

ESAF Small Finance Bank Scores High in ESG Rating Under SEBI Framework

Category: Banking

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ESAF Small Finance Bank Ltd. has achieved an impressive score of 68.1 in an ESG RATING conducted by CARE ESG RATING, based on the SEBI-approved framework. By significantly ahead of the industry average of 51.8, the bank has demonstrated that its environmental, social and governance practices are set at a higher standard than the industry norm. Ever since its establishment, the Bank has embraced the concept of ESG at its core.

In the social pillar, the [Bank](#) received an industry-best score of 76.9%, evidencing its commitment to societal development as a Social Bank. By excelling in areas such as community support and development, human rights, [product safety and quality](#), and data privacy and security, the Bank achieved the industry best score in social pillar. Furthermore, the Bank's corporate social responsibility contribution exceeded the government-

mandated requirement of 2% of a company's average net [profits over the preceding three financial](#) years, by approving a contribution of up to 5%. Additionally, the fact that 92% of the Bank's asset [book](#) falls under Priority Sector Lending (PSL) worked in its favour.

In terms of the governance pillar, the Bank attained a score of 73% due to its [business](#) ethics, board governance and disclosure practices aligning with leading governance practices. Additionally, the Bank has demonstrated a clear ESG roadmap by advancing Sustainable Development Goal initiatives, fostering local [sustainable economic growth](#), ensuring food security, promoting energy security, and aligning with net-zero targets through its commitment to green finance and environmental consciousness.

Upon receiving the report, **Kadambelil Paul Thomas, the [Managing Director](#) and Chief Executive Officer of ESAF Small Finance Bank**, commented, *"Our vision is to become the best social bank in the country, and this rating underscores the fact that we are heading in the right direction. I would like to thank all the internal and external stakeholders, especially SEBI, for developing such a broad [framework](#) aligned with the vision of the Central Government.*

ESG principles have been embedded in ESAFs social banking strategy, with the triple [bottom line](#) approach of People, Planet, and Prosperity as our guiding principle," **Shri K. Paul Thomas** added.

Shri Rohit Inamdar, CEO of CARE ESG RATING Ltd. stated, *"This was the first ratings by any listed company in [India](#) after SEBI approved the framework came in force in July 2024. Our goal is to empower [businesses](#) to lead with purpose and responsibility, and we are happy to note that ESAF is moving in the right direction towards its vision.*