightening the Future through Clean Energy

Access to reliable energy is essential for equitable education, particularly in rural India, where inadequate power supply hampers learning opportunities. ESAF Small Finance Bank's CSR initiative addresses this gap by installing solar power systems in schools. This sustainable solution ensures uninterrupted power for lighting, digital learning tools, and essential infrastructure, promoting energy equity and enhancing the overall educational experience in underserved communities, ultimately empowering students and improving learning outcomes. During the period under review, we conducted a detailed assessment of ESAF Bank's CSR-driven community intervention, measuring the effectiveness and outcomes of the project.

Solar systems installed across 20 educational institutions have generated over 1,92,280 kWh of clean energy, directly reducing 128.63 tonnes of CO₂ emissions—equivalent to planting 5,847 trees—and saving 3,46,104 litres of water, benefiting nearly 16,000 students. The initiative delivered substantial financial relief, saving over ₹15.38 lakh in energy costs, allowing schools to reallocate funds for improved educational infrastructure. Beyond these measurable outcomes, the programme ignited sustainability awareness among students and staff, integrating renewable energy learning with everyday experience. By addressing energy equity in India's rural and semi-urban schools, ESAF Bank's intervention aligns with major Sustainable Development Goals, advancing climate action, quality education, and social justice for underprivileged communities.



Green Initiatives through Partnership with Canon India

Through a meaningful partnership with Canon India, ESAF Small Finance Bank is taking proactive steps towards a more sustainable future with the "GET - Green Environment Together" initiative. This programme plants a sapling for each Multi-Function Device (MFD) sold, helping to promote a greener planet. Between August 2021 and March 2025, Canon India has planted 643 trees on behalf of ESAF Bank, in collaboration with the SankalpTaru Foundation. These trees are expected to offset around 14,146 kilograms of carbon dioxide, supporting our efforts to mitigate climate change and enhance ecological balance.

This partnership is a reflection of our ongoing dedication to integrating environmental consciousness into everyday operations. By encouraging paperless practices and supporting reforestation, we continue to reduce resource consumption and foster biodiversity. Through such strategic collaborations, ESAF Bank leads the way in promoting sustainable growth and creating a greener, more resilient future.



APPROACH TO WATER MANAGEMENT

ESAF Bank takes a proactive stance on water management. As a purpose-driven organisation, the Bank integrates responsible water management into its operations, employee initiatives, and CSR programmes, aiming to reduce consumption and waste while enhancing clean water access in underserved areas. To monitor and optimise water use, water meters are installed at key locations, providing valuable data that helps the Bank identify excess usage and take necessary corrective actions. This approach ensures efficient water use across its operations.

To reduce water consumption within its premises, the Bank has implemented various measures.

In a bid to reduce water consumption, dual-flush toilets have been installed in the restrooms across most of our branches and office locations.

Sensor-controlled taps and low-flow fixtures have been installed across our branches and offices to reduce water wastage.

We have adopted digitalisation, including the implementation of E-signatures for microloans, to reduce paper consumption and, in turn, decrease water usage in paper production.

As part of our CSR initiative, we donated wastewater treatment plants, water purifiers, water coolers, and hand pumps to institutions – schools and old age homes – to ensure safe and clean drinking water for the community.



By embracing water conservation across operations and communities, ESAF Bank continues to build resilience, promote health, and foster sustainability for generations to come. In the future, we aim to:

- » Expand water-efficient infrastructure across all existing branches.
- » Implement efficient rainwater harvesting systems in large branches and regional offices.
- » Strengthen the impact measurement of CSR water initiatives.
- » Deepen employee training and public outreach through recurring Water2Earth campaigns. Additionally, we aim to reduce the water footprint of our employees.

Our sustainable water management practices impact multiple UN SDGs, including:



Water Consumption

Parameter	FY 2024-25	FY 2023-24
Water Withdrawal by Source (in kilolitres)		
» Surface Water	0	0
» Groundwater	0	0
» Third-party Water	1,27,247.21	77,332
» Seawater / Desalinated Water	0	0
» Others -	0	0
Total Volume of Water Withdrawal (in kilolitres)	1,27,247.21	77,332
Total Volume of Water Consumption (in kilolitres)	1,27,247.21	77,332
Water Intensity Per Rupee of Turnover [Total water consumption (in KL) / Revenue from operations (in rupees)]	0.0000029392	0.000003197
Water Intensity Per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) [Total water consumption (in KL) / Revenue from operations in rupees adjusted for PPP]	0.0000607240	0.000000882
Water Intensity in Terms of Physical Output* [Total water consumption (in KL) / <mention the physical output details>]	10.1635151757	NA
Water Intensity (optional) - the relevant metric may be selected by the entity	NA	12.959946372

*As per the Industry Standards Forum, Full-Time Equivalent (FTE) has been considered as the input measure for physical output, for FY 2024-25

Water Discharged

Parameter	FY 2024-25	FY 2023-24
Water Discharge by Destination and Level of Treatment (in kilolitres)		
» To Surface Water		
No Treatment	0	0
With Treatment - please specify level of treatment	0	0
» To Groundwater		
No Treatment	0	0
With Treatment - please specify level of treatment	0	0
» To Seawater		
No Treatment	0	0
With Treatment - please specify level of treatment	0	0
» Sent to Third-parties		
No Treatment	1,27,247.21	77,332
With Treatment - please specify level of treatment	0	0
» Others		
No Treatment	0	0
With Treatment - please specify level of treatment	0	0
Total Water Discharged (in kilolitres)	1,27,247.21	77,332

APPROACH TO WASTE MANAGEMENT

ESAF Bank is steadily developing sustainable waste management by employing structured practices to minimise its environmental impact. By focusing on responsible disposal and waste reduction, the Bank ensures that all waste is properly segregated into dry (non-biodegradable) and wet (biodegradable) categories across its premises. Dry waste is processed through incineration wherever possible, reducing volume and streamlining disposal. Electronic waste (e-waste) is managed responsibly by returning it to authorised suppliers or manufacturers, ensuring that recycling and disposal processes adhere to environmentally sound standards.

Waste management is a key focus of our broader commitment to sustainability principles. By integrating responsible operational practices, environmental compliance, digital transformation, and community engagement, we are working to minimise our environmental impact while optimising resource efficiency. Through strategic initiatives across our branches, regional offices, and corporate headquarters, we are steadily advancing towards a low-waste, environmentally conscious ecosystem that aligns with our vision of sustainable, inclusive development.

Solid Waste Segregation and Disposal

ESAF Bank has implemented standardised solid waste management protocols across all operational locations.

Key practices include:

- » Source-level segregation into biodegradable, non-biodegradable, and hazardous waste
- » Deployment of colour-coded bins and signage for easy compliance
- » Regular training and awareness sessions for staff on waste categorisation and handling
- » Collaboration with municipal authorities and licensed waste contractors for responsible disposal

We strive to achieve 100% waste segregation at source across all offices by FY 2027.

Electronic Waste (E-Waste) Management

ESAF Bank has employed the E-Waste Management Rules, 2016, and its amendments, ensuring the responsible disposal of electronic assets.

Key practices include:

- » Ensuring obsolete IT equipment is inventoried and safely decommissioned
- » E-waste is efficiently transferred to certified recyclers who ensure safe dismantling and material recovery

In FY 2024, 100% of our e-waste was handled through certified recyclers.

Looking Ahead: ESAF Bank's Zero Waste Vision

With a long-term vision of achieving zero-waste status, ESAF Bank is taking proactive steps through policy enhancements, stakeholder partnerships, and data-driven monitoring to ensure progress in this direction. This includes:

Paper Reduction and Recycling

We have implemented a Green Protocol aimed at reducing paper consumption by enabling digitisation across functions.

Key practices include:

- » E-sign process for microloan processing for customers
- » Use of digital tools like ESAF Office Suite (EOS) for internal processes and approvals to minimise hard copy records
- » Internal policy to reuse single-sided printed paper for rough documentation
- » Shredding and recycling of confidential paper waste via authorised recycling vendors

Our goal is to reduce paper consumption at all levels of our operations by half by 2027.

Employee Awareness and Capacity Building

For waste management to be truly effective, behaviour change is essential. ESAF Bank supports this by conducting ongoing awareness and training programmes for employees.

Key practices include:

- » Displaying Green Protocols throughout our branches and departments, encouraging employees to reduce office waste
- » Enhancing employee awareness through digital campaigns and the establishment of sustainability councils
- » Conducting Green Audits at the branch level and monitoring performance
- » Appointing "Sustainability Champions" at department and cluster levels to drive sustainability initiatives across departments and branches

» Reducing the use of non-essential single-use plastics in operations by FY 2027

» Achieving 100% compliance with sustainable waste disposal at all locations

» Leading by example and driving responsible resource use in the small finance banking sector

Our waste management practices at ESAF Bank are a testament to our broader environmental responsibility. By embracing innovation, fostering capacity building, and engaging stakeholders, we are working towards creating a more sustainable and eco-friendly banking environment for the future.

As part of our broader commitment to sustainability, we have adopted a plastic-free protocol across our offices. We actively discourage the use of single-use plastics and promote eco-conscious alternatives. During Environment Week, the Bank runs awareness campaigns such as "Beat Plastic Pollution," encouraging employees to actively reduce plastic waste and embrace sustainable habits.

Our waste management practices directly support UN SDGs specifically:



Waste Management Details

Parameter	FY 2024-25	FY 2023-24
Total Waste Generated (in metric tonnes)	0	0
Plastic Waste (A)	0	0
E-waste (B)	0	0
Bio-medical Waste (C)	0	0
Construction and Demolition Waste (D)	0	0
Battery Waste (E)	0	0
Radioactive Waste (F)	0	0
Other Hazardous Waste (Please specify, if any) (G)	0	0
Other Non-hazardous Waste Generated (H). (Please specify, if any) (Break-up by composition i.e. by materials relevant to the sector)	64.09	34.4
Total (A+B + C + D + E + F + G + H)	64.09	34.4
Waste Intensity Per Rupee of Turnover [Total waste generated (in MT) / Revenue from operations (in rupees)]	0.0000000015	0.000000001
Waste Intensity Per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) Total waste generated (in MT) / Revenue from operations in rupees adjusted for PPP	0.0000000306	0.0000000004
Waste Intensity in Terms of Physical Output* Total waste generated (in MT) / <mention the physical output details>	0.0051190096	NA
Waste Intensity (optional) - the relevant metric may be selected by the entity	NA	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	FY 2024-25	FY 2023-24
» Incineration	0	0
» Landfilling	0	0
» Other disposal operations	64.09	34.4
Total	64.09	34.4

*As per the Industry Standards Forum, Full-Time Equivalent (FTE) has been considered as the input measure for physical output, for FY 2024-25.

APPROACH TO ENERGY MANAGEMENT

ESAF Bank's energy efficiency initiatives are aligned with the organisational goal, ensuring that every unit of energy consumed is purposeful and responsible. Central to this promise is the Bank's effort to reduce wasteful energy use.

A significant milestone of our journey is the adoption of renewable energy. The Head Office now partially operates on solar power, reflecting the Bank's proactive shift towards clean energy solutions. While non-renewable sources still meet majority energy requirements, we have strategically positioned

ourselves to scale renewable energy adoption through a clear roadmap aimed at a greener future.

We have implemented an active energy monitoring system across our branches, using electricity bills as critical indicators within the Green Audit Tracking framework. This systematic monitoring enables ESAF Bank to classify energy usage into Scope 1, Scope 2, and Scope 3 emissions, facilitating transparency and informed decision-making.



Energy conservation measures in branches and offices, including LED lighting and energy-efficient systems.

Our energy management practices directly support UN SDGs, specifically:



The Operations Department has undertaken a special initiative to contribute to energy conservation by switching off air conditioning, fans, and lights daily for 10 minutes. This initiative promotes energy awareness among team members and aligns with our sustainability goals, all without compromising productivity.

Parameter	FY 2023-24 (in Giga Joules)	FY 2023-24 (in Giga Joules)
From Renewable Sources		
Total Electricity Consumption (A)	324	0
Total Fuel Consumption (B)	0	0
Energy Consumption through Other Sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	324	0
From non-renewable sources		
Total Electricity Consumption (D)	45,333.36	1,84,680
Total Fuel Consumption (E)	634.83	252.41
Energy Consumption through Other Sources (F)	0	0
Total Energy Consumed from Non-Renewable Sources (D+E+F)	45,968.19	1,84,932.41
Total Energy Consumed (A+B+C+D+E+F)	46,292.19	1,84,932.41
Energy Intensity Per Rupee of Turnover [Total energy consumed (in GJ) / Revenue from operations (in rupees)]	0.0000010693	0.000007644
Energy Intensity Per Rupee of Turnover Adjusted for Purchasing Power Parity (PPP) [Total energy consumed (in GJ)/ Revenue from operations in rupees adjusted for PPP]	0.0000220912	0.000002110
Energy Intensity in Terms of Physical Output* [Total energy consumed (in GJ) / <mention the physical output details>]	3.6974592652	NA
Energy Intensity (optional) – the relevant metric may be selected by the entity	NA	30.992529233

*As per the Industry Standards Forum, Full-Time Equivalent (FTE) has been considered as the input measure for physical output, for FY 2024-25

Scope 1 and Scope 2 Emissions

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	46.81	15.88
Total Scope 2 Emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	9,016.30	36,730.80
Total Scope 1 and Scope 2 Emissions Per Rupee of Turnover	Total scope 1 and 2 GHG emissions/ Revenue from operations	0.0000002093	0.000001519
Total Scope 1 and Scope 2 Emission Intensity Per Rupee Of Turnover Adjusted for Purchasing Power Parity (PPP)	Total scope 1 and 2 GHG emissions/ Revenue from operations adjusted for PPP	0.0000043250	0.000000419
Total Scope 1 and Scope 2 Emission Intensity in Terms of Physical Output*	Total Scope 1 and Scope 2 GHG Emissions/FTE	0.7238905751	NA
Total Scope 1 and Scope 2 Emission Intensity (optional) –	Total Employees	NA	6.158292274

*As per the Industry Standards Forum, Full-Time Equivalent (FTE) has been considered as the input measure for physical output, for FY 2024-25

ESAF GRI MAPPING

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	About the Report
	2-2 Entities included in the organisation's sustainability reporting	About the Report
	2-3 Reporting period, frequency and contact point	About the Report
	2-4 Restatements of information	No information has been restated
	2-5 External assurance	NA
	2-6 Activities, value chain and other business relationships	Banking, Financial and Allied Services
	2-7 Employees	Our People, Our Purpose, Our Impact
	2-8 Workers who are not employees	Our People, Our Purpose, Our Impact
	2-9 Governance structure and composition	Strategic Oversight and Leadership
	2-10 Nomination and selection of the highest governance body	Strategic Oversight and Leadership
	2-11 Chair of the highest governance body	Strategic Oversight and Leadership
	2-12 Role of the highest governance body in overseeing the management of impacts	Strategic Oversight and Leadership
	2-13 Delegation of responsibility for managing impacts	Strategic Oversight and Leadership
	2-14 Role of the highest governance body in sustainability reporting	Strategic Oversight and Leadership
	2-15 Conflicts of interest	ESG Highlights, Strategic Oversight and Leadership
	2-16 Communication of critical concerns	Strategic Oversight and Leadership
	2-17 Collective knowledge of the highest governance body	Strategic Oversight and Leadership
	2-18 Evaluation of the performance of the highest governance body	Strategic Oversight and Leadership
	2-19 Remuneration policies	Strategic Oversight and Leadership
	2-20 Process to determine remuneration	Strategic Oversight and Leadership
	2-21 Annual total compensation ratio	Our People, Our Purpose, Our Impact
	2-22 Statement on sustainable development strategy	Letter from the Chairman, Letter from the MD/CEO
	2-23 Policy commitments	Strategic Oversight and Leadership
	2-24 Embedding policy commitments	Strategic Oversight and Leadership
	2-25 Processes to remediate negative impacts	Strategic Oversight and Leadership
	2-26 Mechanisms for seeking advice and raising concerns	Caring for Customers, Our People, Our Purpose, Our Impact
	2-27 Compliance with laws and regulations	Strategic Oversight and Leadership
	2-28 Membership associations	Industry Alliance
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	NA

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Priorities for a Sustainable Future
	3-2 List of material topics	Material Priorities for a Sustainable Future
	3-3 Management of material topics	Material Priorities for a Sustainable Future
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Building Relations Beyond Banking
	203-2 Significant indirect economic impacts	Building Relations Beyond Banking
GRI 205: Anti-Corruption	205-2 Communication and training about anti-corruption policies and procedures	Strategic Oversight and Leadership
	205-3 Confirmed incidents of corruption and actions taken	Sustainability at ESAF
GRI 302: Energy	302-1 Energy consumption within the organisation	Approach to Energy Management
	302-3 Energy intensity	Approach to Energy Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Approach to Water Management
	303-2 Management of water discharge-related impacts	Approach to Water Management
	303-3 Water withdrawal	Approach to Water Management
	303-4 Water discharge	Approach to Water Management
	303-5 Water consumption	Approach to Water Management
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Approach to Energy Management
	305-2 Energy indirect (Scope 2) GHG emissions	Approach to Energy Management
	305-4 GHG emissions intensity	Approach to Energy Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Approach to Waste Management
	306-3 Waste generated	Approach to Waste Management
	306-5 Waste directed to disposal	Approach to Waste Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Our People, Our Purpose, Our Impact
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People, Our Purpose, Our Impact
	401-3 Parental Leave	Our People, Our Purpose, Our Impact
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Strengthening Our People, Sustaining Our Purpose
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Committing to Human Rights
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programmes	Building Relations Beyond Banking
	413-2 Operations with significant actual and potential negative impacts on local communities	Building Relations Beyond Banking
GRI 415: Public Policy 2016	415-1 Political contributions	Strategic Oversight and Leadership



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