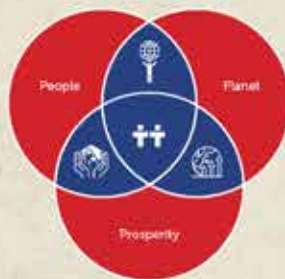




• Empowering People • Enriching Planet • Ensuring Prosperity



वसुधैव कुटुम्बकम्

One Earth • One Family • One Future

Sustainability Report 2022-23

Business Responsibility & Sustainability Report Included

About the Report

ESAF Small Finance Bank's sustainability report for the fiscal year 2022-23 encompasses the Bank's environmental, social, and governance (ESG) initiatives and performance. The report aligns with the Value Reporting Foundation's SASB standards and integrated reporting framework, including the voluntary Business Responsibility and Sustainability Report (BRSR). The ESG outcomes of the Bank are contributing to the United Nations Sustainable Development Goals (UNSDGs), addressing poverty, hunger, health, education, gender equality, environment, employment, and social justice.

We prioritise transparent disclosure across all aspects of our sustainability journey. The Bank embraces the BRSR tool for compliance and communication, ensuring accountability for identifying and transparently including ESG responsibilities in our annual reports. This integration creates a linkage between our financial performance and ESG performance, demonstrating our commitment to a sustainable society and environment.

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One Earth, One Family, One Future

Empowering People Enriching Planet Ensuring Prosperity

Through the combined efforts of empowering people, enriching the planet, and ensuring prosperity, we create a virtuous cycle of interconnectedness and unity. Empowered individuals can make informed choices that promote sustainability, and an enriched planet provides a nurturing environment for the prosperity of all. By recognising our shared humanity and embracing these principles, we pave the way for a world where compassion, justice, and harmony prevail, and the oneness of humanity – Vasudaiva Kudumbakam becomes a tangible reality.

Empowering People

By empowering people, we acknowledge and uplift the inherent worth and potential of every individual, regardless of their background or circumstances. When people are empowered, they gain access to education, financial resources, and opportunities for personal and professional growth. This empowerment leads to greater self-confidence, improved livelihoods, and enhanced social participation. When individuals are empowered, they can actively contribute to the well-being of their families, communities, and the world at large. Through empowerment, we bridge societal gaps, promote equality, and strengthen the bonds that unite us as a global family.

Enriching the Planet

Enriching the planet involves nurturing and safeguarding the natural environment on which all life depends. Recognising that we share a common home, taking steps to protect and restore the planet is essential for the well-being of present and future generations. By adopting sustainable practices, conserving

natural resources, mitigating climate change, and preserving biodiversity, we demonstrate our commitment to the well-being of the Earth and all its inhabitants. When we enrich the planet, we honour our interconnectedness with nature and contribute to the overall harmony and balance of the global ecosystem.

Ensuring Prosperity

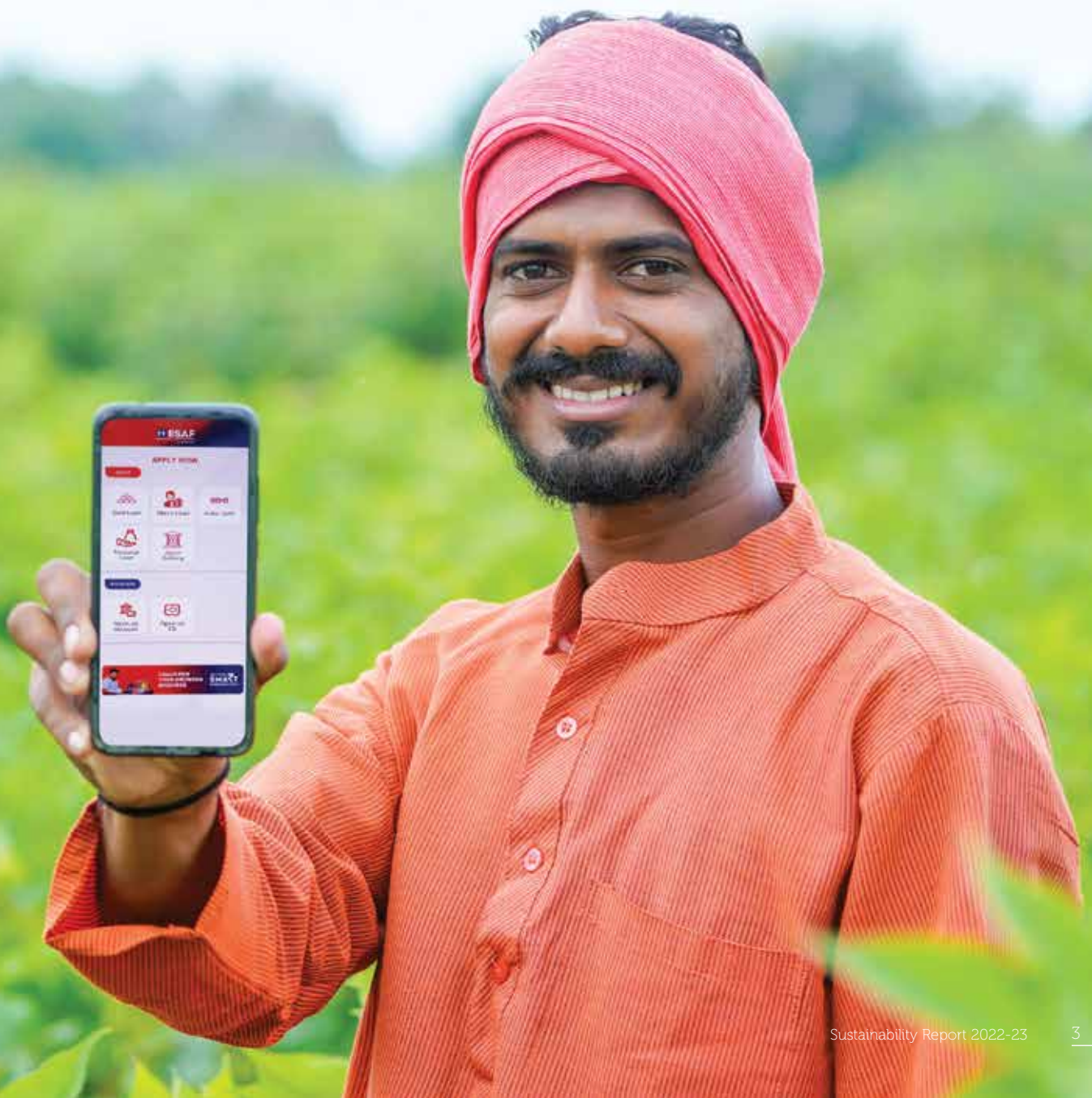
Prosperity, when approached inclusively, becomes a powerful tool for fostering unity among diverse individuals and communities. By ensuring prosperity, we strive to create an equitable society where everyone has access to essential resources, opportunities, and a dignified quality of life. Economic prosperity should not be limited to a select few but should be shared and extended to all members of society. When prosperity is inclusive, it promotes social cohesion, reduces inequality, and creates an environment of trust and collaboration. It enables individuals to fulfil their potential, contribute to their communities, and collectively build a better future.

The Joy of Banking

About ESAF Small Finance Bank

ESAF Small Finance Bank is the first private bank to have received a banking licence in Kerala since independence and is the 5th Scheduled Commercial Bank headquartered in the State. With more than three decades of history with a focus on financial inclusion, it is today one of the leading Small Finance Banks in India, in terms of yield on advances, AUM growth rate and share of retail deposits.

ESAF Bank is a pioneer in sustainable banking in India, prioritising ESG practices and serving the underprivileged. The Bank has a comprehensive ESG approach and social banking strategy. ESAF Bank consistently directs capital towards sustainable investments and embeds ESG principles in business strategies and risk management. The goal of the Bank is to create value for shareholders while ensuring compliance and sustainability. ESAF Bank sets a positive example for the industry and contributes to a brighter, sustainable future.



Our Purpose

VISION

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

MISSION

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

VALUES

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



Meaning of Brand Identity

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

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

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

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

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

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

Milestones

<p>2015</p>  <p>ESAF Microfinance receives in-principal approval for setting up of Small Finance Bank from the RBI</p>	<p>2017</p>  <p>ESAF launches ESAF Small Finance Bank, the first bank from Kerala since independence</p>	<p>2018</p>  <p>Govt. of India picks ESAF for Atal Pension Yojana</p>	<p>2018</p>  <p>ESAF Small Finance Bank receives RBI approval for NRI operations</p>	<p>2018</p>  <p>Prof. Muhammad Yunus, Nobel Laureate, visits ESAF Small Finance Bank</p>
<p>2018</p>  <p>ESAF among the finalists to receive the prestigious European Microfinance Award</p>	<p>2018</p>  <p>ESAF Small Finance Bank becomes the member of GABV</p>	<p>2018</p>  <p>ESAF Small Finance Bank wins PFRDA Award</p>	<p>2018</p>  <p>ESAF Small Finance Bank receives Scheduled Bank status</p>	<p>2019</p>  <p>ESAF Small Finance Bank Launches the 'HUMANOID ROBOT' named 'EIDA'</p>
<p>2019</p>  <p>ESAF Small Finance Bank receives SKOCH Award of Banking Gold for accessible and affordable banking services for financially underserved areas</p>	<p>2019</p>  <p>ESAF Small Finance Bank bags the first runner-up of the ASSOCHAM Award 2019</p>	<p>2019</p>  <p>ESAF Small Finance Bank bags the Economic Times Best BFSI Brand 2019 Award</p>	<p>2020</p>  <p>ESAF Small Finance Bank bags "Kerala Bank of the Year 2019"</p>	<p>2020</p>  <p>ESAF Small Finance Bank wins Energy & Environment Foundation Global Sustainability Award-2020</p>
<p>2021</p>  <p>ESAF Small Finance Bank receives Great Place to Work certification</p>	<p>2022</p>  <p>ESAF Small Finance Bank wins Prestigious Rising Brand of Asia Award</p>	<p>2022</p>  <p>ESAF Small Finance Bank is re-certified as ISO 9001: 2015 on Quality Management System of Customer Service Quality</p>	<p>2022</p>  <p>ESAF Small Finance Bank receives Small Finance Bank of the year Award</p>	<p>2023</p>  <p>ESAF Small Finance Bank has bagged the prestigious Inclusive Finance India Awards 2022 for its contributions in advancing the goal of financial inclusion and supporting inclusive growth</p>

ESG Highlights

Asset Under Management

(as at 31st March 2023)

₹16,331.23 Crore

FY21-23 CAGR of 39.22% one of the highest among peer banks

71.71%

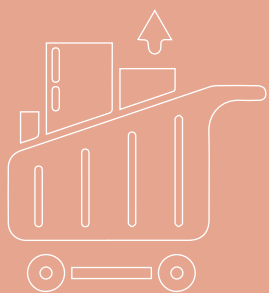
Of the banking outlets located in rural and semi-urban India



Agriculture

Number of Beneficiaries: 305,138

Loan Amount ₹ 2,461.19 Crore



Retail Assets

Number of Beneficiaries: 57,947

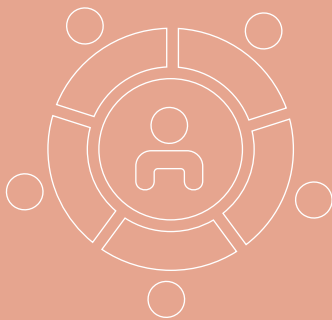
Loan Amount ₹ 1,352.68 Crore



Micro Banking

Number of Beneficiaries: 265,657

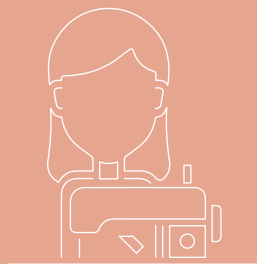
Loan Amount ₹ 1,767.54 Crore



MSME

Number of Beneficiaries: 3,705

Loan Amount ₹ 160.06 Crore



Other Retail Loan (Women Only)

Number of Beneficiaries: 2,925,831

Loan Amount: ₹ 8,382.65 Crore

Chairman's Message



With ESG at the Core, Sustaining Progress, Empowering Communities

Dear Esteemed Stakeholders,

It is a great joy to address you through the Annual Sustainability Report of ESAF Small Finance Bank for the fiscal year 2022-23. This report serves as a testament to our commitment to sustainability, which is intricately woven into the fabric of our organisation. We firmly believe that sustainability is not just a choice but an integral part of our strategy, enabling us to collaborate, leverage, and forge a path of growth while embracing greener practices.

Throughout this report, we aim to share the story of how Environmental, Social, and Governance (ESG) factors have acted as a centrifugal force, influencing every decision we have taken at ESAF Bank. ESG represents a three-pronged

approach to creating long-term value, encompassing the Bank's commitment to environmental stewardship, effective management of relationships with stakeholders, and robust governance practices. By embracing ESG principles, we not

only fulfil our social responsibility but also mitigate risks and preserve shareholder value.

The benefits of ESG management are multifold. It leads to higher profitability, reduced company-

ESAF Bank has been a catalyst in transforming the lives of unbanked citizens, enabling them to weather financial shocks and providing affordable banking services. We commend the Reserve Bank of India's strategic approach to developing a National Financial Inclusion Strategy (NFSI) that brings together multiple stakeholders to promote responsible and sustainable financial services.

specific and systemic risks, and meets the evolving demands of our stakeholders for enhanced business management standards. At ESAF Bank, ESG compliance has resulted in lower capital costs and heightened productivity. Regulatory support in the realms of environmental, social, and governance issues has enabled us to measure, monitor, and effectively mitigate our ESG risks.

We recognise that implementing ESG is not an isolated endeavour but an organisational-wide effort. An ESG-centric business, such as ours, positively impacts valuation and profitability. By strategically aligning our ESG strategy with our core business strategy, we have developed a Sustainability Strategy called Green, Grow, Glow - which provides a comprehensive framework for our operations.

ESAF Bank's role as a Small Finance Bank in India is deeply intertwined with the Government's vision of inclusive financial services for the nation. We are honoured to be part of the platform that reaches out to developing India, making finance accessible to all strata of the population. Our sustainable business model allows us to expand our offerings to customers and provide opportunities to our employees, while ensuring a sustainable future.

Sustainable finance is the future, and its integration into lending and investments, banking operations,

risk analysis, and product offerings is crucial. By incorporating sustainability into our existing robust financial system, we can effect positive changes in our portfolio and corporate values. Understanding our portfolio, identifying ESG elements, and mitigating risks are essential steps in this transformative journey. The adoption of sustainable finance practices will not only lead to the creation of innovative financial products but also drive sustainable economic growth.

Community well-being lies at the heart of our endeavours. At ESAF Bank, we believe in conducting our business responsibly and contributing sustainably to the wider community. Through various community programmes such as Balajyothi, Vayojyothi, Local Sustainable Economic Development Project (LSEDP), and ESAF Dhansree we strive to make a meaningful impact across age groups and diverse agendas.

ESAF Bank has been a catalyst in transforming the lives of unbanked citizens, enabling them to weather financial shocks and providing affordable banking services. We commend the Reserve Bank of India's strategic approach to developing a National Financial Inclusion Strategy (NFSI) that brings together multiple stakeholders to promote responsible and sustainable financial services.

As Small Finance Banks, we are committed to accelerating the impact of reforms while safeguarding consumer protection.

In closing, I sincerely thank all our stakeholders for their unwavering support and trust throughout the year. Your collaboration and partnership have been instrumental in our success, and we look forward to your continued support as we embark on this sustainable journey together.

Warm Regards,

P. R. Ravi Mohan
Chairman

Message from MD & CEO



Dear Esteemed Stakeholders,

As we embark on the financial year 2024, I sincerely appreciate your unwavering support and commitment to ESAF Small Finance Bank. The preceding year, 2022-23, presented numerous challenges to our institution and the entire financial sector. As banks and financial institutions, we bear the responsibility of revitalising our nation's financial health, particularly in the aftermath of calamities. Given the significant impact events have within our niche sector, we must restore equilibrium to the ecosystem.

In this third edition of our Sustainability Report, covering the financial year 2023, I am delighted to take you through our journey of enabling wholistic growth. The report highlights our accomplishments, sustainability performances aligned

with the Global Reporting Initiative (GRI) standards, governance policies, approach, sustainability initiatives, and their impact. With an unwavering commitment to continuous improvement, ESAF Bank strives to maximise returns for stakeholders and steadily advance each year, seamlessly integrating all citizens into the financial sector through refined processes, products, and services.

The pursuit of financial inclusion remains our paramount objective as India continues to reach new heights of economic growth. At ESAF Small Finance Bank, our business strategy revolves around collaboration, seizing opportunities, and, most importantly, our dedication to a financially inclusive future. The existence of a financial divide within our ecosystem and the aspirations of those excluded from financial services underscore

the urgent need for financial inclusion. Financial inclusion goes beyond providing superior financial services to marginalised sections at affordable prices; it entails improving their lives and enriching the surrounding society.

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

ESAF Bank has implemented various policies to amplify our sustainability impact, including the ESG Policy, CSR Policy, and Sustainable Banking Policy. We strive to infuse sustainability across our products and services through these policies.

Our initiatives encompass a wide range of projects, such as rural school infrastructure development, skill training, entrepreneurship training, Balajyothi Clubs for wholistic child development, projects for migrant laborers, and initiatives promoting sustainable practices within the agricultural sector. Under our CSR policy, we place emphasis on preventive healthcare, sanitation, education, livelihoods, and the environment.

Our collaboration with NABARD has played a pivotal role in fostering local economic development and financial empowerment. Through the Local Sustainable Economic Development Project (LSEDP), we have undertaken financial literacy initiatives in nearly 300 panchayats in Kerala. Furthermore, our partnership with insurance companies enables access to crucial information for economically disadvantaged segments of society.

ESAF Bank has been following sustainable banking principles, supporting the transition of society to a more sustainable economic model, thereby creating long-lasting value for People, Planet, and Prosperity (3Ps). This is keeping in line with the United Nations Sustainable Development Goals (UNSDGs). The critical act of balancing the three integrated and indivisible dimensions, namely social (People), environmental (Planet) and economic (Prosperity) is embedded in each operation and process of the Bank. At ESAF, the 3P approach is not just a framework, it is ingrained into the brand promise of making people experience the 'Joy of Banking'.

ESAF Bank aspires to become one of the leading banks in the microfinance sector, offering equal financial opportunities to all and thus supporting the basic livelihood and economic development of its customers and the nation at large. Keeping in line with its mission and vision, among the various policies implemented in line with the Triple Bottom Line Approach, the ESG policy of the Bank is one that has the farthest-reaching impact. The Bank is committed to the following:

1. To monitor and minimise any adverse impact of its operations on

- the environment.
2. To offer products and services to improve the lives of marginalised individuals in India.
3. To establish a governance framework to ensure accountability, transparency and compliance with internal and external ESG standards.
4. To promote all stakeholders' ability to implement the ESG standards effectively. Thus, the Bank will strive to fulfil the ESG Agenda steered not only by corporate values but also by regulators, investors and customers.

Under each of the components of the ESG umbrella, the Bank has been making relentless attempts to convert theory into action, continuously driving lasting results. Environmental (E) – A carbon-neutral world with best practices of environmental stewardship, by developing a green portfolio and identity for the Bank. Social (S) – Fighting the partiality of prosperity for an equitable society. Governance (G) – Practicing and prompting servant leadership in governance structures that would synergise People, Planet and Prosperity. In addition, the Bank also creates meaningful value through optimal utilisation of the profits generated through its vast Corporate Social Responsibility (CSR) initiatives.

We demonstrated remarkable financial performance for the year ended 31st March, 2023. The bank witnessed a substantial 452.40% increase in net profit, reaching ₹ 302.33 crore compared to ₹ 53.73 crore in the previous year. This growth reflects the Bank's effective strategies and diligent management.

Furthermore, the total business, including advances under collection management, experienced a healthy increase of 23.22%, amounting to ₹ 30,996.89 crore. This growth demonstrates the Bank's ability to expand its business and attract customers.

ESAF Bank's operating profit also showed a significant improvement, rising by 81.70% to ₹ 893.71 crore from ₹ 491.85 crore. This notable increase highlights the Bank's efficiency in managing its operations and controlling costs.

The bank's Net Interest Income (NII) increased by 60.08%, surging from ₹ 1,147.14 crore to ₹ 1,836.34 crore.

This growth indicates the Bank's success in generating interest income from its lending activities and managing its interest expenses effectively.

In terms of deposits, ESAF Bank experienced a solid increase of 14.44%, with deposits rising from ₹ 12,815 crore to ₹ 14,665.63 crore for the year ended 31st March, 2023. This growth indicates customers' trust and confidence in the Bank, leading to increased deposits.

Moreover, the Bank's total CASA (Current Account and Savings Account) improved by 7.18%. This signifies the Bank's ability to attract more low-cost funds, which helps in improving its profitability and liquidity position.

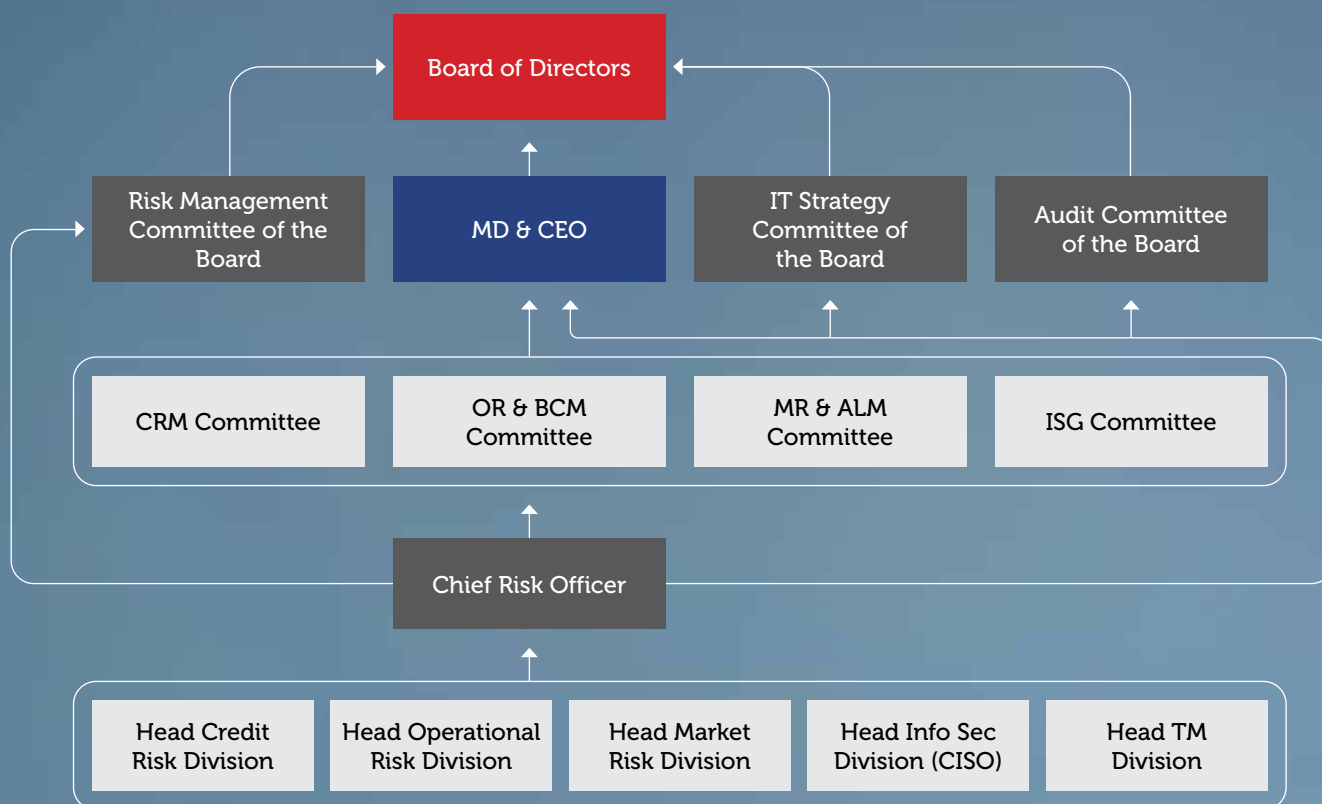
In conclusion, ESAF Bank continues to forge ahead on its journey towards creating a future of financial inclusion by integrating the various elements of sustainability. We are committed to establishing ourselves as a credible and reliable banking institution for the common person.

I would like to take a moment to express my heartfelt gratitude to all our stakeholders. Your unwavering support and collaboration have played a pivotal role in shaping our banking business model, ultimately benefiting individuals across all strata of society.

Thank you for being the enablers of our mission and joining us in pursuing a more inclusive and prosperous future.

With Sincere Appreciation,
K. Paul Thomas
Managing Director & CEO

Governance Framework



Risk Governance Framework

- The Board of Directors is responsible for the overall governance and overseeing of core risk management activities of the Bank and the Bank's risk appetite and related strategies and policies are approved by the Board.
- To ensure that the Bank has a sound system of risk management and internal controls in place, the Board has established the Risk Management Committee of the Board (RMCB). The RMCB assists the Board in overseeing and reviewing the Bank's risk management principles and policies, strategies, appetite, processes and controls.
- The Risk Management Committee of the Board (RMCB), the Information Technology Strategy Committee of the Board (ITSCB) and the Audit Committee of

the Board (ACB) assist the Board in overseeing the functions and conducting periodical reviews of the Bank's risk management principles and policies, strategies, appetites, processes and controls.

- The RMCB is supported by the Risk Management Department and the Executive Level Committees dealing with different functional areas of risk, facilitating the effective execution of their responsibilities.
- Segregation of duties is across the 'three lines of defence' model, where front-office/business, functions as the first line, Risk Management and Compliance as the second line and Internal Audit as the third line. The roles played by the functions are independent of one another.
- Risk strategy is approved by the Board on an annual basis and is

defined based on the Bank's risk appetite, in order to align risk, capital and performance targets.

- All major risk classes are managed through focused and specific risk management processes; these risks include Credit Risk, Operational Risk, Market Risk, Liquidity Risk etc. Policies, processes and systems are put in place to enable Risk Management capability.
- Risk Management function has appropriate representation on Executive Level Committees of the Bank to ensure that risk view is taken into consideration in business decisions. Stress testing tools and escalation processes are established to monitor the performance against the approved risk appetite.





































Ensuring Accountability Efficiency and Responsibility

ESAF Bank recognises the paramount importance of a robust governance approach to ensure the efficient and responsible functioning of a small finance bank. Our governance framework encompasses a well-structured organisational setup, where key personnel and committees have clearly defined roles and responsibilities. This framework establishes effective oversight, risk management, and regulatory compliance through the implementation of appropriate policies and procedures. Transparent decision-making is facilitated through regular board meetings, where strategic decisions are made and performance is assessed. To mitigate risks and ensure regulatory adherence, our framework incorporates robust risk management practices, internal controls, and compliance procedures.

Moreover, ethical conduct, accountability, and transparency are fundamental values that underpin our governance approach, fostering trust and confidence among all stakeholders. By upholding a sound governance framework, ESAF Bank strives to promote stability, integrity, and long-term sustainability in its operations.

Expertise of Directors

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

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



Board of Directors



Shri. P. R. Ravi Mohan
Chairman & Independent Director



Shri. Kadambelil Paul Thomas
Managing Director & CEO



Dr. V. A. Joseph
Independent Director



Shri. Thomas Jacob Kalappila
Independent Director



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



Shri. Ravi Venkatraman
Non-Executive Independent Director



**Smt. Kolasseril
Chandramohanran Ranjani**
Non-Executive Independent
Director



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



Shri. John Samuel
Non-Executive Nominee Director

Profile of the Board of Directors

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

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

organisations like MFIN and holds the distinction of being the founder and President of the Kerala Association of Microfinance Institutional Entrepreneurs (KAMFI).

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

Shri. Thomas Jacob Kalappila is a Fellow Member of the Institute of Chartered Accountants of India (I.C.A.I.) and holds a D.I.S.A. (Diploma Information Systems Audit) certification. With over 40 years of post-qualification experience as a Chartered Accountant, he has been providing financial and management consultancy services to esteemed

entities for more than 37 years. Presently, Shri. Thomas serves as the Senior Partner of M/s. Thomas Jacob & Co., overseeing significant audit and attest assignments within the firm. His expertise lies in Statutory Audit, Internal Audit, and Forensic Audit of banks, amassing more than 35 years of experience in these areas. Notably, he is currently entrusted with the audit responsibilities of Canara Bank, Indian Overseas Bank, and Indian Bank. In the past, Shri. Thomas has also served as an Independent Director on the Boards of South Indian Bank Limited and Malabar Cements Limited.

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

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

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

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

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

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

Shri. Ajayan Mangalath Gopalakrishnan Nair brings a wealth of experience spanning over three decades in the banking industry, encompassing diverse areas such as banking operations, risk and compliance, transaction banking, credit, rural banking, and IT. He embarked on his banking journey with Canara Bank in 1984 and held several pivotal positions throughout his career. Notably, he served as the General Manager of IT and CIO, General Manager of retail assets, General Manager of transaction banking, General Manager of Pune Circle, Chief Compliance Officer, and Deputy General Manager of Calicut Circle until his retirement in May 2018. Shri. Ajayan holds a Bachelor's

degree in Science (horticulture) from the Kerala Agriculture University and is a certified associate of the Indian Institute of Bankers. His extensive expertise and qualifications have played a significant role in his successful tenure within the banking industry.

Shri. John Samuel brings a wealth of experience in various fields, including accountancy, agriculture and rural economy, banking finance, economics, and business management. With an impressive background, he has held significant positions in the Government of India, such as Member of the Postal Services Board and Chief Post Master General. Furthermore, he has served as a consultant for the United Nations' Universal Postal Union, representing the Indian Government in international forums held in Germany, France, the UAE, and Vietnam. Shri. Samuel has provided consultancy services to the Sri Lanka Post and the Tanzania Post, focusing on post office transformation, financial services, financial inclusion, business development, and leadership development. As the Founder and President of Transform Consulting, a reputable management consulting firm, he has been instrumental in facilitating transformation, leadership development, financial management, financial inclusion, training and development, and government relations. Additionally, Shri. Samuel selflessly mentors civil service aspirants without charge. He is a distinguished fellow member of the Institute of Chartered Accountants of India and holds Master's degrees in Business Management from the Cochin University of Science and Technology and in Commerce from the Madurai University.

Senior Management

The senior management team at ESAF Bank comprises individuals with diverse expertise and a shared commitment to driving the institution's success. Each member of this team brings valuable skills and insights that contribute to ESAF's mission of providing exceptional financial services to its customers while fostering sustainable growth.

The strength of the senior management lies in their collective experience and strategic vision. With a broad spectrum of roles spanning from executive leadership to specialised functions, the team's purpose is to steer ESAF towards its goals with unwavering dedication. By leveraging their extensive knowledge in areas such as

finance, risk management, compliance, technology, and customer service, they ensure that ESAF remains at the forefront of innovation and excellence in the Banking industry.

Collaboration is a cornerstone of ESAF's senior management approach. This cohesive team works together to make informed decisions that balance the needs of stakeholders, regulatory compliance, and the aspirations of the Bank's customers. They are dedicated to promoting a culture of transparency, ethical practices, and responsible banking, which aligns perfectly with ESAF's commitment to sustainable banking practices.

The senior management's holistic approach encompasses various aspects of the Bank's operations, from retail assets and credit monitoring to priority sector lending,

sustainable banking, and beyond. Their continuous efforts in areas like learning and development, branding, technology, and customer service quality contribute to ESAF's reputation as a customer-centric institution.

Overall, the senior management team at ESAF Bank stands as a testament to the Bank's core values and its pursuit of excellence. Their shared purpose is to drive the Bank forward, ensuring a positive impact on customers, communities, and the banking industry as a whole.



George K. John
Executive Vice President



George Thomas
Executive Vice President



Hari Velloor
Executive Vice President



Hemant Kumar Tamta
Executive Vice President



Bosco Joseph
Administration, Infrastructure
& Procurement



Gireesh C. P.
Chief Financial Officer



Rabindra Kumar Dash
Treasury



Wilson Cyriac
Chief Risk Officer



Sudev Kumar V.
Chief Compliance Officer



Sivakumar P.
Internal Audit



Shubhankar Sengupta
Retail Assets



Dr. A. V. Jose
Learning and Development



Swaminathan K.
Strategy & Planning
and TPP



K. Sunny
Collections



Sibin K. A.
Business Correspondent
Channel



Radhakrishnan D.
Agri Business



E. A. Jacob
Chief of Internal Vigilance



Soney Jose
MSME



Rajish Kalapurayil
Branch Banking Network 1



Dinesh Kalarackal
Legal



Ali Mohammad Saquib
Chief Technology Officer



Sony V. Mathew
Branding & Communication



Manojkumar Subhashchandran
Credit Sanctions



Peter M. P.
MIS & Operations



Reji Koshy Daniel
Sustainable Banking



Bobby Abraham Mathew
Human Resources



Paul Joy Palocaren
Retail Assets - Mortgages



Sathianathan K. M.
Priority Sector Lending and
Lead Bank



K. George Oommen
Retail Assets - Auto Loans



Vinod G. Thampi
Credit Monitoring and
Recovery



Sreekanth C. K.
Marketing



Anitha Sekhar
Micro Banking



Abiesh Jose
Customer Service Quality



Ranjith Raj P.
Company Secretary

Strategic Environment for SFBs

Small Finance Banks (SFBs) are financial institutions created for serving low-income groups of people and businesses, especially small farmers, small businessmen, Micro, Small and Medium Enterprises (MSME) as well as the unorganised sector. SFBs enable the implementation of one of the most crucial changes in the Indian economy – financial inclusion – which helps in minimising poverty, empowers marginal or secluded borrowers and accelerates the pace of scaling up the economic landscape. The Government of India announced to establish SFBs in the year 2014-15 to achieve last-mile connectivity, largely in rural areas and thus reduce inequality in the society. SFBs also aid connections between small businesses and large financial institutions.

Financial inclusion is beyond opening bank accounts or lending activities. It is about adequate and timely credit at an affordable cost. Moreover, it is about the generation of a whole new ecosystem, extending to the farthest, remotest corners of the country and

permeating through the various strata in society. Financial inclusion also has its fair share in bringing about employment opportunities, thus enabling people to earn, save and invest. SFBs have a primary influence on people's mindset. According to World Bank, financial inclusion has been identified as being able to fulfil seven of the 17 Sustainable Development Goals (SDGs). The G20 committed to expanding financial inclusion worldwide and reiterated its commitment to implement the G20 High-Level Principles for Digital Financial Inclusion. The World Bank Group also considers financial inclusion a key enabler to minimise extreme poverty and boost shared prosperity.

Microcredit or inclusive credit is an economic tool for inclusive and sustainable growth. The Reserve Bank of India (RBI) considers inclusive credit as the next milestone in India's growth story and has been formulating and modifying strategies and policy focus, factoring in economic conditions, changing demographics and social needs. With

its Vision 2030 – “Financial Inclusion & Future of Financial Services in India”, the RBI aims to broaden and deepen financial inclusion and promote financial literacy. It has also created a Financial Inclusion (FI) Index which measures the efforts in the right direction based on Access, Usage and Quality. In addition to the traditional brick-and-mortar outlets, digital advancements have enhanced the possibility of graduating to the next level of FI from accessibility to quality, especially in India.

Conducive regulatory policies, financial investments and infrastructural development guarantee the expansion and sustenance of the SFBs.

As per the RBI guidelines, SFBs are expected to open 25% of their branches in unbanked or unserved rural regions, and they are mandated to allocate 75% of their net credits to the priority sector.



Key Drivers of Small Finance Banks (SFBs)

Huge Untapped National Market

According to CRISIL Research, rural areas contribute to almost half of India's gross domestic product (GDP) but in the banking industry, they contribute only 9% towards bank credit and 11% towards deposits.

Changing Demographics

Higher levels of literacy unlock more employment opportunities in rural areas as well as greater chances for MSMEs, eventually leading to a higher need for a banking system in those areas. Financial inclusion facilitates household as well as business planning right from day-to-day living to long-term goals to unexpected emergencies. Having a bank account would trigger the use of ancillary services like insurance and credit which in turn would require more services from SFBs.

Relevant Expertise

SFBs have the know-how to deal with unstructured data of rural segments and conduct rapid risk assessments.

Government's Thrust on Financial Inclusion

Pradhan Mantri Jan Dhan Yojana (PMJDY) and Jan Dhan-Adhar-Mobile (JAM) Trinity is an added driving force for the booming sector.

Digitalisation and Newer Technologies

Demand for switching from cash-based transaction mode to digitalised services even by the marginalised sections of society is furthering the growth of SFBs in India.

In the highly competitive landscape, adopting newer technologies like Artificial Intelligence (AI), Machine Learning (ML), Cloud and Chatbots aid in streamlining of processes and development of hyper personalised digital banking services, eventually increasing the customer base and improving profitability.

Improved NPAs

Substantial local market knowledge, simplified processing, personalised relationship with customers resulting in customer centric strategy and the ability to provide enhanced customer experiences, brings about a high level of customer loyalty and reduced NPAs.

Subtle Advantage

Inability of big financial corporations or cooperative banks to reach the large mass of low-income households and businesses becomes a subtle advantage for the SFBs.

Larger financial institutions and banks focus only on top-rated credit, foregoing the demand for small ticket loans from rural and semi-urban

areas. Thus, these become the focus areas for SFBs. In addition to these small ticket loans, there is a surge in demand for newer credit products.

Viable Business Model

Automating loan processing and expediting loan restructuring are some characteristics of SFBs which make the business model sustainable in the finance industry. The business model of SFBs captures the huge lending capacity present in the country's markets.

Capturing the Essence

SFBs are revolutionising the way financial ecosystems are being modified and indirectly enhancing India's digital literacy quotient. A new generation, in all its entirety, is getting financially educated and financially enabled, by virtue of the role played by SFBs.

Majority of the SFBs command a 1% credit market share in rural areas, 2% in semi-urban areas and 1.7% in urban areas against a meagre 0.7% in the metros.

From the year 2019, SFBs have delivered a 42% CAGR vis-à-vis 13% by private banks, 8% by foreign banks and 2% by public sector banks. With an incremental market share of 8%, there is clear evidence that these small banks are gaining momentum in their growth.

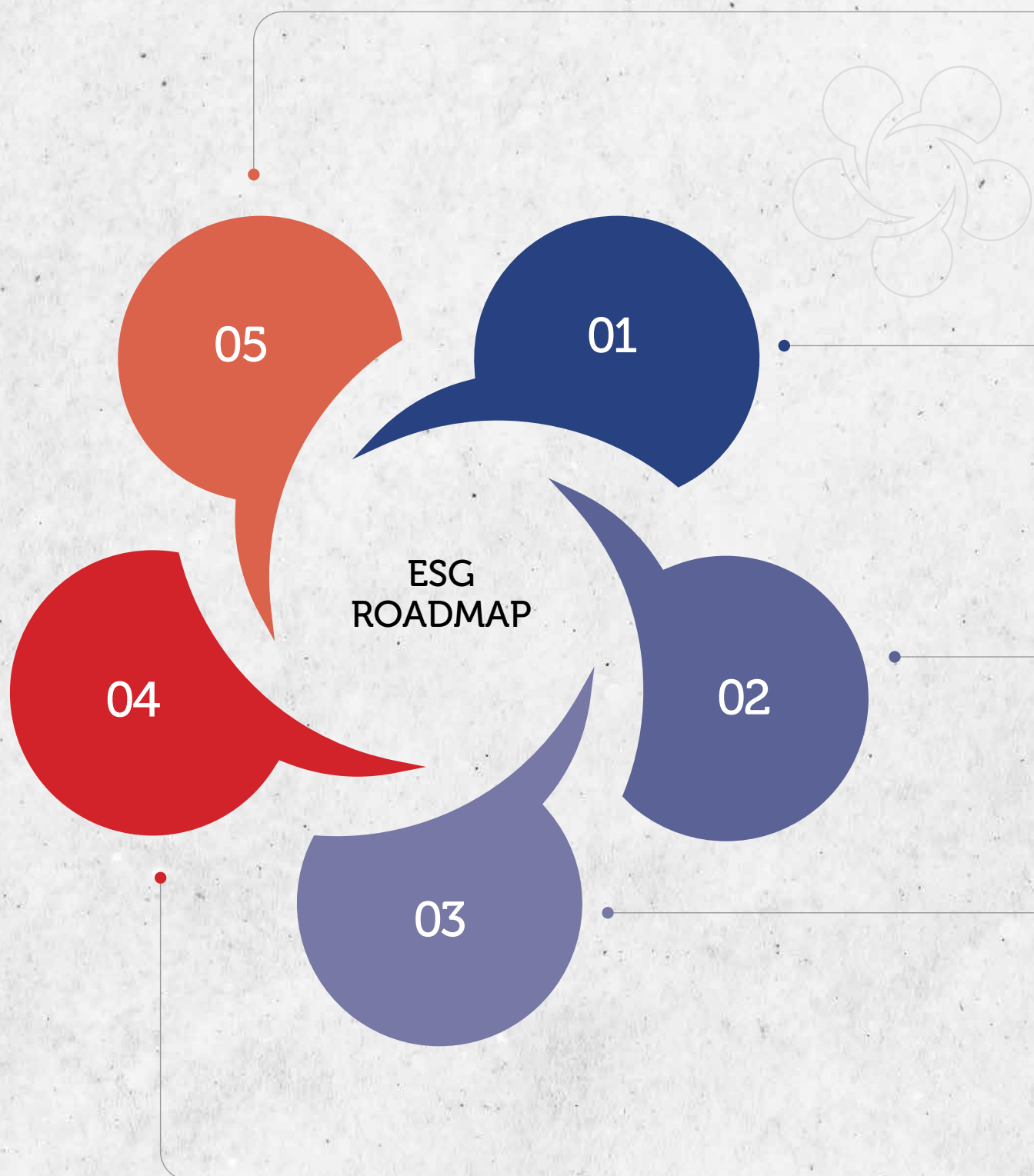
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Forward with an ESG Roadmap

The Bank has adopted a four year ESG Roadmap for 2023-27 as follows



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

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



Impacting 10 Million (One Crore) Direct Customers through SDGs

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



Fostering Local Sustainable Economic Growth through 1 Million JLGs

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



Fostering Food Security through Financial Services to 5 Million Farmers

The Bank is intentionally building an impactful agricultural and allied portfolio, aligning with the Government's focus on the Agriculture and allied sectors.



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

Intentionally building an impactful clean and renewable energy portfolio and aligning with the Government's focus on greening the financial sector. It is worth mentioning that addressing the concerns related to deep energy security is the need of the hour.



Future Proofing through our Sustainability Framework

People, Planet, Prosperity

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

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



Key Highlights of ESAF Bank's Sustainability Framework

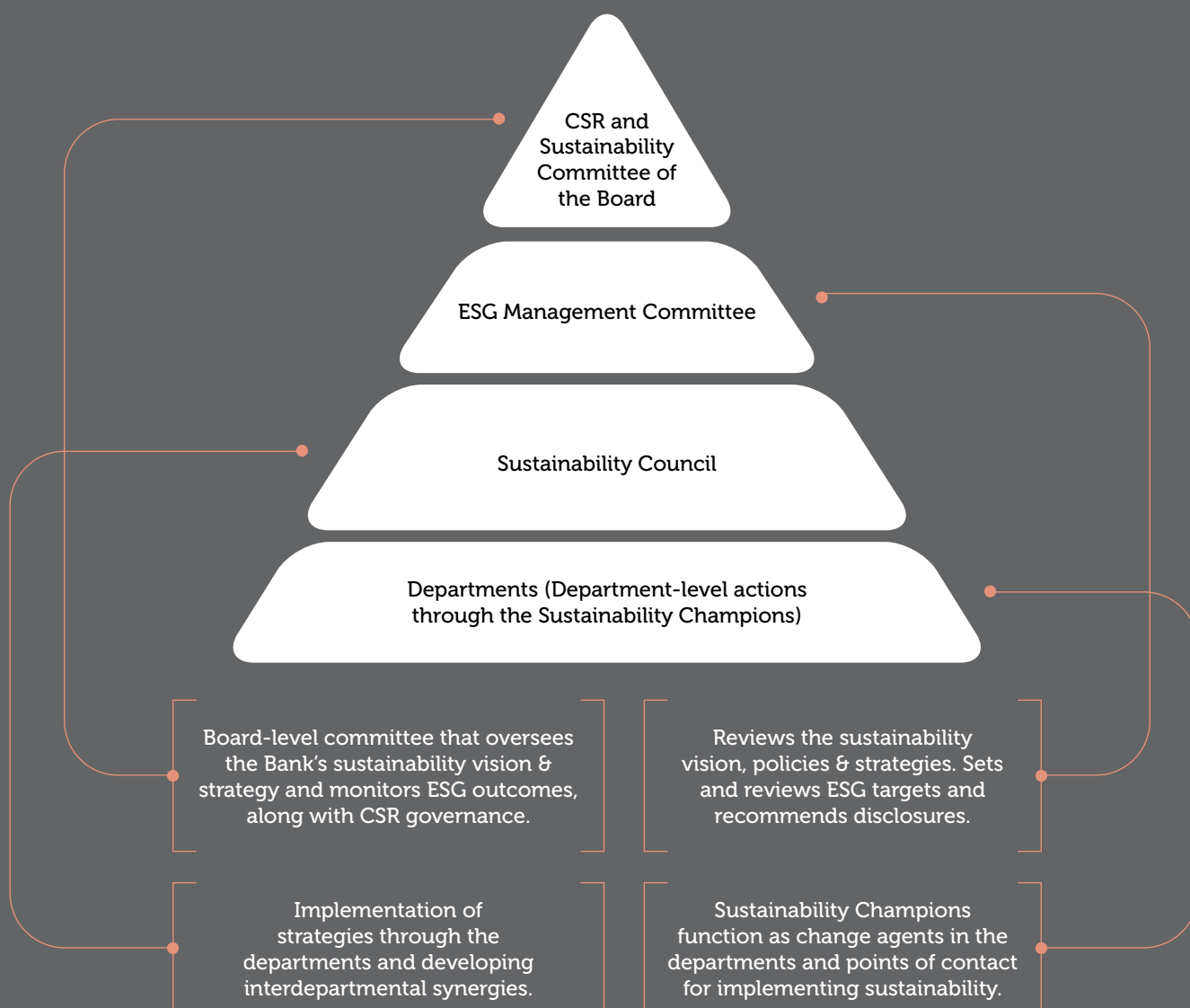
- Financing guidelines for positive environmental and social impact
- Financing low-carbon companies
- Multilayered risk management framework
- Robust internal control system for risk mitigation
- Inclusive growth programmes for stakeholders
- Promotion of sustainable livelihood practices
- Customer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

The Sustainable Value Chain of ESAF Bank

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



ESG Framework



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

How We Create Value



Financial Capital

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

Linkage to UN SDGs



Intellectual Capital

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

Linkage to UN SDGs



Social and Relationship Capital

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

Linkage to UN SDGs



Manufactured Capital

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

Linkage to UN SDGs



Human Capital

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

Linkage to UN SDGs



Natural Capital

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

Linkage to UN SDGs



Our Inclusive Strategies

Capital Linkage:



Strategy 1

Increasing Bank Networks

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

Outcomes

The Bank expanded to Meghalaya, Uttar Pradesh, Haryana, Tripura, and Chandigarh in Fiscal 2021. In Fiscal 2022, it entered Uttarakhand. In Fiscal 2023, branches were opened in Tripura and Uttarakhand. These expansions increased the Bank's customer base and market presence. Future plans include deepening distribution in existing areas for better accessibility.

Capital Linkage:



Strategy 2

Expanding Retail Deposits

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

Outcomes

Total deposits grew at a CAGR of 27.66% from ₹89,994.26 million (March 2021) to ₹146,656.25 million (March 2023). Retail deposits showed a CAGR of 23.07%, increasing from ₹87,963.84 million to ₹133,230.03 million during the same period. Targeting NRIs resulted in their deposits comprising 21.59% of the total. The Authorized Dealer Category I license expanded the NRI customer base. Relationships with associations and specialised savings accounts contributed to the positive deposit base growth.

Capital Linkage:



Strategy 3

Growing Microloans

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

Outcomes

The Micro Loan business has shown significant growth, with the AUM reaching ₹122,548.83 million as of 31st March 2023, accounting for a substantial portion of the Bank's total AUM. The successful execution of the strategy has deepened customer relationships and expanded market share in the Micro Loan segment. With new business correspondents and empowered banking agents, the Bank is poised for continued growth.

Capital Linkage:



Strategy 4

Expanding Retail Loans

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

Outcomes

As of 31st March, 2023, our retail advances were ₹26,147.54 million, ₹14,649.74 million, and ₹9,607.19 million, representing 16.01%, 11.87%, and 11.27% of our AUM. We increased the number of branches offering gold loans from 345 (March 31, 2021) to 545 (March 31, 2023) out of 700 banking outlets. For mortgages, 200 branches (28.57%) offered this service as of 31st March, 2023. We hired a senior vice president to focus on expanding the mortgage business in Fiscal 2023.

Capital Linkage:



Strategy 5

Increasing MSME Loans

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

Outcomes

As of 31st March, 2021, 2022, and 2023, our AUM of MSME loans was ₹483.57 million, ₹1,233.15 million and ₹1,600.61 million, representing 0.98%, 1.00%, and 0.57% of our total AUM. We have witnessed consistent growth in our MSME loan portfolio. Our focus on relationship managers, collaboration with fintechs, and web-based platforms has attracted more customers for small-ticket term loans and enhanced our receivables discounting business.

Capital Linkage:



Strategy 6

Expanding Agriculture Loans

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

Outcomes

As of 31st March, 2023, our AUM of agricultural advances was ₹6,878.24 million, representing 4.21% of our total AUM. Our agricultural loan business has shown consistent growth, supported by the introduction of new loan products and geographic expansion. Agri relationship officers currently operate in multiple states. Moving forward, our plans to appoint officers in additional states and collaborate with Farmer Producer Organisations will drive further growth. Leveraging our banking outlets and business correspondents, we will increase loan sourcing in the agriculture sector, resulting in the expansion of our agricultural advances.

ESG Grading Process

The Bank recently underwent an ESG grading process conducted by Care Edge Research. The purpose of this grading was to evaluate the Bank's Environmental, Social, and Governance (ESG) performance. Against the industry average of 59%, ESAF Bank has achieved an impressive score of 71%, showcasing its strong commitment to ESG principles and its leadership in the market.



In terms of the environmental pillar, the Bank received a score of 62%. This score was achieved through the implementation of various eco-friendly practices, such as adopting green protocols and promoting green branch practices. Additionally, the Bank has developed a decisive ESG roadmap aimed at excelling in Sustainable Development Goal (SDG) impacts, fostering Local Sustainable Economic Growth, ensuring food and

water security, and promoting energy security. Moreover, ESAF Bank has aligned itself with the net-zero target by demonstrating its commitment to green finance and environmental consciousness. Notably, despite operating in vulnerable and remote locations, the Bank has introduced electronic onboarding and electronic signatures for microloans, resulting in substantial savings in paper and water.

ESAF Bank scored 68% for the social pillar, reflecting its dedication to fostering a socially responsible environment. The Bank has demonstrated commendable labour management practices, emphasising employee engagement and promoting a gender-inclusive workforce, with one in every three employees being women. Furthermore, ESAF Bank has gone beyond the government mandate by contributing 5% of its CSR budget, positively impacting communities through innovative product offerings and initiatives that drive community transformation.

When it comes to the governance pillar, the Bank has excelled, securing a score of 76%. This impressive score is a result of ESAF Bank's robust governance board and transparent disclosure practices. On a grading scale ranging from 1 to 7, the Bank has achieved a solid rating of 3, showcasing its commitment to maintaining high standards of corporate governance.





Environment Pillar

62%

for the environment pillar, emphasising practices such as green protocol and green branch practices.

Social Pillar

68%

for the social pillar, highlighting healthy labour management practices, employee engagement, and a gender-inclusive workforce (1 in every 3 employees is a woman).

5%

Contribution to the CSR budget as against 2% mandatory outlay.

Governance Pillar

76%

for the governance pillar, reflecting a strong governance board and transparent disclosure practices.

Emerged
as Industry
Best in



Green Finance



Health and Safety



Product Safety
and Quality



Communities



Opportunities
for Product /
Inclusion

Banking for All, Creating a Better Future

Target Market

ESAF Bank primarily targets individuals and businesses in rural and semi-urban areas, focusing on the underserved and unbanked population.

Social Value

By providing financial services to these segments, ESAF Bank promotes financial inclusion, empowering individuals and businesses to access formal banking services and participate in the economic mainstream.

Financial Products and Services

ESAF Bank offers a wide range of financial products and services tailored to meet the specific needs of its target customers.

Social Value

By providing savings accounts, loans for microfinance, agriculture, and MSMEs, as well as payment services and insurance products, ESAF Bank supports the financial aspirations and growth of individuals and businesses in underserved communities.

Technology Infrastructure

ESAF Bank leverages technology to enhance accessibility and efficiency in service delivery.

Social Value

By investing in robust digital banking platforms and mobile banking applications, ESAF Bank ensures that individuals in remote areas can easily access and benefit from its financial services, overcoming barriers of physical distance and limited infrastructure.



Social Impact

ESAF Bank has a social mission of promoting financial inclusion and socio-economic development.

Social Value

By extending credit to underserved communities, supporting entrepreneurship, encouraging savings, and fostering economic empowerment, ESAF Bank contributes to poverty reduction, job creation, and the overall socio-economic progress of the communities it serves.

Branch Network

ESAF Bank maintains a physical branch network strategically located in rural and semi-urban areas.

Social Value

By having a presence in these communities, ESAF Bank ensures convenient access to financial services, empowering individuals and businesses to conduct banking transactions and seek personalised assistance.

Relationship-based Approach

ESAF Bank emphasises building strong relationships with its customers by understanding their unique requirements and providing financial literacy and education programmes.

Social Value

By offering personalised services and promoting financial literacy in unbanked or underbanked rural areas, ESAF Bank empowers individuals to make informed financial decisions, improving their financial well-being and fostering long-term financial stability.

Regulatory Compliance

ESAF Bank operates within the regulatory framework set by the relevant authorities.

Social Value

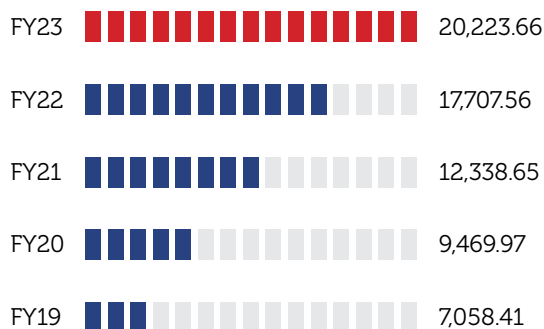
By complying with regulatory requirements and adhering to industry standards, ESAF Bank ensures the integrity and stability of its operations, safeguarding the interests of its customers and the financial system.



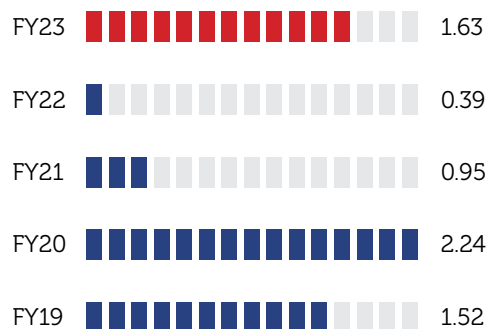
Financial Capital

Financial Highlights (₹ in Crore, Unless Otherwise Specified)

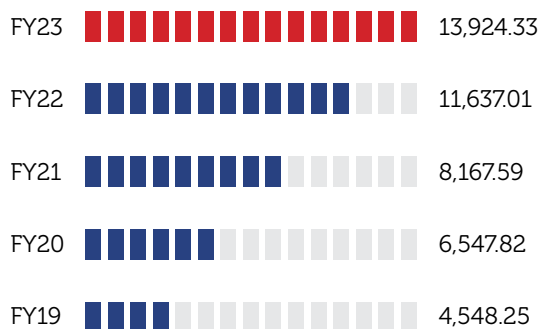
Total Assets



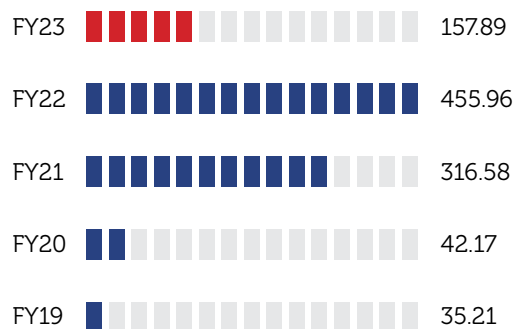
Return on Assets (%)



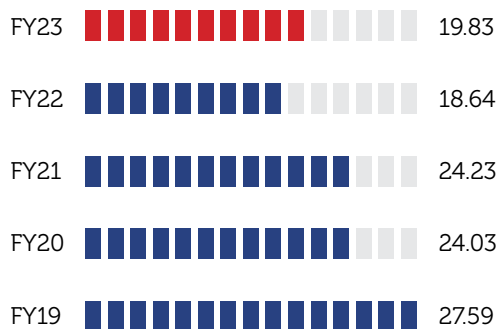
Net Advances



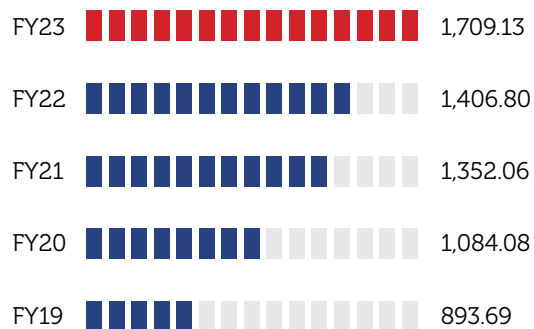
Net NPA



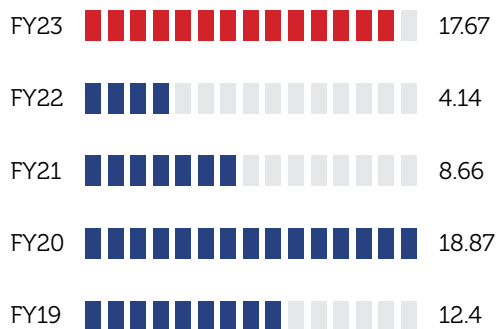
Capital Adequacy (%)



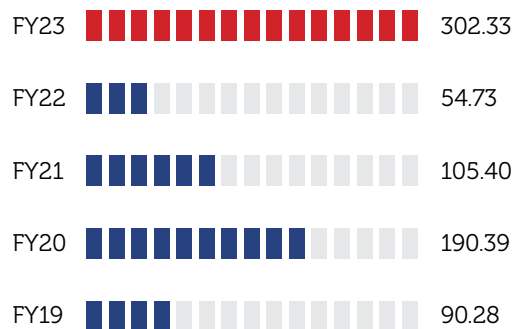
Net Worth*



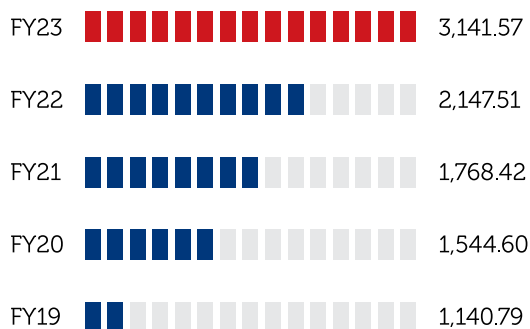
Return on Equity



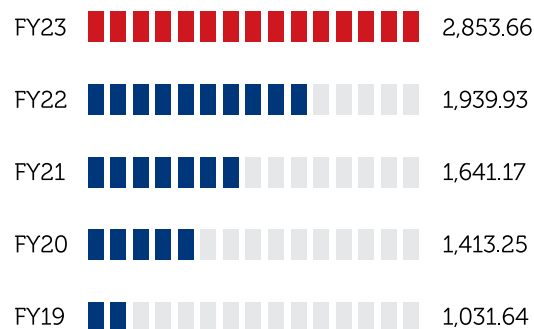
Profit After Tax



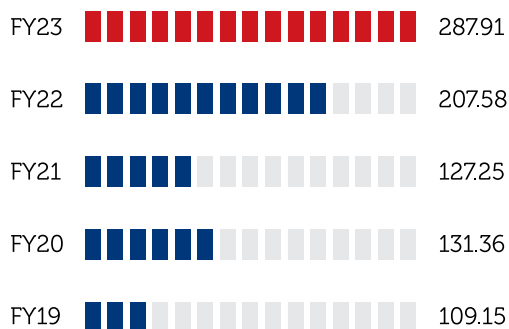
Total Income



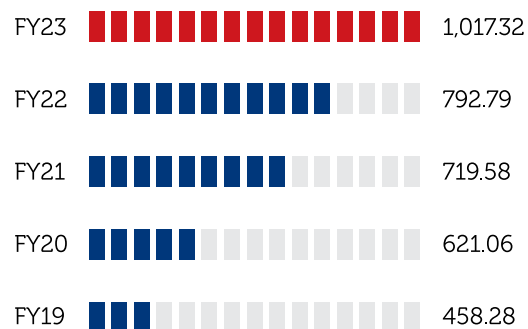
Interest Earned



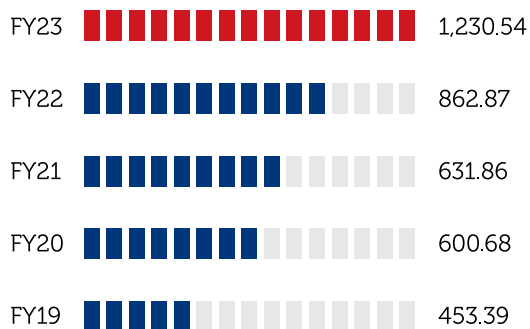
Other Income



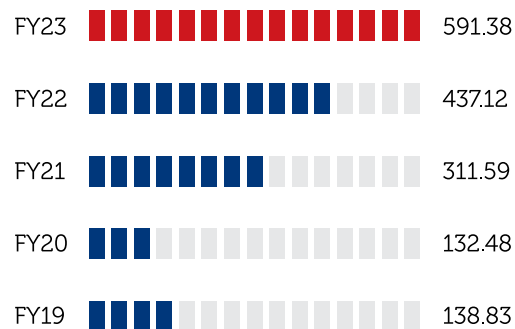
Interest Expended



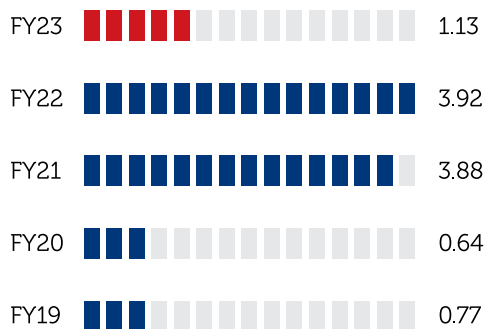
Operating Expenses



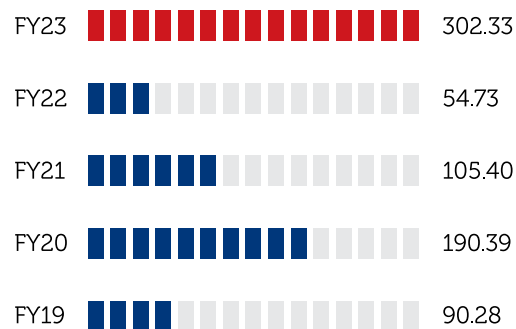
Provisions and Contingencies



Net NPA (%)



Net Profit



*Capital + Reserves & Surplus

Building Infrastructure for Inclusivity

The manufactured capital of the Bank includes its Branches, ATMs, Products, Brands, Business Correspondents, Corporate Office and the entire IT Infrastructure that is building the Financial Inclusion Infrastructure.

In order to honour the Bank's promise of delivering banking services to the underserved and unserved people across all geographies and demographics, we have various customer-centric retail loans and deposit products, some created for the marginal and low-income groups.

Micro Banking

ESAF Bank's Micro Banking is aimed specifically at the socially and economically challenged and is delivered right at the customer's doorstep through group-based models. A notable factor is that the Bank gives priority to women; as on 31st March 2023, the Bank has over 6 million women beneficiaries. We also provide all our Micro Banking customers, a PM Jan Dhan account with a Debit cum ATM card.

Retail Assets

This product is aimed at the banking needs of salaried individuals, self-employed, businesses and customers who have graduated from micro loans, and includes housing loans, loan against property, gold loans, auto loans, personal loans, clean energy loans, lease rental discounting and education loans.

Retail Liabilities

The Bank serves HNIs, corporate entities, sole proprietorships, children, farmers, trusts, associations, societies and clubs, Non- Resident Indians (NRIs), micro loan customers and senior citizens with current accounts, savings accounts, fixed deposits and recurring deposits, and personalised banking services including doorstep

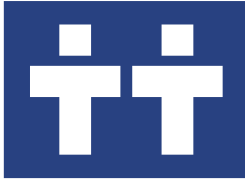
banking and other differentiated products.

Agri Banking

The Bank serves farmers and joint borrowers engaged in agriculture and allied activities such as dairy farming, fishery, animal husbandry, poultry farming, beekeeping, sericulture, agri infrastructure, agri processing units, and agri ancillary activities with term loans, dairy development loans, farmer producer organisation (FPO) finance, KCC, and agri gold loans.

Customers for these loans are sourced through the Bank's agri-relationship officers, and through its branches, FPOs and business correspondents.





MSME - Micro, Small & Medium Enterprises

The Bank provides MSME and corporate loans, working capital loans and term loans to MSMEs, NBFCs, MFIs and existing micro loan customers. The Bank is also expanding its supply chain financing to source more customers and other web-based platforms that facilitate financing/discounting of trade receivables of MSMEs.

The Bank sources customers for these loans through branches, digital channels (excluding corporate loans), direct sourcing, third-party intermediaries, and business correspondents. Additionally, the Bank collaborates with fintech/tech and other web-based financing/discounting platforms to support customer sourcing.

Micro ATMs for Last-mile Digitization

Last-mile inclusion through Micro ATMs has been a strategic move by ESAF Bank to render financial upliftment to the underserved and unbanked communities. We have partnered with the National Bank of Agriculture and Rural Development (NABARD) under the Financial Inclusion Fund (FIF) to deploy this across geographies, specifically in Kerala and Tamil Nadu.

As on 31st March, 2023, we have deployed over 2000 machines.

IT & Digital Infrastructure

ESAF Bank has a fully integrated banking and payments platform that encompasses core banking solutions, risk management, domestic treasury management, analytics and the entire suite of payments services – (account) switching, debit card management services and ATM management for the Bank's brown-label ATMs. The Bank offers customers an internet banking portal, a mobile banking platform, SMS alerts, bill payments, RuPay branded ATM cum debit cards and a unified payment interface-based mobile application for their savings account.

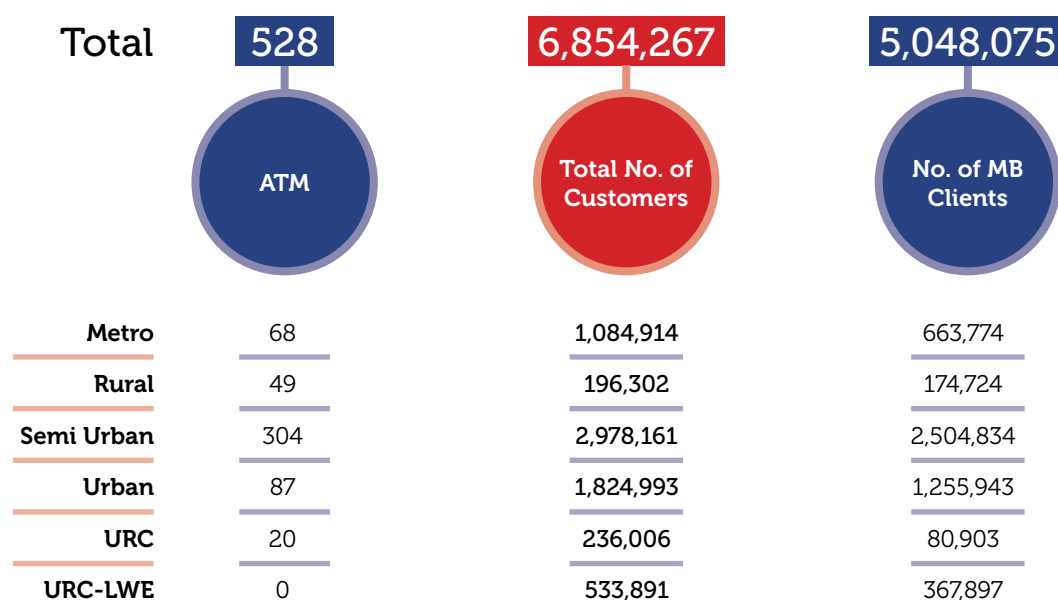
With tablet-based account opening and loan underwriting processes, we offer better service and turnaround time to our customers. CASA accounts are now offered at customers' doorsteps through this process. Technology solutions have enabled us to provide pre-generated kits upon account opening, enabling customers to use the ATM-cum-debit cards immediately.

Our micro loans now have a digitalised central credit-processing process enabling faster customer onboarding, underwriting and credit sanctioning of our loan products based on the credit bureau and customer data analytics. Cashless disbursement of loans, collections mechanism through mobile applications, and a payment gateway for repayment of loans have also been enabled through digitalization.

Inclusive Banking, Reaching the Last Mile

Having a wide network in rural and semi-urban areas is a key strategic advantage of the Bank. As a small finance bank, we are required to have a minimum of 25% of our total branches located in unbanked rural centers. As of 31st March, 2023, 27% of our banks are located in unbanked rural areas serving the underbanked and underprivileged. The Bank portfolio is predominantly focused on serving customers in rural and semi-urban regions, distinguishing us from other small finance banks. As of 31st March, 2023, our bank operates 700 branches across 21 states and 2 union territories.

As a result of our strategic expansion efforts in rural and semi-urban locations, the number of our customers in these areas has significantly increased. As of 31st March, 2023, we proudly serve a customer base of 3,944,360 in rural and semi-urban areas. Moreover, we have established 528 ATMs in these regions, further enhancing accessibility to banking services for our customers.



No. of Branches:
700

No. of States and UTs:
21 & 2

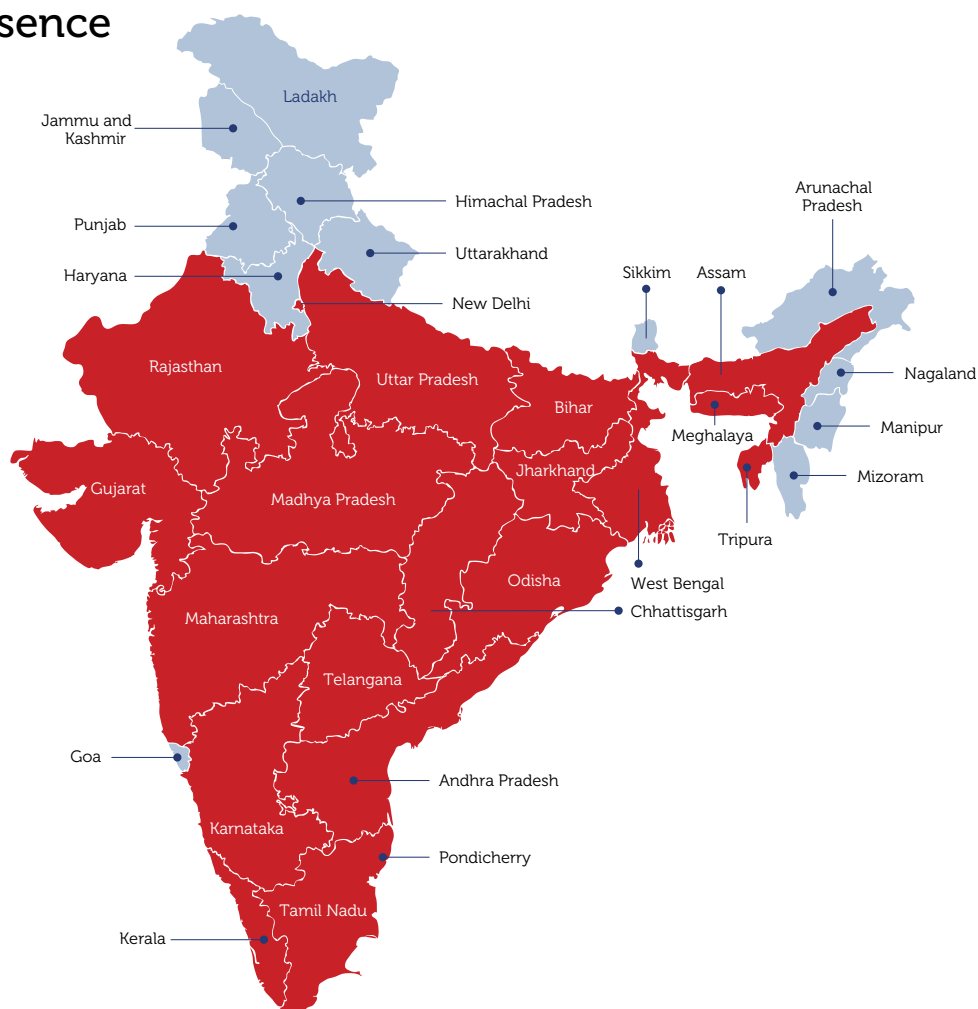
No. of Districts:
239

No. of Touchpoints:
2,005

No. of Business
Correspondents
Outlets: **20**

Total No. of Women
Customers:
5,630,325

Geographical Presence



Manufactured Capital

ESAF Bank Products - SDG Materiality Linkages

End poverty in all its forms everywhere



ESAF Bank Products



• Income Generation Loan • MSME Loans

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



ESAF Bank Products



• MSME Loans • Income Generation Loan

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



ESAF Bank Products

• Jeevadhara Loan • Nirmal Loan

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



ESAF Bank Products



• Global Career Development Loan

Achieve gender equality and empower all women and girls



ESAF Bank Products

Mahila Sree • MSME Loans • Income Generation Loan

Ensure availability and sustainable management of water and sanitation for all



ESAF Bank Products

Jeevadhara Loan • Nirmal Loan

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



ESAF Bank Products



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



ESAF Bank Products



• MSME Loans

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



ESAF Bank Products



• Current Account •



Reduce inequality within and among countries



ESAF Bank Products



- MSME Loans
- Recurring Deposit
- Income Generation Loan

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



ESAF Bank Products



Ensure sustainable consumption and production patterns



ESAF Bank Products



- MSME Loans
- Recurring Deposit

Take urgent action to combat climate change and its impacts



ESAF Bank Products



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



ESAF Bank Products



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



Joint Liability Group Loans, Institutional Loans

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



ESAF Bank Products



- MSME Loans

Manufactured Capital

Liability Products



ESAF Bank's commitment to inclusive banking is reflected in its wide array of liability products, each tailored to meet the specific needs of various customer segments, thereby promoting financial inclusion and empowerment. The Bank's dedication to providing comprehensive banking solutions is evident through its diverse range of offerings. The "Senior Citizen" product is designed to offer accessible financial services, with a specialised Savings Account that provides door-to-door banking services for senior citizens. Similarly, the "Eleganza Account"

and "Mahila Sree" products cater to the requirements of esteemed high-net-worth customers and empowered women, respectively. This commitment extends to children through the "Balajyothi Account" and "Student Account," encouraging the development of financial habits from a young age.

ESAF's social responsibility is highlighted through products like the "Hrudaya Deposit," which serves a social cause, and the "Rainbow Account," a Savings Account designed for transgender individuals

to promote social inclusion. The Bank's dedication to supporting the agricultural sector is reflected in the "Krishak Bandhu" product, tailored for farmers, along with the "Soubhagya Micro RD," encouraging systematic savings among small-income families. Aligned with the Sustainable Development Goals (SDGs), ESAF's extensive range of liability products caters to diverse customer needs and contributes to broader societal objectives, ensuring that banking services are accessible and impactful for all.

Product

Senior Citizen

Purpose

Saving Account designed exclusively for senior citizens with doorstep banking provisions

SDG Linkage



Product

Salary Account

Purpose

For the employed individuals for their savings

SDG Linkage



Product

Eleganza Account

Purpose

Savings Account designed for esteemed and HNI customers

SDG Linkage



Product

Balajyothi Account

Purpose

Savings Account designed for children below 10 years. The account is managed by the parent

SDG Linkage**Product**

Mahila Sree

Purpose

An account tailored exclusively for empowered women

SDG Linkage**Product**

Student Account

Purpose

Savings Account designed to inculcate savings habits among children above 10 years and below 18 years

SDG Linkage**Product**

Jan Dhan Account

Purpose

Basic Savings Account for small savings with zero minimum balance

SDG Linkage**Product**

Krishak Bandhu

Purpose

Savings Account designed for farmers for hassle-free banking services

SDG Linkage**Product**

Current Account

Purpose

Savings Account that caters to the business community and ensures ease of banking

SDG Linkage**Product**

Fixed Deposit

Purpose

Deposit Account which pays a guaranteed interest rate for the deposit maintained for a stipulated period

SDG Linkage**Product**

Hrudaya Deposit

Purpose

A unique social deposit product that stands for a social cause

SDG Linkage**Product**

Rainbow Account

Purpose

Savings Account for transgenders

SDG Linkage**Product**

Soubhagya Micro RD

Purpose

For encouraging systematic weekly/monthly recurring deposits among small income families

SDG Linkage

Manufactured Capital

Asset Products



ESAF Bank demonstrates its dedication to inclusive banking through a variety of its range of asset products, each designed to address the specific financial needs of diverse customer segments, fostering economic inclusion and empowerment. These products are instrumental in creating opportunities for various communities to access financial resources and enhance their livelihoods. The "Farmer Interest Group Loans" target small and marginal farmer communities, offering Joint Liability Group (JLG) loans tailored to their requirements. Similarly, "Income Generation Loans" empower customers to pursue lawful microenterprise activities,

contributing to economic growth within families and communities.

The bank's dedication to supporting businesses is evident in products such as "MSME Loans," which facilitate the growth of Micro, Small, and Medium Entrepreneurs. Additionally, ESAF Bank addresses vital societal needs with offerings like "Nirmal Loans" for hygienic sanitation facilities and "Jeevadhara Loans" for water connection or storage facilities. The institution's role in education is emphasised through "Global Career Development Loans" and "Vidhya Jyothi Loans," enabling students and JLG members' children to access quality education. As part of its

environmental commitment, ESAF Bank provides "Clean Energy Products Loans," promoting the adoption of renewable energy solutions. Moreover, the Bank supports housing dreams with "Dream Home Loans," contributing to improved living conditions. By offering products like "ESAF Agri Gold Loans" and "ESAF FPO Finance," the Bank addresses immediate agricultural credit needs and supports the growth of farmer producer organisations. The "ESAF KCC" offers credit assistance for various agricultural needs, further showcasing ESAF Bank's comprehensive approach to inclusive banking, empowering individuals and communities for a sustainable future.

Product

Farmer Interest Group Loans

Purpose

Specially designed JLG loans to serve small and marginal farmer communities

SDG Linkage



Product

Income Generation Loans

Purpose

For customers pursuing new or expanding lawful microenterprise activities, whether undertaken independently or by a family member

SDG Linkage



Product

MSME Loans

Purpose

Loan designed to scale up lawful businesses of Micro Small and Medium Entrepreneurs

SDG Linkage



Product

Nirmal Loans

Purpose

To meet the cost of construction of hygienic toilets (with or without a septic tank)

SDG Linkage**Product**

Jeevadhara Loans

Purpose

Credit assistance for water connection or storage facilities

SDG Linkage**Product**

Global Career Development Loans

Purpose

Education loans for students aspiring to build their career by studying abroad in foreign universities

SDG Linkage**Product**

Vidhya Jyothi Loans

Purpose

Vidhya Jyothi Loans are provided for funding the education of JLG members' children

SDG Linkage**Product**

Clean Energy Products Loans

Purpose

For purchasing clean/renewable energy/solar-based power generators, biomass-based power generators, non-conventional energy based public utilities viz. lighting systems, solar inverter, etc.

SDG Linkage**Product**

Dream Home Loans

Purpose

For the construction of your dream house or purchase of a new house/ flat/ villa and for renovation of existing properties

SDG Linkage**Product**

ESAF Agri Gold Loans

Purpose

To meet the immediate agriculture credit needs

SDG Linkage**Product**

ESAF FPO Finance

Purpose

Credit support for all business activities of the farmer producer organisation, including creation of asset like building, machinery, equipment, administrative & other recurring costs, purchase of input material for farmers, processing units, other productive purposes and/or working capital requirements, etc.

SDG Linkage**Product**

ESAF KCC

Purpose

Credit assistance for cultivation and other needs like post-harvest expenses, consumption requirements, maintenance of farm assets and for allied activities

SDG Linkage

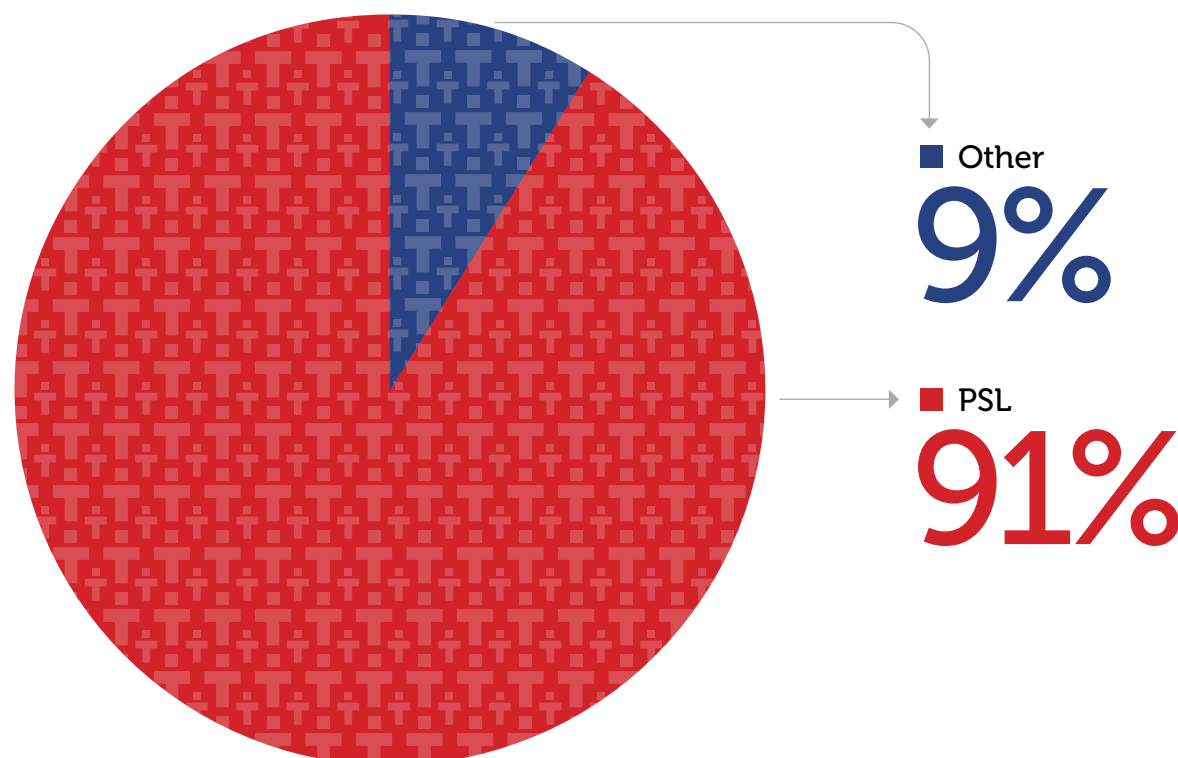
Performance in Priority Sector Lending

Priority Sector Lending refers to the role played by the RBI in urging banks to allocate funds specifically to sectors such as agriculture and allied activities, education, housing, and food for the underprivileged population. Embracing the noble vision of the RBI to enhance financial access for the lower segments of society, ESAF Bank has allocated over 90% of its finances to the priority sector, surpassing the mandated 75% for Small Finance Banks (SFBs). Our unwavering commitment to society is clearly evident through our priority sector lending efforts.

Sector-wise Breakdown of Priority Sector Lending as of 31st March, 2023:

Sector wise PSL	Count	Amount (Cr)	Percentage
Agri and Allied	2513674	9910.94	67.50%
MSME	816980	2713.67	18.48%
Education	17739	34.30	0.23%
Housing	2534	205.60	1.40%
Other Priority Sector	282407	451.00	3.07%
Total PSL	3633334	13315.51	90.69%

Performance at PSL



Sustaining and Innovating Environmental Stewardship

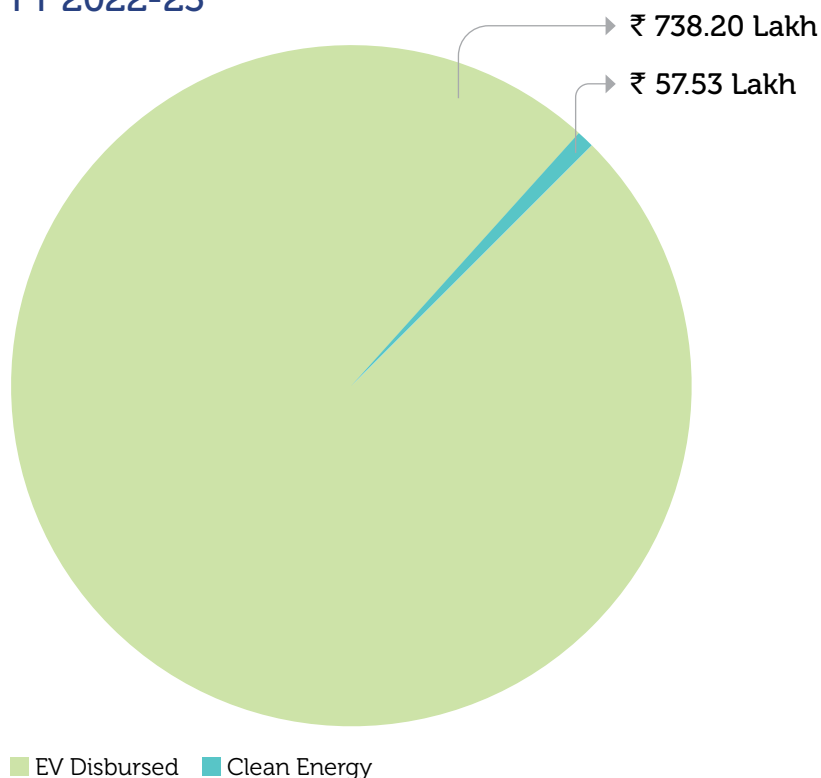
Overview

Responsible banking is a fundamental value at ESAF Small Finance Bank. We acknowledge the importance of serving the community and making a positive contribution to the environment through our banking initiatives. We are deeply committed to environmental consciousness, and we actively endorse projects that have minimal or no adverse environmental impact. By advocating for green business practices and improving our internal operations, we emphasise the significance of adopting a dedicated approach to reducing the impact of human interference on the environment. Through our environmentally responsible products and services, we have successfully established a safety net to safeguard the environment and contribute to the achievement of the Sustainable Development Goals (SDGs).



Empowering Green Solutions

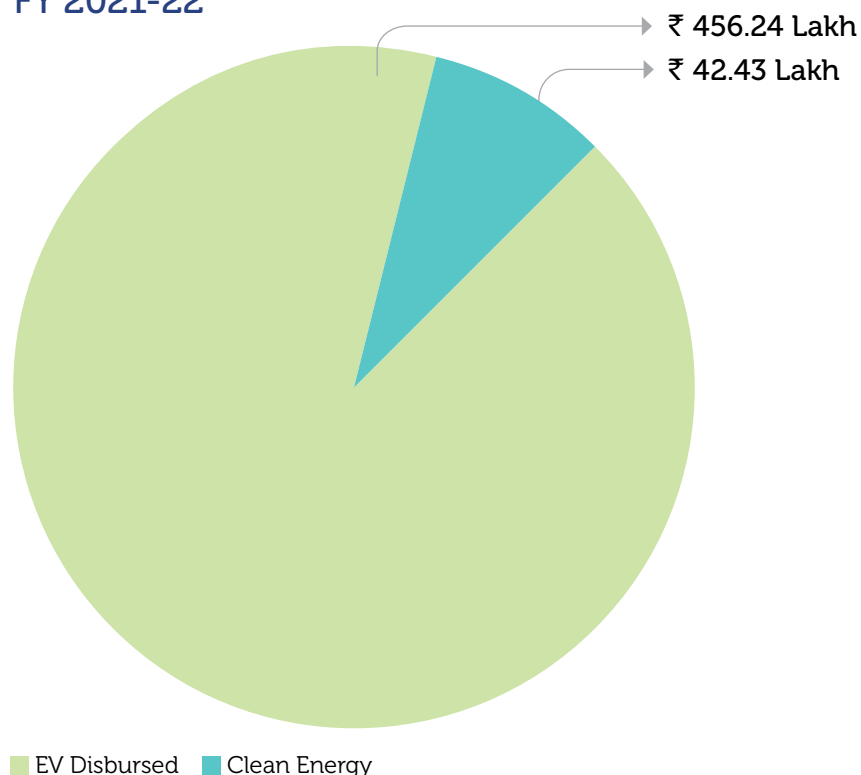
FY 2022-23



ESAF Go Green EV Disbursement

In 2021, we launched 'ESAF Go Green', a range of electric vehicle loan schemes. These loans are in line with the Bank's social business strategy, which emphasises the triple bottom line approach: People, Planet and Prosperity. We provide GO Green products with attractive low-interest rates, making it convenient for customers to choose eco-friendly electric vehicles.

FY 2021-22



Clean Energy Product Disbursement

In our commitment to a sustainable future, we have introduced innovative clean energy products like the Clean Energy Product Loan. This loan is designed to facilitate the purchase of solar-based power generators, biomass-based power generators, and other non-conventional energy solutions for public utilities.

Green Banking Practices



Digital Banking

At ESAF Bank we are committed to implementing green banking practices to contribute towards a sustainable future. One of our key initiatives is the promotion of digital banking services. Over 85% of our savings accounts are now opened through our user-friendly digital platform. We prioritise tab-based account opening, minimising the use of paper and reducing waste generation. Additionally, we actively encourage our customers to utilise Android-based mobile banking, WhatsApp Banking, and Netbanking, further reducing their reliance on traditional paper-based banking methods.



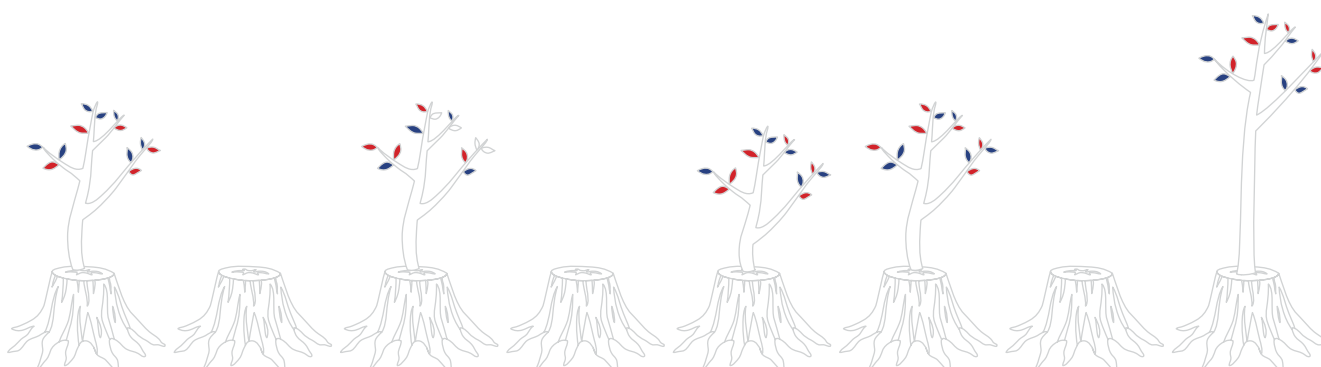
Adoption of E-Signature for Loan Processing

As part of our dedication to fostering an environmentally conscious culture, we have embraced E-signatures for loan processing. In the fiscal year 2022-2023, we took a significant step forward by adopting E-signature for disbursing micro loans. The implementation of E-signature began in December 2022, and we are proud to announce that we have successfully disbursed over five lakh loans through this digital process. The decision was warmly welcomed by our branch staff, and it represents another milestone in our ongoing digital journey.



Conservation of Natural Resources

By embracing E-signature technology, we have significantly contributed to the conservation of natural resources. Industry experts estimate that approximately 10,000 trees are needed to produce one tonne of paper. Through the adoption of E-signatures for microloan processing, we have saved more than 50% of paper usage. As of 31st March, 2023, a total of 527,423 loans have been disbursed using E-signature, resulting in a saving of four sheets of paper per loan. This equates to a remarkable two tonnes of paper saved, preventing the need to cut down approximately 20,000 trees.



Conserving Resources



Water Conservation

Reducing our reliance on paper has not only helped in preventing deforestation but also in contributing to water conservation. Studies suggest that 2,700 litres of water are required to produce one tonne of paper. By transitioning to E-signatures, we have effectively saved 5,400 litres of water, emphasising our commitment to responsible resource management.

At ESAF Bank we strive to make a positive impact on the environment through our green banking practices. By embracing digital solutions and implementing E-signature technology, we are actively working towards a sustainable and eco-friendly future.



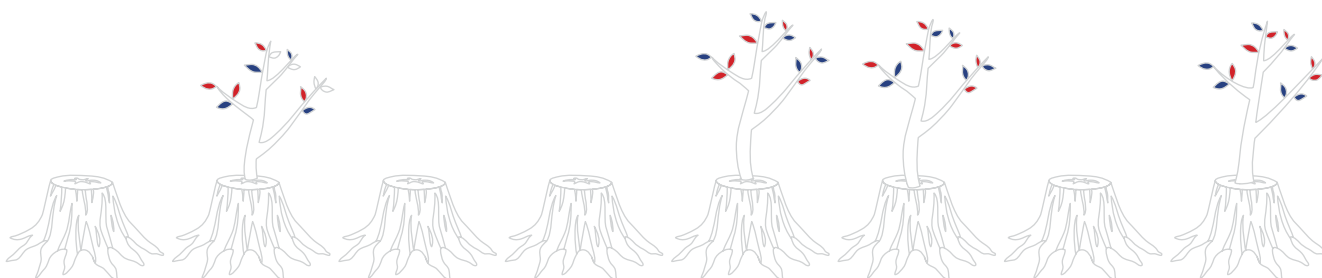
Green Procurement and Conservation

At our bank, we prioritise green procurement practices in all our purchasing activities. We are committed to minimising our environmental footprint by adopting energy-efficient electrical appliances in all our offices nationwide.

Our procurement team ensures that all air conditioners and fans installed in our offices are Energy Star appliances, designed to minimise electricity consumption. Additionally, we make sure that all the lighting fixtures in our offices are energy-efficient LED lights, contributing to significant energy savings.

To further our water conservation efforts, we have installed dual-flush options for all the toilets across our offices. These dual flush buttons allow users to control the volume of water used for flushing, promoting water efficiency and reducing unnecessary water consumption.

By incorporating green procurement practices and implementing energy-efficient and water-saving measures, we strive to create a more sustainable working environment and contribute to the conservation of valuable resources.



Green Partnership

The Bank recognises that green initiatives cannot be achieved through standalone efforts. To make a significant impact, we believe in forging green partnerships with like-minded individuals and organisations.

On 23rd February, 2023, ESAF Bank signed an MoU with V-Guard Industries Ltd., aiming to provide financing options for customers interested in installing V-Guard's Solar Rooftop Power System. Under this agreement, ESAF Bank will offer various financing options, including loans and attractive instalment payment plans, to support the adoption of solar energy through rooftop installations.

Employee Engagement

As a socially responsible bank, we value employee engagement in environmental stewardship. To foster an environmentally conscious mindset among our employees, we commemorate UN days and undertake various projects. Our Water to Earth Campaign, #ESAFWater2Earth, symbolises our commitment from World Water Day to Earth Day 2023. Projects include:

- **Thanneer Pandal at ESAF Bhavan:**
A refreshment stall serving buttermilk and water to passers-by
- **Water to Earth:** Integrating business
- **Relaunching Nirmal Loan:** Covers the cost of constructing hygienic toilets
- **Relaunching Jeevadhara Loan:**
Covers the cost of obtaining and installing water connections

- **Water to Earth SARG activities:**
Showcasing water recycling and rainwater harvesting practices implemented by the Bank employees
- **Water to Earth - Community intervention projects:** Addressing water and sanitation needs at the community level. At ESAF Bank, we actively engage our employees and communities in sustainable water management and environmental conservation. Together, we create a greener future.



Green Audit and Green Salute Award

Branches and departments that have taken practical steps towards implementing the green protocol in alignment with ESAF's ESG Policy are monitored and identified through green audits. To recognise and appreciate the exceptional contributions of our staff towards sustainability and ESG performance, we have introduced the Green Salute Award. This award aims to celebrate the efforts and achievements of departments, branches, and clusters for their initiatives.

Building a Sustainable Society

Financial Inclusion Philosophy at ESAF Bank








Differentiated Social Banking-Driving Equity and Transformation

With a vision to become India's leading social bank, our products and services are specifically designed to evolve into social banking products. We firmly believe that these products serve as tools for inclusion, bridging the gap between the served and the underserved and promoting equity among lower segments of society. Our Bank's vision statement encapsulates our commitment: "To be India's leading social bank that

offers equal opportunities for the whole society through universal access and financial deepening, thus promoting financial inclusion, livelihood, and overall economic development."

The Founder, MD and CEO of the Bank, Shri. K. Paul Thomas, once said, "I chose Business (Products & Services) as a tool for social transformation." Embodying this spirit, all our products and services

are designed to drive social change by delivering a Triple Bottom Line output, generating Environmental, Social, and Financial Capital for a Sustainable Future. We evaluate the capacity of each product based on its ESG Performance, considering the lens of ESG quotient. Products with a greater impact on social inclusion receive higher ratings, effectively advancing the cause of an inclusive society.

				
Savings Bank Account for the Transgenders	Fixed Deposits for Social Change	For encouraging systematic weekly/monthly recurring deposits for developing financial resilience among small income families	Collateral-free Formal Finance for the Informal Street Vendors	JLG Loan for Small and Marginal Farmers.

Empower and Elevate Women

Gender inclusion and gender equity is the pivot around which sustainability agenda operates. Realising this, ESAF has given prime importance to SDG 5 as a synergising factor for financial inclusion. When women in the families are treated well and given financial independence, then the social goals of the community are achieved. They make a transformational impact on the economy of the nation. Nano, micro, enterprises and businesses carried out by our women greatly contribute to national growth. Even in rural India, women have been achieving new milestones every day. Despite social and familial exclusion, women have asserted their right to financial independence, built

businesses from scratch and inspired those around them. At ESAF Bank, we have given prime importance to women customers. We serve in many parts of rural India and have created a credit history for many women which proved them to be bankable. ESAF Bank established in the year 2017, is now present in 21 states and 2 union territories of India through a network of 700 branches (as on 31st March 2023) reaching 68.54 lakh customers of which 82% are women.

Inclusion through Joint Liability Groups Peer Dynamics

A Joint Liability Group (JLG) is an informal group comprising of individuals coming together for the purpose of availing of bank loans on an individual basis or through a group mechanism against mutual guarantee. JLG has proven positive peer dynamics for inclusion. The small and marginal farmer segment where our FIGs (Farmer Interest Group) loan operates is a very vulnerable section of society where farmers' suicides are more common. By standing together, they thrive against the odds in life. We are focusing on JLGs in segments where financial inclusion is required.



JLG orientation and training meeting is the first step to form a group.

Members (neighborhood women) come together to form a JLG.

New memberships are approved by all the members in the JLG.

A president and a secretary is elected to manage and provide mentorship to the group. Compulsory meeting takes place once in a month where the full quorum is present.

Customer Service Executive meets the members and takes the collection once in a week at a convenient place near to the residence of the members.

Upskilling Through Financial Education Projects

We have a variety of Financial Education Programmes catering to different segments of society. Based on the specific needs, curriculums are made and training methods are deployed. At ESAF Bank we consider it important to handhold the people who come into the financial inclusion space through a journey of continual learning and upskilling. Rural women / people who begin this journey with their FIRST ever bank account thus become proficient in financial planning.



Reach through different Financial Inclusion Projects in FY 2022-23:

Sl. No.	Name of the Programme	No. of Programmes	No. of Beneficiaries Reached
1	ESAF DHANSREE	2,311	94,053
2	ESAF VAYOJYOTI	576	24,527
3	ESAF BALAJYOTHI	579	36,880
4	ESAF BANK UDYOG JYOTHI	97	680
5	SCORE UP CREDIT SCORE	18	776
6	REGULAR FL @ BRANCHES	736	10,456
7	RBI FLW- LSEDP FOLLOW UP	593	12,637
8	JLG FORMATION ORIENTATION	43336	866713
9	FINANCIAL INCLUSION THROUGH CSR INTERVENTIONS	127	4172
	Total	48,373	10,50,894

Social and Relationship Capital

Serving the Last Mile Through Technology (Micro ATMs)

ESAF Bank has been earnestly working towards reaching the last mile geographies through its products and services. It has been in the DNA of the Bank to render financial upliftment for the underserved and unbanked communities in the lower strata of society.

One such project was the deployment of Micro ATMs. This was done by joining hands with the National Bank of Agriculture and Rural Development (NABARD) under the Financial Inclusion Fund (FIF). We have been associating with them for many social inclusion projects that benefit the needy segments of society. This project was carried out in the states of Kerala and Tamil Nadu. By 31st March, 2023, over 2000 Micro ATMs were deployed for strengthening the last mile digitisation.



Inclusion through Building Ecosystem- Collective Enterprise Initiatives

Being an organisation that began its journey as an NGO, ESAF has always stood beside its customers. Beyond giving them access to finance, we also engage with them for a long term, transforming many lives. We provide front-end and back-end support, propelling them forward. Empowering women is empowering the community as it fuels the growth of society. Be it small or large businesses, the contribution of women has been significant. The

Bank has facilitated the creation of employment opportunities for micro entrepreneurs. We also aid in the formation of collective enterprising initiatives.

ESAF as a group of social enterprises play a pivotal role in the life of its customers. The Bank not only gives them access to finance but also paves the way to scale up their ventures by providing various other opportunities. We provide skill training and capacity

building sessions for our customers which enhances their source of income and gives them more earning opportunities. It helps to kindle their entrepreneurial spirits and motivate them to engage in a formal business/start up. We also provide market linkage support that will help them bring their goods onto a formal selling platform and get a reasonable price.

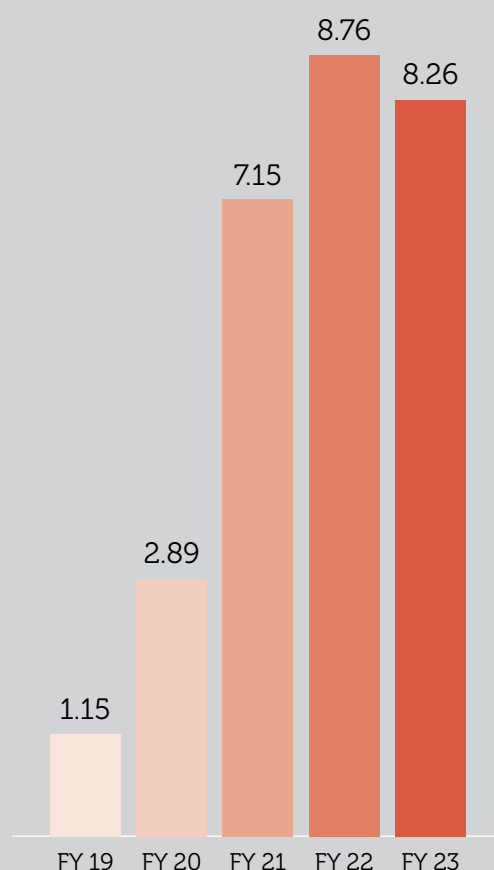




Corporate Social Responsibility

The Bank has developed a wide range of social (CSR) initiatives that are carried out through our implementation partners, ESAF Foundation and Prachodhan Development Services Limited. Going beyond the mandated allocation as per the MCA's CSR guidelines, 5% of the average net profit of the last 3 financial years is allocated for CSR initiatives. We contribute to building a sustainable society through a variety of our flagship projects such as building infrastructure for rural schools, skills and entrepreneurship training, Balajyothi Clubs for wholistic development of children, projects for migrant labourers, agricultural initiatives and training for sustainable agriculture in different segments.

CSR allocation (₹ in Crore)



FY23 CSR Outlay (In ₹)



I ESAF Balajyothi

ESAF Balajyothi creates social value by transforming children through wholistic education, fostering academic excellence, life skills, and advocacy for child rights. It empowers children, enhances creativity, promotes collaboration, and nurtures leadership qualities, benefiting children, facilitators, siblings, parents, and the community.



Reference to Schedule VII of Section 135

Point (ii), Point (vii)

SDG Linkage



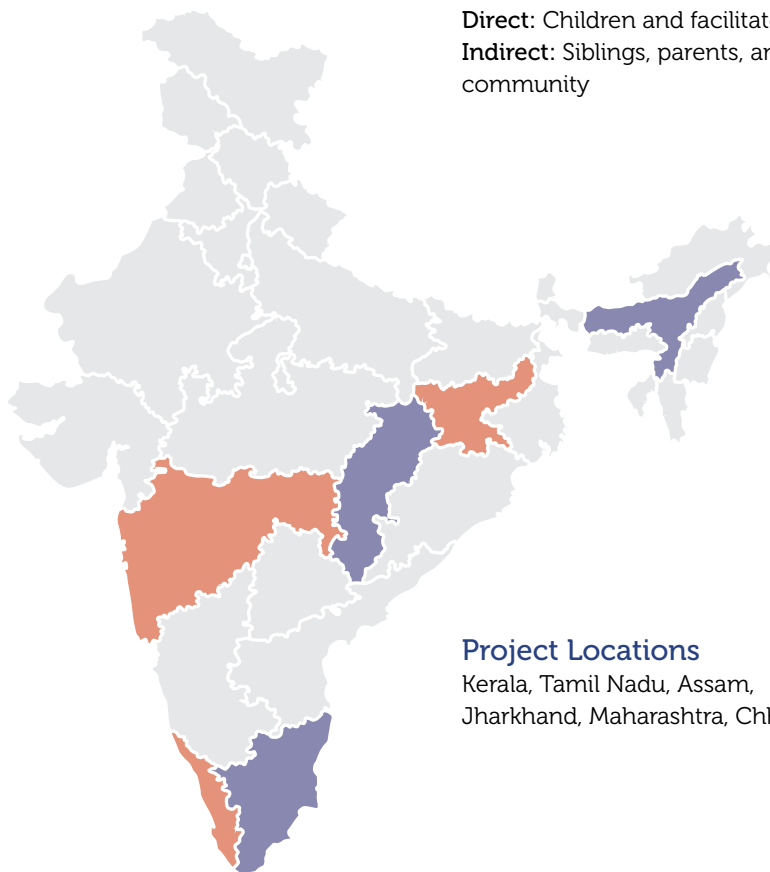
Project Objectives

- Transform neighbourhoods with happy, healthy, academically bright, and socially responsible children and informed parents
- Develop academic and non-academic skills of children
- Prepare children to be active contributors to society's development and progress
- Empower children and stakeholders to advocate for basic child rights
- Provide opportunities for creative skills and talent development
- Enhance creative thinking through life skill education
- Promote collaboration between Balajyothi and local ESAF Bank branches through employee volunteerism

Targeted Beneficiaries

Direct: Children and facilitators

Indirect: Siblings, parents, and the community



Project Locations

Kerala, Tamil Nadu, Assam, Jharkhand, Maharashtra, Chhattisgarh

Highlights

Financial Literacy Classes for Children:

Financial literacy training was conducted for 161 children in Balajyothi clubs in Maharashtra. The training focused on savings, net banking, and avoiding fraudulent activities. Piggy banks were distributed to emphasise the concept of personal savings.

Balajyothi Club Formation:

In the 2022-2023 period, 145 new Balajyothi clubs were established in Kerala and Tamil Nadu, enrolling 3,283 children. Currently, 328 Balajyothi clubs operate in India, with 7,623 children actively participating.

Summer Camp (Meraviglia 2023):

A summer camp called "Meraviglia" was organised in 14 districts of Kerala and seven districts of Tamil Nadu. 1,985 children participated in 33 camps. The camps offered various sessions on leadership, communication, self-assessment, drama, and acting, benefiting Balajyothi club members.



Orientation and Capacity Building for Animators:

Induction training and capacity building sessions were conducted for Balajyothi volunteers, focusing on the responsibilities of committee members and major activities.

Regional Athletic Meet:

A regional athletic sports meet was held in Jharkhand, with more than 170 children participating in events such as running races, long jump, high jump, and relay. Another regional event was conducted in Assam, where 110 children participated in various sports.

Street Library in Udalguri, Assam:

A street library was established in Udalguri to promote reading habits and intellectual development among children in an economically and socially backward community. Around 100 books with informative content and stories were provided, fostering leadership qualities and creating a positive impact.

Skill Development Training for Children (Kalimuttam):

Workshops on skill development, such as videography, storytelling, and craft-making, were organised in Thrissur, Malappuram, Palakkad, and Villupuram. These workshops provided practical knowledge and creative opportunities for Balajyothi club students.

Children Harvested Vegetables:

Balajyothi children from various clubs in Assam successfully harvested the vegetables they had cultivated, including beans, radishes, and spinach. They used some of the vegetables for household purposes, while the rest were sold in the local market.

II ESAF Entrepreneurship Acceleration Programme

The ESAF Entrepreneurship Acceleration Programme creates social value by empowering rural individuals, especially women and micro-entrepreneurs, through tailored training and mentorship. It enhances livelihood skills, reduces unemployment, and improves rural livelihoods. Additionally, it fosters entrepreneurship and enables participants to market their unique products profitably.

ESAF Entrepreneurship Acceleration Programme focuses on enhancing employability and entrepreneurship through training and mentorship. It has provided training and mentorship to 1,170 women through 40 skill training programmes, including food processing, tailoring, marketing, and online webinars. The programme has been successfully executed in Kerala and Tamil Nadu.

Reference to Schedule VII of Section 135

Point (i) and (ii)

SDG Linkage

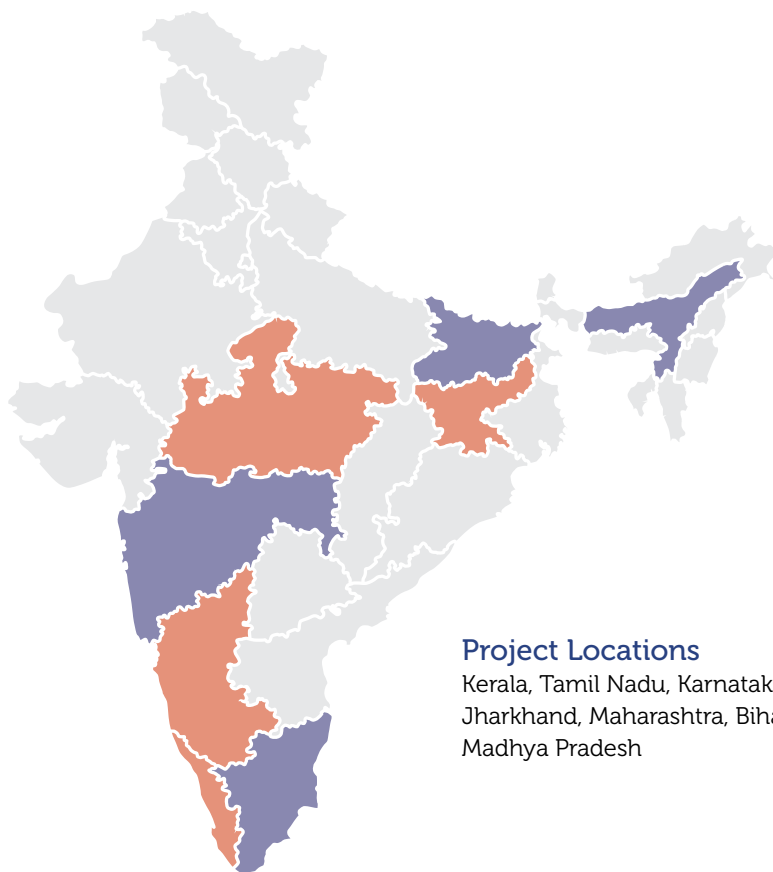


Project Objectives

- Develop and enhance livelihood skills of women, youth, and micro-entrepreneurs in rural areas
- Improve the livelihoods of micro-entrepreneurs

Targeted Beneficiaries

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



Project Locations

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

Highlights

Tailoring Training for Rural Women:

A five-day training programme held in Sehore, Madhya Pradesh, benefited 25 participants. The training received positive feedback and motivated more women to join the sessions.

Beautician Training for Rural Women:

A five-day training programme conducted in Sehore, Madhya Pradesh, trained 28 women. Participants expressed gratitude for the training and showed interest in learning further.

Food Processing Training:

Thirteen training programmes were held on jackfruit and banana value-added products, bakery snacks, and mushroom value-added products. These programmes benefitted 425 women in Kerala and Tamil Nadu. Reputed training agencies and experienced faculties provided the training.



Tailoring Training:

Seven Level 1 and One Level 2 training programmes were conducted to empower women in the tailoring sector. Level 1 focused on different patterns and models of ladies and kids wear, while Level 2 included marketing, branding, and recent fashion trends. Level 1 was attended by 192 and Level 2 was by 15 participants.

Marketing/EDP Training:

Eight Entrepreneurship Development Programmes (EDP) and Marketing training programmes for women entrepreneurs, as well as entrepreneurship awareness programmes for FPO members were conducted. The training benefited a total of 266 women.

Craft Training:

Training programmes were conducted on bamboo crafts, paper bag making, and umbrella making. These skill-based programmes aimed to enhance craft skills and promote income generation through handmade products. A total of 131 participants benefited from six craft training programmes.

In the CSR Year 2022-23, provided training and mentorship to 3,214 entrepreneurs through 102 Skill Training Programmes.

III ESAF Village-Level Entrepreneurship Development Programme

The ESAF Village Level Entrepreneurship Development Programme is an initiative aimed at empowering individuals in rural areas to become successful social entrepreneurs. The programme focuses on providing training, guidance, and support to individuals who aspire to start their own social businesses and contribute to the economic development of their communities.

Through this programme, participants receive comprehensive training in various aspects of entrepreneurship, including business planning, financial management, marketing strategies, and customer relations. They also receive mentoring and coaching to enhance their skills and knowledge in their chosen field.

ESAF Small Finance Bank, in collaboration with local partners and organisations, conducts the Village Level Entrepreneurship Development Programme, targeting individuals from disadvantaged backgrounds. By equipping them with the necessary tools and knowledge, the programme aims to create sustainable livelihood opportunities and uplift the economic conditions of rural areas.

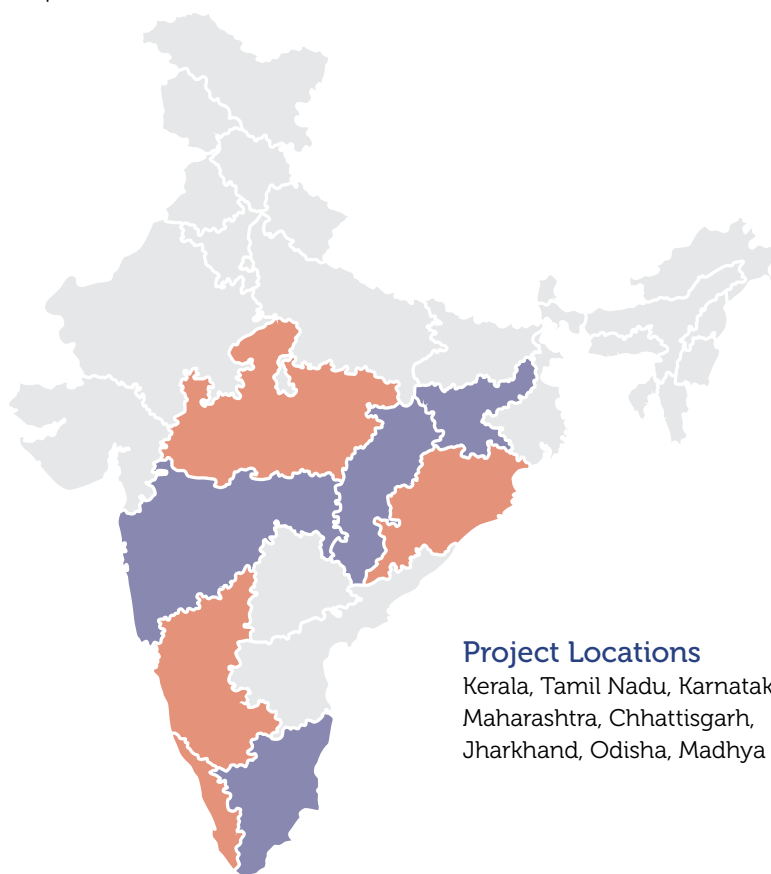
Participants in the programme are encouraged to identify and develop their business ideas, receive guidance on accessing financial resources, and gain insights into market trends and opportunities. Additionally, they learn about ethical business practices and social responsibility, promoting sustainable and inclusive entrepreneurship.

The ESAF Village Level Entrepreneurship Development Programme has been successful in nurturing a new generation of entrepreneurs, fostering economic growth, and creating employment opportunities in rural communities. ESAF Urjabandhu, Pashumitra, Krushakmitra, and Arogyamitra, reflect the commitment of ESAF Small Finance Bank to making a positive impact in various sectors, fostering sustainable development and empowerment within communities.

Reference to Schedule VII of Section 135

Points (ii) and (iv)

SDG Linkage



Project Locations

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

Highlights

ESAF Urjabandhu

ESAF Arogyamitra

ESAF Pashumitra

ESAF Krushakmitra



ESAF Urjabandhu

ESAF Urjabandhu: ESAF Urjabandhu is a programme dedicated to promoting renewable energy. It focuses on raising awareness about the benefits of renewable energy sources and providing support for the adoption of sustainable energy practices. Through this initiative, ESAF Small Finance Bank aims to contribute to a greener and more environmentally friendly future with theoretical and practical sessions on Solar PV System designing, installation, maintenance, and EV charging.

The major objective of the programme is to train local electricians to become clean energy entrepreneurs who can provide last-mile services related to clean energy. The programme helps to create additional/new livelihood opportunities for the unemployed and provide on-time doorstep service to the customers.

Reference to Schedule VII of Section 135

Points (ii) and (iv)

SDG Linkage



Highlights

ESAF Urjabandhu Training

The 6th batch of Urjabandhu training was held during the year at Mithradham Renewable Energy Centre, Aluva. The five-day residential training focused on solar PV system installation and maintenance, with 23 participants from Kerala. Trainers from MSME-TI provided theoretical and practical learning experiences, covering design, installation, service aspects of solar PV systems, and a site visit. Representatives from ESAF Bank and ESAF Foundation visited and interacted with participants.

Additionally, a 30-day Entrepreneurship Skill Development training on Solar PV Power Systems was conducted during the year at MSME DFO Thrissur. The training covered solar PV design, installation, marketing, business development, government and banking schemes, and solar products. It included site visits to Mithradham Renewable Energy Centre, Cochin International Airport, and Metro Station.

Urjabandhu Advanced Training

A three-day advanced MSME-certified training on "EV charging station" was conducted from 25th-27th March 2023, at Mithradham Renewable Energy Institute. Shri. Lijo from Colombiar Lab Pvt. Ltd. facilitated the training, attended by 17 Urjabandhus.

ESAF Urjabandhu Meets

ESAF's Urjabandhu programme organised two regional meetings for participants during the year, at Kottakkal Vyabhara Bhavan, bringing together Urjabandhus from two districts of Kerala. The second meet took place at Kalarikkal training centre in Mannuthy. These meetings aimed to foster connections among Urjabandhus, facilitate internships, and provide insights into micro-banking. Around 29 Urjabandhus attended, alongside officials from ESAF Foundation and local branches.

The Urjabandhu grand meet was attended by 59 Urjabandhus from various parts of Kerala. The event featured the digital unveiling of a 1MW installation milestone, the distribution of Urjabandhu performance awards, and certificates to 6 Urjabandhus. The programme was inaugurated by Shri. K. Paul Thomas, the MD & CEO of ESAF Bank. ESAF representatives and officials discussed ANERT schemes, emerging solar solutions, and interacted with entrepreneurs.



LED Product Assembly Training

An LED product assembly training was conducted as part of the CSR initiative of the Bank. The three-day skill training on LED decorative products took place at ASAP Skill Park Chathannur, Palakkad, in Kerala with eight participants.

ESAF Arogyamitra

ESAF's Arogyamitra project promotes women's wholistic development. Arogyamitras are trained community health workers who raise awareness about healthy habits, prevent diseases like hypertension, diabetes, cancer, etc., and record blood pressure and blood sugar levels. They visit households to check blood sugar and BP, addressing personal hygiene, hand washing, sanitation, nutrition for pregnant women, infants, children, and malnutrition in women and children.

Project Objectives

- Improve primary and preventive healthcare for hygiene, nutrition, diseases, mental health, and maternal health
- Enhance basic health monitoring, early disease detection, and care for the elderly

Targeted Beneficiaries

- **Direct:** Rural youth, women
- **Indirect:** Farmer community

Reference to Schedule VII of Section 135

Points (ii)

SDG Linkage





ESAF Pashumitra



ESAF Pashumitra offers services such as artificial insemination, vaccination, milk collection, and procurement. It provides self-employment opportunities for youths while improving health, nutrition, and cow breeds to increase milk production. Rural youths receive training in livestock care, including dairy entrepreneurship and artificial insemination.

Project Objectives

- Train unemployed youth in dairy entrepreneurship and place them as service providers
- Provide veterinary services to dairy farmers through farmer collectives
- Train capable youths in artificial insemination and improve breed capability for small farmers

Targeted Beneficiaries

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

Reference to Schedule VII of Section 135

Point (ii)

SDG Linkage



Highlights

Animal Health Camp:

ESAF Pashumitra conducted a health camp in seven villages of Yavatmal District, Maharashtra.

The camp provided health check-ups, disease diagnosis, and medications for livestock. It benefited 441 farmers and 1,950 livestock.

Pashumitra First

Level Training at NDDB:

National Dairy Development Board provided the first level of training to 32 candidates from Maharashtra. The training enhanced their knowledge of animal rearing, livestock farming, and dairy entrepreneurship.

It also prepared them for emergency interventions.

Veterinary Camp:

ESAF Foundation organised veterinary camps in Chikballapur and Theni. The camps provided treatments for infertility, deworming, and vaccination to cows and goats.

They also discussed dairy loans, insurance products, and emerging products.

Dairy Animal Management Programme:

A five-day residential training programme was conducted in collaboration with NDDB Southern Regional Training Centre. It equipped participants with skills for running a successful dairy enterprise, including milk quality testing and fodder management.



ESAF Krushakmitra



ESAF Krushakmitra is an initiative focused on agriculture-related activities. The programme aims to support farmers by providing them with financial services, knowledge, and resources to improve their agricultural practices. Through Krushakmitra, ESAF Small Finance Bank strives to empower farmers, enhance agricultural productivity, and contribute to the overall development of the agricultural sector.

Krushakmitra empowers unemployed rural youth to become agri-entrepreneurs and service providers. They act as linkers between farmers, extension personnel, and authorities, facilitating the adoption of agricultural technologies.

Project Objectives

- Empower unemployed rural youth through agri-entrepreneurship training

Targeted Beneficiaries

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

Reference to Schedule VII of Section 135

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

SDG Linkage



IV ESAF Capacity Building and Market Linkages for Entrepreneurship Collectives

ESAF Small Finance Bank's Capacity Building and Market Linkage for Entrepreneurship Collectives is a programme aimed at empowering and strengthening collective enterprises. Under this initiative, collaborate with various collective entrepreneurship groups, such as Self-Help Groups (SHGs), Producer Groups, and Farmer Producer organisations (FPOs). The programme offers training and skill development programmes to enhance the members' entrepreneurial capabilities, including business planning, financial management, marketing strategies, and product development.

Furthermore, it facilitates market linkages for the entrepreneurship collectives. This involves connecting with appropriate markets, buyers, and distribution channels, enabling them to access better opportunities and generate higher incomes.

We aim to promote economic empowerment, create sustainable livelihoods, and contribute to the overall development of Entrepreneurship. By supporting these groups, the Bank fosters inclusive growth, strengthens local economies, and empowers marginalised communities.

Project Objectives

Enhance the socioeconomic conditions of poor farmers in remote areas by providing capacity building for farmers in collectives and facilitating their access to modern retailers.

Targeted Beneficiaries

- **Direct:** Farmers, Farmer Collectives, FPOs and farmer institutions

- **Indirect:** Rural Agricultural Community

Reference to Schedule VII of Section 135

Point (ii) & Point (iv)

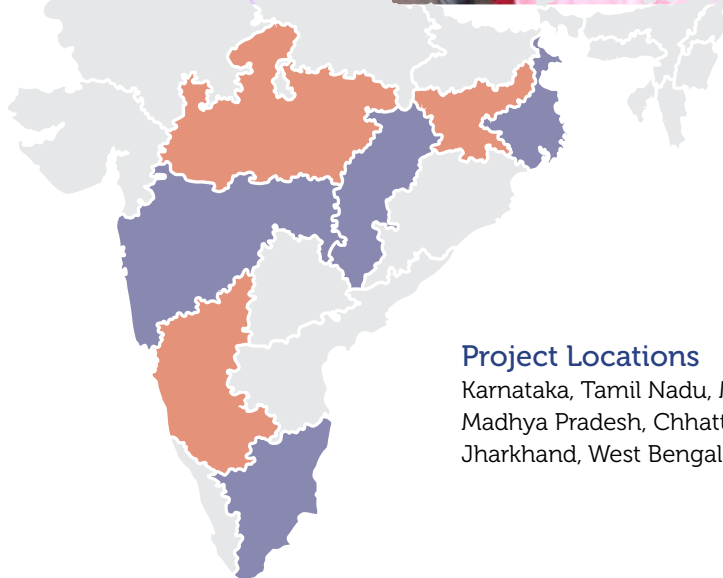
SDG Linkage



Highlights

Buyer Seller Meets:

A buyer-seller meet was conducted on 22nd February 2023, involving farmers, company representatives, FPO representatives, and officials. Topics discussed included trading opportunities for FPCs and understanding market demands and supplies.



Project Locations

Karnataka, Tamil Nadu, Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, West Bengal

V ESAF Centre for Excellence in Collective Entrepreneurship

ESAF Centre for Excellence in Collective Enterprises is a dedicated physical centre that serves as a platform for enhancing the capacities of apex organisations involved in collective enterprises. The centre focuses on various aspects such as skill and capacity building, policy advocacy, knowledge management, and research to foster the development of collectives. One of the key functions of the centre is to facilitate the onboarding process for collectives. This involves providing guidance and support to newly formed collectives to ensure their smooth establishment and functioning. To assist in this process, the centre develops handbooks covering five relevant subjects, offering practical insights and guidelines on various aspects of collective enterprises. The centre creates a best practise guide that highlights successful approaches and strategies for different crops. This guide serves as a valuable resource for collectives, enabling them to learn from the experiences of others and implement effective practices in their own operations.

Market linkage is a crucial component of collective enterprises, and the centre plays a vital role in this area. It develops a market linkage manual that provides comprehensive guidance on establishing connections with markets, buyers, and distribution channels. This manual equips collectives with the necessary knowledge and skills to access better market opportunities and increase their profitability. Recognising the importance of strong leadership within collectives, the centre offers executive training programmes specifically tailored for board members of collectives. These training programmes focus on enhancing leadership skills, governance practices, strategic

planning, financial management, and decision-making capabilities. By empowering board members, the centre contributes to the overall success and sustainability of collective enterprises.

Through its comprehensive initiatives, the ESAF Centre for Excellence in Collective Enterprises strives to create an enabling environment for collectives to thrive. By building capacities, providing essential resources, and facilitating market linkages, the centre supports the growth and development of collective enterprises, ultimately improving the livelihoods of the individuals and communities involved.

Project Objectives

- Empower unemployed rural youth through agri-entrepreneurship training

Targeted Beneficiaries

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

Reference to Schedule VII of Section 135

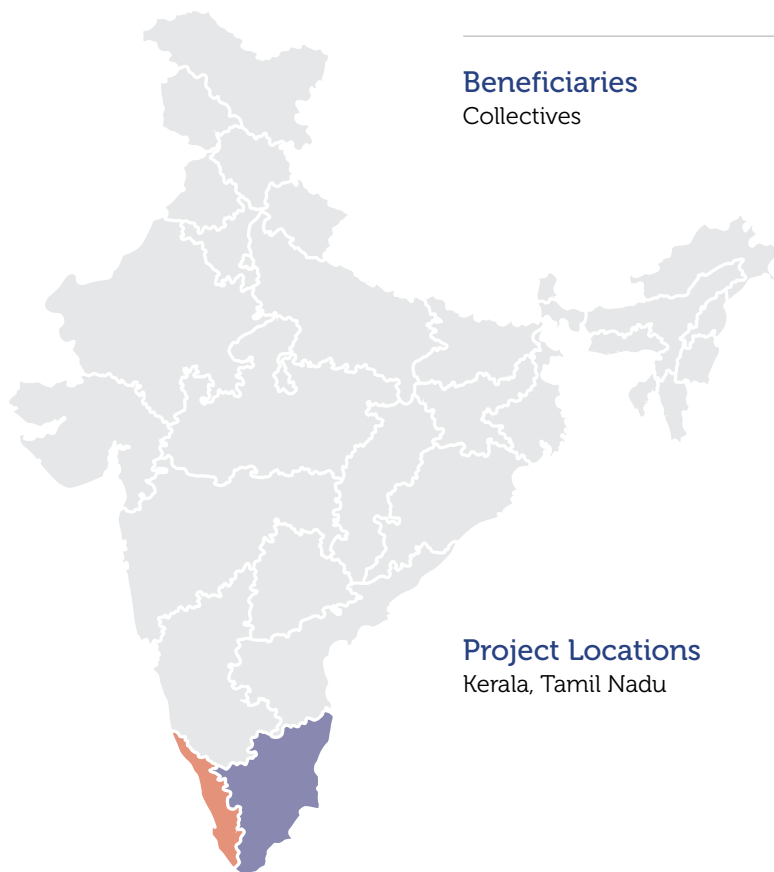
Point (ii) & Point (iv)

SDG Linkage



Beneficiaries

Collectives



Project Locations

Kerala, Tamil Nadu

VI ESAF Health Care Infrastructure Development & Support

ESAF Healthcare Infrastructure Support is an initiative aimed at improving and strengthening healthcare infrastructure in underserved areas. The programme focuses on providing support and resources to enhance the quality and accessibility of healthcare facilities, particularly in rural and remote regions.

The project focuses on empowering rural hospitals to provide comprehensive, quality healthcare services and helping the hospitals become reliable and self-sufficient centres of community care.

The goal is to close the healthcare gap and increase underserved areas' access to high-quality healthcare services. Through this initiative, the Bank is also committed to contributing to the overall well-being and improved health outcomes of communities in need.

Reference to Schedule VII of
Section 135

Point (i)

SDG Linkage



Beneficiary

Rural Community



VII ESAF Emergency Relief & Community Interventions

ESAF Small Finance Bank's Emergency Relief and Community Intervention Project is a significant initiative aimed at providing support and assistance during times of emergencies and disasters. The project focuses on building resilience within communities, empowering them to effectively respond to crises and recover from adverse situations. Under this project, we collaborate with local communities, NGOs, and government agencies to implement various interventions.

These Interventions Include

Emergency Preparedness: The project emphasizes the importance of preparedness by conducting training programmes, workshops, and awareness campaigns to educate community members on disaster management techniques, evacuation procedures, first aid etc.

Relief Assistance: In the event of emergencies or disasters, ESAF Small Finance Bank mobilizes resources to provide immediate relief and support to affected communities. This assistance may include the distribution of food, water, shelter materials, and other essential supplies.

Community intervention: This refers to the collective efforts and actions taken by the Bank to address social issues and improve the well-being of a community. It involves identifying community needs, developing strategies, and implementing targeted interventions to bring about positive change. Community interventions can take various forms, depending on the specific issues and goals at hand. These interventions may include educational programmes, health campaigns, infrastructure development, skill-building initiatives, advocacy efforts, and community empowerment projects. The key focus is on engaging community members, fostering collaboration, and leveraging local resources to address challenges and enhance community resilience. Overall, community intervention plays a crucial role in addressing social issues, promoting inclusive development, and improving the quality of life for individuals within a community.

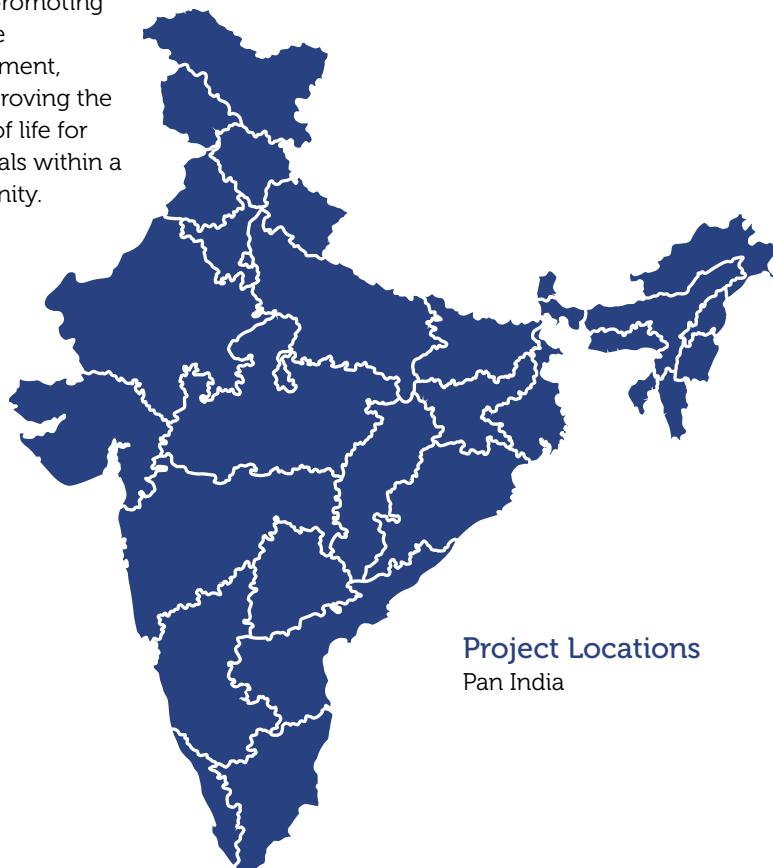
Project Objectives

The project aims to mitigate the impact of emergencies, enhance community resilience, and facilitate the recovery process. By actively engaging with communities, the Bank strives to make a meaningful difference in the lives of individuals and contribute to the overall well-being of society.

Reference to Schedule VII of Section 135

Point (ii)

SDG Linkage



Project Locations
Pan India

Highlights

Medical camp at Mulli, Attapady:

A three-day medical camp was organised in Mulli, Attapady, in April 2023. With the support of St. Francis Dispensary and the Tamil Nadu Special Task Force, the camp served tribal communities in five Tamil villages, St. Francis Dispensary, and Hiriyaseegai Tribal village. The medical team provided diagnoses, medicines, and follow-up plans for various health conditions.

Mobile medical camp at Brahmapuram:

A medical camp was organised by PDS in the vicinity of the Brahmapuram waste plant. Following a fire incident, toxic fumes affected the surrounding areas, causing respiratory problems. Nebulisation and medications were provided to 50 individuals with respiratory issues.



Onam kit distribution – Transgenders:

Food kits were distributed to 50 transgender individuals facing daily struggles. The programme involved various project officers and community representatives. The initiative was carried out as part of the BeFore-suraksha TG project, aimed at eradicating HIV among the transgender community and supporting their livelihood needs.

Flood relief – Sironcha, Maharashtra:

In response to floods, the Sironcha branch initiated relief work by identifying affected individuals in different locations/villages. Food kits were distributed to approximately 2,000 people across 37 villages.

Institutional support (playground facility in AUP School, Kannara):

ESAF Foundation supported Kannara Aided Upper Primary School in setting up a park for mental development and enjoyment of students. The inauguration of the renovated play facility was conducted by Shri. K. Paul Thomas, MD & CEO of ESAF Small Finance Bank.

Blanket distribution:

ESAF Foundation's Emergency Relief and Community Intervention Team distributed 706 blankets to rural communities in Haryana, New Delhi, and Rajasthan during the winter season.

VIII ESAF Garshom

Project Overview

ESAF Garshom is a project that was developed to address the situation and challenges faced by the migrant population. The project serves as a resource hub for migrant labourers, providing social, health, and legal aid. It also enhances the skills of migrant labourers through training, improving their employability. The Bandhu helpline assists workers with distress calls and provides crucial information on prevention, food sources, housing, transportation, and medical treatment. The project's initiatives, such as financial literacy meetings and children's camps, promote empowerment, community engagement, and inclusion among migrant communities, fostering a sense of support and belonging.

Project Objectives

- Serve as a resource hub for migrant labourers
- Provide social, health, and legal aid to migrants
- Enhance migrant labourers' skills through training for better employability
- Act as a drop-in facility for migrant labourers

Targeted Beneficiaries

- **Direct:** Migrant Labourers
- **Indirect:** Families, Health Department, Community

Reference to Schedule VII of Section 135

Point (i)

SDG Linkage



Project Locations

Kerala & Odisha

Highlights

Financial Literacy Meeting in Odisha:

In collaboration with Gram Vikas, ESAF Garshom conducted a Financial Literacy meeting for Odisha natives.

The session reached 1,011 individuals across five locations, explaining concepts like income, expenses, savings, investments, loans, banking services, and budgeting through real-life examples.



Migrant Children Camp in Malakkappara:

As part of community events, ESAF Garshom organised a Summer Children's Camp for migrant children in Malakkappara. Children from Jharkhand and Tamil Nadu participated in activities focused on learning and playing. The camp fostered a sense of community and bonding among the 70 children, with age-specific and inclusive activities. The event received extensive support and involvement from local people and stakeholders, contributing to its success.

IX ESAF Rural School Infrastructure Development & Support

Project Overview

The social value created by the ESAF Rural School Infrastructure Development & Support project is significant. By providing infrastructure support to ten schools in rural areas, the project ensures safe and hygienic classrooms and toilet facilities, which are essential for students' health. This initiative aims to enhance students' academic performance through modern tech-based learning and improve the teaching experience for faculty members. The project directly benefits the schools and approximately 1500 students, while also indirectly benefiting parents and the community.

Reference to Schedule VII of Section 135

Point (ii)

SDG Linkage

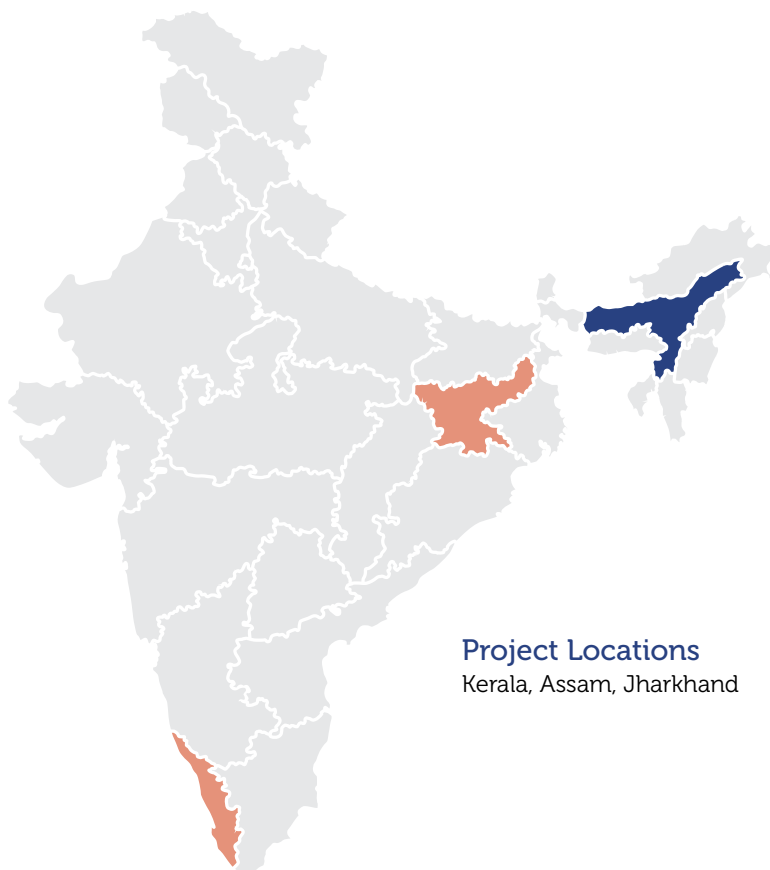


Project Objectives

- Provide quality classroom infrastructure for students
- Enhance students' academic performance through modern tech-based learning
- Improve the teaching experience for faculty members

Targeted Beneficiaries

- **Direct:** Schools and 1500 Students
- **Indirect:** Parents, Community



Project Locations

Kerala, Assam, Jharkhand



X ESAF Santhwana

ESAF Santhwana Project is a significant endeavour focused on addressing the importance of mental health, an often-overlooked aspect of overall well-being. Despite the increasing prevalence of mental illness, it remains a topic that receives less attention and discussion. This lack of awareness and understanding of mental health leads to various challenges.

People are discouraged from seeking therapy in the early stages of mental illness due to misconceptions about its causes and treatments, which allows the illness to worsen. Inaccurate information regarding treatment procedures also makes it more difficult for people with mental health problems to take their medications as prescribed and contributes to poor medication adherence. The difficulties that patients and their carers confront

are made more difficult by the social stigma attached to mental illness.

Insufficient awareness of effective parenting skills and stress management techniques can also contribute to mental health issues in individuals. In response to these challenges, the ESAF Santhwana Project aims to enhance the availability and accessibility of mental health information and interventions.

The project employs a comprehensive approach that includes systematic counselling, training of community mental health workers, outreach services, and increased access to mental health information for individuals, families, community-based organisations, and carers. Additionally, the project provides psychosocial support and services to women, children, and families affected by mental illness

through counselling, equipping individuals with the skills to identify mental health problems and make appropriate referrals. Selected families with a mental illness sufferer are also given special psychosocial treatment and assistance.

Through the ESAF Santhwana Project, the goal is to create a society that prioritises mental health and ensures that individuals, families, and communities have the necessary resources to effectively address mental health challenges. By promoting education, counselling, and outreach, the project aims to break down barriers, reduce stigma, and foster overall well-being for all.

Reference to Schedule VII of Section 135

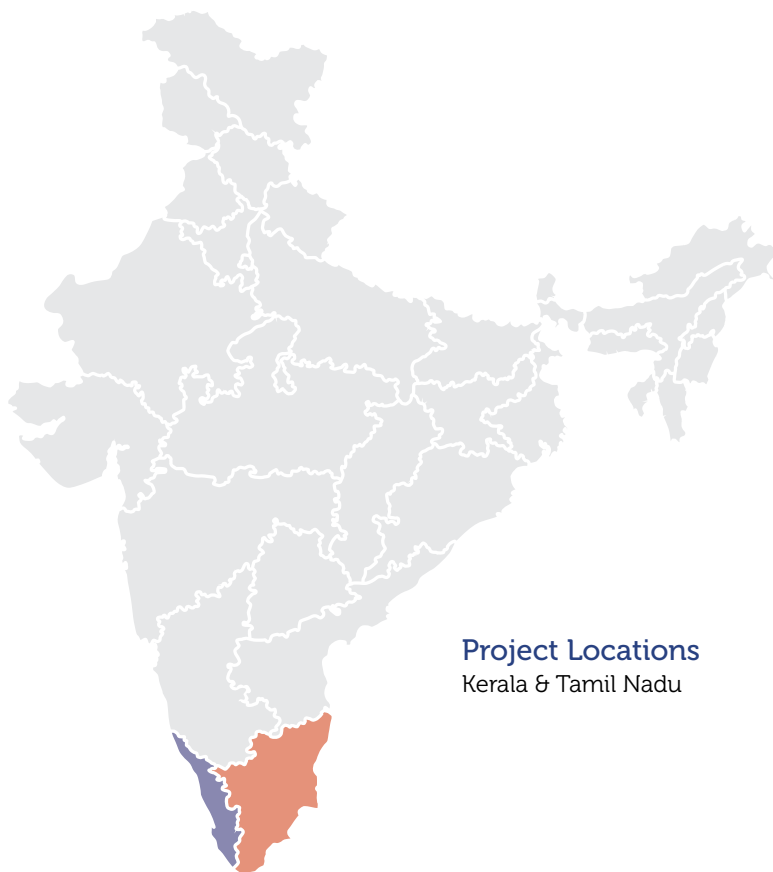
Point (ii)

SDG Linkage



Beneficiaries

- **Direct:** Students, Elderly, Women
- **Indirect:** Families



Project Locations

Kerala & Tamil Nadu

Highlights

Mental Health Outreach:

ESAF Foundation conducted 58 mental health awareness sessions in Tamil Nadu and Kerala, reaching a total of 2,496 individuals. The sessions covered topics such as stress management, social anxiety, family values, and dementia in old age.

School Life Skill Sessions:

ESAF Foundation conducted 34 life skill training and career guidance sessions in Kerala and Tamil Nadu, reaching 1,605 students. The sessions focused on life skills, goal setting, and career guidance. Additionally, two sessions on young adolescents' mental health awareness were conducted in Tamil Nadu.

Memory Walk (World Alzheimer's Day):

ESAF Foundation, in collaboration with the Social Justice Department, ARDSI, and Club FM, organised a Memory Walk on World Alzheimer's Day 2022 to raise awareness about dementia.



Senior Citizen Day Programmes:

ESAF Foundation conducted special sessions for senior members of ESAF Sangams, emphasising active aging and stress coping mechanisms. A total of 360 senior citizens participated in these sessions, with 29 individuals attending a specific programme on happy aging in Kannara.

World Mental Health Day:

As part of World Mental Health Day 2022, a session was organised on prioritising mental health and well-being. The event featured speeches by prominent individuals, a presentation on mental health, and a meditation and relaxation exercise for staff members.

Hrudayaadaram 22 – Senior Citizen Day:

ESAF Foundation commemorated Senior Citizen Day 2022 by interacting with the inmates of Ashraya Bhavan, a home for destitute senior citizens. The Santhwana project team engaged the senior citizens through songs, games, activities, and gift distribution.

Content Development Workshop:

A workshop was conducted to develop uniform modules for mental health awareness sessions. The workshop involved lead RPs associated with the project and was facilitated by ESAF's Director and other team members.

ESAF Bank's Farmer Interest Group Loan Driving Agricultural Empowerment

ESAF Small Finance Bank is committed to making a positive social impact by providing customer-centric financial products and services. One of the most impactful offerings is the Farmer Interest Group (FIG) Loan, which aims to empower small and marginal farmers to meet their financial needs for agriculture and allied activities. This report analyses the social impact of the FIG Loan and highlights its contribution to the well-being of farmers.

Empowering Farmers for Financial Inclusion

A study conducted among FIG loan customers reveals that the majority (85%) of customers are newly onboarded, indicating the Bank's success in reaching underserved farming communities. The loan amount is being utilised for agricultural purposes, with 47% of customers using it to purchase seeds and fertilizers, 21% for buying nursery seeds, and 14% for land preparation. This demonstrates that the loan is rightly directed towards agricultural investments, enhancing productivity and crop yields.

Enhancing Land Ownership and Utilisation

The study also shows that a significant percentage (58%) of FIG loan customers own more than 1 acre of land, facilitating their agricultural pursuits. Additionally, 72% of customers utilise 75% and above of their land for cultivation, highlighting the effective use of available resources. Crop rotation is practised by the majority (76%) of customers, emphasising their commitment to maintaining soil fertility and sustainable farming practices.

Transitioning to Sustainable Crops

Traditionally, farmers in the operational area cultivated crops such as millets, pulses, rice, sugarcane, and vegetables. However, the study reveals a growing shift towards water-intensive crops like sugarcane and rice. To address the impact of climate change, ESAF Bank can encourage farmers to diversify their crops and promote sustainable agriculture practices that conserve water resources and adapt to changing environmental conditions.

Addressing Challenges and Building Resilience

Natural calamities pose a significant challenge to farmers, affecting 72% of FIG loan customers. ESAF Bank can consider implementing risk mitigation strategies and providing insurance coverage to protect farmers from unforeseen losses. Additionally, 33% of customers rely on bank loans during adverse situations, emphasising the role of FIG loans in managing financial crises and enhancing resilience.

Socio-Economic Progression

The study indicates that 89% of FIG loan customers have received their first cycle of disbursement, signifying the Bank's growth and successful outreach efforts. Furthermore, for 51% of customers, income has stabilised, while 33% have experienced income doubling. This socio-economic progression demonstrates the positive impact of the FIG loan in improving the financial well-being of farmers and their families.



Our Impact - Our Pride

Honesty Ensures a Fruitful Future



Let us share the inspiring story of Kranti Parihar from Chhindwara, Madhya Pradesh.

Kranti Parihar, a member of the Sangam, has been associated with ESAF JLG for the past 13 years. She discovered that she could obtain business loans from ESAF through one of her relatives. Motivated by this, she encouraged women from her neighborhood to come together and form a new JLG. With her first loan of ₹ 5,000, Kranti opened a grocery store attached to her house, serving the daily grocery needs of her locality. Over time, she gradually expanded her stock to meet the bulk seasonal needs of the community.

By responsibly repaying her loans, she qualified for further loans, which she utilised effectively to scale up her business venture. Today, she is a respected small business owner in the locality and serves as an inspiration for others. During busy hours and in maintaining her accounts, Kranti receives support from her husband and children.

Kranti acknowledges that timely services from ESAF Bank enabled her to expand and run her enterprise with a monthly profit of ₹ 15,000. This income allows her to make loan repayments, save money, and contribute to family expenses. She proudly states that many women from her group have also started their own enterprises, transforming the lives of poor families in and around her village.

A 'Papad' Way to Profit

Allow us to share a tale of unwavering determination and resilience, starring our protagonist Rukmani Barman, a resident of Mandala, Madhya Pradesh. Hailing from a financially strained and impoverished background, Rukmani's family endured the hardships of meagre daily wages and malnutrition during her upbringing. Together, they faced numerous uphill battles, with Rukmani herself marrying at the tender age of 16 and shouldering the immense responsibility of providing for her family.



As time went by, Rukmani yearned for financial stability and began formulating a business plan centred around her fryum (papad) venture. This endeavour required not only procuring raw materials but also crucial financial support. She tenaciously pursued her plans to secure her family's future by approaching the Bank, where she discovered the JLG programme Sangam. Impressed by the programme's foundation of mutual trust among fellow community women, Rukmani decided to join.

Through Sangam, she obtained a loan of ₹ 2,000, enabling her to embark on her own papad business.

Fueled by her entrepreneurial spirit, Rukmani expanded her enterprise and now it operates five days a week, providing for her family while sustaining her business. Her indomitable spirit caught the attention of a regional newspaper, granting her the much-needed recognition that bolstered her self-belief. When the COVID-19 crisis presented yet another obstacle

to her venture, Rukmani sought further assistance from ESAF SFB and obtained a CCL (COVID Crisis Loan) of ₹ 10,000. This financial support helped her weather the storm and emerge stronger. Presently, she earns a handsome monthly income ranging from ₹ 5,000 to ₹ 7,000. Rukmani wholeheartedly expresses her gratitude to ESAF SFB for the unwavering support and strength it provided during this critical period. Thanks to her newfound income, she now leads a contented life with her family.

Our Impact - Our Pride

Detergents Wash Away Her Hardship



Allow us to share the inspiring story of Ranganayaki, a micro entrepreneur from Coimbatore, Tamil Nadu. Her family consists of her husband, son, and daughter. Eight years ago, Ranganayaki joined the ESAF JLG (Joint Liability Group) and embarked on her entrepreneurial journey. Today, she successfully operates a small store called Guru Chemicals, where she sells a range of products including Soaps, Oils, Phenylol, Bleaching Powders, Comfort items, and various types of acids. Initially, Ranganayaki availed of a loan of ₹ 5,000 from ESAF, and as her business grew, she graduated to an MEL (Micro Enterprise Loan). She wisely invested the loan amount to

revamp her store and introduce new products, which quickly established her as a notable entrepreneur within her local community. To manage her growing enterprise, she employs two individuals to assist her in the shop.

Throughout her journey, Ranganayaki's husband, Balamurugan, has been a pillar of support during challenging times. He oversees the godown where they store their products in large quantities. With the rise of facility management services, Ranganayaki now receives more orders from hospitals, corporate houses, and other institutions. Bulk orders from their loyal customers have become a significant source of income for

their business. Ranganayaki operates both retail and wholesale sales, and her profits have steadily increased over time, now amounting to approximately ₹ 1,000 per day. Her unwavering perseverance has been instrumental in this growth.

Looking ahead, Ranganayaki envisions expanding her business to reach customers in all districts. She aims to diversify her operations and tap into new markets. Ranganayaki attributes the transformation of her business and family life to the crucial role played by ESAF. The organisation's support has been invaluable, and she expresses her gratitude for its contribution to her success.

Spices Add Flavour to Saraswathi's Life

Let us share the inspiring story of Saraswathi, a resident of Koliyadukka in Kasargod district of Kerala. Saraswathi's family includes her husband, who works as a carpenter, and their two sons and daughter. Known for her enthusiasm and hardworking nature, Saraswathi embarked on a journey to establish her own masala/curry powder business from her home, gradually expanding and upgrading it over time. She meticulously prepares fresh masala powders, including turmeric, coriander, and various spices, which she supplies to nearby stores and supermarkets.

Saraswathi's business acumen led her to seek an FSSAI certification for her products, establishing her franchise's legitimacy. She maintains proper bookkeeping and separate banking accounts for her business transactions and even contemplates exclusive branding for her products. With the support of her family, Saraswathi has achieved success in her venture. Inspired by her mother, Saraswathi's daughter runs a cake-baking unit and engages in flex board designing. She supplies high-quality homemade cakes for various occasions within their locality.

During the challenging times of the pandemic, the Covid Care Loan provided by ESAF SFB proved to be a life-changer for Saraswathi. She received the helping hand she needed to overcome the woes caused by the pandemic. Furthermore, she obtained a Business Loan of ₹ 1,00,000 from ESAF SFB to further nurture her business requirements. Saraswathi expresses her immense gratitude to the Bank for the timely support, acknowledging that the CCL from ESAF SFB has been a blessing that helped her recover from the miseries of the pandemic.



Steaming Momos to Taste Success

Allow us to share the inspiring story of Tara Thapa, a bold and enterprising woman entrepreneur from Chhindwara, Madhya Pradesh. Tara, along with her husband, who works as a chef in a hotel, and her supportive son, possessed an entrepreneurial spirit from a young age. Despite financial constraints, she was determined to venture into business and approached ESAF for a loan. Understanding the requirements, Tara joined the Shubham Sangam of ESAF JLG, along with other women from her neighbourhood.

Driven by her passion for cooking and the desire to provide financial support to her family, Tara started a fast food stall. Her menu included a variety of dishes like steamed and fried momos, noodles, spring rolls, and more. Her delectable offerings quickly captured the taste buds of customers, earning her stall tremendous fame and popularity among the youth who craved Chinese, Continental, and Mexican cuisine. Tara's astute understanding of the Chhindwara market allowed her to make logical investments in her business, resulting in a monthly profit of ₹ 30,000.

Building on her business experience and innate knowledge, Tara opened another food stall near the city, which is now managed by her son. She adeptly navigated through various challenges, paving the way for success in all her endeavours. Tara dreams of owning her own house in the near future and expresses her gratitude to ESAF Bank, stating, "ESAF Bank supported me when I needed it the most, during a time when I lacked the funds to start my own venture. They encouraged me to embark on my journey as a successful businesswoman."



For Her, Candles spread Ray of Hope

Allow us to share the inspiring story of Vellimalar, a small-scale entrepreneur hailing from Gudalur, Nadugani area, Coimbatore. Initially, she started her journey by selling homemade candles and tea dusts. However, her aspirations led her to venture into the world of homemade chocolates as well. With the support of her family and a loan from ESAF, Vellimalar expanded her business and gained the confidence to stand on her own feet.

For the past four years, Vellimalar has devoted herself to her business while also taking excellent care of her family. She constantly explores new business horizons and remains deeply involved in her enterprise. With her strong credit history, she obtained her first group loan of ₹ 25,000 from ESAF, which fueled the initial growth of her business. She subsequently secured a loan of ₹ 40,000 to expand her operations. Vellimalar now receives regular orders from customers in Ooty, Kotagiri, Coimbatore, Erode, and Gudalur.

To accommodate her growing business, Vellimalar has opened a separate shop on the upper floor of her house. This new space includes a dedicated section for selling chocolates alongside other items. She has also employed two individuals to assist her in the shop. Encouraged by her initial success, Vellimalar eagerly looks forward to obtaining an MEL loan from the bank, allowing her to set up another store in the vicinity.

In future, Vellimalar plans to diversify into the tea business and increase her business among the local people and market. Her ultimate aspiration is to own a spacious shop where she can allocate a separate section for each of her products. ESAF Bank remains her beacon of hope, ensuring that her financial needs are met promptly and effectively.



Intellectual Capital

Experience Diversity at the Board Level

The combined experience of the Board members at ESAF Bank encompasses a wide range of sectors and disciplines, including banking, microfinance, finance, technology, agriculture, and rural economy. This diversity of expertise strengthens the organisation's intellectual property and enhances its ability to make informed and strategic decisions.



The Board includes individuals with experience in the banking sector, both at national and international levels, with expertise in banking supervision, financial stability, and commercial banking systems. Their knowledge of regulatory frameworks and their understanding of the operational aspects of the banking industry provides the Bank with valuable insights.

Furthermore, the Board benefits from the experience of individuals with a strong background in microfinance. Their work in rural India and their understanding of the transformative power of creating opportunities bring unique perspectives to the organisation. Their involvement in microfinance bodies and associations further enhances the Bank's intellectual property in this field.

The Board also includes individuals with extensive experience in finance, risk management, and accountancy. Their expertise in areas such as statutory audit, internal and forensic audit of banks, and financial consultancy services contributes to the organisation's intellectual property in financial management and governance.

Additionally, the presence of individuals with technology and business leadership experience enriches the intellectual property of the Bank. Their contributions to ISO standards, patents, and papers demonstrate

their ability to develop and translate intellectual property into innovative technology solutions and scalable business models.

Moreover, the Board benefits from individuals with experience in agriculture, rural economy, and government positions. Their knowledge in these areas adds value to the Bank's understanding of the specific challenges and opportunities in these sectors.

Information Systems & Data Infrastructure

ESAF Bank demonstrates remarkable intellectual capabilities in its information systems and technology infrastructure, as well as its database and knowledge management systems. The Bank recognises the crucial role of advanced technology in delivering efficient and reliable banking services. With a robust information system in place, ESAF Bank effectively manages its operations, ensuring seamless connectivity, secure data storage, and streamlined processes.

The bank's technology infrastructure is designed to support the ever-evolving needs of a modern banking environment. It incorporates cutting-edge hardware and software solutions, enabling smooth operations and enhanced customer experiences. ESAF Bank leverages the power of technology to optimise its services, improve efficiency, and stay ahead in a rapidly changing digital landscape.

Furthermore, ESAF Bank's database and knowledge management systems play a vital role in capturing, organising, and leveraging valuable information. The Bank understands the significance of data in making informed decisions and driving innovation. With a comprehensive database management system, ESAF Bank efficiently handles vast amounts of customer data while ensuring data security and privacy.

The bank's knowledge management systems enable effective sharing and utilisation of knowledge across the organisation. This allows employees to access relevant information, best practices, and insights, facilitating better decision-making and problem-solving. ESAF Bank's intellectual capabilities in this area enable the institution to stay informed, adapt to market dynamics, and continuously improve its products and services.

By investing in robust information systems, advanced technology infrastructure, and efficient database and knowledge management systems, ESAF Bank showcases its commitment to intellectual excellence and staying at the forefront of the banking industry. These capabilities empower the Bank to provide innovative, secure, and customer-centric solutions, meeting the evolving needs of its customers and driving its growth in the digital arena.

E-Signature – A Unique Digital Capability

ESAF Bank has demonstrated its intellectual capability in developing unique digital processes for small finance banking, and one such significant step taken in the FY 22-23 is the adoption of E-signature for disbursing microloans. Since December 2022, over five lakh loans have been successfully disbursed through E-signature, marking a significant milestone. Prior to this, manual loan processing was time-consuming, with customers physically signing numerous pages and copies of documents. However, the Reserve Bank of India's guidelines mandated digital signatures under the IT Act. A survey conducted by the sustainable banking department revealed positive customer feedback, with 56% confirming familiarity with E-signatures for loan disbursements. Training ensured customer satisfaction, and continuous improvement efforts will be made based on valuable feedback.

500,000+

Loans Disbursed through E-Signatures

Product Innovation – Farmer Interest Group Loan

ESAF Bank excels in its intellectual capability to innovate and develop products that effectively address social and agrarian issues. With a strong focus on small and marginal farmers, the Bank offers specialised products tailored to meet their financial needs in agriculture and allied activities. Embracing the philosophy of social banking, these products are designed to bring about tangible social change. Among its impactful offerings is the ESAF Farmer Interest Group Loan (FIG), which was introduced in 2021. As of March 31, 2023, the total portfolio of FIG stands at an impressive 610.61 crore, demonstrating the Bank's commitment to empowering farmers and driving positive transformation in the agricultural sector.

₹ 610.61 Crore FIG Portfolio

THE HINDU
businessline.

Updated - June 04, 2023 at 07:17 PM. | Kerala

ESAF Small Finance Bank adopts paperless initiative

ESAF Bank has disbursed over 5.27 lakh loans through e-signatures as on March 31, 2023.

ESAF Small Finance Bank, a leading small finance bank in India, has crossed another milestone in its digital journey with the adoption of e-signature for micro-loan disbursements.

As on March 31, ESAF Bank has disbursed over 5.27 lakh loans through e-signatures, showcasing its commitment to digital transformation. Through the adoption of e-signatures, ESAF Bank has effectively saved reams of paper, which would have been utilised for loan disbursement, and

documentation involving handwritten signatures, thereby reducing deforestation.

The Bank currently has a customer base of 65 lakh customers and a transition of 60 per cent of its micro banking customers to using e-signatures, approximately 25 lakh micro banking loans, would have a positive impact on the environment through conservation of natural resources and reduction of carbon footprint.

K Paul Thomas, Managing Director and Chief Executive Officer, ESAF Bank, said that the transition to e-signatures

has improved productivity from an employee perspective and convenience from a customer perspective.

The Bank has also implemented solutions to automate and digitise internal processes. It has implemented an office automation tool that automates and digitises all internal office notes sent for approval. Further, the branch operations department has devised a process to discontinue the printing of eight mandatory reports at branch locations. This measure saves thousands of sheets of paper per day across ESAF Bank's extensive network of 700 branches.

Source: <https://www.thehindubusinessline.com/money-and-banking/esaf-small-finance-bank-adopts-paperless-initiative/article66930203.ece>

The Source of Our Brilliance in Banking

At the heart of ESAF Bank's enduring success is our most invaluable asset: our people. The Bank's commitment to human capital isn't merely about numbers but nurturing a culture of growth, opportunity, and empowerment. For ESAF Bank, investing in our employees signifies fostering an environment where learning, innovation, and holistic well-being are paramount.

Leveraging the Global Reporting Initiative (GRI) standards, we've designed a robust framework to gauge and share our progress in human capital development. This alignment to the GRI standards emphasises the Bank's unwavering dedication to employee growth, transparent reporting, and creating a dynamic workplace that encourages professional and personal advancement. As the Bank sheds light on the strategic initiatives for human capital, interwoven with relevant GRI linkages, the Bank aims to present a clear and comprehensive perspective on how the Bank values, supports, and elevates the workforce. The key tenets of the Bank's human-centric approach are as follows.

Gender Equality and Fair Compensation

The bank is devoted to advancing the principles of diversity and inclusion, firmly integrating them into its code of conduct. The Bank's commitment to a 1:1 gender pay ratio underlines our belief in offering equal pay for equal work, promoting financial equity, and reducing gender disparities in compensation.

Occupational Health & Safety

The Bank has a dedicated Health & Safety team to oversee and ensure the well-being of its employees vigilantly. Through regular monitoring, training, and interventions, the Bank aims to provide a secure environment where employees can learn to protect and nurture their physical and mental health.

Human Rights-Respect for Human Dignity

Valuing the dignity and rights of all, we actively ensure that individuals are treated respectfully and fairly, free from discrimination.

Non-Discrimination and Equal Opportunity

Discrimination on any grounds, including age, caste, colour, disability, gender, race, religion, sexual orientation, or any other protected characteristic, is strictly prohibited by the Bank.

Equity, Inclusion & Diversity

Our commitment extends beyond non-discrimination. We actively foster a workplace culture of equity, inclusion, and diversity.

Prohibition of Forced Labour, Child Labour, and Human Trafficking

Forced or Compulsory Labour:

We have a zero-tolerance policy for any form of forced labour, child labour, or human trafficking across our operations and supply chain.

Compliance with Laws and

Regulations: Aligning with ethical and legal standards, we strictly adhere to all pertinent state laws and regulations.

Health and Safety

We prioritise the health and safety of our workforce, actively implementing measures to minimise risks, prevent accidents, and mitigate occupational health hazards.

Fostering a Positive Workplace

We believe in nurturing a workplace environment free from harassment, allowing employees to thrive in a positive and supportive setting.

Open Door Mechanism:

Our organisational culture promotes open communication between employees and management, fostering trust, transparency, and efficient problem resolution.

Anti-Bribery & Anti-Corruption

As a responsible financial institution, ESAF Small Finance Bank recognises its duty to uphold the highest ethical standards. We have developed a robust framework to ensure that employees, business partners, and contractual counterparts adhere strictly to anti-bribery and anti-corruption legislation. Comprehensive, consistent, and effective standards guide the Bank's day-to-day operations, ensuring our operations remain transparent, fair, and beyond reproach.

5,034
Employees

Safety and Wellness

Safety at work is a top priority for ESAF Bank, with comprehensive fire and safety procedures in place. Regular mock drills ensure employee preparedness in case of emergencies, and designated fire Marshals are responsible for evacuations. Employees are also educated about medical insurance entitlements.

Wellness programmes at ESAF Small Finance Bank, including Anahata and Saukya, prioritise the wholistic well-being of employees and their family members. The Bank conducts surveys to understand employee satisfaction and various forums are provided for employees to express their opinions.

Training & Leadership

ESAF Bank has 5034 employees, and the Learning & Development Department conducts 430 Training Programmes to enhance employee competencies. These programmes cover various areas such as technical, behavioural, and functional skills. Employees can access learning courses conveniently through the E-shiksha portal.

430 Training Programmes in FY23



Knowledge Management

ESAF has numerous initiatives under knowledge management, which comprise the Learning Management Platform (LMP), the pool of SMEs, and mentoring programmes to create a culture of learning and knowledge sharing. The LMP called E-shiksha, is a self-learning portal that provides employees with the ability to access knowledge and training at their convenience and monitor their own

progress. In addition, the Bank has created a panel of over 50 Subject Matter Experts (SMEs) who mentor employees during induction and on an as-needed basis. Middle-level and senior-level professionals are provided individual guidance and mentorship for skills and knowledge development, which helps promote the Bank's effectiveness and competitiveness.

50 Subject Matter Experts



Talent Acquisition and Retaining

ESAF is committed to creating a positive work environment and ensuring employee satisfaction. The Bank has several initiatives in place to retain talent, which include employee engagement programmes designed to motivate employees, appraisal systems to provide regular feedback and opportunities for career development, grievance process for listening to and addressing employee concerns, and talent acquisition that ensures attracting and retaining the right talent. Increased employee satisfaction and motivation as a result of such initiatives are crucial to company's employee retention success.



Performance and Appraisal

ESAF Bank's comprehensive Performance Management System aligns with the Bank's business plans and objectives and encourages continuous feedback for employee improvement and growth. The system uses the concept of management by objectives and incorporates both job-specific Key Result Areas (KRAs) and behavioural traits. The yearly performance appraisal system is automated and starts with goal setting, where each role has specific job descriptions, KRAs, and Key Performance Indicators that are updated in consultation with department heads. Employees can self-appraise and the final score is derived from a combination of self-appraisal, reporting manager appraisal, and reviewing manager appraisal. Once all appraisals are completed, employees are classified into six categories: High Flyers, Achievers, Performers, Aspirants, Challengers and Marginal Performers.

Diversity

The Bank respects and follows age and gender inclusivity and diversity; we have a diverse force in talent, experience and age. ESAF Bank promotes an inclusive workforce, with 31.46 % of employees being women, one of the best in the small finance banking sector.

65.41% of employees at ESAF are between the ages of 26 and 35; 18.09% are between 36 and 45 years and a smaller portion of employees fall into the age groups of 18 to 25 (11.95%) and 46 to 55 (3.05%), with the smallest group being 56 and above (1.47%).

The "**Aspire**" programme has been launched to provide growth opportunities for women employees with a desire for advancement and a good performance track-record. The programme aims to accelerate employees' career progression within the Bank.



Employee Engagement Activities

Aligning with the Bank's tagline "Joy of Banking," the HR Department has introduced the "Wall of Joy" to capture and celebrate joyous occasions, including local festivities, branch anniversaries, employee work anniversaries, and work-related achievements.

The SARG programmes focus on employee engagement, fostering a positive work environment through activities and competitions. These events encourage collaboration, innovation and physical and mental wellness, and provide opportunities for employees and their family members to showcase their skills and learn from one another.

Through the Idea Bank platform, employees are encouraged to share their creative ideas to strengthen the Bank's pillars of People, Planet, and Prosperity. The Voice platform enables employees to interact with the HR team and share their feedback and suggestions. Awareness engagement includes sharing creatives to raise awareness among employees on specific subjects.

Employee Satisfaction Surveys

At ESAF Bank, the management actively gauges employee sentiments through tools like the Mood Survey, Employee Experience Survey, and Stay Interview. In FY23, 88% of the Bank's employees responded they are happy at work. The employees' opinions are valued and form part of the Bank's strategic initiatives.

88% of the Employees
are happy at work



Employees Speak

Hear from Hearing impaired

ESAF Bank's diversity practices welcome differently abled in the workforce.

Hello, I'm Lakshmi Sreekumar

I proudly serve in the Centralised Operations department's AOCO division at ESAF Bank. Home for me is Kottayam, where I share my life with my supportive husband, Sreejith K. S., and our precious 1-year-old son, Lakshith.

I embarked on this fulfilling journey with the Bank's AOCO division on 12th September 2018. Prior to this role, I was a part of the HR department. Although I face certain physical challenges,

my colleagues have always helped me keep my commitment to our esteemed organisation. When I first set foot here, I was a greenhorn in the operations arena. But with time, dedication, and the support of my colleagues, I've grown to handle account opening tasks independently. It gives me immense satisfaction to know that I can contribute at par with my peers, processing the same volume of work items daily. This journey has taught me the value of hard work and perseverance.

I've always believed in maintaining a positive outlook, no matter the challenges. I make it a point to wear my smile to work, facing every obstacle with optimism. It's not just about the work, but the passion and dedication I pour into it that defines my journey at ESAF Bank."



I'm Cyril George

Currently, I'm with the Centralised Operations department's AOCO division at ESAF Bank. I began this remarkable journey on 12th September 2018, and what a ride it has been over these past 4 years!

I've been fueled by an insatiable drive to work hard and shoulder responsibilities throughout my

tenure. Obedience and eagerness have always been at the core of my professional approach. This ever-present enthusiasm to acquire new skills and delve into uncharted territories has been a cornerstone of my growth.

I believe in fostering a positive attitude, no matter the circumstances. And it brings me immense pride to share that my dedication was recognised when I was chosen as the

productivity topper of our team. This accolade not only honours my efforts but also serves as a testament to the supportive environment at ESAF Bank.





BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT



SECTION A

GENERAL DISCLOSURES

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details

1	Corporate Identity Number (CIN) of the Company	U65990KL2016PLC045669
2	Name of the Listed Entity	ESAF Small Finance Bank Limited
3	Year of incorporation	5 th May 2016
4	Registered office address	ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur- Palakkad National Highway, Thrissur- 680681, Kerala
5	Corporate address	ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur- Palakkad National Highway, Thrissur- 680681, Kerala
6	E-mail	customercare@esafbank.com
7	Telephone	0487- 7123456
8	Website	www.esafbank.com
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	Not listed
11	Paid-up Capital	449.47 Cr
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the Annual Report	Mr. Ranjith Raj P, Company Secretary, Email: ranjith.raj@esafbank.com Ph No: 0487-7123548
13	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain to ESAF Small Finance Bank only.

II. Products/services

14. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover
1	Banking	Banking and Financial services	100

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

S. No.	Product/ Service	% of total turnover contributed
1	Micro banking	75.04
2	Retail banking	24.96

III. Operations

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

Location	Number of ATMs	Number of Branches	Customer Service Centers	Total
National	528	700	743	1443*
International	Nil			

*The number of ATMs is excluded from the total.

*ESAF Small Finance Bank concentrates in providing access to finance in rural geographies. Count is the number of operational retail branches as on 31st March 2023.

17. Markets served by the entity:

a. Number of locations:

Location	Number of offices
National (No. of states)	21+2 UTs
International (No. of countries)	Nil

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

31.47%

c. A brief on types of customers:

Being a small finance Bank, ESAF Bank concentrates on providing financial access to the unbanked and rural population. Services are offered a varied customer base including small and marginalised farmers, micro/nano entrepreneurs, women, children, senior citizens, transgenders, etc. The Bank also caters Non-Resident Indian customers (NRI).

IV. Employees

18. Details as on 31st March 2023

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	4967	3386	68.17%	1581	31.83%
2.	Other than Permanent (E)	67	64	95.52%	3	4.47%
3.	Total employees (D + E)	5034	3450	68.53%	1584	31.47%

Note: The Bank does not have any workers as defined in the guidance note on BRSR.

b. Differently abled Employees and workers:

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

Note: The Bank does not have any workers as defined in the guidance note on BRSR.

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11
Key Management Personnel	11	0	0

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 20-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.25%	18.44%	33.76%	28.26%	25.00%	28.97%	15.18%	14.53%	18.21%
Permanent Workers									

Note: The Bank does not have any workers as defined in the guidance note on BRSR.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures : Nil

VI. Corporate Social Responsibility Details:

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover (in Rs.): 14118.13 Cr
- (iii) Net worth (in Rs.): 1709.12 Cr
- (iv) Total amount allotted for CSR for FY 23 (in Rs.): 8.26 Cr

VII. Transparency and Disclosures Compliances

23. 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)\$	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
		Number of complaints filed during the year	No. 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							
Investors (other than shareholders)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	NA	Nil	Nil	Nil	Nil	Nil	Nil
Employees	Yes	13	0	-	-	-	-
Customers*	Yes	7658	220	-	12894	84	-
Value Chain Partners including BCs	Yes	-	-	-	-	-	-
Others							

24. 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.

1 Material issue identified: Financial Inclusion

Indicate whether risk or opportunity (R/O):

Opportunity

Rationale for identifying the risk/opportunity:

We aim to achieve universal financial access and financial inclusion by fulfilling the dreams of our customers. With an emphasis on People, Planet and Prosperity, our aim is to predominantly serve the low-income and middle-income segments in India, supporting their livelihood and economic development. With our philosophy of financial inclusion, we remain committed to providing low-cost and affordable insurance solutions to our unserved and underserved customers. In addition to providing Demat, pension and insurance services, we are enhancing our fee-based income by adding cards.

Approach to adapt or mitigate:

Financial inclusion training for the different segments of the society with appropriate tailor made curriculums.

We provide Financial inclusion trainings to students and childrens through Balajyothi project. Senior citizens trained through Vayajyothi program while Financial inclusion for JLG women community is carried out through programmes such as Dhansree.

Positive or Negative implications:

Positive: With a focus of financial inclusion, we aim to reach more rural geographies and extend financial deepening through our customized products and services.

Linkage with SDGs



2 Material issue identified: Responsible Lending

Indicate whether risk or opportunity (R/O):

Opportunity

Rationale for identifying the risk/opportunity:

At ESAF Bank, we believe that social responsibilities should arise out of needs, beyond regulatory obligations. Our development mandates and CSR-related initiatives at the Bank are implemented and executed on the ground through our BC partners and CSR implementation partners ESAF Foundation and Prachodhan Development Services Limited. Going beyond the statutes of its CSR guidelines, the Bank has adopted a full-fledged CSR Policy which contributes an average of up to 5% of the Bank's total Net Profit in the last three fiscal years to carry out the social initiatives. We aim to build a sustainable society through our diverse projects which includes

Approach to adapt or mitigate:

Kindly refer to the Annual Report 22-23. Annexure on CSR for further details.

Positive or Negative implications:

Positive: The Bank recognises the importance of being socially responsible and contributing to the upliftment of the poor, marginalized and seedy segments of the society.

Linkage with SDGs



3 Material issue identified: Social responsibility towards society

Indicate whether risk or opportunity (R/O):

Risk and Opportunity

Rationale for identifying the risk/opportunity:

Opportunities

Huge latent opportunity especially in the rural market:

The financial market is much underpenetrated, and the potential size of the opportunity is projected to be as high as that of MFIs. SFBs are not only engaged in supporting people who do not have bank accounts or who live in rural areas but they are also involved in assisting the urban poor.

Credibility, user-friendliness, and prompt service:

Small Finance Banks' success will be determined by ease of doing business and quality of client service. Customers are currently uncertain about the success of numerous financial offerings.

Presence of numerous informal credit channels:

The presence of numerous informal credit channels in distant areas, where small finance banks have a presence, is advantageous for reaching the unbanked people.

Geographic diversification:

In order to meet regulatory requirements, SFBs have experienced rapid branch expansion. With a greater emphasis on diversifying their portfolios and broadening their reach, SFBs are anticipated to record greater growth as they enter newer geographies with a wide array of services.

SFBs gain from the NBFC Crisis:

Micro lenders were marginally impacted by the liquidity crisis hitting NBFCs in India. The lenders that relied on NBFCs for finance curtailed disbursements and sought alternative sources of funding. Better access to retail and wholesale deposits is anticipated to result in market share gains for SMBs.

Risks

In the initial years of their banking operations, SFBs confronted various obstacles, such as adapting to banking technology, increasing retail deposits, establishing additional branches, and training personnel.

- Increasing retail liabilities will be a challenge for SFBs due to the fact that it faces direct competition from existing banks.

- The 'traditional banking' habit needs to evolve, and workers would have to become more customer-focussed and technologically knowledgeable in light of the country's changing banking environment.
- Building the liability product portfolio will be a challenge given the low ticket size liability customer base and the ability to gain customer trust.
- Controlling NPAs as an unfavourable monsoon and a slowdown in the industrial sector will have a negative impact on farm loans and MSME loans.

Approach to adapt or mitigate:

Given their track record of operating in underpenetrated regions of the country, they will be able to endure the initial operating pain in order to capitalise on the enormous prospects in the coming years.

To achieve this objective, the Bank employs a social business strategy with a triple bottom line approach, emphasising people, planet, and prosperity.

To fulfil its strategy, the Bank has implemented a number of policies, including an Environmental, Social, and Governance ("ESG") policy. It is committed to (i) protecting the environment and ensuring sustainable development, (ii) promoting financial inclusion and gender equality through specialised financial services, and (iii) establishing a governance framework to ensure accountability, transparency, and compliance with internal and external ESG standards in accordance with its ESG policy.

Positive or Negative implications:

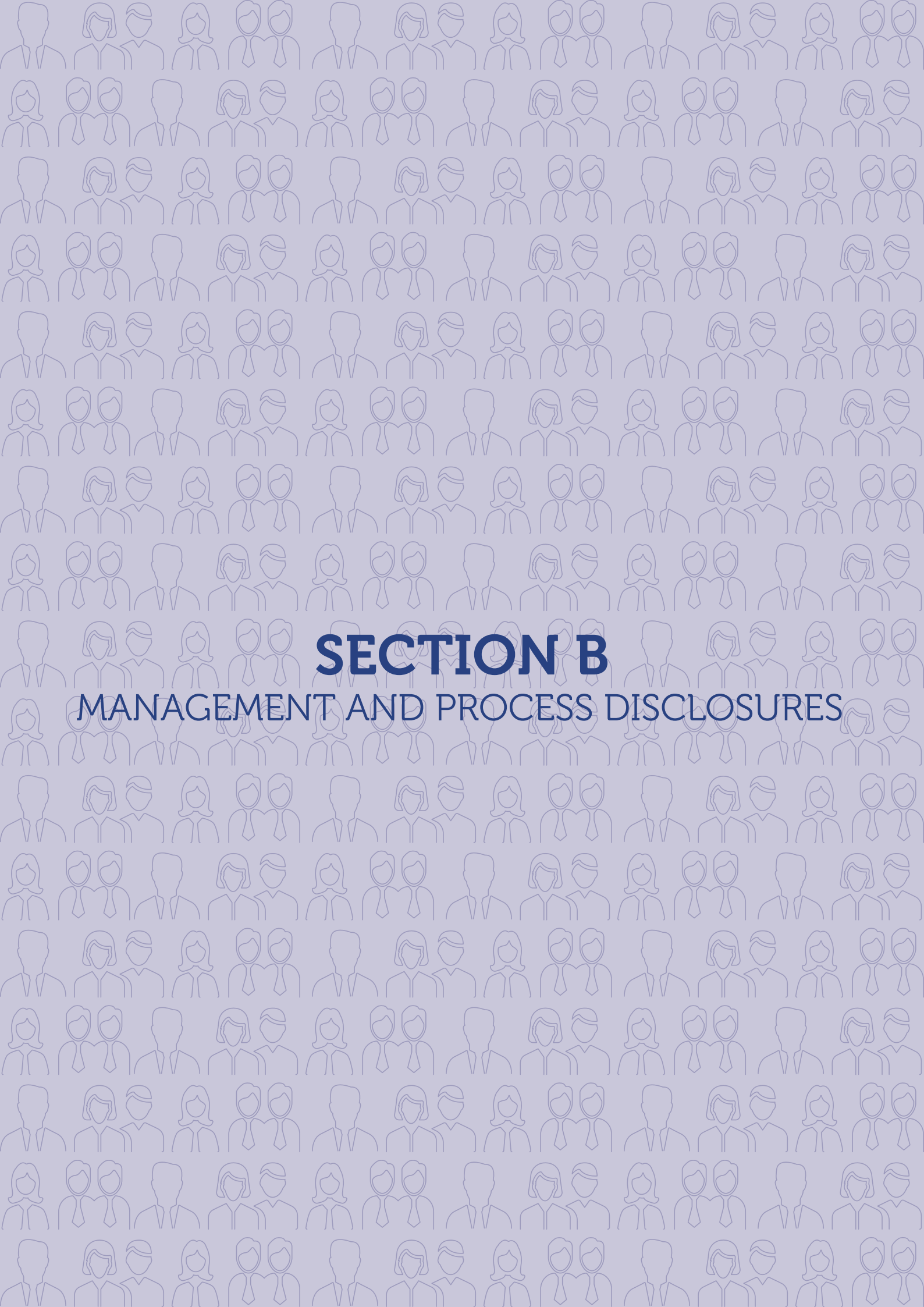
Positive: Over the years, ESAF has developed a comprehensive grasp of the market, allowing it to meet the financial needs of prospective customers. The Bank's engagement with its target customer segments and knowledge of related socioeconomic dynamics enables it to establish effective credit and operational procedures, identify potential market demand, and leverage its existing operating network to introduce new products, expand its customer base, and expand its product offering.

Negative:

Being a social bank with a legacy of building social capital, there is no specific negative to report

Linkage with SDGs





SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:



P1

Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable



P2

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



P3

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



P4

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



P5

Businesses should respect and promote human rights



P6

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



P7

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



P8

Businesses should promote inclusive growth and equitable development



P9

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

	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
	Integrity	Safety & Sustainability	Employee Wellbeing	Stakeholder interest Stewardship	Human Rights	Environmental Stewardship	Responsible Public Policy Advocacy	Inclusive Growth & Equitable Development	Responsible Value Creation

Policy and management processes

1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)^	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No) {Refer Note 1}	<p>Yes. The Environmental, Social and Governance Policy covering the above-mentioned principles has been approved by the board.</p> <p>In addition, the ESG Framework of the Bank elucidates the board's oversight on ESG. In addition, the Bank has a Sustainable Banking Policy that defines the Bank's approach and commitment to a Regenerative Economy.</p> <p>https://esafbank.com/pdf/ESG%20POLICY.pdf</p>								
c. Web link of the policies, if available	<p>https://www.esafbank.com/policies/</p> <p>Some policies may also include a combination of internal policies of the Bank which are accessible to all internal stakeholders and policies placed on the Bank's website.</p>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Bank has translated the policies as applicable and imbibed the same into procedures and practices in all spheres of activities that the Bank undertakes. Also it is compliant with the guidelines of the RBI.								
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes. The Bank's Code of Conduct largely imbibes the above-mentioned principles and the Bank expects all its stakeholders to adhere to the same in all their dealings.								
4. Name the national and international codes / certifications labels / standards.	Not Applicable.								
5. Specific commitments, goals, targets set by the entity	<p>Write up on the Banks commitment and goals</p> <p>a. The Bank will be committed to serving the underserved and unbanked rural strata of society. The Bank will constantly endeavour to improve its presence in rural geographies, partaking in local sustainable economic development, embracing small and marginal entrepreneurs and small and marginal farmers.</p> <p>b. Identify core focus areas/sectors where funding is most needed to help uplift the marginalised and most impacted segments of society through Corporate Social Responsibility activities.</p> <p>c. The Bank will take a conscious effort for gender equality in the society.</p> <p>d. Being an environmentally committed organisation, the Bank is working towards aligning sustainability and ESG in its operations. It will also come forward with new strategies, plans and partnerships to promote local sustainable economic development in the Bank's operational domains.</p> <p>e. Improve the Green portfolio by providing more Clean Energy Loans and EV Loans. Aiming to increase the pool of resources available for lending towards green and sustainable initiatives of the Bank.</p>								

6. Performance of the entity against specific commitments, goals and targets

As on 31st March 2023, the Bank has 700 branches spread across 21 states and 2 UTs, with more than 25% of the branches in unbanked rural centres, surpassing the requirement for SFBs. The Bank had over 56,30,325 lakh female customers at the end of the FY 22-23. This shows the Bank's commitment towards inclusive financing and proving that even women from marginalised segments are creditworthy.

- b. The Bank is meeting its CSR commitments beyond the mandated 2% with 5% of profits through its core CSR intervention areas that are being elucidated each year.
- c. As at March 31, 2023, women constituted 31.46% of total employee strength. This is an evidence of diversity and inclusivity in workplace.
- d. The Bank has introduced preferential interest rates for promoting environmentally friendly products.

Principle-wise policies

P1	Ethics & Transparency	Various policies of the like Code of Conduct for Employees, Directors & Senior Management, Non-Executive Directors, Code of Conduct for Recovery Officers, Whistle Blower Policy, Quality Policy, KYC and Prevention of Money Laundering Policy, Privacy Policy, Related Party Transaction Policy, Fair Practice/ Customer Service Policy, Policy on POSH, other internal policies interpret ethical behavior, transparency and accountability. There is an ESG Management Committee, Sustainability Council, CSR Management Committee and CSR and Sustainability Committee of the Board to ensure transparency and ESG Governance.
P2	Product Responsibility	The Bank's Fair Practices Code and Most Important Terms and Conditions guides this principle. KYC and Prevention of Money Laundering Policy is also a critical component of product responsibility. The Bank follows inclusive lending policies to facilitate increased social inclusion and environmental stewardship.
P3	Human Resources	<p>The Bank has a very robust mechanism to ensure employee well-being and protection of human rights. There is a comprehensive HR Policy that covers various aspects like Code of Conduct, Diversity & Inclusion, Leave Benefits including Maternity Leave, Paternity Leave, Compensation Policy, etc. There are also other policies like Policy on Protection of Women Against Sexual Harassment at the Workplace.</p> <p>There is a Staff Handbook- an internal document that clearly defines the benefits entitled by the staff like Insurance benefits, Health and Safety of Employees.</p> <p>The Bank has a dedicated Learning & Development Department which ensure continuous learning and development of the employees. There is an online portal-Learning Management System (LMS) where a number of customized modules are available 24*7 for the reference of the employees. Also, we have around 31.46% of women employees which we consider is a good step towards inclusion. HR Department is ISO 9001:2015 certified.</p>
P4	Responsive to Stakeholders, particularly the marginalized	Being a SFB, we focus on rural development and financial inclusion. We particularly focus to reach the poor and marginalized communities with our products and services. JLGs formed in rural / marginalized communities are maturing as good social institutions promoting co-operation and networking. We also serve the small and marginal farmers through group loans like FIG (Farmer Interest Group).
P5	Respect for Human Rights	The Code of Conduct details the policy on the respect for human rights. The Bank through its Inclusivity and Diversity statement (as a part of the Human Resource Policy) upholds human rights as enshrined in the Constitution of India and supports the principles in the United Nations' Universal Declaration of Human Rights.
P6	Responsible Lending	The Bank has a comprehensive Credit Policy that gives a good coverage on Responsible Lending Practices including Green and Inclusive Finance. There is an Prohibition List in the Credit Policy stating the types of business/ activities that will not be given Credit support due to the negative environment and social impact it may reflect in the society.

Principle-wise policies

P7	Public Policy Advocacy	<p>The Bank actively participates in discussion forums/committees of the government, regulator or industry bodies and shares its expertise and helps in the formulation or review of policies with the overall objective of enhancing the business ecosystem, economy and society.</p> <p>The MD & CEO of the Bank is the Co- Chairman of Sa Dhan – a network of micro banking institutions at national level.</p>
P8	Inclusive Growth	<p>The ESG Policy, Sustainable Banking Policy, CSR Policy carves a focused pathway for inclusive growth.</p>
P9	Customer Engagement	<p>The Customer Service Policy and other internal guidelines are in place to ensure customer satisfaction and encompass this principle. The Customer Service Quality Department of the Bank has been working on further enhancing the quality of its functioning and raising the standards to International Quality levels. For that, the department has revamped many of its processes to meet the ISO 9001 standards. As a result, the Bank has received ISO 9001: 2015 certification.</p>

Note: The policies have been developed based on best practices or as per regulatory requirements and through appropriate consultation with relevant stakeholders. Policies may include a combination of internal policies of the Bank which are accessible to all internal stakeholders and policies placed on the Bank's website.

GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Director's Statement – included as part of the letters from Chairman and MD & CEO

“Community well-being lies at the heart of our endeavours. At ESAF Bank, we believe in conducting our business responsibly and contributing sustainably to the wider community. Through various community programmes such as Balajyothi, Vayojyothi, Local Sustainable Economic Development (LSEDP) Project, and ESAF Dhansree we strive to make a meaningful impact across age groups and diverse agendas”

P. R. Ravi Mohan
Chairman

Read the Chairman's Message on Page No. 8 & 9

“Our sustainability strategy aligns harmoniously with our business strategy, emphasizing the significance of shared prosperity. This philosophy is encapsulated by our approach, which prioritizes financial inclusion, sustainability, and growth, ultimately fostering balance within the entire ecosystem”

K. Paul Thomas
Managing Director & CEO

Read Message from MD & CEO on page 10 & 11

SECTION C

PRINCIPLE 1

Integrity

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

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Integrity

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

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 programme held	Topics covered under the training programme	% of persons in a respective category covered by the training programme
Board of Directors/ Key Managerial Personnel (KMP).	1	Field immersion programmes	100
Employees other than Board of Directors or KMPs	430	For the continuous improvement for the competency level of Employees, Learning & Development Department has taken initiatives to train the Employees. The department has conducted 430 Training Programs, covering 5034 employees with the delivery of 178954 training hours by online & Offline mode. Modules covered various areas of technical, behavioural and functional skills. We also have a full-fledged E-shiksha portal wherein Employees can complete learning courses at their convenience	99

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions in FY22-23.

Monetary				
	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/fine	Nil			
Settlement	Nil			
Compounding fee	Nil			

Non-monetary			
	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
Nil	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, the various aspects of anti-corruption and anti-bribery practice of the Bank is covered in the Code of Conduct and also in the Policy for Monitoring of Insider Trading.

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

	FY22	FY23
Directors	-	-
KMPs	-	-
Employees		

6. Details of complaints with regard to conflict of interest

	FY23		FY22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	-	-	-	-
Number of complaints received in relation to issues of conflict of interest of KMPs	-	-	-	-

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.

Nil

Leadership indicators:

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes

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

SECTION C

PRINCIPLE 2

Safety & Sustainability

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

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



PRINCIPLE 2: Safety & Sustainability

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

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.**

Given the nature of 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 and additionally ensures substantially reduced dependency on paper. Further, product performance and impact studies are undertaken to review the social performance.

During the FY 22-23, the Bank adopted E-Signature process for disbursing micro loans.

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

Given the nature of business of the Bank, the consumption of resources is limited. With the Green Protocol, Environment Policy and ESG Policy in place, the Bank makes all the best effort to procure energy efficient products. Also, the Bank procures many of the products from the local vendors thereby being responsible in the supply chain. This empowers the local vendors thereby increasing their socio-economic status. The Bank is working on a green-procurement policy and ethical code of conduct for vendors.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Bank has a strong Green Protocol in practice which enables to manage waste efficiently and responsibly. There is a proper segregation of the wastes by its nature ie biodegradable and non-biodegradable. They are then disposed through authorised local disposing units of the local self-government etc.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. EPR is not applicable to the Bank.

SECTION C

PRINCIPLE 3

Employee Well-being

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



PRINCIPLE 3: Employee Wellbeing

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

Essential indicators

1. 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	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	3386	3386	100%	3386	100%			84	2.48%		
Female	1581	1581	100%	1581	100%	79	4.99%				
Total	4967	4967	100%	4967	100%	79	4.99%	84	2.48%		
OTHER THAN PERMANENT EMPLOYEES											
Male	64	56	87.5%	64	100%						
Female	3	3	100%	3	100%						
Total	67	59	88.06%	67	100%						

2. Details of retirement benefits for the current and previous financial year

Benefits	FY23		FY22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)*	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	5008	5008	4125	4125
Gratuity	5010	5010	4068	4868
Employee State Insurance (ESI)	-	-	-	-
Others	-	-	-	-

3. Accessibility of workplaces

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. This is covered in the Diversity and Inclusion statements of the HR Policy. The Bank is committed to be an Equal Opportunity Employer. Diversity and inclusiveness includes creating a working culture where visible differences such as age, gender, ethnicity, region, physical appearance, thinking styles and religion are valued; where everyone has the opportunity to develop skills and talents consistent with the Bank's values and business objectives.

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

Permanent employees		
Gender	Return to work rate	Retention rate
Male	100%	
Female	100%	
Total	100%	

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes, in our HRMS System employees can raise their grievances
Other than Permanent Employees	-

7. Membership of employees in association(s) or unions

The ESAF Staff Welfare Trust was established in 16th January 2008 with the sole purpose of undertaking welfare measures for trust members and their families. The primary objective of the trust is to promote and execute social and financial activities among the trust members and its families. ESWT primarily ensures to meet the emergency and unmet needs of its members.

To inculcate the habit of thrift among the members.

- ii. To enable lending within the members out of the thrift amounts thus collected, supplemented where possible, by other funds obtained as membership fees, loans grants, interest income, fees penalties, and any other forms.
- iii. To enable the members to access insurance, provide insurance and other financial services for their mutual benefit.
- iv. To secure funds from other funding sources and provide the same as loans, with or without interest and on such terms, to the members so as to enable them to take up income generation and livelihood programs.
- v. To conduct training programs for the members.
- vi. To provide technical and expertise services, to the members in building their capacities and to engage technical and expert personnel therefore.
- vii. To purchase, hold, acquire or otherwise accept such property, real or personal as may be necessary, convenient and appropriate for the purposes herein expressed.
- viii. To sell, dispose, alienate, mortgage, hypothecate, exchange alter, improve or in any manner these properties.
- ix. To convene meetings, conferences, seminars, workshops and conventions for achieving the objectives of the Trusts.
- x. To invest in the shares, stocks, and debt instruments or in such other like instruments, in any limited liability company, co-operative society, trust, firm or any other institution established or existing for the purpose of promoting livelihoods and providing credit and other financial services for the benefit of the members of the trust.
- xi. To invest by way of short term and long investments in the form of fixed or term deposits, and such other financial instruments.
- xii. To lend to any company, co-operative society, trust firm and individual or other institution out of its funds.
- xiii. To take over the assets and liabilities of any such similar formal or informal organizations, which the Board of Trustees may deem fit.
- xiv. To divide, split and re organize the operations in any manner so as to benefit the members in providing easy access to services through another trust, co-operative society or any other legal form of organization and transfer the related assets and liabilities of the trust in a fair equitable manner with the proper valuation of assets and liabilities through external independent evaluators.
- xv. To consolidate and merge with other organizations with similar objectives.
- xvi. To contribute to the activities of other welfare trusts in the region either by way of undertaking part or whole of the activities or by making financial contributions.
- xvii. To introduce and institutionalize and involve in non-traditional banking system, which would provide credit facilities under special terms and conditions.
- xviii. To encourage and promote service in social, educational health and economic development with the holistic approach.
- xix. To act as the financial management consultants and investment advisors and to render any kind of managerial, technical, financial services, and research-oriented programs in connection with the aforesaid objects.

- xx. To accept subscriptions, grants, contributions, grants, contributions, donations, loans, guarantees, gifts and such other facility from Donors, Government, conventional and non-conventional financial institutions in the form of cash or in kind on such terms and conditions, consistent with the aims and objectives of the trust.
- xxi. To open and run hostels, schools and medical facilities and make them available to the children and the needy wherever the need is felt in the country.
- xxii. To act as a network of institutions who are engaged in the provision of financial services to the employees for the purposes of exchange of information among the members with a view to promote, improve and further this concept of provision of financial services to the employees.
- xxiii. To engage in all such lawful acts, deeds or things either alone or in conjunction with any other organizations as are incidental or ancillary or conducive to the attainment of any of the above objectives.
- xxiv. To conduct social welfare activities among old aged, diseased, children, homeless and to give protection and financial assistance to them.
- xxv. To promote and conduct yoga, health programs, programs for HIV infected persons, psychological support among the needy members and society.

8. Details of training given to employees

Category	FY23					FY22				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety / wellness measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES										
Male	3450	3450	100	3450	100	2870	2870	100	2870	100
Female	1584	1584	100	1510	95.38	1271	1271	100	829	65.2
Total		5034	100	4960	98.52	4141	4141	100	3699	89.32

Note: Includes training given to employees who have resigned/retired during the year. Some of the training programmes offered under health and safety and skill upgradation are mandatory. Hence, all employees have been considered under such training programmes.

The Bank provided 368 Training programs for skill & function development programs, 37 Behavioural training programs to cover 1369 Employees and 25 Leadership training programs were conducted to cover 526 Employees.

9. Details of performance and career development reviews of employees

The Bank conducts Performance Appraisal of employees on yearly basis. Initially, the employee performs a self evaluation which is followed by an appraisal by the Reporting Manager and a review by the Reviewing Manager. During the process performance feedback is shared, training needs also captured.

10. Health and safety management system

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, this covers fire hazard, Pandemic like Covid, natural calamities, Heat Wave and Health awareness.

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

As it is service industry (Bank) work related hazards are minimal. We conduct routine check up in terms of fire and electric hazards. We have fire extinguishers, alarm system etc are in place to prevent fire hazards. We also have Electrical Trippers and ELCBs are in place to arrest casualties electricity related hazards.

- c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, employees can activate alarms in emergency situations.

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

Yes.

11. Details of safety-related incidents

Safety Incident/Number	Category	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)			
Total recordable work-related injuries			
No. of fatalities (safety incident)		0	
High consequence work-related injury or ill-health (excluding fatalities)			

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

- Fire extinguishers are in place
- ELCB is in place
- Routine checks are done
- Awareness programs are conducted
- Fire and safety demos are conducted

13. Number of complaints on the following made by employees

	FY22			FY21		
	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		0	0	
Health and safety	0	0		0	0	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No
Working Conditions	No

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 and safety practices and working conditions.

The Bank ensured that no operational disruptions occurred and that business continuity was maintained in order to maintain the required levels of customer service.

SECTION C

PRINCIPLE 4 STAKEHOLDER CENTRICITY

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

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AND STRONG
INSTITUTIONS



PRINCIPLE 4: STAKEHOLDER CENTRICITY

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

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

Any individual or group of individuals or institution that adds value to the business chain of The Bank is identified as a core stakeholder.

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

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	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 & other communication mechanisms	Daily	Bank follows an open door policy
Shareholders/ Investors	No	The Bank communicates with investors and shareholders through Email, SMS, newspaper advertisement, website, quarterly conference calls, face-to-face meetings, annual general meetings, investor grievance channels, investor meets etc	Frequent and need based	To stay abreast of developments in The Bank and its subsidiary companies
Customers	Generally No. as financial inclusion upgrade them	Email, SMS, Website, Advertisements, newspaper Telecalling, Notice board	Daily	Monetary and Non-monetary transactions pertaining to customers Accounts
Channel Partners and Key partners	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
Regulators	No	Email, one-on-one meetings, conference calls, video conference	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
Communities and NGOs	No	Directly or through the CSR Implementing Agencies.	Frequent 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 communicates with investors and shareholders during investor meets, through investor grievance channels, at roundtables, quarterly conference calls, face-to-face meetings, annual general meetings and more. These are aimed at providing relevant information as well as understanding stakeholders' perspectives on The Bank's performance and strategy.

The Bank has a continuous ongoing interaction with customers through digital channels such as customer care, satisfaction and loyalty survey, and social media platforms to understand their requirements and create better solutions, products and services for them. We publish a booklet "Joyful Stories of Transformation" which showcases the real-life case studies of the life of our customers through our products and services. These are collected by the employees by interacting directly with the customers.

The Bank has ongoing regular communication with its employees using town-hall meetings, appraisal process, newsletters and other channels to understand and support their concerns and ensure they are aligned with The Bank's strategic priorities.

The Bank interacts with its suppliers through supplier meets, regular interactions etc. The Bank subscribes to responsible procurement practices and invests in building relationships with its suppliers.

The Bank engages with regulators through one-to-one meetings, emails and submission of performance reports. It strives to be a good corporate citizen and complies with applicable regulations. The Bank plays its role in developing and implementing public policies.

The Bank is committed to uplift the communities in which it operates. It engages with the community through its CSR team regularly. Community meetings are held to understand their needs and play an active role in supporting them.

SECTION C

PRINCIPLE 5 Human Rights

Business should respect and promote
Human Rights.

8 DECENT WORK AND
ECONOMIC GROWTH



PRINCIPLE 5: Human Rights

Business should respect and promote Human Rights

Essential indicators

1. Employees who have been provided training on human rights issues and policy(ies)

Category	FY22-23			FY21-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	4967	2252	45.33	4068	2070	50.88
Other than permanent	67	67	100	73	73	100
Total Employees	5034	2319	46.06	4141	2143	51.75

2. Details of minimum wages paid to employees

Category	FY22					FY21				
	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	4967	0	0	4967	100%	4068	0	0	4068	100%
Male	3386	0	0	3386	100%	2799	0	0	2799	100%
Female	1581	0	0	1581	100%	1269	0	0	1269	100%

3. Details of remuneration/salary

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (Whole-time directors)	-	-	-	-
Key Managerial Personnel (other than BoD)	10	4463551		
Employees other than BoD and KMP*	3488	384631	1594	296290

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/No)

Yes

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

We have an HR Help Desk where grievances can be reported. In the event of any such instance, the officer concerned will address the issue.

6. Number of complaints on the following made by employees

	FY22			FY21		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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

Yes, there is robust mechanism in place to address the issues faced by the employees. There is a Prevention of Sexual Harassment at Workplace (POSH) policy in place which strongly addresses harassment cases etc. Also there is strong grievance mechanism in place.

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

Yes the Bank has a code of conduct in this regard for suppliers and also included in SOP of employees.

9. Assessments for the year

HR Dept is ISO 9001:2015 certified, Customer Service Quality department is ISO 9001:2015 certified.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Leadership indicators

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

Nil

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

Nil

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

4. Details on assessment of value chain partners

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

SECTION C

Principle 6 Environmental Stewardship

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



Principle 6: Environmental Stewardship

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

Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Currently, the Bank is in the process of recording the total energy consumption with respect to units across its branches.

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

Nil

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? (Y/N) 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

Green Protocol followed by the branches are being awarded by Green Branch Award.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not applicable to the Banking context

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

Nil

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

Nil

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Bank has a Green Protocol that drives the reduction of GHG emissions well.

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

The Bank has a Green Protocol in practice which enables to manage waste efficiently and responsibly. There is a proper segregation of the wastes by its nature i.e. biodegradable and non-biodegradable. They are then disposed through authorised local disposing units of the local self-government, etc.

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

The Bank has been following a sustainable approach to managing waste. The Bank generates mainly e-waste and paper waste. To reduce paper waste, the Bank has been following a digital mode in operations. During the FY 22-23, the Bank adopted E-Signature process to disburse micro loans resulting in the disbursing more than five lakh loans through this process.

10. 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:

Nil

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

Nil

12. 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). If not, provide details of all such non-compliances, in the following format

Nil

SECTION C

PRINCIPLE 7

Transparent & Responsible

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

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



PRINCIPLE 7: Transparent & Responsible

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

Essential Indicators

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

17

- 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.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Global Alliance for Banking Values	Global
2	Sme Finance Forum (IFC)	Global
3	Indian Banks Association	Pan India
4	Fimmda	Pan India
5	Microfinance Institutions Network (MFIN)	Pan India
6	Sa-Dhan	Pan India
7	Association of Microfinance Institutions - West Bengal	West Bengal
8	Thrissur Management Association	Kerala
9	Confederation of Indian Industry	Pan India
10	Indian Chamber of Commerce & Industry	Pan India
11	Tie Kerala	Kerala
12	All India Management Association (AIMA)	Pan India
13	Micro Finance Association of Uttar Pradesh	Uttar Pradesh
14	Association of Small Finance Banks of India	Pan India
15	Association of Karnataka Microfinance Institution (AKMI)	Karnataka
16	Odisha State Association of Financial Inclusion Institutions (OSAFII)	Odisha
17	Banker's Club Thrissur	Kerala

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.**

There has been no instance of anti- competitive conduct by the Bank.

Leadership Indicators

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

Shri. K. Paul Thomas, MD & CEO of ESAF Small Finance Bank is the Co- Chairman of Sa-Dhan which is one of the oldest institution for Financial Inclusion in India.

SECTION C

PRINCIPLE 8

Inclusive growth and equitable development

Businesses should promote inclusive growth and equitable development.

10 REDUCED
INEQUALITIES



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



PRINCIPLE 8: Inclusive growth and equitable development

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

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

The Bank has undertaken an Impact Assessment through an Independent Agency for all the CSR interventions. Also, the Bank conducts periodic product performance studies that shall help improving the scope and potential of the product. In the year 22-23, the Market Preparedness of our Farmer Interest Group (FIG) Loan was done among the customers who availed the same.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Nil

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

Nil

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

Nil

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments**

Nil

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

S. No.	State	Aspirational Districts
1	Kerala	Wayanad
2	Jharkhand	Dumka
3	Maharashtra	Gadchiroli, Nandurbar

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

Yes, there is preference for procuring from local and vulnerable groups.

6. **Details of beneficiaries of CSR Projects:**

Name of the Projects	Allocated Amount (2021-22) (a)	Allocated Amount (2022-23) (b)
ESAF Balajyothi	22,67,809	50,87,715
ESAF Capacity Building and Marketing Linkages for Entrepreneurship Collectives	43,75,836	19,87,165
ESAF Emergency Relief & Community Intervention	47,82,329	27,86,652
ESAF Entrepreneurship Acceleration Programme	22,48,955	25,10,720
ESAF Garshom	30,67,612	6,05,264
ESAF Health Infrastructure and Development Support	1,07,94,905	15,71,279
ESAF Rural School Infrastructure Development & Support	1,53,64,450	16,59,441
ESAF Swanthana	0	13,49,069
ESAF Centre for Excellence in Collective Entrepreneurship	0	10,85,235
ESAF Village Level Entrepreneurship Development Programs	44,39,211	32,62,165
Community Intervention through Branches	0	55,000
	4,73,41,107	2,19,59,705
Total outlay (a+b)		6,93,00,812

SECTION C

PRINCIPLE 9

Responsible Value Creation

Businesses should engage with and provide value to their consumers in a Responsible Manner.

17 PARTNERSHIPS
FOR THE GOALS



PRINCIPLE 9: Responsible Value Creation

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

- 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
There is an Escalation Matrix in place and the details are published in the website and displayed in all branches.
- 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information:**
Nil
- 3. Number of customer complaints in respect of the following:**
Refer Section A (23)
- 4. Details of instances of product recalls on account of safety issues**
Nil
- 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Bank operates in a highly dynamic threat environment and has taken a plethora of measures to ensure the safety of customer transactions. The Bank has implemented state-of-the-art security technologies in its infrastructure and monitors potential threats round-the clock. A comprehensive strategy encompassing people, process, and technology is constantly reviewed in the light of emerging threats, the security requirements of the business, and best practices. A 24x7 Cyber Security Operations Centre has been established that identifies potential incidents and takes requisite action to respond, recover, and learn from the incidents. The Bank regularly participates in cyber drills conducted by the Institute of Development and Research on Banking Technology (IDRBT) and conducts periodic disaster recovery drills for its technology infrastructure to ensure the availability of critical services in the event of a disaster. In order to keep abreast with the security best practices, the Bank participates in meetings conducted by the CISO Forum and Data Security Council of India. A well-documented Board-approved Information Security Policy is in place.

https://www.esafbank.com/pdf/Information_to_Public_on_Data_Privacy_policy_of_ESAF_Small_Finance_Bank-2022.pdf

- 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.**

No penalty/regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicators:

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
The information related to all the products and services given by the Bank are published in all the branches. Also, it is available on our website, <https://www.esafbank.com/>. In addition, the Bank actively uses various social media and digital platforms to disseminate information on its loans and deposits.
- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
Yes, there are different levels of Financial Literacy that are provided to our customers. During FY 22-23, the Bank conducted 48,373 programmes reaching over 10.5 lakh customers. There are trainings that are given on how to use ATMs, digital and mobile banking etc. Also, there are awareness messages that are sent to the customers as SMS alerts.
- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
In terms of Call centre services any disruptions are published in website in the form or scroll.
- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. 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, we do surveys, entity as a whole. The Bank has always aligned its operations to cater to the needs of its customers and has tried improving the quality of the service rendered on a continual basis. Customer Service Quality Department had conducted various surveys, which included Annual Customer Satisfaction Survey, Digital Products Satisfaction Survey, Micro Loans customer satisfaction survey etc. which has helped the Bank to identify the gap and take necessary action to improve the customer experience. Also the Bank has robust data privacy measures and a customer grievance mechanism in place to ensure the customer satisfaction.

5. Provide the following information relating to data breaches

- a. Number of instances of data breaches along with impact:
NIL
- b. Percentage of data breaches involving personally identifiable information of customers:
NIL

BRSR – GRI Linkage Index

Section A: General Disclosures

BRSR Reference	GRI Standard	Page number
A1	No Direct Linkage	101
A2	GRI 2: General Disclosures 2021, Disclosure 2-1-a	101
A3	No Direct Linkage	101
A4	GRI General Disclosures 2-1-c	101
A5	GRI 2: General Disclosures 2021, Disclosure 2-1-c	101
A6	No Direct Linkage	101
A7	No Direct Linkage	101
A8	No Direct Linkage	101
A9	GRI 2: General Disclosures 2021, Disclosure 2-3-a,2-3-b	101
A10	No Direct Linkage	101
A11	No Direct Linkage	101
A12	GRI 2: General Disclosures 2021, Disclosure 2-3-d	101
A13	GRI 2: General Disclosures 2021, Disclosure 2-2-a,2-2-c	101
Products / Services		
A14	GRI 2: General Disclosures 2021, Disclosure 2-6-b-i	101
A15	GRI 2: General Disclosures 2021, Disclosure 2-6-b-I	101
Operations		
A16	GRI 2: General Disclosures 2021, Disclosure 2-6-b-i	101
A17a	GRI 2: General Disclosures 2021, Disclosure 2-6-b-i	102
A17b	No direct linkage	102
A17c	GRI 2: General Disclosures 2021, Disclosure 2-6-b-iii	102
Employees		
A18a	GRI 2: General Disclosures 2021, Disclosures 2-7-a; 2-7-b-i-ii; 2-8-a	102
A18b	GRI 405: Diversity and Equal Opportunity 2016 Disclosure 405-1-b-iii	102
A19	GRI 405: Diversity and Equal Opportunity 2016 Disclosure 405-1-a-I; 405-1-b-i	102
A20	GRI 401: Employment 2016 Disclosure 401-1-b	103
Holding, Subsidiary and Associate Companies (Including joint ventures)		
A21	GRI 2: General Disclosures 2021, Disclosures 2-2-a; 2-2-b	103
A22	GRI 201: Economic Performance 2016 Disclosure 201-1-a-i-ii	103
A23	GRI 2: General Disclosures 2021, Disclosures 2-25-e	103
A24	GRI 3: Material Topics 2021 Disclosure 3-1-a-i-ii; 3-1-b	104, 105
	GRI 3: Material Topics 2021 Disclosure 3-2-a	
	GRI 3: Material Topics 2021 Disclosure 3-3-a	
	GRI 3: Material Topics 2021 Disclosure 3-3-d-i-ii	
	Can be covered by-GRI 201: Economic Performance 2016 Disclosure 201-2-a	

Section B: Management and Process Disclosures

Policy & Management Processes		
B1 a,b,c	GRI 2: General Disclosures 2021 Disclosure 2-23-a;2-23-c;2-23-d	108
B2	GRI 2: General Disclosures 2021 Disclosure 2-24-a-ii	
B3	GRI 2: General Disclosures 2021 Disclosure 2-23-e	
B4	No direct linkage	
B5	GRI 3: Material Topics 2021 Disclosure 3-3-c;3-3-e-ii	
B6	GRI 3: Material Topics 2021 Disclosure 3-3-e-iii	109-110
Governance, Leadership and Oversight		
B7	GRI 2: General Disclosures 2021 Disclosure 2-22-a	110

Section C: Principle-wise Performance Disclosures

Principle 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.		
Essential Indicators		
P1-E1	GRI 2: General Disclosures 2021 Disclosures 2-17-a; 2-24-a-iv	112, 113
P1-E2	GRI 2: General Disclosures 2021 Disclosures 2-27 a i- ii; b i-ii; c, d	
P1-E3	GRI 2: General Disclosures 2021 Disclosure 2-27 a I, ii	
P1-E4	GRI 2: General Disclosures 2021 Disclosures 2-23-a; 2-23-c; GRI 3: Material Topics 2021 to be used together with GRI 205: Anti-corruption 2016 Disclosure 3-3-c	
P1-E5	GRI 205: Anti-corruption 2016 Disclosure 205-3-a; 205-3-b	
P1-E6	Can be covered by - GRI 2: General Disclosures 2021 Disclosure 2-25-e	
P1-E7	GRI 205: Anti-corruption 2016 Disclosure 205-3-d	
Leadership Indicators		
P1-L1	GRI 2: General Disclosures 2021 Disclosure 2-24-a-iv	113
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe		
Essential Indicators		
P2-E1	No direct linkage	115
P2-E2	Can be covered by - GRI 308 Supplier environmental assessment Disclosure 308-1-a; GRI 414 Supplier social assessment Disclosure 414-1-a	
P2-E3	GRI 3: Material Topics 2021, to be used together with GRI 301: Materials 2016 Disclosures 3-3-d and GRI 306: Waste 2020 Disclosure 306-2-a	
P2-E4	No direct linkage	NA
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains		
Essential Indicators		
P3-E1a	GRI 401: Employment 2016 Disclosure 401-2-a-I- vii	117
P3-E1b	No direct linkage	
P3-E2	GRI 201: Economic Performance 2016 Disclosures 201-3-b-i-iii; 201-3-c; 201-3-d; 201-3-e	
P3-E3	Can be covered by – GRI 3: Material Topics 2021, to be used together with GRI 405: Diversity and Equal Opportunity 2016 Disclosure 3-3	

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

P3-E4	Can be covered by - GRI 3: Material Topics 2021, to be used together with GRI 405: Diversity and Equal Opportunity 2016 Disclosure 3-3-c	
P3-E5	GRI 401: Employment 2016 Disclosure 401-3-a; 401-3-b; 401-3-c; 401-3-d; 401-3-e	
P3-E6	Can be covered by - GRI 2: General Disclosures 2021 Disclosure 2-25-b	118,119,120
P3-E7	GRI 2: General Disclosure 2021 Disclosure 2-30-a	
P3-E8	GRI 403: Occupational Health and Safety 2018 Disclosure 403-5-a; GRI 404: Training and Education 2016 Disclosures 404-1-a-I; 404-2-a	
P3-E9	GRI 404: Training and Education 2016 Disclosure 404-3-a	
P3-E10 a	GRI 403: Occupational Health and Safety 2018 Disclosure 403-1-a, 403-1-b	
P3-E10 b	GRI 403: Occupational Health and Safety 2018 Disclosure 403-2-a	
P3-E10 c	GRI 403: Occupational Health and Safety 2018 Disclosures 403-2-b; 403-2-c	
P3-E10 d	GRI 403: Occupational Health and Safety 2018 Disclosure 403-6-a	
P3-E11	GRI 403: Occupational Health and Safety 2018 Disclosure 403-9-a-i-v; 403-9-b-i-v; 403-10-a; 403-10-b-ii	
P3-E12	GRI 3: Material Topics 2021, to be used together with GRI 403: Occupational Health and Safety 2018 Disclosure 3-3-d-i-iii; GRI 403: Occupational Health and Safety 2018 Disclosure 403-2-a-i-ii; 403-9-c-iii; 403-9-d; 403-10-c-iii	
P3-E13	Can be covered by – GRI 2: General Disclosures 2021 Disclosure 2-25-e	
P3-E14	Can be covered by – GRI 3: Material Topics 2021, to be used together with GRI 403: Occupational Health and Safety 2018 Disclosures 3-3-e-I	
P3-E15	GRI 3: Material Topics 2021, to be used together with GRI 403: Occupational Health and Safety 2018 Disclosure 3-3 d-i-ii; GRI 403: Occupational Health and Safety 2018 Disclosures 403-9-c-ii-iii; 403-9-d; 403-10-c-ii-iii	

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

Essential Indicators

P4-E1	GRI 2: General Disclosures 2021 Disclosure 2-29-a-I	122
P4-E2	GRI 3: Material Topics 2021 Disclosure 3-1-b; GRI 2: General Disclosures 2021 Disclosure 2-29-a-i-iii	122

Leadership Indicators

P4-L1	GRI 2: General Disclosures 2021 Disclosure 2-29-a-I	122-23
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Principle 5 : Businesses should respect and promote human rights

Essential Indicators

P5-E1	GRI 2: General Disclosures 2021 Disclosure 2-24-a-iv	125-126
	GRI 205: Anti-Corruption 2016 Disclosure 205-2-e	
	GRI 403: Occupational Health and Safety 2018 Disclosure 403-5-a	
	GRI 404: Training and Education 2016 Disclosure 404-1-a-i-ii	
	GRI 410: Security Practices 2016 Disclosure 410-1-a	
P5-E2	GRI 202: Market Presence 2016 Disclosures 202-1-a; 202-1-b	
	GRI 405: Diversity and Equal Opportunity 2016 Disclosure 405-2-a	
P5-E3	GRI 2: General Disclosures 2021 Disclosures 2-19-a-i-v; 2-21-a	
P5-E4	GRI 2: General Disclosures 2021 Disclosure 2-13-a-i-ii	
P5-E5	GRI 2: General Disclosures 2021 Disclosures 2-25-b; 2-25-d; 2-25-e	

Principle 5 : Businesses should respect and promote human rights

P5-E6	GRI 406: Non-discrimination 2016 Disclosure 406-1-a Can be covered by – GRI 2: General Disclosures 2021 Disclosure 2-25-e
P5-E7	GRI 2: General Disclosures 2021 Disclosure 2-25-e
P5-E8	GRI 2: General Disclosures 2021 Disclosures 2-23-a-iv; 2-23-e; 2-23-f; 2-24-a-iii; GRI 3: Material Topics 2021, to be used together with GRI 414: Supplier Social Assessment 2016 Disclosure 3-3
P5-E9	No direct linkage
P5-E10	GRI 3: Material Topics 2021, to be used together with each material topic the organization has determined relevant to the Human Rights Rights principle Disclosures 3-3-d-i-ii

Leadership Indicators

P5-L1	GRI 2: General Disclosures 2021 Disclosures 2-25-b; 2-25-e; GRI 3: Material Topics 2021 Disclosures 3-3-d-i-ii	126
P5-L2	GRI 3: Material Topics 2021 Disclosures 3-1-a-i; 3-3-a; 3-3-c; 3-3-d	
P5-L3	Can be covered by – GRI 3: Material Topics 2021, to be used together with GRI 405: Diversity and Equal Opportunity 2016 Disclosure 3-3	
P5-L4	GRI 3: Material Topics 2021, to be used together with GRI 414: Supplier Social Assessment 2016 Disclosure 3-3; GRI 414: Supplier Social Assessment 2016 Disclosures 414-1-a; 414-2-a	

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

Essential Indicators

P6-E1	GRI 302: Energy 2016 Disclosure 302-1-a; 302-1-b; 302-1-c-I; 302-1-e GRI 302: Energy 2016 Disclosure 302-3-a; 302-1-b	128
P6-E2	Can be covered by - GRI 3: Material Topics 2021, to be used together with GRI 302: Energy 2016 Disclosure 3-3	
P6-E3	GRI 303: Water and Effluents 2018 Disclosures 303-3-a-i-v; 303-5-a	
P6-E4	Can be covered by - GRI 303: Water and Effluents 2018 Disclosures 303-1-a; 303-2-a	
P6-E5	GRI 305: Emissions 2016 Disclosure 305-7-a-i-vii	
P6-E6	GRI 305: Emissions 2016 Disclosures 305-1 a; 305-1-b; 305-2-a, 305-2-b; 305-2-c; 305-4-a; 305-4-b; 305-4-c	
P6-E7	GRI 305: Emissions 2016 Disclosures 305-5-a; 305-5-b; 305-5-c; 305-5-d	
P6-E8	GRI 306: Waste 2020 Disclosures 306-3-a; 306-4-a; 306-4-b-i-iii; 306-4-c-i-iii; 306-5-a; 306-5-b-i-iii; 306-5-c-i-iv	
P6-E9	GRI 306: Waste 2020 Disclosure 306-2-a; GRI 3: Material Topics 2021, to be used together with GRI 306: Waste 2020 Disclosures 3-3-c; 3-3-d-i-ii	
P6-E10	GRI 304: Biodiversity 2016 Disclosure 304-1-a-i-v	
P6-E11	GRI 304: Biodiversity 2016 Topic management disclosures Guidance; GRI 413: Local Communities Disclosure 413-1-a-ii; GRI 303: Water and Effluents 2018 Disclosure 303-1-a No direct linkage	
P6-E12	GRI 2: General Disclosures 2021 Disclosures 2-27a-i-ii; 2-27-b-i-ii	

Principle 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

P7-E1	GRI 2: General Disclosures 2021 Disclosure 2-28-a	130
P7-E2	GRI 3: Material Topics 2021, to be used together with GRI 206: Anti-competitive Behavior 2016 Disclosure 3-3	

Leadership Indicators

P7-L1	GRI 2: General Disclosures 2021 Disclosures 2-28-a; GRI 415: Public Policy 2016 Topic management disclosures	130
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Principle 8 :Businesses should promote inclusive growth and equitable development

Essential Indicators

P8-E1	Can be covered by - GRI 413: Local Communities 2016 Disclosure 413-1-a-i-iii	132
P8-E2	Can be covered by - GRI 413: Local Communities 2016 Disclosure 413-1-a-iv	
P8-E3	GRI 3: Material Topics 2021, to be used together with GRI 413: Local Communities 2016 Disclosure 3-3; GRI 2: General Disclosures 2021 Disclosure 2-25-b; GRI 413: Local Communities 2016 413-1-a-viii	
P8-E4	GRI 204: Procurement Practices 2016 Disclosures 204-1-a; 204-1-b; 204-1-c	

Leadership Indicators

P8-L1	GRI 413: Local Communities 2016 Disclosure 413-1-a-iv; GRI 3: Material Topics 2021, to be used together with GRI 413: Local Communities 2016 Disclosure 3-3-d-i-ii	132
P8-L2	Can be covered by - GRI 413: Local Communities 2016 Disclosure 413-1-a-iv	
P8-L3	Can be covered by - GRI 3: Material Topics 2021, to be used together with GRI 204: Procurement Practices 2016 Disclosure 3-3 ; GRI 204: Procurement Practices 2016 Disclosure 204-1-a	
P8-L6	Can be covered by - GRI 413: Local Communities 2016 Disclosure 413-1-a-ivC	

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

Essential Indicators

P9-E1	Can be covered by – GRI 2 : General Disclosures 2021 Disclosures 2-25-b; 2-25-d;2-25-e	134
P9-E2	GRI 417: Marketing and Labeling 2016 Disclosures 417-1-a-i-v; 417-1-b	
P9-E3	GRI 418: Customer Privacy 2016 Disclosure 418-1-a-i-ii; 418-1-b	
P9-E4	Can be covered by - GRI 416: Customer Health and Safety 2016 Disclosure 416-2-a-i-iii	
P9-E5	Can be covered by - GRI 3: Material Topics 2021, to be used together with GRI 418: Customer Privacy 2016 Disclosure 3-3; GRI 2: General Disclosures 2021 Disclosures 2-23-a; 2-23-c	
P9-E6	GRI 3: Material Topics 2021, to be used together with any relevant material topic Disclosure 3-3-d-i-ii	

Leadership Indicators

P9-L1	Can be covered by - GRI 2: General Disclosures 2021 Disclosure 2-6-b-I	134-135
P9-L2	GRI 3: Material Topics 2021, to be used together with GRI 417: Marketing and Labeling 2016 Disclosure 3-3	
P9-L3	No direct linkage	
P9-L4	GRI 417: Marketing and Labeling 2016 Disclosures 417-1-a-i-v; 417-1-b	
P9-L5	GRI 418: Customer Privacy 2016 Disclosure 418-1-a	

Notes

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