

ANNEXURE II

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their Environmental, Social, and Governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A

GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY		2025-26
1. Corporate Identity Number (CIN) of the Listed Entity	L65990KL2016PLC045669	
2. Name of the Listed Entity	ESAF Small Finance Bank Ltd.	
3. Year of incorporation	5 th May 2016	
4. Registered office address	Building No. VII/83/8, ESAF Bhavan, Thrissur- Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN- 680 651	
5. Corporate address	Building No. VII/83/8, ESAF Bhavan, Thrissur- Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN- 680 651	
6. E-mail	investor.relations@esafbank.com	
7. Telephone	0487-7123456	
8. Website	www.esaf.bank.in	
9. Financial year for which reporting is being done	1 st April 2025 to 31 st March 2026	
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited	
11. Paid-up Capital	51,56,62,613	
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri. Ranjith Raj P. Company Secretary, Telephone: 0487-7123456 E-mail ID: investor.relations@esafbank.com	
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone Basis	
14. Name of assurance provider	M/s SustainedEDGE Business Solutions Pvt. Ltd	
15. Type of assurance obtained	Type 2 Moderate / Limited Assurance	

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

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

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product/Service	NIC Code	% of total Turnover Contributed
Financial and Related Services	99711352	100%

III. OPERATIONS

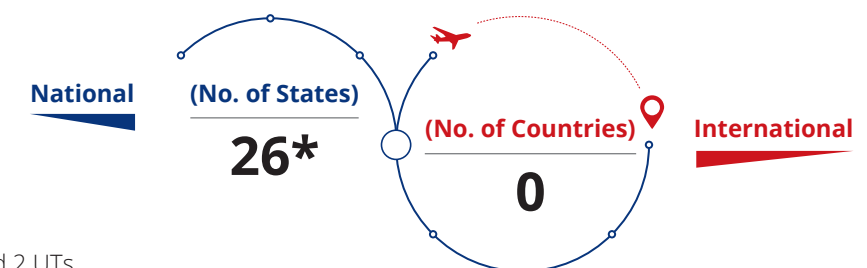
18. Number of locations where plants and/or operations/offices of the entity are situated:

National	0	839	International	0	0
	Number of plants	Number of offices		Number of plants	Number of offices
	839*			0	
Total			Total		

*The Bank concentrates in providing access to finance in rural geographies. The Bank has 804 retail branches, and 35 offices as on 31st March 2026.

19. Markets served by the entity:

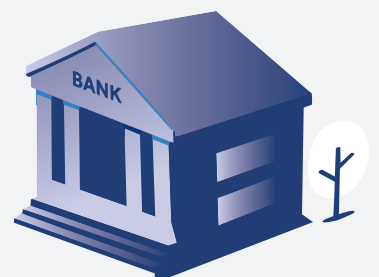
a. Number of locations



*24 states and 2 UTs

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%



c. A brief on types of customers

The Bank is committed to advancing financial inclusion by providing accessible, affordable, and responsible banking services to underserved and unbanked populations, particularly in rural and semi urban regions. The Bank serves a diverse customer base including small and marginal farmers, micro and nano entrepreneurs, self-help/ joint- liability groups, and individuals from vulnerable and marginalised communities such as women, children, migrant laborers, and senior citizens. Women constitute a dominant share of the customer base accounting for 78% of the total customers. Nearly 12% of the total customers are youth in the age group of 18 to 25 years. Through inclusive savings, credit, insurance, remittance, and digital banking solutions, the bank supports livelihood development, financial resilience, and economic participation. Reinforcing the Bank's commitment to long term and equitable value creation for all stakeholders including NRIs as well as HNIs, the bank has developed dedicated counters to serve them.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Employees

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	8797	5767	66	3030	34
2	Other than Permanent (E)	2197	1600	73	597	27
3	Total employees (D + E)	10994	7367	67	3627	33

Workers

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

b. Differently abled Employees and workers:

Differently abled employees

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	2	1	50	1	50
2	Other than Permanent (E)	1	1	100	0	0
3	Total differently abled employees (D + E)	3	2	67	1	33

Differently abled workers

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

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.5
Key Management Personnel	8	0	0

22. Turnover rate for permanent employees and workers

Particular	FY 2025-26			FY 2024-25			FY 2023-24		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.98%	25.89%	29.35%	21.62%	17.65%	22.89%	28.01%	21.14%	26.00%
Permanent Workers**	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

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

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
				NIL

VI. CSR DETAILS

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

YES

(ii). Turnover (in ₹)

₹ 43,48,23,07,824.57

(iii). Net worth (in ₹)

₹ 19,45,01,19,966.00



VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2025-26 Current Financial Year			2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes, https://www.esaf.bank.in/investor-relation/?id=investor-contacts	22	0	NA	18	0	NA
Shareholders	Yes, https://www.esaf.bank.in/investor-relation/?id=investor-contacts	0	0	NA	0	0	NA
Employees and workers	Yes, 1. Part of HR policy is circulated internally. 2. Grievance Redressal Cell (Grievance Redressal and Counselling for Employees (GRACE) platform) Available. The grievances shall be shared to the email ID grievancecell@esafbank.com or through venting box at https://bit.ly/ESAFventingbox	105**	1"	NA	4*	0	NA
Customers	Yes, https://www.esaf.bank.in/wp-content/uploads/2026/03/Master-Policy-on-Grievance-Redressal.pdf	10892	414	NA	7,682	182	NA
Value Chain Partners	No	0	0	NA	0	0	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

*No. of complaints received under POSH

**The count includes 101 general complaints and 4 POSH related complaints

"The pending 1 complaint pertains to general grievance

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.  Corporate Governance and Ethics		Robust governance frameworks enhance a Company's reputation, strengthen decision-making, improve risk management, and support long-term sustainability. They foster a culture rooted in integrity, transparency, and accountability.		
2.  Risk Management		The bank operates in a high-risk environment that involves managing significant amounts of data and funds. To maintain compliance, minimise the risk of fraud, and ensure long-term business sustainability, it is crucial for the bank to consistently enhance and reinforce its risk management and control systems.	ESAF Small Finance Bank adopts a comprehensive risk mitigation strategy. Through regular internal reviews, reinforced governance standards, adoption of advanced technologies, promotion of ethical conduct among employees, and continuous staff training, the Bank emphasises proactive risk reduction, operational security, and stakeholder confidence. Additionally, the Bank holds an ISO/IEC 27001:2022 certification, underscoring its strong commitment to maintaining high-level data security across its IT systems and associated operations.	

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.  Responsible Lending		Failing to assess ESG criteria before approving loans presents a considerable risk for the Bank. This oversight can result in borrower defaults, financial losses, heightened regulatory attention, and potential harm to the Bank's reputation.	The Bank's responsible financing approach includes comprehensive evaluation of borrowers and their collateral, strict compliance with regulatory requirements, robust internal governance, application of risk assessment frameworks, promotion of financial literacy, and a commitment to transparency and accountability in all financial dealings.	⊖
4.  Financial Inclusion		Financial inclusion drives business growth while creating positive social impact within communities. By educating and offering services to unserved and underserved segments such as women entrepreneurs, rural and semi-urban youth, MSMEs, and micro-enterprises, the Bank significantly contributes to advancing financial inclusion. This strategy not only expands the Bank's market presence but also reflects its dedication to fostering inclusive economic development.		⊕

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.  Community Engagement & Empowerment		The Bank maintains a strong Corporate Social Responsibility (CSR) framework, with key initiatives in education, environmental stewardship, livelihood enhancement, and poverty reduction. These programmes are designed to support vulnerable groups such as children, the elderly, migrant workers, and farmers. With a strong presence in rural and semi-urban regions, the Bank contributes to local job creation, which in turn strengthens its reputation and brand image, attracting both customers and young professionals who value social responsibility. Community development remains a core focus, reflected through initiatives like FIG Loans, Micro ATMs, the Village-Level Entrepreneurship Development Programme, and Balajyothi Clubs aimed at the holistic development of children. Furthermore, the Bank delivers tailored financial literacy programmes to its customers, as well as to children and youth at various levels.		⊕
6.  Human Rights		Promoting human rights by ensuring equal opportunities, preventing discrimination, and eliminating child and forced labour is both a moral obligation and a legal requirement. Adhering to labour laws is crucial, as non-compliance can lead to significant financial penalties and legal consequences, including imprisonment. Prioritising employee well-being is an essential element of upholding human rights, helping to cultivate a workplace rooted in dignity, respect, and support for all individuals.	ESAF Small Finance Bank places a strong emphasis on upholding human rights by promoting equal opportunities, eliminating discrimination, and strictly prohibiting child and forced labour. These values are embedded into the Bank's operations through well-defined policies, ongoing staff training, and rigorous compliance monitoring. By cultivating a culture of respect and responsibility, the Bank seeks to protect the rights of all stakeholders while minimising potential legal and financial risks.	⊖

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.  Climate Change and GHG Emission		Adopting sustainable practices and lowering emissions can strengthen the Bank's reputation, appeal to environmentally conscious customers, and contribute positively to environmental well-being.		⊕
8.  Public Policy Advocacy		As a key player in the BFSI sector, it is crucial for the Bank to participate in public advocacy. This engagement not only boosts its reputation but also helps align its business strategies with the wider societal needs and concerns. The Bank is affiliated with prominent trade and industry organisations, including the Indian Banks Association and the Global Alliance for Banking on Values.		⊕

SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

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

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESSES										
1. a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	https://www.esaf.bank.in/policies/ https://www.esaf.bank.in/wp-content/uploads/2026/01/ESAF-Bank-Sustainable-Banking-Environment-Social-Governance-Policy-1.pdf								
2	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	The Bank has incorporated the relevant policies into its procedures and practices across all areas of operation. It also ensures compliance with the guidelines set by the Reserve Bank of India (RBI)								
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes, the Bank's Code of Conduct reflects the principles mentioned above, and it expects all its stakeholders to follow these guidelines in all their interactions.								
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. ISO 9001:2015 2. ISO/IEC 27001:2022						ISO 26000:2010 1. ISO 9001:2015 2. ISO /IEC 27001:2022		
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank has adopted a four-year ESG Roadmap for 2023-2027 as follows: 1. Impacting 10 million (One crore) Direct Customers as per the Sustainable Development Goals 2. Fostering Local Sustainable Economic Growth through 1 Million Joint Liability Groups (JLGs) 3. Fostering Food Security through financial services to 5 million Farmers 4. Fostering Energy Security through 2,00,000 Renewable Energy Installations (1GW) 5. Energy Conservation & Greater Reliance to Renewable Energy in Operations in line with Government of India's Net Zero Plan								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Bank has taken the above-mentioned ambitious targets. The progress on the targets is tracked periodically.								



GOVERNANCE, LEADERSHIP AND OVERSIGHT

7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) At ESAF Small Finance Bank, Environmental, Social and Governance (ESG) considerations are systematically integrated into the Bank's strategy, governance mechanisms, and operational processes to support sustainable and inclusive growth. The Board provides oversight through a structured, multi-tier governance framework comprising the CSR and Sustainability Committee of the Board, the ESG Management Committee, and the Sustainability Council, with implementation supported by department and cluster level Sustainability Champions. Corporate Social Responsibility continues to form an integral part of the Bank's social and development mandate, aligned with national priorities and the Sustainable Development Goals. Through Board approved CSR interventions in education, healthcare, livelihood promotion, financial inclusion, and environmental sustainability, the Bank has pursued measurable and outcome oriented social impact. These initiatives are supported by defined governance processes, implementation partnerships, and ongoing stakeholder engagement. The Bank's ESG performance during the year was further reinforced through enhanced sustainability disclosures, external ESG ratings recognition, capacity building initiatives, and continued focus on diversity, equity, and inclusion, reflecting the Bank's commitment to responsible business conduct and long-term value creation.	
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Corporate Social Responsibility and Sustainability Committee of the Board (CSRSCB)	
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA). If Yes please provide details Corporate Social Responsibility and Sustainability Committee of the Board (CSRSCB)	Yes

10 Details of Review of NGRBCs by the Company

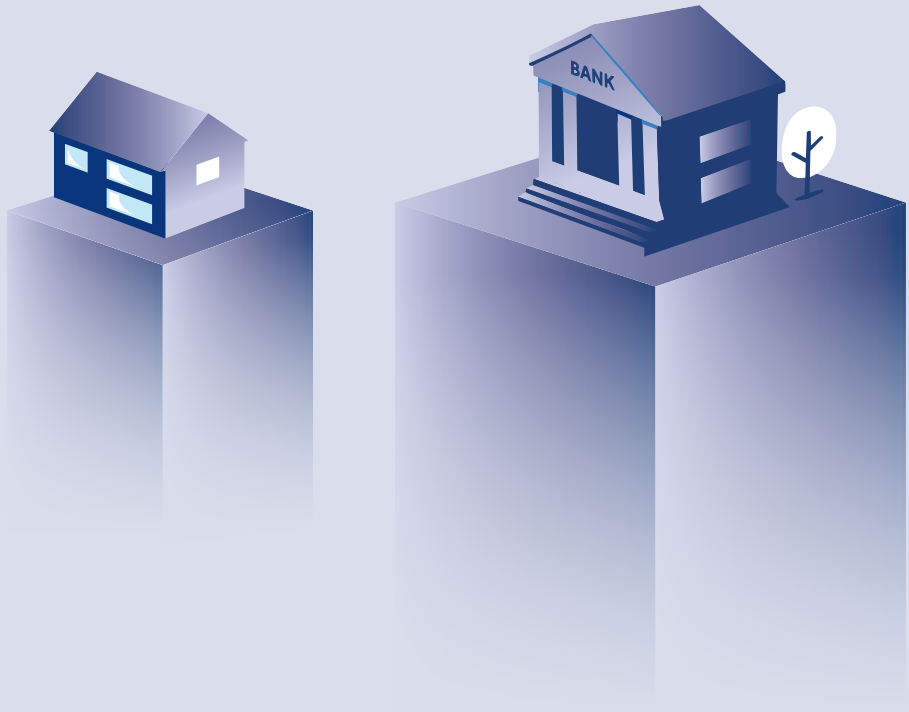
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually / Half yearly / Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow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

*The policy review frequency is rationalized based on criticality and relevance, with clearly defined annual, biennial, and triennial review cycles.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11	No	No	No	No	No	No	No	No	No
If yes, provide name of the agency.									

*The Board of Directors, through its committees, periodically reviews policies and processes to ensure compliance with regulatory guidelines.

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



SECTION C

PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	The topics include: - Customer Service in Banks- RBI expectations and Expectation from Customers - Credit Risk Management – Building Blocks & BCBS Principles for Credit Risk Management, 2025 - Induction Programme for Newly Appointed Directors. - ESG and Climate Risk – Orientation Programme	100
Key Managerial Personnel	34	The topics include: - ESG and Climate Risk – Orientation Programme - ESAF Banking on Values - Cyber Security - Corporate Governance & Sustainability - Customer Service in Banks – Role of Branches, Expectations from Customers & Way forward	100

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Employees other than BOD and KMPs	723	Trainings were conducted on various topics and a few are mentioned below: - Prevention of Sexual Harassment at Workplace - Business on Values - Customer Service Excellence and Customer Grievance Redressal - Cyber Security - Risk Management and Resilience - ESAF Banking on Values - EmpowerHer- Women Leadership Development - Strengthening Internal Grievance Redressal Systems - Fire and Safety - Corporate Governance & Sustainability - ESG and Climate Risk - KYC, AML, Whistle-blower policy and CFT - Compliance, Risk and Internal Audit - Products and Process - Leadership Development and Excellence	95.5
Workers	NA*	NA*	NA*

*The Bank does not have any staff in the “Workers” category



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

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	Office of the Superintendent, GST, Rampurhat, Birbhum Division, West Bengal	₹ 1,580/-	An Audit was conducted in the state of West Bengal for 2019-20 to 2021-22. Department treated the ITC availed by bank as non claimable. Though the Bank filed reply to Show Cause Notice, the department issued Order demanding payment of ₹ 1,580/- as ITC Reversal and ₹ 1,580/- as penalty.	No
Penalty/Fine	P1	Office of the Superintendent, GST, Rampurhat, Birbhum Division, West Bengal	₹ 87,484/-	An Audit was conducted in the state of West Bengal for 2019-20 to 2021-22. The Department treated Exempted income as Taxable income. Bank filed reply to Show Cause Notice, but the department issued Order demanding payment of Liability of ₹ 10,366/-, Interest of ₹ 68,812/- and Penalty of ₹ 87,484/-.	No
Settlement	NIL				
Compounding fee	NIL				

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

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

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

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

Yes

If Yes, provide details in brief

The Bank's commitment to anti-corruption and anti-bribery is embedded in its Code of Conduct for Employees and the Insider Trading Monitoring Policy. In addition, a comprehensive KYC/AML/CFT Policy, overseen by the Transaction Monitoring Division under the Risk Management Department, ensures strict adherence to regulatory standards and ethical practices.

Web link to the anti-corruption and anti-bribery policy is provided below.

<https://www.esaf.bank.in/wp-content/uploads/2025/12/ABAC-Policy.pdf>

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

	2025-26	2024-25		2025-26	2024-25
 Directors	0	0	 Employees	0	0
 KMPs	0	0	 Workers	NA	0

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

Case Details	2025-26		2024-25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

NA

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

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

Particular	2025-26	2024-25
Number of days of accounts payables	29	27

9. Open-ness of business

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

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0

Parameter	Metrics	2025-26	2024-25
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments	0	0

Leadership Indicators

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

Total number of awareness programmes held	Topics/principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	- Cyber Security Awareness for BC - Strategic Leadership in Microfinance for BCs - Collaboration & Team Building - Mission MITRAVAT- Capacity Building Program for Bank Mitras - Code of Conduct	100%

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

Yes

If Yes, provide details of the same.

The Bank has established robust processes to identify, avoid, and manage conflicts of interest involving members of its Board. The key elements of this framework are as follows:

- Mandatory Disclosures by Directors

Every Director is required to disclose their interests or concerns in other entities in accordance with Section 184 of the Companies Act, 2013, including details of related parties as defined under Section 2(76) and other applicable laws. Such disclosures are made at the first Board meeting after appointment. Thereafter, disclosures are provided at the first Board meeting of every financial year.

Directors must promptly update disclosures whenever there is a change, in the immediate held meeting of the Board.

- Recusal from Decision-Making

Directors who are directly or indirectly interested in any transaction or arrangement of the Bank abstain from participating in discussions and decision-making on such matters. They neither remain present nor vote on the concerned resolutions.

- Policy on Related Party Transactions (RPTs)

The Bank has adopted a comprehensive Policy on Dealing with Related Party Transactions, aligned with the Companies Act, 2013 and applicable regulatory requirements.

The policy ensures proper identification, approval, and reporting of RPTs.

All such transactions must be in the best interest of the Bank and its stakeholders.

- Approval and Oversight Mechanism

All Related Party Transactions require prior approval of the Audit Committee of the Board. The Audit Committee of the Board may grant omnibus approvals for recurring transactions. Material transactions or those exceeding prescribed thresholds are placed before shareholders for approval.

- Independent Review and Participation Controls

At the Audit Committee level, only Independent Directors review and approve RPTs. At the Board level, only non-interested Directors participate in deliberations and voting. While seeking shareholder approval, related parties are excluded from voting.

- Restrictions under Banking Regulations

In compliance with Section 20 of the Banking Regulation Act, 1949, the Bank does not grant loans or advances to:

- Its Directors or entities in which they have an interest,
- Firms or companies where Directors hold significant positions or interests,
- Individuals for whom Directors act as partners or guarantors.

These processes collectively ensure transparency, regulatory compliance, and effective management of conflicts of interest at the Board level.

Principle 2

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

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

Essential Indicators

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

Particular	2025-26	2024-25	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

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

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

Yes

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

Not Applicable*

*Given the nature of the business of the Bank, the consumption of input material is limited. ESAF Small Finance Bank has integrated sustainable procurement practices across its operations as part of its overarching commitment to Sustainable Banking and ESG Policy. The Bank promotes environmental stewardship by encouraging the use of recycled and eco-friendly materials, reducing paper consumption, and adopting environmentally responsible alternatives to minimise its environmental footprint. These initiatives are guided by the Bank's triple bottom line approach: People, Planet and Prosperity-ensuring that operational and procurement practices remain aligned with its long-term sustainability objectives.

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

(a) Plastics (including packaging)	Nil, Given the nature of our business and operational processes, the Bank do not manufacture or place physical products in the market and hence do not generate any significant quantity of waste.
(b) E-waste	
(c) Hazardous waste	
	The Bank follows responsible asset management practices, including buyback mechanisms for batteries and IT assets, and disposes of other assets only through authorized vendors and distributors. Any e-waste or plastic waste generated is handled in compliance with applicable environmental standards through partnerships with authorised recyclers, ensuring responsible and sustainable waste management.
(d) Other waste	

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

No

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

Not Applicable

If not, provide steps taken to address the same

Not Applicable

Extended Producer Responsibility (EPR) is not applicable, as the Bank operates exclusively in the banking and financial services sector. Its activities are limited to providing financial products and services and do not involve the manufacture, production, or distribution of goods that fall within the ambit of EPR regulations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products(for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
----------	--------------------------	---------------------------------	---	---	--

Not Applicable. As a financial institution, the Bank does not conduct Life Cycle Assessments (LCA) for financial products.

However, the Bank systematically integrates Environmental, Social, and Governance (ESG) considerations into its credit appraisal and lending processes, enabling the identification, assessment, and mitigation of environmental and social risks associated with financed activities across their lifecycle.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	Given the nature of its operations, ESAF Small Finance Bank does not engage in manufacturing activities that directly result in environmental or social impacts.	
	However, the Bank is committed to responsible financing practices. Environmental and social risks are systematically assessed as part of its credit appraisal and lending processes through due diligence, including evaluation of regulatory compliance and applicable clearances. This enables the Bank to identify and mitigate potential environmental and social risks associated with financed activities, in line with its sustainability objectives and responsible business conduct approach.	
	The Bank's approach is further guided by its internal policies, including the exclusion list and the comprehensive Credit Policy, which define prohibited sectors/activities and establish safeguards to avoid financing activities with significant environmental or social risks.	
	Through these mechanisms, the Bank identifies, manages, and mitigates potential environmental and social risks across its lending portfolio, in alignment with its sustainability commitments and responsible business conduct practices.	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2025-2026	2024-2025
Not Applicable. As a financial institution, ESAF Small Finance Bank does not utilise primary input materials in its operations. Accordingly, the use of recycled or reused input materials is not applicable and considered negligible.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2025-2026			2024-2025		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging)	Not Applicable, as the bank does not manufacture any products, hence, there is no product or packaging material to be reclaimed.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable, as the bank does not manufacture any products, hence, there is no product or packaging material to be reclaimed.	



Principle 3

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
 Permanent employees											
Male	5767	5767	100	5767	100	NA	NA	5767	100	369	6
Female	3030	3030	100	3030	100	3030	100	NA	NA	221	7
Total	8797	8797	100	8797	100	3030	34.44	5767	65.56	590	6.7
 Other than permanent employees											
Male	1600	1600	100	1600	100	NA	NA	1600	100	26	1.6
Female	597	597	100	597	100	597	100	NA	NA	29	4.9
Total	2197	2197	100	2197	100	597	27.17	1600	72.83	55	2.5

Note: The Bank provides maternity and paternity benefits to all female and male employees, respectively.

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
 Permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
 Other than permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

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

	2025-26	2024-25
Cost incurred on well- being measures as a % of total revenue of the company	0.49	0.44

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

Benefits	2025-26			2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers*	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Yes	100	0	Yes
Gratuity	100	NA	Yes	100	0	Yes
ESI	NA	NA	NA	0	0	NA
Others – please specify	NA	NA	NA	0	0	NA

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

3. Accessibility of workplaces

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

Yes

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

Not Applicable

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

Yes

If so, provide a web-link to the policy.

As part of its HR Policy, the Bank upholds a strong commitment to diversity and inclusion. It is an Equal Opportunity Employer, fostering a culture that values differences in age, gender, ethnicity, region, appearance, thinking styles, and religion—ensuring everyone can grow in alignment with the Bank's values and goals.

<https://www.esaf.bank.in/career/life-as-an-esafian/>



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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	NA*	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

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

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

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA	
Other than Permanent Workers	NA	
Permanent Employees	Yes	Yes, through grievancecell@esafbank.com
Other than Permanent Employees	Yes	Yes, through grievancecell@esafbank.com

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

The Bank has instituted an Employee Grievance Redressal Cell (GRACE) to provide an informal yet structured platform for employees across all cadres to raise and resolve personal issues, concerns, or complaints (Available for both permanent and other than permanent employees). The mechanism ensures fair, unbiased, and confidential handling of grievances.

The Key features of GRACE:

- Empathetic listening and counselling support
- Open to employees irrespective of cadre and role
- Prompt and effective redressal of grievances
- Assurance of strict confidentiality
- Focus on employee well-being, transparency, and a positive work environment

Channels to Raise Grievances:

Direct contact with designated Grievance Cell members

Email: grievancecell@esafbank.com

HRMS → Workforce Administration → Helpdesk → Initiate Query → Sl. No. 15: Grievance

Venting Box: <https://bit.ly/ESAFventingbox>

The Grievance Cell is handled by a designated senior HR official and supported by a panel of trained members to ensure accessibility and trust.

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

Category	2025-26			2024-25		
	Total employees /workers in respective category (A)	No. of employees /workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees /workers in respective category (C.)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	8,797	0	0%	8,336	0	0%
Male	5,767	0	0%	5,448	0	0%
Female	3,030	0	0%	2,888	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%

*ESAF staff welfare trust was established on January 15, 2008 with the sole purpose of undertaking welfare measures for trust members and their families.

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

8. Details of training given to employees and workers:

Category	2025-26					2024-25				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (C / D)

Employees

Male	7,367	2273	30.85	7035	95.49	5,448	2,584	47	4,750	87.2
Female	3,627	983	27.10	3471	95.70	2,888	1,108	38	2,385	82.6
Total	10,994	3256	29.62	10506	95.56	8,336	3,692	44	7,135	85

Workers*

Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note - Disclosure is provided for both permanent employees and workers.

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

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

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)

Employees

Male	7,367	6150	83.48	5,448	5,448	100
Female	3,627	3193	88.03	2,888	2,888	100
Total	10994	9343	84.98	8,336	8,336	100

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
 Workers*						
Male	NA*	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

Note - Disclosure is provided for both permanent employees and workers.

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

10. Health and safety management system

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

Yes

If Yes, the Coverage of such systems?

The scope includes identifying hazards, setting safety protocols for employees and customers, providing safety training, conducting inspections, and ensuring regulatory compliance. The focus is on building a culture of safety and accountability for everyone.

Employees are periodically sensitised to fire safety procedures and basic first-aid techniques, supported by mock evacuation drills simulating emergency scenarios. In addition, the Bank hosts annual health check-ups and medical camps, reinforcing its broader commitment to employee health, safety, and well-being.

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

The Bank adopts a structured approach to identify and assess work-related hazards on both routine and non-routine bases. The key mechanisms include:

1. Office Space Inspections

Regular inspections are conducted across office premises to proactively identify and mitigate potential safety and operational hazards.

2. Employee Reporting System

Employees are encouraged to promptly report any observed hazards or unsafe conditions through their supervisors or designated reporting channels, fostering a culture of safety and shared responsibility.

3. Periodic Risk Assessments

The Company conducts regular risk assessments, with findings disseminated through internal circulars. For instance, advisories related to seasonal risks, such as heat wave warnings based on Indian Meteorological Department forecasts are issued to safeguard both personnel and property.

4. Fire, Electrical Safety and Health Preparedness Measures

Comprehensive inspections and diligent maintenance of fire safety and emergency response infrastructure are undertaken, including regular checks of fire extinguishers, clear and accessible fire exits, and fully stocked first-aid kits. Routine inspections ensure adherence to electrical and fire safety standards, with any identified non-conformities addressed promptly.

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

Yes



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

Yes

The Bank undertakes regular health awareness initiatives on critical issues such as heart disease, diabetes, cancer, and other lifestyle related conditions, and provides comprehensive health insurance coverage for all employees and their dependents, ensuring access to quality medical care and financial protection. In addition, mental well being is supported through various initiatives that offers counselling and psychological support, reinforcing a holistic approach to employee health and well being.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

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

- Office space inspections - Inspections of workplace are conducted to identify potential hazards of any kind.
- Reporting Systems - Employees are encouraged to report hazards they encounter while they are at work through their supervisors.
- Risk Assessments - We do periodic assessments and issue circulars regarding the safety of People & Property for example - Circular regarding Heat Wave is issued in summer based on the predictions of Indian Meteorological Department.
- Fire and Safety mock drills are conducted on regular basis to inform and educate the employees with respect to evacuation during fire outbreak.
- Regular health check-ups for employees are conducted with advisories from medical professionals.

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

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

NIL



Leadership Indicators

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

Employees (Y/N)	Yes	Workers (Y/N)	NA
Life Insurance			

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bank follows a standard mechanism for statutory deductions, such as Tax Deducted at Source (TDS), applicable to all value chain partners. Awareness regarding these deductions is ensured through regular meetings and clearly defined terms and conditions.

3. Provide the number of employees/workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particular	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2025-26	2024-25	2025-26	2024-25
Employees	0	0	0	0
Workers	0	0	0	0

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

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/ NA)

Yes

Post retirement employees are offered a choice to work on contractual basis based on the mutual agreeable terms and scope of work though the HR Policy does not mandate such a post retirement progression.

5. Details on assessment of value chain partners:

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

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

Not Applicable

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

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders.

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

Essential Indicators

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

The identification of stakeholders is guided by the nature of their relationship with the Bank and is outlined in the respective policies and Standard Operating Procedures (SOPs) of the relevant departments. Each department follows structured criteria to determine, assess, and engage with its specific stakeholder groups.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct communication through email, live address by top management, SMS, Whatsapp groups etc.	Daily and need-based	Bank follows an open-door policy
Shareholders/ Investors	No	The Bank maintains transparent and consistent communication with its investors and shareholders through multiple channels including emails, SMS alerts, newspaper advertisements, its official website, quarterly conference calls, face-to-face meetings, annual general meetings, investor grievance redressal mechanisms, and dedicated investor meets.	Quarterly and need-based	To keep the shareholders and investors updated of developments in the Bank and give necessary directives.
Customers	No	E-mail, SMS, Website, Advertisements, Newspaper, Tele-calling, Notice Board, Town hall meetings, customer interaction meetings	As and when required	Monetary and non-monetary transactions pertaining to customers' accounts and product information
Channel Partners and Key Partners	No	Multiple channels-physical and digital	Frequent and need-based	Help to increase reach and enhance business

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors	No	Email, Meetings, Letters, Tele-calling	Need-based	Goods and service procurement, Vendor development programs are organised periodically.
Regulators	No	Disclosures through website, E-mail, one-on-one meetings, conference calls, video conference,	Need-based	Discussions with regard to various regulations and amendments, inspections, approvals
Communities and NGO's	No	Directly or through the CSR Implementing Agencies	Frequent and need-based	Support socially high impact projects.

Leadership Indicators

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

The Bank maintains regular and transparent communication with its key stakeholders through a variety of structured channels:

- **Investors and Shareholders:** Engagement occurs through investor meets, grievance redressal channels, roundtable discussions, quarterly earnings calls, face-to-face meetings, and Annual General Meetings (AGMs). These interactions are designed to disseminate relevant information and to better understand investor perspectives on the Bank's performance and strategic direction.
- **Customers:** The Bank maintains continuous engagement with customers via digital platforms including customer care services, satisfaction surveys, and social media. It strives to identify customer needs and innovate products and services accordingly. The Bank also publishes a booklet titled "Joyful Stories of Transformation", which features real-life case studies collected by employees during their interactions with customers. Feedback received from these engagements is reviewed by the Customer Service Committee of the Board, and necessary actions are undertaken.

- **Employees:** Communication with employees is facilitated through town hall meetings, performance appraisals, internal newsletters, and other engagement platforms. These interactions aim to address employee concerns, inform/announce opportunities for Employee Volunteerism etc which foster alignment with strategic goals, and cultivate a collaborative work culture.
- **Suppliers/Value Chain Partners:** The Bank engages with suppliers through regular meetings and continuous interactions. It is committed to responsible procurement practices and actively invests in strengthening supplier relationships.
- **Regulators:** Engagements with regulators include direct meetings, formal communications via email, and periodic submission of performance reports. The Bank strives to uphold its responsibilities as a compliant and ethical corporate citizen, actively contributing to public policy formulation and implementation where relevant.

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

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Bank conducts regular stakeholder engagements, particularly with employees and customers, to address a range of environmental and social concerns. These interactions are facilitated through a various initiatives and observance of Social Weeks that connects employees to reach out to customers. The Employee Engagement division of the HR Department also connects with staff through the ESAF SARG platform. Additionally, the Bank engages with the wider community through its structured CSR projects where employees are given an opportunity to extend their service (Shramjyothi) for community development programs.

Insights and feedback from these engagements are consolidated and channelled as policy recommendations through the Bank's governance committees, primarily the Customer Service Committee of the Board, the HR Committee of the Board, and the CSR & Sustainability Committee of the Board.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Bank is deeply committed to the upliftment of communities within its operational areas and maintains regular engagement through its Corporate Social Responsibility (CSR) initiatives. During the year, the Bank actively contributed to several community interventions, particularly in the form of emergency and disaster response efforts. Additionally, it extended support toward strengthening rural school and healthcare infrastructure in the states of Kerala, Jharkhand, and Assam.

Through a dedicated CSR project- Direct Community Intervention (DCI) need based support for strengthening community-based institutions bank has taken deliberate efforts towards the same. For more details, please visit:

<https://www.esaf.bank.in/wp-content/uploads/2025/03/Pragati-Report-2023-24-1.pdf>
https://www.esaf.bank.in/wp-content/uploads/2025/12/ESAF_CSR_IA_7mb.pdf

Principle 5 Businesses should respect and promote human rights.

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

Essential Indicators

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

Benefits	2025-26			2024-25		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
 Employees						
Permanent	8797	8797	100	8,336	8,336	100
Other than permanent	2197	2197	100	4,184	4,184	100
Total Employees	10994	10994	100	12,520	12,520	100
 Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers

Category	2025-26					2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
 Employees										
Permanent										
Male	5767	0	0	5767	100	5,448	0	0%	5,448	100%
Female	3030	0	0	3030	100	2,888	0	0%	2,888	100%
Total	8797	0	0	8797	100	8,336	0	0%	8,336	100%
Other than Permanent										
Male	1600	0	0	1600	100	2,818	0	0%	2,818	100%
Female	597	0	0	597	100	1,366	0	0%	1,366	100%
Total	2197	0	0	2197	100	4,184	0	0%	4,184	100%
 Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)*	7	93,15,882	1	0
Key Managerial Personnel	8	60,36,180	0	0
Employees other than BOD and KMP	7359	4,20,000	3627	3,55,020
Workers	0	0	0	0

Note:

- The remuneration of the Board of Directors (BOD) includes the remuneration paid to Executive Directors but excludes commission and/or sitting fees paid to Directors. Except Part Time Chairman, all other Non-Executive and Independent Directors are excluded, as they do not receive any remuneration.
- Key Managerial Personnel (KMP) includes Executive Directors.

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

		2025-26	2024-25
Gross wages paid to females as % of total wages	♀	27	28

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

Yes*

*Yes, the Bank has a grievance redressal forum which is led by a senior official. This official is responsible for safeguarding Human Rights in the organisation.



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

The Bank has established an Employee Grievance Redressal Cell (GRACE – Grievance Redressal And Counselling for Employees), which serves as a structured platform enabling employees across all cadres to raise concerns pertaining to workplace conduct, ethical issues, and personal well-being. Employees can register grievances through multiple channels including a dedicated grievance email ID (grievancecell@esafbank.com), direct interaction with designated grievance cell members, and an anonymous Venting Box, thereby ensuring ease of access and confidentiality.

The Bank also follows a strong Open-Door Policy, allowing employees to directly approach Department Heads or senior executives, as appropriate, for discussion and resolution of concerns. In addition, the Bank proactively captures employee feedback and identifies potential human rights-related issues through regular Employee Engagement Surveys, Mood Surveys, and Stay Interviews, which help assess workplace sentiment and enable timely corrective actions. Collectively, these mechanisms underscore ESAF Bank's commitment to upholding human rights, promoting open communication, and fostering a safe, respectful, and inclusive workplace.

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

Particulars	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4	0	NA	4	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour / Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

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

Particulars	2025-26	2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	4	4
Complaints on POSH as a % of female employees/workers	0.11%	0.09%
Complaints on POSH upheld	0	0

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

At ESAF Bank, we comply to Statutory & Regulatory norms that are applicable to prevent adverse consequences of any nature. Confidentiality is maintained. The safety and security of every individual is of utmost importance making an enabling work place climate where the complainant can lodge a grievance without fear or favor.

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

Yes

The human rights requirements are added to agreements and contracts.

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

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

NIL

Leadership Indicators

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

We have modified the Human Resources Policy as well as Sustainable Banking and ESG Policy with Human Rights aspects like - Diversity Equity Inclusion (DEI).

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

The Bank conduct due diligence of the Credit portfolio to avoid financing activities that violates Human Rights or Labour Standards. The Master Credit Policy specifically mentions about the restrictions on business employing child labour and updates the Exclusion List from time to time.

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

Yes

4. Details on assessment of value chain partners:

Name of the Assessment	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	-

Note: All the suppliers and value chain partners have to agree to and accept the Bank's code of conduct and abide by it.

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

Not Applicable

Principle 6

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

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

Essential Indicators

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

Parameter	2025-26 (in Giga Joules)	2024-25 (in Giga Joules)
From renewable sources		
Total electricity consumption (A)	649.13	324
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	649.13	324
From non-renewable sources		
Total electricity consumption (D)	33606.66	45,333.36
Total fuel consumption (E)	1342.40	634.83
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	34949.06	45,968.19
Total energy consumed (A+B+C+D+E+F)	35598.19	46,292.19
Energy intensity per rupee of turnover [Total energy consumed (in GJ) / Revenue from operations (in rupees)]	0.000000819	0.0000010693
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]	0.000016652	0.0000220912
Energy intensity in terms of physical output	3.2380	3.6974592652
Total energy consumed (in GJ) / No of Employees		
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	Yes	
If yes, name of the external agency.	M/s SustainEDGE Business Solutions Pvt. Ltd	

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

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

Not Applicable

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable



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

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	1,16,347.85	1,27,247.21
(iv) Seawater / desalinated water	0	0
(v) Others – <Rainwater>	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,16,347.85	1,27,247.21
Total volume of water consumption (in kilolitres)	1,16,347.85	1,27,247.21
Water intensity per rupee of turnover [Total water consumption (in KL) / Revenue from operations (in rupees)]	0.000002676	0.0000029392
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]	0.000054425	0.0000607240
Water intensity in terms of physical output [Total water consumption (in KL) / Total number of employees]	10.5828	10.1635151757
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes

If yes, name of the external agency.

M/s SustainEDGE Business Solutions Pvt. Ltd

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

4. Provide the following details related to water discharged:

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	1,27,247.21
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	1,16,347.85	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	1,16,347.85	1,27,247.21

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

Yes

If yes, name of the external agency.

M/s SustainEDGE Business Solutions Pvt. Ltd

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2025-26	2024-25
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0

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

Yes

If yes, name of the external agency.

M/s SustainEDGE Business Solutions Pvt. Ltd

*The nature of our business activities is such that there are no air emissions.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25
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	97.75	46.81
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	6627.98	9,016.30
Total Scope 1 and Scope 2 emissions per rupee of turnover [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e) / Revenue from operations (in rupees)]	Total scope 1 and 2 GHG emissions/ Revenue from operations	0.000000155	0.0000002093
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e) / Revenue from operations in rupees adjusted for PPP]	Total scope 1 and 2 GHG emissions/ Revenue from operations adjusted for PPP	0.000003146	0.0000043250
Total Scope 1 and Scope 2 emission intensity in terms of physical output [Total Scope 1 and Scope 2 GHG emissions (in MTCO ₂ e) /Number of employees]	Total scope 1 and 2 GHG emissions/ Total No Employees	0.6118	0.7238905751
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

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

Yes

If yes, name of the external agency.

M/s SustainEDGE Business Solutions Pvt. Ltd

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

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/No)

Yes

If Yes, then provide details.

The Bank contributes to the reduction of greenhouse gas (GHG) emissions primarily through its role as a financier supporting India's transition to a low-carbon and clean energy economy. The Bank extends financing for renewable energy projects, electric vehicles (EVs), and other sustainable technologies that help reduce dependence on fossil fuels and lower carbon emissions. Additionally, the Bank undertakes internal initiatives focused on enhancing energy efficiency, such as optimized energy use and resource-efficient operations.

For the adoption of sustainable practices among the employees and customers, various Behaviour Change Communication campaigns like "Change Begins With Me", "Think Earth" etc are initiated. The employees are motivated towards the use of public transport, car-pooling, electric vehicle etc.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2025-26	2024-25
Total Waste generated (in metric tonnes)		
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).	249.5	64.09
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Food waste		
Total (A+B + C + D + E + F + G + H)	249.5	64.09
Waste intensity per rupee of turnover	0.00000000574	0.0000000015
[Total waste generated (in MT) / Revenue from operations (in rupees)]		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.00000011671	0.0000000306
Total waste generated (in MT) / Revenue from operations in rupees adjusted for PPP		
Waste intensity in terms of physical output	0.0227	0.0051190096
Total waste generated (in MT) / No of Employees		
Waste intensity (optional)	NA	NA
– the relevant metric may be selected by the entity		

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	2025-26	2024-25
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	2025-26	2024-25
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	249.5	64.09
Total	249.5	64.09

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

Yes

If yes, name of the external agency.

M/s SustainEDGE Business Solutions Pvt. Ltd

Note: The pantry waste has been considered for 2025-26.

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

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank's waste management practices are aligned with the nature of its service-oriented operations and are guided by principles of prudence, responsibility, and environmental stewardship. As the Bank does not manufacture products or engage in chemical intensive processes, the use of hazardous or toxic substances is inherently minimal.

Within its administrative operations, the Bank actively promotes reduced paper usage through digitalization, adopts buyback mechanisms for IT assets and batteries, and ensures that all obsolete assets and waste are disposed of responsibly through authorized vendors and certified recyclers. These measures collectively ensure environmentally sound waste handling while minimizing environmental and health impacts.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
			NA	

*The Bank has no operations/offices in/around ecologically sensitive areas

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
				NA	

*The Bank has not conducted EIA during the reporting period. i.e FY 25-26

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		NA	

Leadership Indicators

1. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25
Total Scope 3 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	10,187.58*	-
Total Scope 3 emissions per rupee of turnover [Total Scope 3 emissions (in MTCO ₂ e)/Revenue from operations (in rupees)]	Metric tonnes of CO ₂ equivalent/Rupee	0.0000002343	-
Total Scope 3 emission intensity (optional) – No of Employees	Metric tonnes of CO ₂ equivalent/employee	0.93088	-

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

No

If yes, name of the external agency.

Not Applicable

* Emissions related to Air travel & Employee Commute

2. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

3. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
Digitalisation of Banking & Internal Processes (ESAF Office Suite)	Adoption of digital workflows, core banking systems, e statements, and paper less approvals to reduce dependency on physical paperwork.	Significant reduction in paper consumption, improved operational efficiency, and lower indirect emissions.	
Energy Efficiency Measures in Offices	Use of energy efficient lighting, optimized air conditioning systems, and power management practices across offices.	Reduced electricity consumption and associated Scope 2 emissions	
Awareness Programs on Resource Conservation	Employee sensitization on energy conservation, paper reduction, and responsible resource use through internal Behaviour Change Communication campaigns like “Change Begins With Me”, “Think Earth”	Improved employee engagement and sustained behavioural change.	
E-Signature Project	https://www.esaf.bank.in/wp-content/uploads/2025/08/Introduction-of-E-SIGN.pdf	Significant reduction in paper usage, faster turnaround time for approvals and transactions, improved operational efficiency, and lower environmental impact due to reduced printing, storage, and logistics.	

4. Does the entity have a business continuity and disaster management plan? (Yes/No)

Yes

Give details in 100 words/ web link.

The Bank does have the Business Continuity Plan.

<https://www.esaf.bank.in/pdf/Disclosure%20on%20Business%20Continuity%20Management.pdf>

5. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

6. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

26

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1. Global Alliance for Banking on Values (GABV)	Global
2. Indo Gulf and Middle East Chamber of Commerce (INMECC) - (Life Time Membership)	Global
3. All India Management Association (AIMA)	National
4. Confederation of Indian Industry (CII)	National
5. Indian Banks Association (IBA)	National
6. Sa-Dhan	National
7. Micro Finance Institutions Network (MFIN)	National

Name of the trade and industry chambers/ associations

Reach of trade and industry chambers/ associations (State/ National/ International)

8. Association of Small Finance Bank of India (SFB - Association)
9. Foreign Exchange Dealers Association of India (FEDAI)
10. Fixed Income Money Market and Derivatives Association of India (FIMMDA)

National
National
National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NIL	

*There were no cases of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities. (Financial Year 2025-26)

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half Yearly/ Quarterly/ Others- Please specify)	Web Link, if available
1	Banking on Values	Board Member	Yes	Others	https://www.gabv.org/news/the-global-alliance-for-banking-on-values-gabv-welcomes-dr-k-paul-thomas-ceo-of-esaf-small-finance-bank-as-a-board-member/

Principle 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
				NA*	

*During the financial year 2025-26, there was no Social Impact assessment carried out for ongoing CSR projects

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
						NA*

*No such projects were undertaken by the Company.

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	2025-26	2024-25
Directly sourced from MSMEs/ small producers	3.95%	0%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	2025-26	2024-25
Rural	6%	5%
Semi-urban	43%	45%
Urban	37%	37%
Metropolitan	14%	13%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)



Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In ₹)
1. Jharkhand	Dumka	1,44,60,939
2. Assam	Udalguri	8,56,100
3. Kerala	Wayanad	4,75,654
4. Tamil Nadu	Ramanathapuram	82,379

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No/NA)

Yes

b) From which marginalized /vulnerable groups do you procure?

Preference is given to sourcing from local and vulnerable groups.

c) What percentage of total procurement (by value) does it constitute?

Not Applicable*

*The Bank currently does not have a process in place to capture this percentage.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		NA*		

*There were no such intellectual properties owned or acquired during the year.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

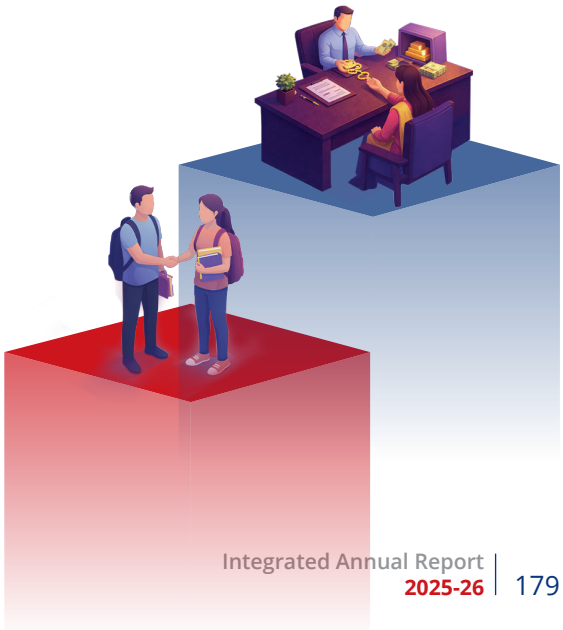
Name of authority	Brief of the Case	Corrective action taken
	NA*	

*There were no such disputes

6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1. ESAF Balajyothi	34,499	100%
2. ESAF SKILL LEAP (Livelihoods and Entrepreneurship Acceleration Programme)	12,187	100%
3. ESAF Village Level Entrepreneurship Development Programme	2,585	100%
4. ESAF Capacity Building and Marketing Linkages for Entrepreneurship Collectives	20,765	100%
5. ESAF Bharat Centre for Excellence in Collective Enterprises	409	100%
6. ESAF Infrastructure Development & Support	1,280	100%
7. ESAF Santhwana	22,685	100%
8. ESAF Chair for Business on Values at IRMA	160	100%
9. ESAF Garshom	11,989	100%
10. ESAF Community interventions-Through Branches (Including Emergency Relief)	45,430	100%

Note: Direct Beneficiaries includes students in rural and remote locations, low income women, village level youths ,farmer members of FPOs, migrant labourers, community level beneficiaries who access local level institutions like health centres, hospitals, schools, families who seek psychological support ,collectives, etc.



Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has enabled different channels for its customers to get connected for communicating customer complaints and feedback like: Toll free 24 hour call center with multi language and interactive voice recognition facility, Website communication link for grievances, Branches and Escalation matrix with phone numbers, Customer care emails, Complaint box and Complaint Registers at branches etc.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Particular	2025-26			2024-25		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other						
a. Digital complaints: UPI, ATM, POS, IMPS, NEFT, RTGS, BILLDESK, AEPS	10681	408*	*	7588	181	NA
b. Other miscellaneous	211	6*	*	94	1	NA

* The pending complaints were received towards the end of the reporting period. It is to be noted that none of the complaints have been pending for more than 30 days.

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://www.esaf.bank.in/privacy-policy/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

*No corrective actions were required or are currently in progress concerning issues related to advertising, delivery of essential services, customer data privacy and cybersecurity, repeated instances of product recalls, or any penalties or actions imposed by regulatory authorities regarding the safety of products or services.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

0*

b. Percentage of data breaches involving personally identifiable information of customers

0%

c. Impact, if any, of the data breaches

NA

*There were Nil instances of data breaches reported during the year.



Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.esaf.bank.in/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Bank has taken multiple actions to sensitize customers on cyber frauds and educating them on the Do's and Don'ts in the area of digital payments and observe necessary cyber discipline. Few of such efforts are : SMS to retail and micro banking customers including SMS in their regional languages, Website popup messages and safe banking tips uploaded in the website home page of the Bank, Safe banking posters published in social media handlers like: Facebook, Instagram, X, Linked-in, Threads etc., sensitizing customers about digital frauds and safe banking through branch level customer service committee meetings, Eailer on safe banking, SMS content to report call center in the transaction alert messages if the same is not done by the customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Bank employs multiple communication channels to stay connected with its customers, including bulk SMS and email services, a 24-hour multilingual call center, dedicated customer care support, a common customer service email, and access through branches and other touchpoints across India. These mechanisms ensure timely dissemination of information to customers whenever necessary.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)

Yes

If yes, provide details in brief.

Apart from the product details mentioned in the Bank's website and the product applications, various types of brochures and leaflets are available at all the branches of the Bank, and also displayed key information related to the product's charges and facilities in all the branch notice boards for public to access. After sales, an onboarding call with details of products are also given to customers for savings and current accounts.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

Periodic surveys and Annual surveys are conducted among customers to get the feedback and review of the products and services provided and the results are published before the senior management for necessary guidance and review.



INDEPENDENT ASSURANCE STATEMENT

Introduction and Engagement

ESAF Small Finance Bank Limited (hereinafter referred to as "the Bank") appointed SustainEDGE Business Solutions Pvt. Ltd. (hereinafter referred to as "SustainEDGE") to undertake an independent limited assurance engagement on selected sustainability disclosures and Key Performance Indicators (KPIs) included in the Business Responsibility and Sustainability Report (BRSR) and BRSR Core disclosures of the Bank for the reporting period from 1 April 2025 to 31 March 2026.

The assurance engagement was conducted in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) as a Type 2 Moderate/Limited Assurance engagement. The engagement covered evaluation of adherence to the AA1000AS v3 principles of Inclusivity, Materiality, Responsiveness, and Impact, along with assessment of the reliability of the selected sustainability disclosures. The engagement also considered the applicable requirements of the SEBI Business Responsibility and Sustainability Reporting (BRSR) framework and BRSR Core disclosures.

Management's Responsibility

The Bank is responsible for the preparation and presentation of the Business Responsibility and Sustainability Report (BRSR) and BRSR Core disclosures for the reporting period from 1 April 2025 to 31 March 2026.

Management is responsible for identifying material sustainability topics and establishing appropriate systems, processes, controls, methodologies, and reporting mechanisms for the collection, analysis, aggregation, and disclosure of sustainability-related information and Key Performance Indicators (KPIs) included in the BRSR and related public disclosures.

Management is further responsible for maintaining adequate records and supporting documentation to ensure the completeness, accuracy, consistency, and reliability of the sustainability information disclosed in the BRSR and BRSR Core disclosures.

The Bank is also responsible for maintaining and archiving the underlying records, evidence, and supporting documents relating to the reported disclosures and for making such information available to stakeholders, where appropriate.

Scope and Boundary

The assurance engagement included the following:

- Evaluation of adherence to the principles and reporting requirements prescribed under the SEBI Business Responsibility and Sustainability Reporting (BRSR) framework and BRSR Core disclosures, including assessment of the quality and reliability of the reported sustainability information.
- Review of the policies, procedures, initiatives, practices, and sustainability performance disclosures included in the BRSR report.
- Review of selected non-financial disclosures against the applicable BRSR and BRSR Core requirements prescribed by SEBI.
- Sample-based verification of selected environmental, social, and governance disclosures through review of underlying records, management information systems, financial records, operational data, and supporting documentation.
- Review of methodologies, assumptions, estimation techniques, and calculation approaches adopted by management for preparation of the reported disclosures and Key Performance Indicators (KPIs).
- Selection of disclosures and KPIs for assurance based on materiality, stakeholder relevance, regulatory applicability, and significance to intended users of the report.

The assurance engagement covered the following BRSR Core disclosure areas prescribed by SEBI:

- GHG footprint
- Energy footprint
- Water footprint
- Circularity and waste management



- Employee wellbeing and safety
- Gender diversity
- Inclusive development
- Customer and supplier engagement
- Openness of business

The reporting boundary for the above disclosures covered the operations, branches, offices, and activities of the Bank included within its defined BRSR reporting boundary for FY 2025–26 on a standalone basis.

The assurance engagement was conducted through online verification procedures, virtual discussions with management and relevant personnel, analytical review procedures, and sample-based verification of supporting documents, records, management information systems, financial records, operational data, and other relevant evidence shared electronically by the management of the Bank.

The verification procedures also included desk-based review of data and documents relating to the reported BRSR Core disclosures and sustainability performance indicators.

Limitations

SustainEDGE did not perform assurance procedures on forward-looking statements, future commitments, targets, projections, aspirations, strategic plans, or other prospective information disclosed in the BRSR and BRSR Core disclosures of the Bank. Accordingly, no assurance conclusion is expressed on such information.

As with any assurance engagement involving non-financial information, the procedures performed were based on selective testing, analytical review, and professional judgement rather than exhaustive verification.

The assurance engagement was conducted based on the data, information, records, explanations, and representations made available by the management of the Bank. Responsibility for the preparation, presentation, accuracy, completeness, and authenticity of the reported information and underlying data rests solely with the management of the Bank.

The assurance conclusion should be read in the context of the inherent limitations associated with non-financial information, estimation techniques, and sampling-based assurance procedures.

Our Responsibility

Our responsibility is to express an independent limited assurance conclusion based on the procedures performed and evidence obtained during the assurance engagement.

The engagement did not include assessment of the adequacy or effectiveness of the Bank’s sustainability strategy, risk management practices, internal management systems, or overall sustainability performance beyond the agreed scope of work.

Our responsibility was limited to the review and verification of qualitative and quantitative sustainability disclosures and Key Performance Indicators (KPIs) included in the BRSR and BRSR Core disclosures for FY 2025–26, in accordance with the agreed scope of work and applicable reporting criteria.

The procedures performed were designed to obtain limited assurance and, accordingly, were less extensive than those performed in a reasonable assurance engagement.

Verification Methodology

During the assurance engagement, SustainEDGE adopted a risk-based approach focused on verification of the reported disclosures and the underlying data management systems and processes.

The assurance procedures included:

- Review of relevant documents, records, data, calculations, and management information relating to the reported disclosures and KPIs.
- Discussions and interviews with relevant management personnel and process owners responsible for sustainability, finance, human resources, operations, procurement, and information technology functions.

- Sample-based verification and analytical review of reported disclosures, methodologies, assumptions, estimation techniques, and supporting evidence.
- Assessment of alignment of the reported disclosures with the applicable requirements of the SEBI BRSR and BRSR Core framework.

Exclusions

The scope of the assurance engagement excluded the following:

- Assessment of the adequacy, effectiveness, or appropriateness of the Bank’s sustainability strategy, sustainability risk management practices, or overall management approach towards sustainability-related matters.
- Physical site visits, onsite verification procedures, and visits to external stakeholder premises. The assurance engagement was conducted through online verification procedures and desk-based review of information and documents shared electronically by the management.
- Direct engagement, interviews, or consultation with external stakeholders, customers, suppliers, community representatives, or other third parties.
- Review or audit of financial statements, financial records, or economic performance indicators that are subject to separate statutory audit procedures. Financial information and related disclosures were relied upon as provided by management and the audited financial statements of the Bank.
- Forward-looking statements, future commitments, targets, projections, aspirations, strategic objectives, expected future performance, and management opinions or beliefs disclosed in the BRSR report.

Our Observations

Based on the procedures performed, the Bank has established systems, processes, and internal mechanisms for collection, compilation, and reporting of sustainability information and BRSR Core disclosures.

Based on the procedures performed, SustainEDGE observed the following:

- Environmental disclosures relating to energy consumption, greenhouse gas emissions, water consumption, and waste management were supported through management-prepared workings, operational records, utility data, invoices, and other supporting documentation made available during the engagement.
- Social disclosures relating to employee wellbeing, diversity, safety, and workforce-related indicators were supported through HR records, payroll-related workings, management information systems, and supporting documentation provided by management.
- The Bank has established governance structures and oversight mechanisms for sustainability-related reporting and monitoring of BRSR disclosures.
- Based on the procedures performed, SustainEDGE did not identify any material instances of misstatement in the disclosures reviewed within the agreed scope of the assurance engagement.

Based on the procedures performed within the agreed scope of work, the disclosures reviewed were found to be fairly presented and supported by underlying records and management representations.

Our Conclusion

Based on the procedures performed and evidence obtained during the limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability disclosures and BRSR Core indicators reviewed for FY 2025–26 have not been prepared, in all material respects, in accordance with the applicable SEBI BRSR and BRSR Core requirements and the internally adopted reporting criteria.

Our procedures were performed in accordance with the requirements of AA1000AS v3 for a Type 2 Moderate/Limited Assurance engagement. Accordingly, the procedures performed were less extensive than those performed in a reasonable assurance engagement.

In our opinion, the disclosures reviewed were fairly presented, in all material respects, subject to the limitations and exclusions described in this assurance statement.



Evaluation of AA1000AS v3 Principles

Inclusivity: The Bank has established processes for identification and engagement of key stakeholder groups and consideration of stakeholder concerns in its sustainability reporting and management approach. The disclosures reviewed demonstrate reasonable alignment with the principle of Inclusivity.

Materiality: The Bank has undertaken identification and assessment of material sustainability topics relevant to its operations, stakeholders, and reporting obligations. The BRSR disclosures appropriately reflect the material environmental, social, and governance aspects relevant to the Bank’s operations. The disclosures reviewed demonstrate reasonable alignment with the principle of Materiality.

Responsiveness: The Bank has disclosed management approaches, policies, governance structures, and initiatives relevant to the identified material sustainability topics and BRSR Core indicators. The disclosures reviewed demonstrate reasonable alignment with the principle of Responsiveness.

Impact: The Bank communicates its sustainability performance and ESG-related initiatives through its BRSR disclosures, policy framework, governance mechanisms, and internal reporting processes. Systems and processes have been established for monitoring and reporting sustainability performance indicators relevant to its operations. The disclosures reviewed demonstrate reasonable alignment with the principle of Impact.

Our Assurance Team and Independence

SustainEDGE Business Solutions Private Limited (“SustainEDGE”) is an independent sustainability consulting and assurance organization with a multidisciplinary team of experienced professionals specializing in sustainability reporting, ESG assurance, and non-financial disclosures.

SustainEDGE confirms its independence, impartiality, and objectivity with respect to this assurance engagement and further confirms that no conflict of interest exists that could affect the integrity or independence of the assurance process, findings, observations, or conclusions presented in this assurance statement.

During FY 2025–26, SustainEDGE did not undertake any engagement with ESAF Small Finance Bank Limited (“the Bank”) that would compromise the independence or impartiality of this assurance engagement.

SustainEDGE was not involved in the preparation, compilation, or development of the BRSR and BRSR Core disclosures, or the underlying sustainability data and information reported by the Bank, except for provision of this independent assurance statement.

The assurance engagement was carried out by a competent assurance team with relevant experience in sustainability reporting, ESG disclosures, BRSR Core verification, and assurance engagements. SustainEDGE maintained professional independence and neutrality throughout the assurance process.

This was a limited assurance engagement; accordingly, the procedures performed were less extensive than those performed in a reasonable assurance engagement.

For and on behalf of
SustainEDGE Business Solutions Private Limited


Dr. Vidyarthi R
Director



Place: Hyderabad
Date: 16 June 2026