

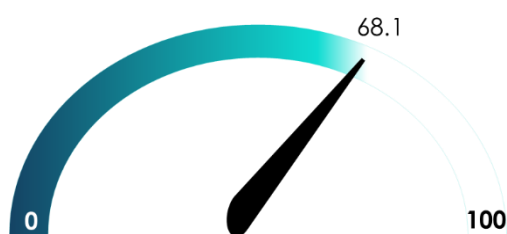
## CARE ESG Ratings Limited (CareEdge-ESG) assigns first ESG rating to ESAF Small Finance Bank Limited

CARE ESG Ratings Limited (CareEdge-ESG), a Securities & Exchange Board of India (SEBI)-registered ESG Rating Provider (ERP) and a wholly owned subsidiary of CARE Ratings Limited, achieved a significant landmark with the assignment of first Environment, Social and Governance (ESG) rating to ESAF Small Finance Bank Limited (ESAF).

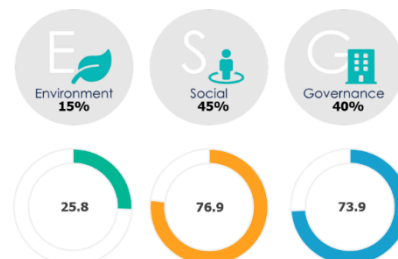
ESAF is a scheduled Small Finance Bank that primarily provides loans to rural and semi-urban customers. ESAF has been assigned a rating of CareEdge-ESG 2<sup>1</sup> with an ESG score of 68.1. The bank's ESG rating reflects its strong position in managing ESG risk through superior disclosures, policies, and performance. Please follow the [link](#) for detailed ESG rating rationale of ESAF.

The rating considers ESAF's advanced stage of ESG stewardship focusing on people, planet, and prosperity. With a legacy spanning three decades, ESAF has products and services targeted to under-resourced communities through its inclusive banking. The rating factors in bank's leadership position in workforce diversity and sharp focus towards financial inclusion and sustainability, impacting lives across rural and semi-urban areas. The rating is supported by ESAF's long-term strategies and initiatives taken across key ESG functions, helping it make a notable transition in its sustainability performance. ESAF has demonstrated strong commitment towards social upliftment by consistently committing ~2.5x of the regulatory required allocation for corporate social responsibility (CSR). The bank has allocated 92% advances towards priority sector, fostering local economic growth, leading to a positive social impact.

### ESG Score



### Pillar Weights and Scores for BFSI



### Rating Scale



<sup>1</sup> For CareEdge ESG Rating scale and definitions refer to [www.careedgeesg.com](http://www.careedgeesg.com)

CareEdge-ESG's ratings are determined through a comprehensive analysis of the environmental, social, and governance risks and opportunities associated with a company. A composite score is calculated based on the company's performance on key indicators, spanning across material themes from the three pillars of ESG. For the BFSI sector, CareEdge ESG's methodology consists of about 250 indicators spanning across 18 themes. Keeping the BFSI sector in consideration, the governance and social pillars hold greater relevance and are allocated a total weight of 85% while the environment pillar has been assigned 15% weight, given its minimal impact on emissions, energy and waste management.

While ESG ratings are relatively new, their significance is rapidly growing among investors, regulators, and other stakeholders. These ratings help investors make informed decisions by highlighting an entity's exposure to and management of non-financial risks, as well as its long-term performance goals and values. Companies with strong ESG credentials often demonstrate superior financial performance and are more successful in attracting diverse investors and raising capital. Moreover, ESG ratings offer valuable insights to rated entities through peer benchmarking and industry medians, helping them identify areas for improvement, motivating them to design sustainable transitions and fostering responsible business practices.

**Mehul Pandya, MD & Group CEO, CareEdge, said,** "With the release of its first ESG rating, CareEdge-ESG aims to be a catalyst for change toward a sustainable future by providing the most credible ESG assessments. These ratings enable businesses to benchmark their sustainability against competitors, driving improvements in policies and practices. Investors and stakeholders, both domestically and globally are increasingly adopting new perspectives on ESG reporting and performance."

**Rohit Inamdar, CEO – CARE ESG Ratings, commented,** "With the launch of our first ESG rating in the Indian market, we aim to provide deeper insights into corporate sustainability. These ratings reflect a commitment to transparency and responsible growth, contributing to a greener economy. Our goal is to empower businesses to lead with purpose and responsibility, making sustainability a core element of long-term success."

### About CARE ESG Ratings Limited

CareEdge-ESG is a category I ERP, registered with SEBI and wholly owned subsidiary of CARE Ratings Limited. With over thirty years of experience as an Indian credit rating agency, CARE Ratings' move of expanding into ESG ratings through its subsidiary would help to enhance investor confidence while promoting accountability and transparency in businesses. Through our comprehensive and nuanced ESG assessments, CareEdge-ESG enables stakeholders to make informed decisions regarding sustainability, thereby fostering positive transformation and enhancing stakeholder trust.

For more information, visit [www.careedgeesg.com](http://www.careedgeesg.com) | click on  to browse CareEdge-ESG's LinkedIn profile

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#### About Us:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

#### Disclaimer:

The ratings issued by CARE ESG Ratings Ltd (CareEdge-ESG) are opinions about an issuer, regarding its ESG profile and relative position in managing ESG Risk through disclosures, policies and performance and are not recommendations or suggestion, directly or indirectly to any user, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. These ratings do not convey suitability of an investment or adequacy of market price for the investor. They shall not form the basis for any investment decisions or analysis and shall not be substitute for the skill, judgement and caution to be exercised by the user of such ratings while making business and investment decisions. CareEdge- ESG gives no representations or warranties regarding the use of these ESG Scores and related materials and/or their fitness for a particular purpose. The agency does not constitute an audit on the rated entity. CareEdge-ESG has based its ESG ratings/score based on information obtained from reliable and credible sources. CARE-ESG does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. CARE ESG reserves the right to change the ESG ratings/ score from time to time in accordance with the methodologies, policies and procedures. CareEdge ESG rating/ scoring report and any related material are meant for informational and reference purpose only and shall not be modified, reverse engineered, reproduced, or distributed, in whole or in part, for commercial purpose, in any form or by any means, or stored in a database or retrieval system. No part of the ESG rating/ score report or any other related material shall be quoted or used without CareEdge ESG's prior written consent, as an input or constituent for deriving results, outputs, inferences which have not been independently verified or validated by CareEdge, for commercial purpose or otherwise. The ESG scores / ratings have been issued by CareEdge ESG for use by users in the jurisdiction of India in accordance with the applicable regulations. Any usage of the ESG rating by the entity rated shall be for internal reference purpose, reference of investors or for usage on the webpage of the rated entity and / or in the annual report or similar usage, however in each case with appropriate source credit to CareEdge ESG. Most entities who are rated by CareEdge-ESG have paid a fee, based on the complexity of rating assignment. CareEdge-ESG or its subsidiaries/associates/promoter may also be involved with other commercial transactions with the entity. CareEdge-ESG is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge-ESG.