



Banking for People, Planet and Progress

Sustainability Report 2024-25



Banking for People, Planet and Progress

India's monuments are enduring expressions of wisdom, imagination and community purpose. They rise from local landscapes yet speak to universal principles such as harmony with nature, resourcefulness, thoughtful design and collective resilience. Whether it is the natural airflow of Jaipur's Hawa Mahal or the artistic reuse of materials in Chandigarh's Rock Garden, these structures demonstrate how beauty and sustainability can be woven together with intention and care.

AU Small Finance Bank draws inspiration from this legacy. Across many of our heritage branches, we showcase images of local monuments that anchor us to the communities we serve. These images honour the diversity of India's cultural landscape and also serve as gentle reminders of the values that strengthen society. They encourage us to approach progress with humility, foresight and purpose. This year's Sustainability

Report builds on this foundation and embraces the theme Banking for People, Planet and Progress.

The monuments featured across the report reflect the essence of our four sustainability pillars. Sustainable Finance draws meaning from India Gate in New Delhi, a structure that represents service, continuity and commitment to the nation's progress. Sustainable Operations is shaped by the thoughtful creativity of the Rock Garden of Chandigarh, which turns careful effort into lasting value. Sustainable Communities is guided by the spirit of Rajwada Palace in Indore, a landmark that has brought people together for generations and reflects the strength of shared identity. Sustainable Reporting takes direction from Chennai Central Station, a symbol of clarity, reliability and coordinated movement that mirrors our focus on transparent disclosures and governance discipline.

Each monument in this report has been chosen with intention. Each one connects the past with the future and links local identity with national aspiration. Together, they demonstrate that sustainability becomes most meaningful when it is rooted in cultural wisdom and when progress honours the people and places that make it possible.

Through this theme, AU Small Finance Bank reaffirms its commitment to advancing a model of growth that respects the planet, empowers individuals and supports enduring prosperity for generations. Banking for People, Planet and Progress reflects not only what we do but also what we stand for: a future shaped by balance, responsibility and shared progress.

“

Across many of our heritage branches, we showcase images of local monuments that anchor us to the communities we serve.





Table of Contents

06	About the Report	48	Sustainable Operations
06	Frameworks Used	52	Human Capital and Wellbeing
06	Scope and Boundary	60	Climate and Resource Efficiency
08	Executive Summary	66	Value Chain and Human Rights Stewardship
12	Organisation overview	70	Sustainable Communities
14	Leadership Messages	74	Microfinance: Empowering Livelihoods
14	Chairman's Message	78	Financial Literacy and Community Engagement
16	MD and CEO's Message	80	AU CSR: Impact Beyond Banking
18	Message From The Sustainability Committee of The Board		
19	Executive Director's Message	92	Sustainable Reporting
20	Stakeholder Engagement & Materiality Assessment	96	ESG Governance
20	Stakeholder Engagement	100	Corporate Governance
23	Materiality Assessment	106	Risk Management and Ethical Practices
28	Sustainability Strategy	114	Annexure
29	Sustainability Framework	115	GRI Table
30	Sustainable Finance	124	BRSR Index
34	Green Finance	125	Assurance Statement
39	Financial Inclusion	129	Data Compilation Methodology
46	Digital Banking	129	Reference Links
		130	Glossary



About the Report

This report outlines AU Small Finance Bank's sustainability vision, strategy, and performance, demonstrating how value is created for People, Planet, and Progress. Sustainability at the Bank connects purpose with performance, shaping how these values are integrated into daily operations and long-term growth. Through continuous stakeholder engagement, the Bank maintains a sustainability approach that is relevant, forward-looking, and responsive to evolving expectations, contributing to innovation, operational excellence, and regional economic development.

Now in its fourth edition, the Annual Sustainability Report has been prepared referring to the Global Reporting Initiative (GRI) Standards, covering the period from 1 April 2024 to 31 March 2025. The report encompasses all operations under AU Small Finance Bank's control and reflects a commitment to building a future-ready institution that empowers Bharat through inclusive finance, responsible growth, and stakeholder trust.

Frameworks Used

As part of a commitment to responsible business and sustainable development, this report has been prepared referring to the Global Reporting Initiative (GRI) Standards, -an internationally recognised framework that ensures transparent, structured, and stakeholder-focused ESG disclosures.

By aligning with GRI Standards, materiality, comparability, and consistency with regulatory expectations are maintained. The report also maps AU SFB's initiatives and performance against the United Nations Sustainable Development Goals (SDGs), reflecting the institution's contribution to global sustainability objectives and India's national priorities under Viksit Bharat and the Net Zero 2070 commitment.

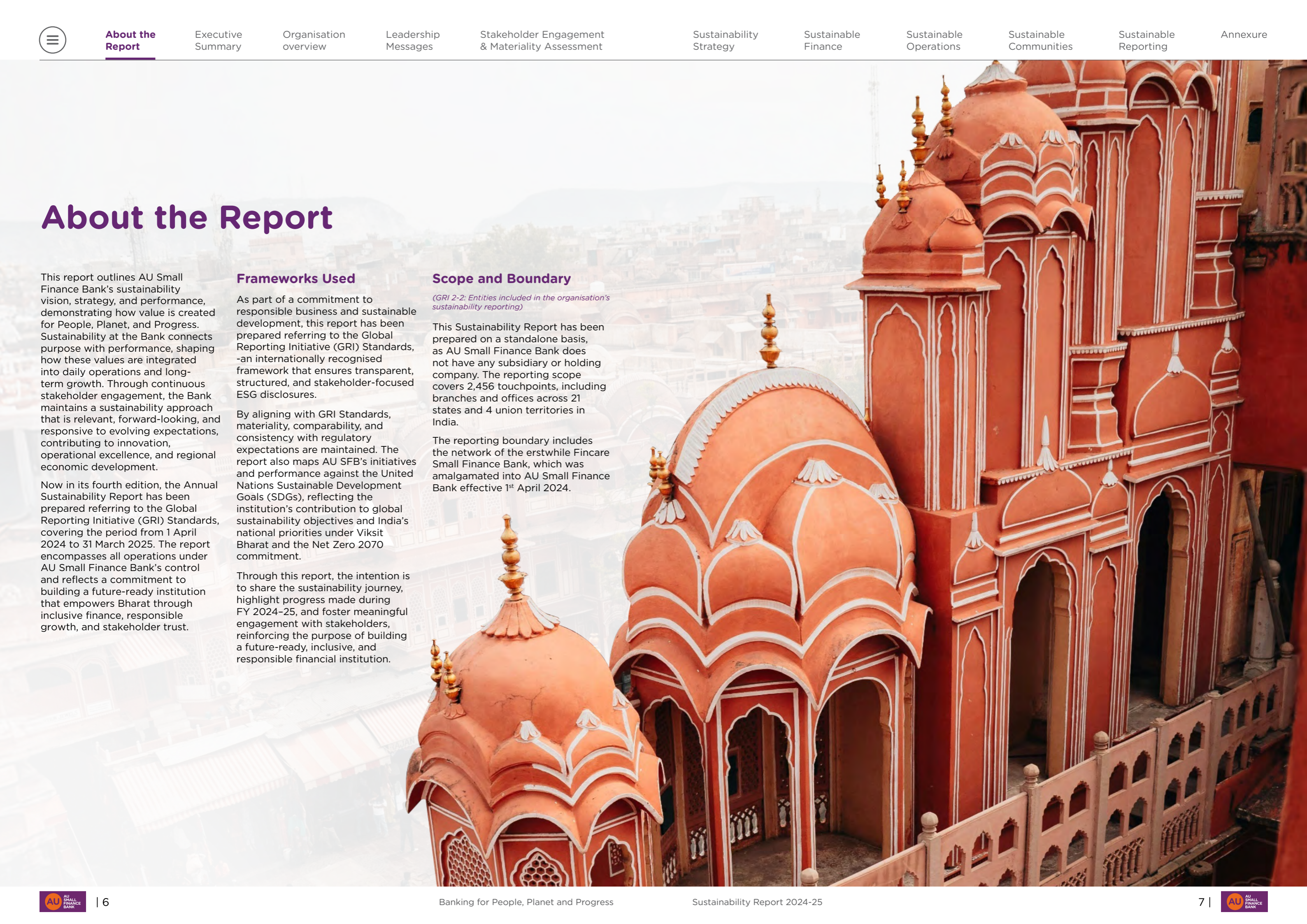
Through this report, the intention is to share the sustainability journey, highlight progress made during FY 2024-25, and foster meaningful engagement with stakeholders, reinforcing the purpose of building a future-ready, inclusive, and responsible financial institution.

Scope and Boundary

(GRI 2-2: Entities included in the organisation's sustainability reporting)

This Sustainability Report has been prepared on a standalone basis, as AU Small Finance Bank does not have any subsidiary or holding company. The reporting scope covers 2,456 touchpoints, including branches and offices across 21 states and 4 union territories in India.

The reporting boundary includes the network of the erstwhile Fincare Small Finance Bank, which was amalgamated into AU Small Finance Bank effective 1st April 2024.





Executive Summary

Sustainable Finance

Green Finance

₹1,178.52 Crore

Green Fixed Deposit mobilised as on 31st March 2025

100%

Deployed in Green Assets

₹958.81 Crore

Funds allocated to Renewable Energy

₹90.51 Crore

Funds allocated to Clean Transportation

₹1.48 Crore

Funds allocated to Green Building

Financial Inclusion

32%

of our total touchpoints/branches are in unbanked rural areas (795)

25.7 Lakh

Customers served through 9+ Lakh Joint-Liability Groups

₹65+ Crore

Direct Benefit in Aadhaar-seeded BSBD accounts

Digital Banking

33.3+ Lakh

Registered Users on AU 0101

3.1 Crore

Financial and 99 Lakh non-financial transactions processed in FY 2025

69.4 Lakh

UPI transactions facilitated

2.5 Lakh

Active UPI QR merchants (Merchant Base)

Sustainable Operations

Human Capital and Well-being

50,000+

Total employees

4,400+

Women employees

77

Senior employees with 10 years of vintage

31

Years Average age of employees

86%

Employee Happiness Index

2,085,681 Hours

Training hours

32 Hours

Average training hours per person per year

Climate and Resource Efficiency

1,49,351 GJ

Total Energy consumed

317 tCO₂e

Scope 1 emissions

28,076 tCO₂e

Scope 2 emissions

733.62 tCO₂e

Scope 3 emissions (business air travel)

2.93 GJ/FTE

Energy intensity

5,66,265 KL

Water consumed

45 L/Day/FTE

Water intensity

Sustainable Communities

25+ Lakh

Microfinance customers

₹43 Crore

CSR expenditure

27

Implementing partners

18,300+

Financial Literacy camps conducted

2,72,399

CSR beneficiaries (AU Ignite, AU Udyogini & Bano Champion)

1,462

Women empowered

Sustainability Reporting

₹2,106 Crore

Profit After Tax

₹1,57,846 Crore

Total Assets

₹1,24,269 Crore

Deposit

₹18,590 Crore

Direct economic value generated

₹14,751 Crore

Economic value distributed

₹3,839 Crore

Economic value retained

ESG Rating

MSCI

AA (Leader)

SUSTAINALYTICS

17.1 (Low Risk)

CSRHUB

80%

SES
Stakeholders Empowerment Services
Analyze >> Educate >> Empower

79.5

ESG Risk
Assessments & Insights

76.09

FTSE RUSSELL
An LSEG Business

2.9

S&P Global

42

CDP

D (Climate Disclosure)

Awards

Best Small Finance Bank Award

Mint BFSI Summit & Awards

Best ESG Practices'

ASSOCHAM 19th Annual Summit & Awards 2024

ICC Emerging Asia Banking

2nd ICC Emerging Asia Banking Conclave & Awards 2024

Organisation Overview

(GRI 2-1, GRI 2-6, GRI 2-7)



The wall of journey at AU Small Finance Bank Jagatpura Office, Jaipur

AU Small Finance Bank Limited (AU SFB) is India's largest Small Finance Bank and a Scheduled Commercial Bank, headquartered in Jaipur, Rajasthan. Founded in 1996 by Mr. Sanjay Agarwal, a first-generation entrepreneur, the Bank began as AU Financiers with a focus on serving underserved communities through vehicle financing. In April 2017, AU Financiers transitioned into a Small Finance Bank and, as it enters its thirtieth year of operations, stands as a trusted institution shaped by a deep-rooted commitment to customer-centric service and inclusive growth.

AU Small Finance Bank Ltd. has received in-principle approval from the Reserve Bank of India to transition into a Universal Bank, marking a significant milestone in its evolution. Over three decades, including eight years as a bank, AU SFB has developed a sustainable and resilient financial ecosystem that empowers individuals and businesses across the country.

Built on a strong retail banking model and deep customer insights, AU SFB offers comprehensive

financial solutions spanning deposits, loans, credit cards, premium banking, merchant services, insurance, and investments. As a technology-led institution, the Bank delivers differentiated digital experiences through innovations such as 24x7 Video Banking, WhatsApp Banking, Chatbots, UPI QR solutions, merchant lending, and the award-winning AU 0101 app.

AU SFB's network of 2,456 banking touchpoints across 21 states and 4 union territories serves more than 1.13 Crore customers, supported by a workforce of over 50,000 employees. As of 31st March 2025, the Bank maintains Shareholders' Funds of ₹17,166 Crore, a Deposit Base of ₹1,24,269 Crore, a Loan Portfolio of ₹1,15,704 Crore, and a Balance Sheet size exceeding ₹1.50 Lakh Crore.

The Bank is listed on NSE and BSE and holds strong credit ratings of AA Stable from CRISIL, ICRA, CARE Ratings, and India Ratings. Its Fixed Deposits carry a AA Plus Stable rating from CRISIL, reflecting financial strength and sustained investor confidence.

Highlights

21

States

04

Union territories

2,456

Banking touchpoints (branches and offices)

50,000+

Employees

1.13 Crore

Customers

In-principle RBI approval to transition into a Universal Bank

Purpose

Empowering India – Financially. Digitally. Socially.

Vision

To be the world's most trusted retail Bank and coveted employer that is admired as the epitome of financial inclusion and economic success, where ordinary people do extraordinary things to transform society at large, thereby guaranteeing Trust, Confidence and Customer Delight.

Mission

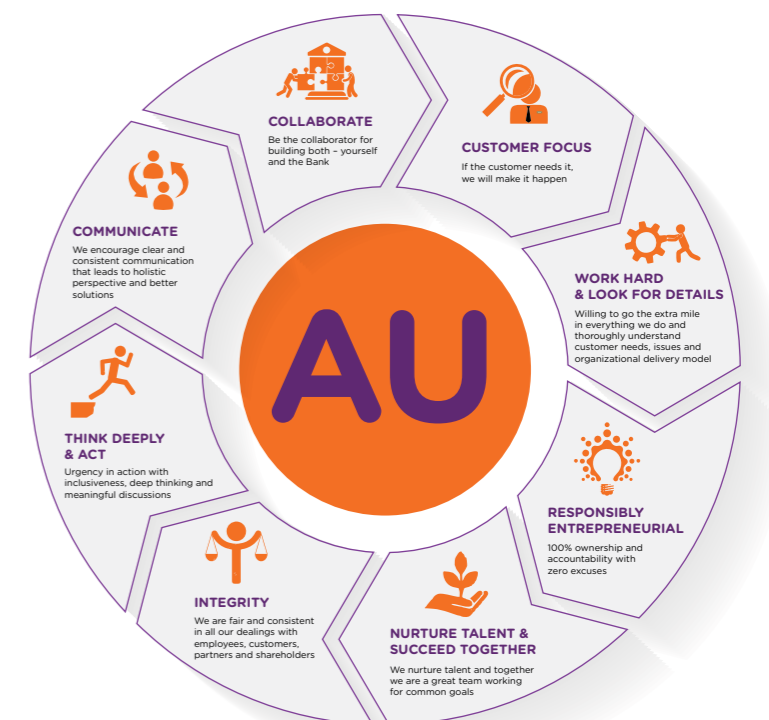
To build one of India's largest retail franchise that is admired for:

- Making every customer feel supreme while being served
- Aspiring that no Indian is deprived of banking
- Bias for action, dynamism, detail orientation and product and process innovation

- Globally respected standards of integrity, governance and ethics
- Being an equal opportunity employer, providing a collaborative and rewarding platform to all its employees

Values - AU Dharma

AU Dharma reflects the ethical principles guiding our actions, culture and stakeholder relationships. It is our core belief system, shaping our journey as a responsible, inclusive and respected bank.



Chairman's Message



Mr. Harun Rasid Khan
Chairman

Dear Stakeholders,

This year is truly special for AU Small Finance Bank. With the successful merger of Fincare Small Finance Bank and the receipt of the **in-principle license to become a Universal Bank**, we have entered a new chapter, one that brings scale, opportunity, and an even greater responsibility to create lasting impact. These milestones reaffirm our purpose and the values that have guided us since inception.

For me, sustainability is a personal conviction and a principle embedded in AU SFB's DNA by design. **The way forward for development is clear: it must be sustainable.** There is no other way. This belief is reinforced by global conversations, including the

recent COP30, which underscored the urgency of climate action and the need for businesses to lead the transition to a low-carbon economy.

As we publish our fourth Sustainability Report and our first post-merger, we renew our commitment to shaping a future where financial empowerment goes hand in hand with environmental stewardship and social equity. Our approach is holistic and anchored in three pillars:

- **Environmental Responsibility:** Expanding green finance through products like Planet First – **AU Green Fixed Deposit**, supporting renewable energy

projects, financing electric vehicles, and adopting climate-smart practices across our operations.

- **Social Equity:** Going beyond regulatory norms to deepen financial inclusion, empower women and underserved communities, and foster diversity and inclusion through our DEI Charter and CSR initiatives focused on livelihoods, skills, and financial literacy.
- **Governance Excellence:** Guided by **AU DHARMA**, we uphold transparency, ethics, and accountability, ensuring sustainability is integrated into every decision-making process.

The merger has strengthened our capabilities, enabling us to serve a larger customer base and expand into new geographies. As we prepare for our Universal Bank journey, we recognise that **greater scale means greater responsibility, to our stakeholders, to society, and to the planet.**

AU Small Finance Bank is committed to be a catalyst for positive change, creating shared value, driving climate resilience, and fostering inclusive growth. I extend my heartfelt gratitude to our employees, customers, shareholders, and partners for their trust and support. Together, we will transform aspirations into action and build a future that is equitable, resilient, and sustainable.

Mr. Harun Rasid Khan
Chairman

Gateway of India reflects clarity of direction and readiness for new growth. It reminds us to broaden access, strengthen capability and lead expansion with discipline and confidence.

MD & CEO's Message



Mr. Sanjay Agarwal
Founder, MD & CEO

Dear Stakeholders,

Last year marks 30 years of building a forever franchise and 8 years as a Bank. This year is a defining chapter in AU Small Finance Bank's journey. The receipt of the in-principle license to transition into a Universal Bank fills me with immense pride and gratitude. This milestone reflects the trust placed in us by regulators, customers, and stakeholders and strengthens our responsibility to create a future-ready institution that is inclusive, resilient, and sustainable.

Today, AU SFB stands as India's largest Small Finance Bank with ₹1.24 Lakh Crore in deposits and ₹1.15

Lakh Crore in advances, supported by 2,450+ touchpoints across the country and a growing workforce of 50,000+ employees. This scale amplifies both our ability and our obligation to drive sustainable impact.

The external environment is changing rapidly. Climate change, technological disruption, and socio-economic shifts are reshaping the way businesses operate. For banks, this means going beyond financial performance to address environmental and social priorities

with equal commitment. At AU SFB, sustainability is the foundation of our strategy, guided by three principles:

- **Samajdari** - understanding that our actions impact the environment, and in turn, it impacts us.
- **Imandari** - being honest with ourselves to act as a catalyst for change and lead by example.
- **Zimmedari** - taking responsibility for future generations because we owe them a sustainable tomorrow.

To bring sharper focus and measurable impact, we have adopted a four-pillar approach to sustainability, ensuring strategic clarity and operational excellence in each area:

Sustainable Finance

We continue to mobilise capital for climate-positive projects and inclusive growth. This year, we expanded our Planet First - AU Green Fixed Deposit portfolio, channeling funds into renewable energy, electric mobility, and green building projects. We also introduced environmental and social due diligence for projects and strengthened climate risk integration in credit models through collaboration with IFC, aligning

with the RBI's Sustainable Finance Agenda.

Sustainable Operations

Our commitment to reducing our environmental footprint remains strong. We advanced energy-efficient practices, paperless processes, and waste reduction initiatives, and began our journey toward financed emissions assessment. Sustainability is now embedded into every operational layer, ensuring that growth does not come at the cost of the planet.

Sustainable Communities

Financial inclusion continues to be at the heart of our mission. We exceeded regulatory norms with 80.3% priority sector lending, 63% of loans below ₹25 Lakh, and 32.5% of branches in unbanked rural centres, well above mandated requirements. Through CSR programs like AU Ignite, AU Udyogini, and AU Bano Champion, we have empowered youth, supported women entrepreneurs, and promoted sports for holistic development. We also advanced our Diversity, Equity

& Inclusion Charter, fostering a workplace where every individual feels valued and respected.

Sustainable Reporting

Transparency and accountability remain central to our governance philosophy. We revised our materiality assessment to make it dynamic and participatory, secured assurance on BRSR Core indicators, and aligned disclosures with global standards such as GRI and BRSR, reinforcing our commitment to responsible governance.

The Way Ahead

Our theme for the year - Banking for People, Planet, and Progress captures our belief that growth and sustainability must go hand in hand.

Since our inception, the images of India's timeless monuments have adorned our branches, standing tall as symbols of beauty and the

enduring hard work of human endeavour. These monuments, which have stood the test of time, remind us daily of resilience, the ability to remain vibrant and full of life. They guide us on our forever journey, inspiring us to create prosperity while honouring the values that sustain progress.

As we prepare for our Universal Bank journey, we aim to accelerate our efforts in sustainable finance, deepen ESG integration, and lead collaborative initiatives to support India's transition to a low-carbon economy. Together, we are committed to creating a future that is inclusive, resilient, and sustainable.

Thank you for being part of this journey.

Mr. Sanjay Agarwal
Founder, MD & CEO

Gwalior Fort conveys strategic foresight, resilience and structured strength. It reminds us to build durable systems, maintain consistency and guide the organisation with steady, long-term focus.



Message from the Sustainability Committee



Ms. Malini Thadani
Committee Chairperson



Mr. Harun Rasid Khan
Member



Ms. Kavita Venugopal
Member



Mr. Kamlesh Vikamsey
Member



Mr. Sanjay Agarwal
Member

“Our planet is one, but our efforts must be many.” These words from the Hon’ble Prime Minister remind us that sustainability is a national priority and is a shared responsibility for institutions shaping India’s future.

India’s Nationally Determined Contributions (NDCs) set ambitious targets for renewable energy, energy efficiency, and emissions reduction. Meeting these goals will require nearly **USD 10 trillion in climate finance by 2070**, yet current flows fall far short, highlighting the urgent need for capital mobilisation. Financial institutions can act as catalysts, financing renewable energy, sustainable infrastructure, and inclusive development, while embedding climate considerations into governance and risk frameworks.

The Board’s Sustainability Committee provides strategic oversight to ensure sustainability drives growth, resilience, and long-term competitiveness. This year’s

theme - Banking for People, Planet, and Progress, reflects our belief that success depends on creating shared value for all stakeholders. It also signals our commitment to reducing environmental impact and enabling climate-smart growth through innovative products and partnerships.

To embed sustainability deeply, AU SFB adopted a dynamic materiality process that keeps ESG priorities aligned with stakeholder expectations and emerging risks. We advanced green finance by expanding our Green Fixed Deposit portfolio and deploying funds into climate-positive assets. To address climate risk, the Committee recommended a structured approach to environmental and social due diligence for projects, laying the foundation for robust climate-related financial risk management, essential for navigating both physical and transition risks in a rapidly evolving regulatory landscape.

The Committee also highlighted the importance of influencing the value chain, and the Bank implemented sustainable procurement guidelines aligned with global best practices to ensure sourcing decisions reflect environmental and social considerations. Beyond banking, AU SFB continues to create impact through CSR initiatives focused on livelihoods, education, financial literacy, and community development. These actions reflect our conviction that sustainability is a strategic imperative that drives long-term value creation.

By aligning products and investments with sustainable development goals, the Bank is enabling inclusive growth and climate resilience. The Committee will continue to strengthen governance, foster innovation, and champion transparency, positioning AU as a benchmark for responsible banking and a leader in shaping India’s sustainable financial future.

Executive Director’s Message



Mr. Uttam Tibrewal
Executive Director & Deputy CEO

Dear Stakeholders,

AU Small Finance Bank has always been designed to be sustainable and inclusive, and in recent years, we have consciously embraced the environment as a key stakeholder in this journey. This reflects our belief that long-term success is possible only when we balance economic growth with social equity and environmental stewardship. During FY 2025-26, we have taken decisive steps to deepen this integration across our operations, products, and partnerships.

Our journey of sustainable change continues to be guided by the ethos of **Planet First**, ensuring that every decision we make contributes to a resilient future. This year has been a period of acceleration, whether through expanding green financing solutions, promoting clean mobility, or enhancing digital adoption to reduce resource consumption. We remain forerunners in priority sector lending while introducing products that encourage climate-positive choices, such as electric vehicle loans and solar financing.

On the operational front, we have scaled **digital-first practices** to minimize resource consumption, including paperless banking, video banking, and e-receipts. Our offices continue to adopt energy-efficient measures, reinforcing our pledge to reduce our environmental footprint. At the same time, our focus on **financial literacy and inclusion** remains unwavering, as we work to empower communities across Bharat and bring more individuals into the formal financial ecosystem.

Transparency and accountability remain the cornerstones of our approach. Through this Sustainability Report and the Business Responsibility and Sustainability Report (BRSR), we reaffirm our alignment with global standards and our commitment to measurable impact. We recognize that sustainability is a shared responsibility—our employees, customers, and partners are active participants in this transformation, amplifying its reach and relevance.

These efforts are anchored in our two core **AU Dharmas - Responsibly Entrepreneurial**, which drives us to innovate with accountability and foresight, and **Collaborate**, which inspires us to work collectively with stakeholders to amplify impact. By combining entrepreneurial agility with shared responsibility, we are creating solutions that are both inclusive and sustainable.

Looking ahead, we aim to scale climate action, deepen inclusive growth, and harness technology for sustainable banking. Together, we can create a future that is economically vibrant, environmentally secure, and socially equitable.

I invite you to explore this report and join us in shaping a world where progress and responsibility go hand in hand.

Mr. Uttam Tibrewal
Executive Director & Deputy CEO

Vidhana Soudha signifies governance, accountability and measured decision-making. It reminds us to uphold transparency, strengthen oversight and steer sustainability through clear frameworks and institutional rigour.



Stakeholder Engagement & Materiality Assessment

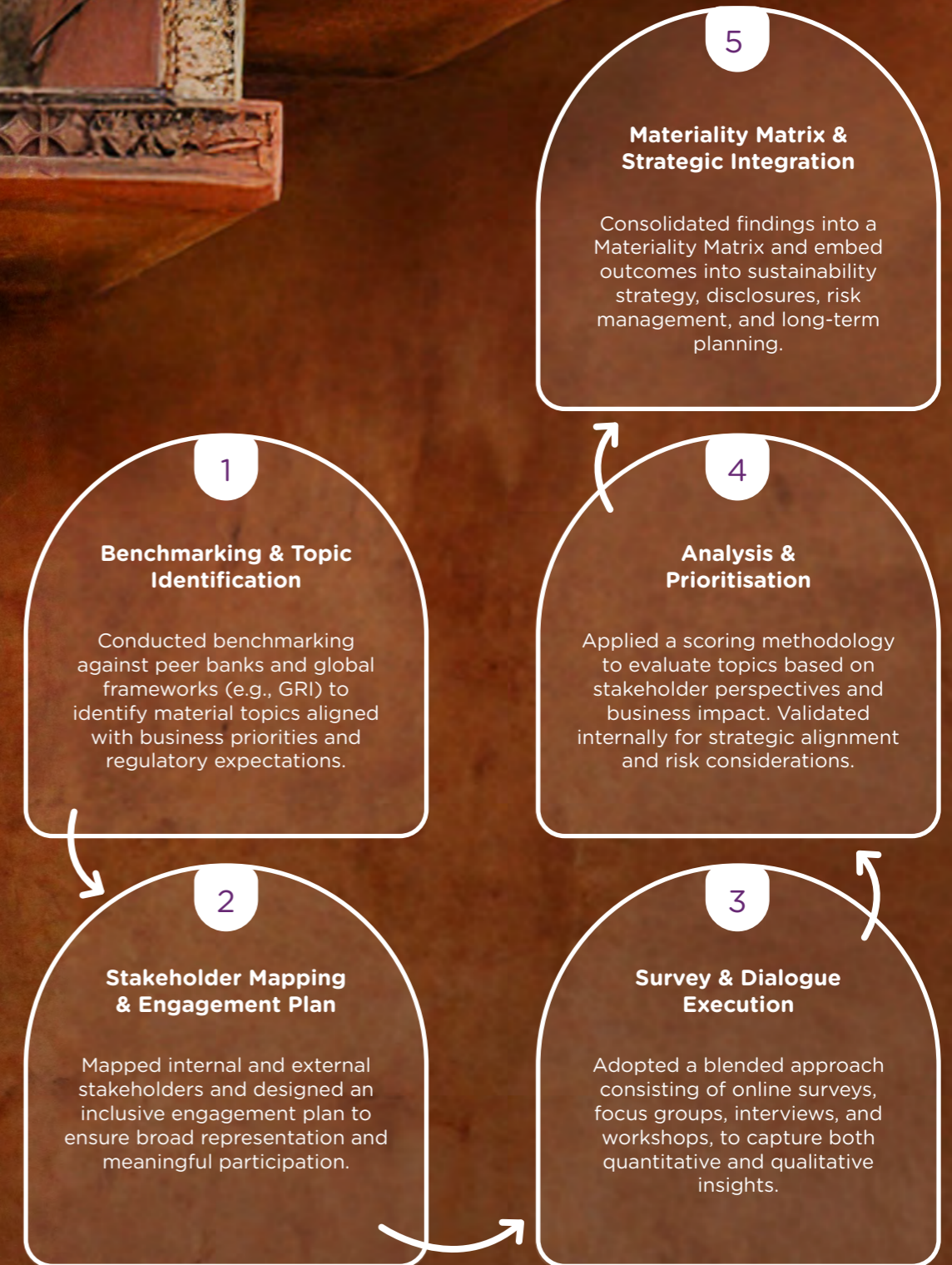
Stakeholder Engagement

At AU Small Finance Bank, stakeholder engagement is central to our sustainability strategy. It is a key mechanism for understanding the expectations, concerns, and priorities of those who influence or are impacted by our business. Transparent, inclusive, and ongoing dialogue with internal and external stakeholders strengthens trust, informs responsible decision-making, and ensures our initiatives remain relevant and impactful.

We engage continuously with employees, customers, investors, suppliers, regulators, communities, and industry partners to gather insights that guide our materiality assessment and shape long-term value creation. This collaborative approach aligns our actions with stakeholder needs while driving continuous improvement across environmental, social, and governance (ESG) performance.

Approach to Materiality

Aligned with GRI Standards, our engagement process is structured and principled, ensuring transparency, accountability, and relevance. This approach guarantees that material topics reflect stakeholder priorities and that our sustainability strategy is grounded in real-world expectations, fostering trust and meaningful impact.



1

Benchmarking & Topic Identification

Conducted benchmarking against peer banks and global frameworks (e.g., GRI) to identify material topics aligned with business priorities and regulatory expectations.

2

Stakeholder Mapping & Engagement Plan

Mapped internal and external stakeholders and designed an inclusive engagement plan to ensure broad representation and meaningful participation.

4

Analysis & Prioritisation

Applied a scoring methodology to evaluate topics based on stakeholder perspectives and business impact. Validated internally for strategic alignment and risk considerations.

3

Survey & Dialogue Execution

Adopted a blended approach consisting of online surveys, focus groups, interviews, and workshops, to capture both quantitative and qualitative insights.

5

Materiality Matrix & Strategic Integration

Consolidated findings into a Materiality Matrix and embed outcomes into sustainability strategy, disclosures, risk management, and long-term planning.

Stakeholder Engagement Process

AU SFB maintains continuous and structured engagement with diverse stakeholder groups to ensure their voices inform decisions. Each group has unique priorities, and the bank adopts tailored modes of engagement to address their concerns effectively. The table below outlines this approach

Stakeholder Group	Key Focus Areas	Mode of Engagement	Frequency
Customers	<ul style="list-style-type: none"> Access to safe, non-discriminatory and responsible banking services with transparent pricing Products and services that meet customer needs Seamless transactions across different platforms Convenient access to banking (channel of choice) 	<ul style="list-style-type: none"> Over the counter: Branches & Offices, ATMs, BOs & BCs Tele Banking - Phone Banking, IVR, Customer Care Digital Channels: Mobile Banking, Net Banking, WhatsApp, Social Media, Auro Chatbot, Video Banking Customer satisfaction surveys Written & verbal communication 	Continuous engagement as per requirement
Investors & Shareholders	<ul style="list-style-type: none"> Sound risk management and compliance Sustainable shareholder value Strong governance and transparency Responsible business practices Effective & timely communication 	<ul style="list-style-type: none"> Quarterly financial updates Investor meetings and presentation Public disclosures Annual General Meetings Analyst meets Annual Report 	Quarterly/ Annual
Regulator & Government	<ul style="list-style-type: none"> Facilitating financial and digital inclusion Implementation of various social security schemes Compliance with relevant laws and regulations Responsiveness towards regulatory changes Customer privacy & data security Contribution to national priorities 	<ul style="list-style-type: none"> Regular on-site & off-site meetings Policy updates, circulars, guidelines and directives Mandatory filings Various government schemes and policies 	Continuous engagement as per requirement
Employees	<ul style="list-style-type: none"> Employee health, safety & well-being Culture of high performance Professional development Inclusive workplace 	<ul style="list-style-type: none"> Safety drills Wellness incentives Training and development Goal setting & feedback sessions 	Continuous engagement
Partners, Vendors & Associates	<ul style="list-style-type: none"> Effective communication High governance standards Transparency in disclosures Resolution frameworks 	<ul style="list-style-type: none"> Hybrid interactions and surveys Conferences & workshops 	Continuous engagement
Society	<ul style="list-style-type: none"> Skill development Financial & digital literacy Drinking water, education, healthcare Community development and upliftment 	<ul style="list-style-type: none"> CSR initiatives Social activities Social media communication Meetings & interventions Financial literacy programme Monitoring & reviews 	Continuous engagement
Environment	<ul style="list-style-type: none"> Integration of ESG into business decisions Promoting social & environmental agendas Responsible end-use of products 	<ul style="list-style-type: none"> Social media Town hall meetings Campaigns & roadshows Reports & publications National & international forums 	Continuous engagement

Materiality Assessment and Prioritisation of Sustainability Material Topics

(GRI 2-29, 3-1, GRI 3-2, GRI 3-3)

Process for Identifying Material Topics

AU Small Finance Bank's materiality process is aligned with the Global Reporting Initiative (GRI) Material Topics Universal Standards, ensuring that disclosures adhere to globally accepted principles of transparency and accountability.

For FY 2024-25, the bank undertook a comprehensive review to determine the most relevant economic, environmental, social, and governance topics in the context of a rapidly evolving banking and economic landscape.

The assessment applied the GRI impact materiality lens, which evaluates two dimensions: AU SFB's influence on society and the environment, and the implications of these impacts for long-term business resilience. This approach ensures that material topics are informed by stakeholder priorities and strategically aligned with the bank's vision for sustainable growth.

The process involved extensive engagement with internal and external stakeholders to capture diverse perspectives. Topics were assessed for their relevance to AU

SFB's business objectives and risk considerations, enabling the Bank to proactively identify, evaluate, and address critical issues.

The materiality assessment has been published on AU SFB's website, and all inputs received by the cutoff date have been incorporated into the Materiality Response Matrix. The assessment remains open for review, allowing stakeholders to share [feedback](#) while engaging with the Sustainability Report. AU SFB continues to welcome valuable inputs for future evaluations.

To ensure a robust and comprehensive process, AU SFB drew on multiple sources, including consultations with board members, key management personnel, employees, partners, and customers. This broad-based approach ensured that impacts across AU SFB's operations, value chain, financed activities, workforce, and communities were considered, reinforcing the Bank's ability to integrate stakeholder views into its strategy and long-term planning.

Prioritisation and Strategic Alignment

Building on insights from the materiality assessment, both risks and opportunities were identified across 22 material topics. These topics were mapped to the Bank's Sustainability Strategic Framework, which comprises four pillars:

1. Sustainable Finance
2. Sustainable Operations
3. Sustainable Community
4. Sustainable Reporting

Each topic was assessed using a five-point rating scale, considering two key dimensions: significance to stakeholders and relevance to long-term value creation.

This structured evaluation keeps the materiality framework current, comprehensive, and aligned with global standards. For critical topics, detailed sub-sections enable deeper analysis and targeted stakeholder engagement. By ranking issues from most to least important, the Bank ensures actions reflect stakeholder priorities and address material concerns effectively, reinforcing its commitment to sustainable growth.

Materiality Matrix

The Materiality Matrix provides a visual representation of issues that have the greatest impact on the Bank and hold the highest significance for its stakeholders. Developed through a comprehensive materiality assessment, the matrix underscores the Bank's commitment to Sustainability.

This tool serves as a strategic guide for decision-making, ensuring focus

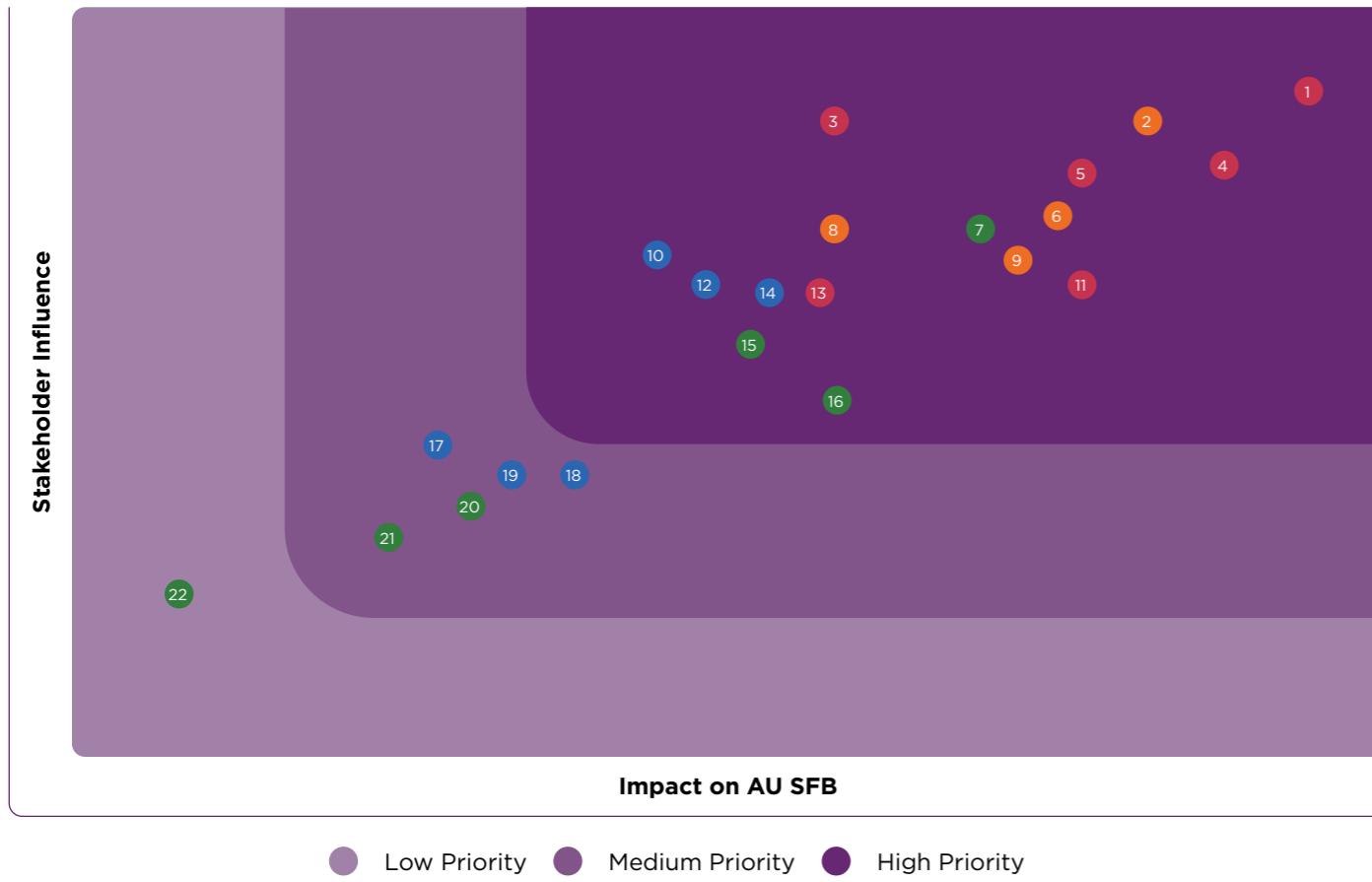
on areas that drive long-term value creation while addressing emerging risks and opportunities in a rapidly evolving sustainability landscape.

By highlighting the most critical issues, the matrix enables the Bank to allocate resources effectively and align actions with stakeholder expectations.



| Employees of AU SFB participating in a tree plantation drive

Materiality Matrix Graph:



Sustainable Finance

- 7 Green Finance
- 15 Product Innovation
- 16 Policy Advocacy
- 20 Financial & Digital Inclusion
- 21 Sustainable Investment and Lending
- 22 Climate risk

Sustainable Operations

- 14 Employees Training and Education
- 12 Employee Health & Wellbeing
- 18 Sustainable Operations
- 10 Efficient Natural Resource Management
- 19 GHG Emissions
- 17 Diversity, Equity, and Inclusion

Sustainable Communities

- 2 Customer Satisfaction
- 6 Corporate Social Responsibility
- 9 Value Chain Responsibility
- 8 Human Rights

Sustainability Reporting & Governance

- 1 Data Privacy and Security
- 4 Brand & Reputation
- 5 Tax Transparency
- 11 Stakeholder Engagement
- 3 Ethical Business Practices
- 13 Risk Management



Our Chairman, Mr. H.R. Khan, participating in plantation drive during the Van Mahotsava Celebrations



Management of Material Issues

AU Small Finance Bank's materiality assessment identified 12 topics critical to our business performance and stakeholder expectations. Each topic is mapped to GRI Standards, evaluated for strategic impact, and classified by risk or opportunity type. We also outline our mitigation measures and strategic responses to ensure resilience and capture growth opportunities. This approach aligns with global best practices and reinforces our commitment to transparency and long-term value creation.

Material Topic	GRI Indicator(s)	Strategic Impact for the Bank	Opportunity/ Risk Type	Response/ Mitigation
Green Finance	GRI 302, 305, 201, 412	Positions AU Bank as a frontrunner in India's green transition, unlocking new revenue streams, enhancing portfolio resilience, and mitigating climate-related risks. Strengthens ESG leadership and investor confidence.	Opportunity	Developed EV and solar financing models; set portfolio-level green asset targets with impact reporting and climate risk integration.
Product Innovation	GRI 417-1	Accelerates digital transformation, expands financial access in underserved regions, and reduces cost-to-serve. Enables hyper-personalization, operational efficiency, and competitive differentiation through secure, scalable platforms.	Opportunity	Launched AU 0101 app, eKYC, and online transaction capabilities; deployed secure-by-design architecture; introduced vernacular UI for inclusivity; strengthened analytics governance; improved turnaround times and service reliability.
Financial Inclusion	GRI 203-1, 413, 418	Drives inclusive growth and long-term market expansion by serving underserved communities. Aligns with national priorities while managing credit and fraud risks through robust governance.	Opportunity	Expanded AEPS and mobile banking; implemented Agri Loan LOS for faster rural credit; borrower education programs; grievance redressal mechanisms; agent training and monitoring; leveraged alternate data for risk-based underwriting.
Training & Development	GRI 404	Builds leadership depth and future-ready workforce, ensuring compliance, strong risk culture, and superior customer outcomes. Enhances productivity, innovation, and adaptability in a dynamic banking environment.	Opportunity	Structured learning via LMS; Branch Service Excellence (BSE) program; leadership development tracks; periodic skill assessments; mentoring and succession planning frameworks to sustain talent pipeline.
Employee Health & Wellbeing	GRI 401, 404	Improves productivity, retention, and engagement through proactive wellbeing initiatives. Reduces absenteeism and operational risks, fostering a positive work culture and sustainable performance.	Opportunity	Comprehensive wellness programs; mental health support; flexible work arrangements; PCS program for medical and financial aid; enhanced maternity and leave policies; continuous employee satisfaction monitoring.

Material Topic	GRI Indicator(s)	Strategic Impact for the Bank	Opportunity/ Risk Type	Response/ Mitigation
Diversity, Equity & Inclusion (DEI)	Internal	Enables innovation, talent attraction, and brand strength. Promotes equitable practices that enhance employee satisfaction and reduce conduct and legal risks.	Opportunity	Board-level DEI oversight; inclusive hiring practices; pay equity reviews; anti-discrimination training; workforce diversity metrics across 50,000+ employees.
Customer Satisfaction	GRI 417	Enhances trust, loyalty, and brand reputation, driving repeat business and growth. Superior customer experience and responsiveness strengthen competitive positioning.	Opportunity	Robust quality control processes; continuous feedback loops; tech-enabled engagement, digitized loan origination; achieved TNPS of 93% and CSAT of 88%.
Corporate Social Responsibility (CSR)	GRI 413	Builds community resilience, fosters inclusive development, and strengthens the Bank's social license to operate. CSR initiatives enhance brand equity, employee engagement, and regulatory compliance.	Opportunity	Implemented programs in healthcare, education, skill-building, and women empowerment; reached 2,72,399 beneficiaries; supported 1,462 women entrepreneurs; flagship initiatives include AU Ignite, AU Udyogini, and Bano Champion.
Data Privacy & Security	GRI 418	Protects customer trust and brand reputation while ensuring compliance with stringent regulations. Robust cybersecurity mitigates financial, operational, and reputational risks.	Risk	Advanced cybersecurity systems; encryption; multi-factor authentication; ISO 27001:2022 certification; Board-approved policies on Information Security, Cyber Crisis Management, and Cloud Security; regular audits and employee training.
Brand & Reputation Management	GRI 417	Reinforces stakeholder confidence and market credibility. Effective reputation management mitigates social media and communication risks, strengthens trust, and supports sustainable growth.	Risk	ICAAP integration of reputation risk; Reputation Risk Index (RRI); proactive PR strategy; social media monitoring; strategic marketing communications to build trust and engagement.
Ethical Business Practices	Internal	Upholding ethical standards reduces compliance and legal risks, protects stakeholder trust, and ensures long-term sustainability.	Risk	Zero-tolerance approach to bribery and corruption; Board-approved Anti-Bribery & Anti-Corruption Policy; whistleblower mechanism for transparency and accountability.
Risk Management	Internal	A robust risk management framework ensures business continuity, regulatory compliance, and resilience against operational, financial, and emerging risks (including climate and cybersecurity).	Risk	Three-lines-of-defense governance model; Board-approved risk policies; defined risk appetite; continuous risk assessment; integration of climate and cyber risk into enterprise risk framework.



Sustainability Strategy

GRI 2-22

The sustainability vision extends beyond financial performance to embrace the principles of People, Planet, and Progress, which form the foundation of the institution's ESG commitments. Under People, the focus remains on promoting social equity, financial inclusion, and respect for human dignity. This includes creating opportunities for underserved communities, ensuring diversity and inclusion within the workforce, and maintaining fair labor practices across the value chain.

For the Planet, the institution recognizes its responsibility to preserve the environment and mitigate climate risks. A commitment is maintained toward reducing the carbon footprint through energy-efficient operations, sustainable sourcing, and investments in green portfolios. Lending practices increasingly favor sectors that contribute to climate resilience and environmental stewardship, aligning with global sustainability goals.

Progress reflects the belief that sustainability is integral to enterprise resilience and shared value creation. Sustainability is embedded into the business model, ensuring that economic growth goes hand in hand with ethical conduct, transparency in disclosures, and active stakeholder engagement. This approach is supported by a strong culture of sustainability, robust risk frameworks, and cross-functional participation, ensuring that every decision contributes to long-term resilience and positive impact.

Sustainability Framework

Complementing the strategic vision, the Sustainability Framework translates ambition into actionable pillars that embed responsibility, inclusion, and transparency across the organization. The framework aligns with global sustainability imperatives such as the UN Sustainable Development Goals (SDGs), Paris Agreement targets, and TCFD recommendations, while supporting India's national priorities under the Climate Action Plan, the Net Zero 2070 commitment, and SEBI's BRSR guidelines.

Sustainable Finance

Capital is channelled toward projects that deliver measurable environmental and social impact, contributing to SDGs on climate action, gender equality, and poverty reduction. Initiatives such as Planet First - Green Fixed Deposits, renewable energy financing under PM-KUSUM, and social finance programs like PMJDY and PM SVANidhi advance India's financial

inclusion agenda and clean energy transition. ESG risk assessments are embedded into credit decisions, aligned with global best practices for responsible finance.

Sustainable Operations

Operational practices reflect global climate goals and India's energy efficiency targets. The footprint is reduced through green building standards, energy-efficient infrastructure, and digital-first processes that minimize resource consumption. Initiatives such as Video Banking, paperless onboarding, and cloud migration enhance efficiency while lowering emissions. Renewable energy adoption and climate risk integration further strengthen resilience in line with TCFD principles.

Sustainable Communities

Aligned with SDGs on reduced inequalities and decent work, underserved communities are

empowered through financial literacy, digital inclusion, and gender-focused programs such as Shakti Accounts. Outreach across rural and aspirational districts supports India's vision for inclusive growth and social security, creating pathways for women, farmers, and artisans to thrive in an evolving digital economy.

Sustainability Reporting

Transparency is upheld through ESG disclosures aligned with global frameworks including TCFD and PCAF, along with full compliance to India's SEBI BRSR requirements. The reporting structure ensures accountability, tracks progress on climate and social impact, and strengthens stakeholder trust.

Together, these pillars position AU Small Finance Bank as a responsible financial institution contributing to global climate goals and inclusion priorities while advancing India's sustainable development agenda.



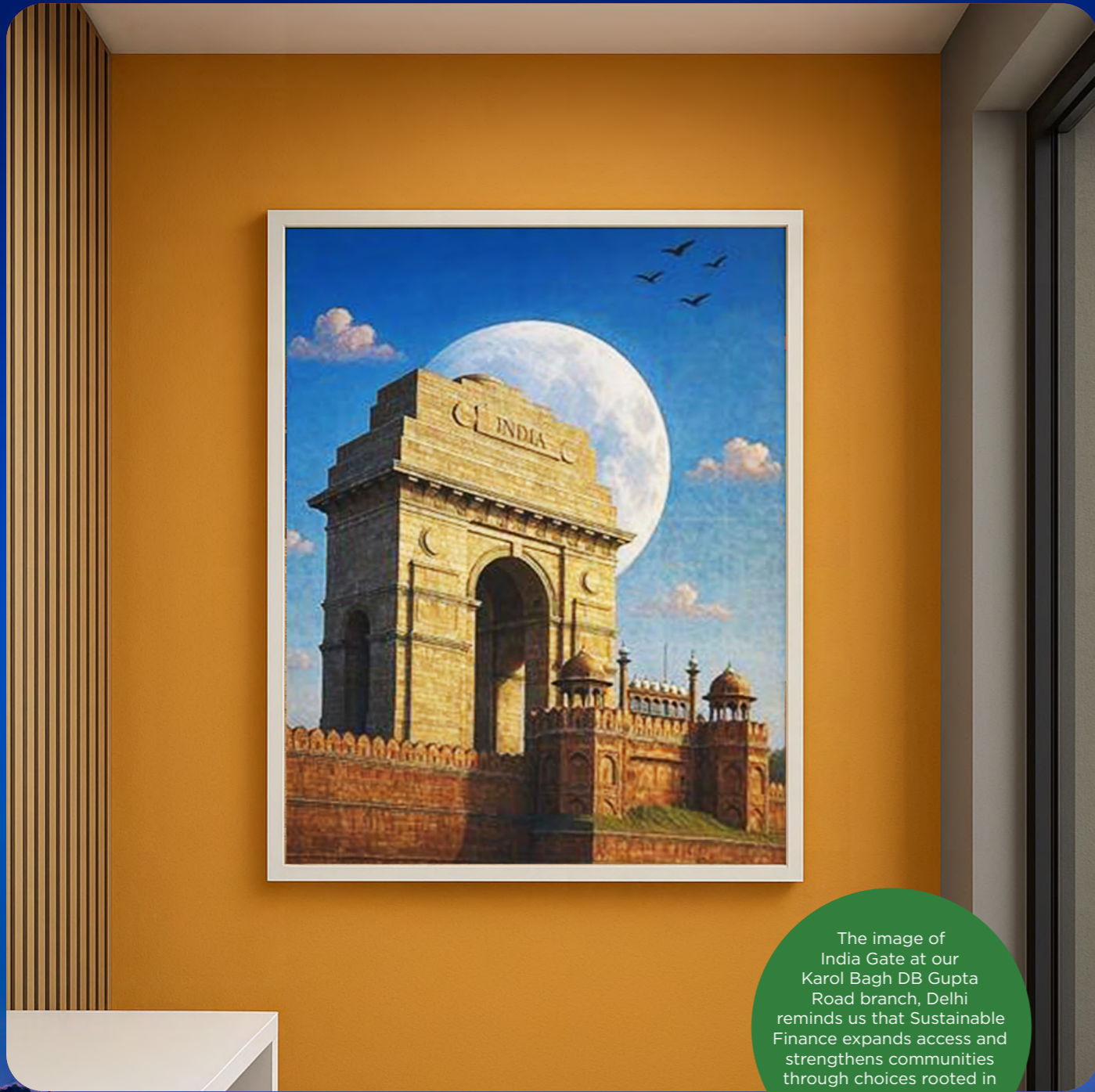


Sustainable Finance

Financing Growth with Purpose



India Gate
 symbolizes honour, continuity and shared duty, inspiring progress that strengthens people, communities and national purpose.



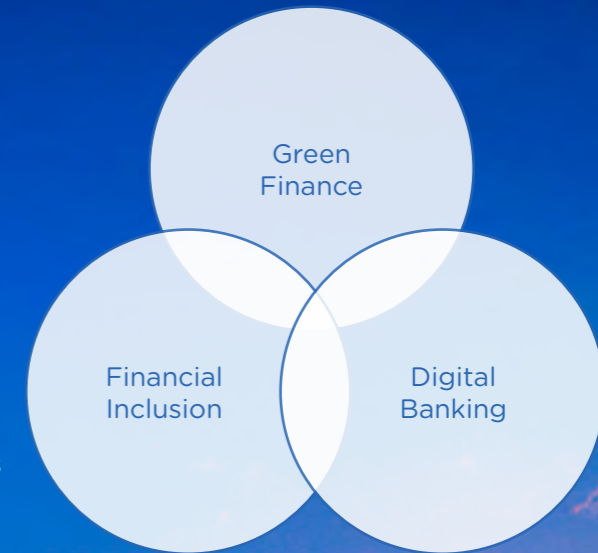
The image of India Gate at our Karol Bagh DB Gupta Road branch, Delhi reminds us that Sustainable Finance expands access and strengthens communities through choices rooted in service, inclusion and shared progress.

India Gate stands as a national treasure that brings people together through a shared sense of service and continuity. This idea of opening access shapes AU Small Finance Bank's approach to Sustainable Finance. By widening financial entry points for underserved communities and emerging green sectors, the Bank supports transitions that build resilience across livelihoods and the environment. Capital is directed toward renewable energy, climate solutions, inclusion-led products and digital pathways that enable equitable growth. Sustainable Finance at AU SFB reflects a commitment to progress that is measured, responsible and widely accessible. India Gate embodies this ethos of opening doors to opportunity and collective advancement.

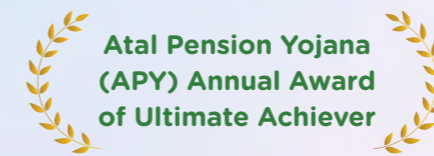
Introduction

Sustainable finance forms the foundation of our commitment to responsible banking. It aligns financial growth with environmental responsibility, social equity, and long-term value creation. As a catalyst for change, the Bank channels capital into activities that advance national priorities - renewable energy, livelihood generation, and digital inclusion - while supporting climate action and financial accessibility. This focus strengthens our customer, service delivery, and governance frameworks to embed sustainability at the core of our financial ecosystem. This includes offering financial solutions that deliver both environmental and social impact.

To drive this vision, our Sustainable Finance initiatives focus on three key areas:



Awards



Pension Fund Regulatory and Development Authority (PFRDA)



Indian Banks' Association (IBA)



FICO 2024





Green Finance

For AU Small Finance Bank, Green Finance signifies a deliberate shift toward banking that drives economic growth while safeguarding the planet and empowering communities. It involves directing financial resources and innovation toward projects that mitigate climate risks, accelerate India's low-carbon transition, and promote environmental stewardship. Through initiatives such as AU Green Fixed Deposits, our IFC partnership on Climate Risk Advisory, and the integration of ESG considerations into lending, Green Finance embeds sustainability into every financial decision, ensuring that each rupee invested contributes to a cleaner environment, stronger communities, and a more resilient future.



The image of Victoria Memorial at our Shakespeare Sarani Road branch, Kolkata signifies responsible capital allocation and long-term value creation, aligning Green Finance with investments that support environmental resilience and sustained community growth.



AU Green Fixed Deposits

Launched in alignment with RBI's Green Deposit Guidelines, Planet First AU Green Fixed Deposits reflect our commitment to channeling capital toward sustainable development while enabling customers to contribute to India's green transition with assured returns.

As of 31st March 2025, AU SFB mobilised ₹1,178.52 Crore and invested in Renewable Energy, Clean Transportation, and Green Buildings to support India's target of 500 GW renewable capacity by 2030 and advance the National Electric Mobility Mission Plan.

Designed for accessibility, customers can invest through branches, net banking, or our mobile app, making sustainable investing simple and inclusive. Awareness campaigns and focused engagement helped us surpass mobilisation targets and widen participation in the green finance movement.

AU Green Fixed Deposits operate under a Board-approved Green Deposit Policy and Framework, with independent third-party validation of fund allocation and impact to ensure data-driven environmental and social outcomes.

Highlights

₹1,178.52 Crore

mobilised as on 31st March 2025

₹958.81 Crore in Renewable Energy

₹90.51 Crore in Clean Transportation

₹1.48 Crore in Green Building

Renewable energy

India's COP26 pledge to achieve 500 GW of non-fossil energy capacity by 2030 places solar power at the center of its clean energy transition. As of 31st March 2025, the country's renewable energy capacity stood at 220.10 GW, with solar contributing 105.65 GW—a 36-fold increase over twelve years and now accounting for 22.2% of total installed power capacity and nearly 48% of the renewable mix.

AU Small Finance Bank, through the

PM-KUSUM scheme, is accelerating this transition by financing solar and agri-renewable projects that cut diesel dependence, lower emissions, and empower farmers. The Bank has deployed ₹958.81 Crore, enabled 500 MW of renewable capacity, and advanced green financing. Every project undergoes exclusion list screening, and high-value cases receive Environmental and Social Due Diligence (ESDD) by independent experts to ensure compliance and measure impact.

Highlights

₹958.81 Crore

Fund Allocated

449.80 MWh

Energy Generated/Year

490,506.9 tCO₂e

Emissions Avoided/Year

199 Solar Units Installed

9,000+ Jobs created

Case Study: A Woman's Vision for Energy and Empowerment

In the rural heartlands of Nagaur, Mrs. Sarita Sangwa, a local entrepreneur and advocate for women's empowerment, spearheaded the creation of a 2.4 MW integrated solar-agriculture-livestock model with Shri BL Infra. This solar project powers the entire village and also supports sustainable farming and livestock practices, positioning women at the forefront of clean energy entrepreneurship.

Impact

With electricity now accessible to the entire village, the project has bolstered agricultural productivity, improved livestock health, and enabled a thriving women-led business model around clean energy. Mrs. Sangwa's initiative exemplifies how clean energy can empower women and transform rural economies.

-Mrs. Sarita Sangwa
Shri BL Infra Projects Pvt Ltd





Clean Transportation

Under the EV30@30 vision, India aims for 30% of all new vehicle sales to be electric by 2030. This includes ambitious targets—80% for two and three wheelers, 70% for commercial vehicles, and 40% for buses. Achieving these goals would put nearly 80 million EVs on Indian roads. The transition is being driven by key initiatives such as FAME II, production-linked incentives, and progressive state-level EV policies—critical steps toward decarbonising transport and

improving air quality across the nation.

To accelerate green mobility, AU SFB allocated ₹90.51 Crore toward EV financing, enabling 4,849 EVs, including 4,346 two-wheelers, 269 cars, and 234 commercial vehicles. Notably, 832 loans were extended to women borrowers, fostering gender inclusion in sustainable mobility. These efforts reduce emissions, enhance last-mile electrification, and strengthen India's EV ecosystem.

Highlights

₹90.51 Crore

Fund Allocated

4,849

EVs Financed

6,974.90 tCO₂e

GHG Emissions Avoided/Year

First-Time Buyer, First Step Towards Sustainability - Jaipur, Rajasthan

Dr. Manisha Agarwal, a first-time car buyer from Jaipur, took a bold step towards sustainability by purchasing the Mahindra XEV9E, an electric vehicle (EV) that reduces her carbon footprint and energy costs.

Impact

This purchase marks a personal and community-wide shift towards greener alternatives in urban transportation. By choosing an EV, Ms. Agarwal has cut her carbon footprint and sparked community interest in sustainable transport. Her step has inspired conversations in her neighborhood, encouraging others to view electric vehicles as a practical, eco-friendly alternative.



"My first car is electric—because the future deserves better choices."

-Dr. Manisha Agarwal



At the entrance of AU Small Finance Bank Jagatpura Office, Jaipur

Green Building

India's green building sector is growing rapidly as the need for sustainable urban development and energy efficiency becomes more pressing. As urbanization increases, the demand for green buildings has become a critical element in India's green growth strategy. With over 2.1 million green homes, 3,500 green offices, and 640 green factories already built, alongside 48 green townships, the sector plays a vital role in India's sustainable development.

In line with this vision, the Bank has allocated ₹1.48 Crore to green building projects, financing certified developments such as Tejaswi CHSL (Pune) - GEM 4 pre-certified by ASSOCHAM and Saan Verdante (Gurugram) - IGBC Gold pre-certified. These investments encourage eco-friendly materials, reduce operational carbon footprints, and set benchmarks for climate-resilient infrastructure.

Highlights

₹1.48 Crore

Fund Allocated

Pre-Certified GEM 4 Recognition By ASSOCHAM

for Tejaswi CHSL

Pre-Certified Gold Recognition By IGBC

for Saan Verdante (Gurugram)

Tejaswi CHSL - Building a Sustainable Business Centre in Pune

In Pune, Maharashtra, Tejaswi Developers has pioneered a new era of sustainable urban development with the construction of the Green Commercial Building. With a deep commitment to environmental responsibility, the developers incorporated several green features in this commercial space to minimize its carbon footprint and contribute to sustainable urban living.

Impact

This green building integrates debris reuse in construction, rainwater harvesting, and waste segregation, ensuring efficient water use and waste management. The building also focuses on native species plantation to preserve and enhance local biodiversity. The result is a reduced carbon footprint and an eco-conscious community that actively engages with sustainability practices.





ESG Risk Integration

Managing environmental, social, and governance (ESG) risks is central to building a resilient and responsible banking system. While the journey is at an early stage, AU SFB has initiated key steps to embed ESG considerations into credit workflows and decision-making. Structured ESG evaluation checklists now guide green project appraisals, ensuring compliance with environmental and social safeguards, regulatory norms, and long-term sustainability performance. Projects above a defined threshold undergo Environmental and Social Due Diligence (ESDD) by independent experts to assess compliance and impact.

To strengthen internal alignment, the Bank is developing capacity-building programs for business and credit teams, equipping them to identify, evaluate, and mitigate ESG factors across projects under Green Fixed Deposit program. These steps lay the foundation for integrating ESG risk into the broader enterprise risk framework.

Climate Risk Advisory

Within ESG risk, climate risk has emerged as a priority, given its potential to impact asset quality, operational resilience, and long-term growth. These risks fall into two categories: physical risks, such as floods, droughts, and extreme weather events, and transition risks, arising from evolving climate policies, technological shifts, and market changes linked to decarbonisation.

In line with this imperative, AU Small Finance Bank has partnered with the International Finance Corporation (IFC) for a comprehensive Climate Risk Advisory Program, supported from the Government of Japan. This milestone positions AU SFB as the first Indian bank and among a select few globally to collaborate with IFC on climate risk integration. The initiative aligns with global best practices, including TCFD and the Reserve Bank of India's climate guidelines.

The approach focuses on three key components:

1. Physical Risk Assessment

Mapping portfolio exposure to climate hazards using IPCC scenarios extending to 2100.

2. Transition Risk Assessment

Analysing financial exposures from policy, market, and technology shifts using NGFS scenarios.

3. Financed Emissions Calculation

Applying PCAF methodology to measure financed emissions (Scope 3, Category 15) across key asset classes.

This collaboration underscores our commitment to building a banking ecosystem that safeguards communities, supports sustainable growth, and prepares for the challenges of a changing climate.

Financial Inclusion

Aligned with the Reserve Bank of India's National Strategy for Financial Inclusion and global efforts under the UN Sustainable Development Goals (SDG 1: No Poverty, SDG 10: Reduced Inequalities), AU Small Finance Bank is committed to extending the reach of finance and empowering communities that have long remained underserved. Our mission is to make financial services accessible, affordable, and inclusive, creating opportunities for economic resilience and social progress.

Through the three pillars of Access, Usage, and Quality, AU SFB helps people join the formal financial system while equipping them with the confidence and skills to manage their financial journeys responsibly.

Access

Unbanked Rural Centres and Special Focus Districts

True financial inclusion in India depends on reaching rural areas, where most of the population resides. AU SFB bridges this gap through an integrated approach combining physical presence with digital accessibility, ensuring trust and convenience for remote and underserved communities. Our outreach spans diverse geographies, including aspirational and vulnerable districts, reflecting our deep commitment to inclusive growth.

Highlights

32%

Presence in Unbanked Rural Centres (URC)

90

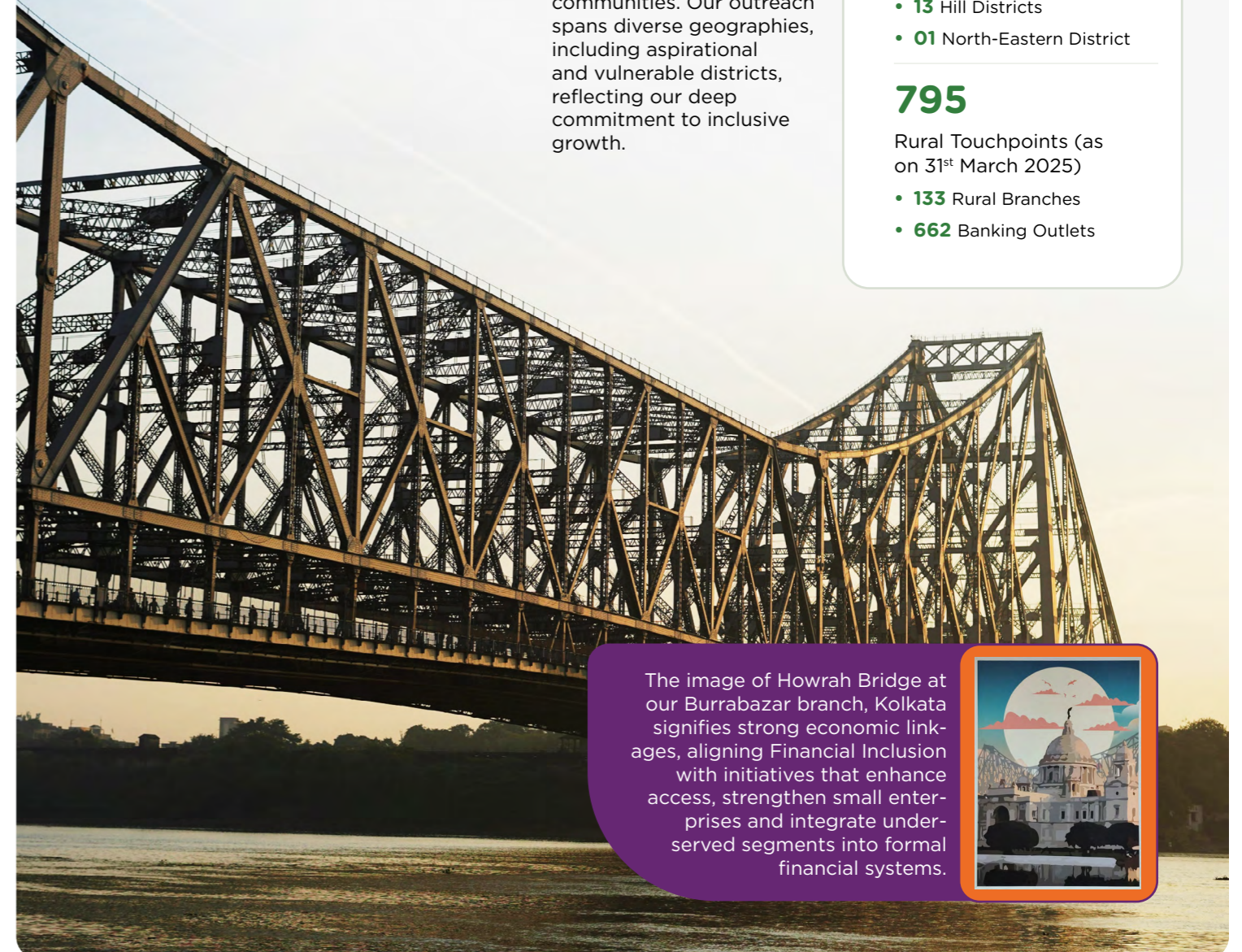
Special Focus Districts Covered

- 55 Aspirational Districts
- 21 Left-Wing Extremist-affected regions
- 13 Hill Districts
- 01 North-Eastern District

795

Rural Touchpoints (as on 31st March 2025)

- 133 Rural Branches
- 662 Banking Outlets



The image of Howrah Bridge at our Burrabazar branch, Kolkata signifies strong economic linkages, aligning Financial Inclusion with initiatives that enhance access, strengthen small enterprises and integrate underserved segments into formal financial systems.



Usage

Enabling Access Through Products

Access alone is not enough, usage transforms lives. Globally, financial inclusion is recognised as a key enabler of the UN Sustainable Development Goals (SDG 1: No Poverty, SDG 8: Decent Work), and India's efforts under Pradhan Mantri Jan Dhan Yojana (PMJDY) have become a benchmark for inclusive banking. Aligned with this vision, AU Small Finance Bank actively participates in flagship government programmes, extending credit and financial services to micro-entrepreneurs, artisans, and craftspeople to promote self-reliance and economic resilience.

- **PM Jan Dhan Yojana (PMJDY)** offers a comprehensive suite of products, from Basic Savings Bank Deposit Accounts (BSBDA) and Mudra loans to micro-insurance schemes like PMJJBY and PMSBY, and pension coverage under Atal Pension Yojana (APY).
- **Shakti Accounts** empower women through tailored savings solutions, promoting gender-inclusive financial growth.
- **PM SVANidhi** supports street vendors in revitalising businesses post-pandemic while encouraging digital adoption through UPI QR codes and cashback incentives.
- **PM Vishwakarma** finances traditional artisans across

18 trades, helping modernise workshops, improve productivity, and integrate them into the formal financial ecosystem.

Digital banking plays a vital role in enabling usage. Our platforms ensure seamless onboarding and secure transactions through tablet-based services, doorstep banking, and advanced security features like fingerprint login, device binding, and two-factor authentication—bridging the gap between physical and digital access.

Highlights

1,19,800+
PMJJBY enrolments

1,54,400+
PMSBY enrolments

5,11,200+
BSBD accounts under PMJDY

18,70,300+
Mudra Loans disbursed

54,89,900+
Shakti Accounts promoting women-led savings

30+
craftsmen supported under PM Vishwakarma

1,270+
street vendors supported under PM SVANidhi

1,33,900+
APY subscribers supported

23,000+
merchants digitised through QR codes and POS systems

3,12,000+
individuals onboarded onto AU 0101 digital banking platform

Case Study: Banking Access at the Doorstep



Mr. Nathu Yadav Business Correspondent, opening an account for a vegetable seller, Kanarpura village, Rajasthan

Shri Nathu Yadav – AU Financial Inclusion Champion

Opportunity

Kanarpura, a small village near Chomu in Jaipur district, once faced a major barrier to financial inclusion. The nearest bank branch was nearly 15 kilometers away, making access to formal banking inconvenient and costly. Villagers relied heavily

on cash transactions and informal lenders, limiting their ability to save securely or benefit from government schemes.

Intervention

To bridge this gap, AU Small Finance Bank appointed Shri Nathu Yadav as a Banking Correspondent (BC) under its Financial Inclusion initiative. Through persistent efforts, Nathu brought doorstep banking

services to Kanarpura. He facilitated account openings under PMJDY, enrolled villagers in PMJJBY, PMSBY, and APY, and enabled AEPS and UPI-based transactions. Regular awareness sessions in collaboration with the local panchayat educated villagers on safe digital banking and government schemes, building trust and confidence in formal financial systems.

Impact

Nathu Yadav's work has transformed Kanarpura into a model of financial empowerment. Villagers no longer travel long distances for banking services, and digital transactions have become routine. His efforts have mobilised ₹10 Crore in deposits, reflecting the community's growing confidence in formal banking. Today, Kanarpura

stands as a digitally connected village, showcasing how a committed BC can drive financial inclusion and strengthen rural economies.



Quality

Building Financial Literacy

Financial inclusion without financial literacy risks being superficial. True empowerment comes when individuals know how to utilize financial products effectively, plan for the future, and build resilience against financial stress. To achieve this, AU SFB conducts Financial and Digital Literacy Camps across villages and unbanked centers, using local languages and community-driven methods such as Nukkad Nataks (street plays). These sessions cover budgeting, savings, cyber safety, and government pension and insurance schemes like Atal Pension Yojana, PM Suraksha Bima Yojana, and PM Jeevan Jyoti Bima Yojana.

Recognizing the surge in digital transactions, the camps also

highlight the benefits of AU SFB's mobile banking app AU0101 and UPI, making digital banking simple and secure. Special financial literacy camps are conducted for women, farmers, students, and differently abled individuals, ensuring inclusive access to knowledge. As part of RBI's Financial Literacy Week 2025, themed "Financial Literacy - Women's Prosperity", AU SFB hosted programs promoting saving habits, digital banking, and financial independence for women.

Beyond training, the Bank encourages active saving behavior through initiatives like PMJDY, offering formal savings accounts, micro-insurance, and pension schemes to build long-term financial security.

Highlights

480

camps during RBI Financial Literacy Week 2025

8,000

women participants

3650+

Financial Literacy Camps conducted

81,100+

beneficiaries reached

Supporting the Elderly

AU SFB actively promotes Atal Pension Yojana (APY) to extend pension coverage to lower-income and unorganised sector workers, especially in rural and semi-urban areas. Through our branch network and business correspondents, we make enrollment simple and accessible. Financial literacy programmes explain APY's benefits, including family pension and guaranteed returns, supported by auto-debit options and personalised guidance.



Mr. Salman Khan, beneficiary of PM SVANidhi Scheme, receiving financial support from AU SFB.

Salman Khan's Journey of Resilience and Revival

Opportunity

Salman Khan, a street vendor from Jaipur, faced a major setback when the COVID-19 pandemic brought his small juice shop to a halt. With his only source of income gone, Salman struggled to support his family and needed a way to restart his business and regain financial stability.

Intervention

Hope arrived through the Pradhan Mantri Street Vendor Atma Nirbhar Nidhi (PMSVANidhi) scheme. After verification by the Urban Local Body (ULB), Salman became eligible and applied for assistance. His first loan tranche of ₹10,000 was sanctioned and disbursed, enabling him to restock his cart and resume

operations. By paying his EMIs on time, Salman built a strong credit history, which allowed him to secure a second tranche of ₹20,000. This additional support helped him expand his offerings and strengthen his business.

Impact

With timely financial assistance and his determination, Salman successfully revived his juice business. Today, he runs his cart confidently, earns a stable income, and supports his family with dignity. His journey reflects resilience and the transformative impact of government schemes that empower street vendors to rebuild their lives.



Mr. Rakesh Kumar, a small business owner, supported with business loan by AU SFB

Priority Sector Lending

Globally, inclusive finance is recognised as a cornerstone of sustainable development under UN SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). In India, Priority Sector Lending (PSL) is a key policy instrument to ensure credit flows to sectors that form the backbone of the economy but remain underserved by formal finance. These include small and marginal farmers, micro and small enterprises, affordable housing, and other unorganised sector entities critical for rural livelihoods and social equity.

By channeling credit to these critical sectors, AU SFB helps bridge financing gaps, promote entrepreneurship, and strengthen livelihoods at the grassroots level. The credit portfolio spans the rural value chain, covering agri-processing units, dairies, mills, warehouses, cold storage facilities, and Farmer Producer Organisations (FPOs), as well as agriculture, MSMEs, and micro businesses that create employment, generate income,

and drive sustainable community development.

Financing Across the Rural Value Chain

Aligned with the Government of India's Central Sector Scheme for forming and promoting 10,000 FPOs, AU SFB strengthens the agricultural ecosystem by supporting farmer welfare and livelihoods. With 86% of Indian farmers being small and marginal, we leverage NABARD funding and our expertise to finance FPOs across key states such as Madhya Pradesh, Rajasthan, Uttar Pradesh, Maharashtra, and Haryana.

Our support spans the entire rural value chain—agri-processing units, dairies, mills, warehouses, and cold-storage facilities—helping farmers access quality inputs, modern technology, and better market linkages. This improves productivity, income stability, and rural resilience. Through this initiative, AU SFB has positively impacted over

3.12 Lakh farmers, fostering inclusive growth and sustainable livelihoods.

Empowering Micro Businesses

To empower small business owners who are profitably engaged but lack formal access to funds, we offer Micro Business Loans tailored to their needs. We assess each customer's business model, cash flows, and growth potential to provide customised financing solutions.

Our micro business loan customers include FMCG retailers, manufacturers, service providers, apparel traders, and building material suppliers. By extending finance to entrepreneurs often excluded from mainstream banking, we drive sustainable and inclusive growth across India's diverse communities.

Our sustained commitment to agricultural and rural financing has earned us recognition from NABARD and the Reserve Bank of India (RBI), reaffirming our role as a trusted partner in India's development journey.



"I work in fabrication and took a Micro Business Loan from AU Small Finance Bank. The loan really helped me grow my business, and I made sure to pay all my EMIs on time. I've even taken a few top-up loans since then because the whole process is so easy and hassle-free."

Mr. Birdi Chand Bairwa

Being a Small Finance Bank, AU SFB operates under licensing guidelines that mandate adherence to specialised criteria aimed at promoting financial inclusion and responsible banking. The Bank is pleased to report that it has not only complied with these requirements but also exceeded the targets, reflecting its commitment to serving the underserved communities.

SN	Categories	Regulatory Target	Actual in FY24-25
1	Touchpoints/branches in unbanked rural areas	25%	32%
2	Loans below ₹25 lakh	50%	63%
3	Priority Sector Lending	75%	79%



Founders and Customers of Agrotech Farmer Producer Company Limited

Debu Agrotech Farmer Producer Company Limited

“Availing Rs. 10 Lakh overdraft credit facility from AU SFB really turned out to be a huge promoter for their business. Based in Chandur Bazar of Amravati district in Maharashtra, the FPO witnessed drastic change after availing the loan from our bank. They were able to negotiate better remunerative prices and expand their business activities. Today, the FPO is striving to become a sustainable business, and is moving towards creating an input-agri shop that provides their members with fertilizers, insecticides and seeds.”

NABARD Felicitates AU for FPO Credit Linkage



Championing the dreams of FPOs yet again, our bank has received an award from the National Bank For Agriculture And Rural Development (NABARD). We received the award in the category of FPO (Farmer Producers Organisation) – Bank credit linkage.

We received this award at the Madhya Pradesh State Credit Seminar 2024-25, held in Bhopal. The seminar saw attendance from noted panelists, including Shri Jagdish Devda, Deputy Chief Minister & Finance Minister (Madhya Pradesh) and Smt. Rekha Chandanaveli, Regional Director (Reserve Bank of India).

By facilitating easy credit for FPOs across the country, we are committed to creating Badlaav in India's agricultural sector, thereby empowering farmers.



“A loan of 10 Lakh from AU Small Finance Bank (AU SFB) has helped the small, marginal and non-member farmers in the Ghatiya block of Ujjain district. It has also aided us in expanding our business activities which we will try to make it sustainable in long run. Before AU SFB intervention, we were unable to fetch profitable prices for our produce. We are thankful to the AU SFB team for their support.”

Mr. Pushpraj Singh,

Director, Bhumisamradhha Farmer Producer Company Ltd, Ujjain, Madhya Pradesh



AU SFB officials in conversation with beneficiaries of PM SVANidhi & PM Vishwakarma



Digital Banking

Digital transformation is reshaping banking worldwide, with 90% of global banking interactions now digital. India leads this shift through initiatives like Digital India and UPI, which processed over 14 billion transactions monthly in 2025.

At AU Small Finance Bank, digitisation is about bridging the digital divide, ensuring secure access for first-time users, and advancing sustainable finance by reducing resource use and enabling inclusion.

The Bank has 2.5+ Lakh active merchants to digitize businesses using QR codes, helping communities participate in the growing digital economy. To ensure trust and safety, AU SFB has implemented robust security features, including device binding, biometric logins, two-factor authentication, and regular system updates.

End-to-End Digital Lending Platforms

Our flagship AU 0101 platform offers a seamless, all-in-one banking experience with 150+ integrated features, enabling customers to manage finances anytime, anywhere. Powered by advanced API integrations and enhanced UPI capabilities, AU 0101 delivers secure, fast, and personalised services. To ensure reliability and scalability, the platform operates on AWS private cloud infrastructure, guaranteeing uninterrupted service even during peak usage.



Highlights

53%

of total new retail term deposits opened via AU 0101 (22% of total principle value)

33.3+ Lakh

registered users driving higher engagement

₹3.1 Crore

Financial transactions processed

99+ Lakh

non-financial transactions processed

69.4+ Lakh

UPI transactions facilitated, promoting cashless banking

65%

of customers using digital channels

Above % are based on AU standalone customers on flexcube CBS; Transactions Includes IFT, IMPS, NEFT, RTGS, UPI, Bill Payment, Lifestyle

Paperless Onboarding and Video Banking

Globally, paperless banking is a key sustainability lever, reducing emissions linked to logistics and printing. In India, RBI's Digital Payments Vision 2025 promotes paperless transactions to cut resource use. At AU Bank, 90% of deposit accounts are opened digitally through Tab and Video Banking. Physical documents have been replaced with e-statements and SMS-based ATM receipts, while platforms like DigiTrade enable paperless processing for trade finance.

Video Banking extends personalised services to branchless locations, reducing travel-related emissions and improving accessibility for remote customers. This initiative has enabled 12K+ branchless locations, opened 90K+ account in underbanked areas.

AI for Sustainable Innovation

As part of our strategic commitment to sustainable innovation, the bank has embarked on its Artificial Intelligence (AI) journey by adopting an agentic AI framework. This represents a significant shift in how we enhance customer value, improve operational efficiency, and support employee empowerment—while maintaining our long-term sustainability goals. The agentic AI model enables intelligent agents to learn, act, and collaborate autonomously within clearly defined governance boundaries, ensuring ethical, secure, and responsible adoption.

Our initial focus areas include high-impact operational and customer-facing processes where AI can simplify journeys, reduce friction, and enhance accessibility. By automating routine tasks, enabling intelligent decision support, and providing real-time guidance, AI

agents help reduce manual work, minimize paper usage, and improve response times. These improvements promote resource efficiency and support a lower environmental footprint through digitally streamlined processes. Multilingual AI capabilities are being embedded across solutions to improve inclusivity and reach. Customers and employees can interact with AI assistants in their preferred regional language, ensuring broader accessibility, better understanding, and more equitable service delivery—especially in linguistically diverse communities.

All AI initiatives are grounded in principles of fairness, transparency, and data privacy. Our “human-in-the-loop” approach ensures that AI augments human expertise rather than replaces it, with sensitive decisions always guided by human judgment. As these initiatives

scale, our long-term roadmap includes expanding into additional domains such as customer service, operations, and risk management, with the goal of building a responsible and sustainable AI ecosystem that enhances human potential and supports the bank's broader environmental, social, and governance objectives.



The image of the High Court Building at our Patia/Link Road branch, Cuttack signifies structured delivery and institutional trust, aligning digital banking with secure, efficient and scalable solutions that enhance customer experience and operational efficiency.





Sustainable Operations

Walking the Talk Within



Rock Garden reflects creativity, renewal and purposeful reuse, reminding us that thoughtful choices can transform resources into enduring value.



The image of Rock Garden at our Sector 8 Panchkula branch, Chandigarh reminds us that responsible operations arise from creativity, care and the mindful use of resources that enrich both people and the environment.

Introduction

Sustainable Operations form the foundation of our commitment to responsible business practices. They translate our values into action, ensuring that every aspect of our operations reflects care, integrity, and accountability. By prioritising employee well-being, improving resource efficiency, and strengthening supply chain responsibility, we embed sustainability across our internal ecosystem. Each initiative reinforces our belief that ethical operations are essential for long-term progress.

To drive this vision, our Sustainable Operations initiatives focus on three key areas that guide how we create value

for our people, minimise our environmental footprint, and uphold responsibility across our value chain:



Awards



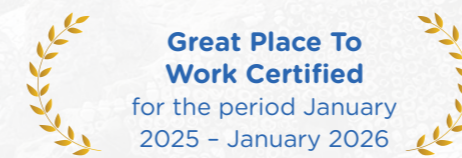
by Great Place to Work



PeopleFirst HR Excellence Awards 2024



RBI Asia Trailblazer Awards 2025



by Great Place to Work



by Great Place to Work

Rock Garden demonstrates how imagination, care and resourcefulness can turn overlooked materials into something enduring and meaningful. This spirit guides AU Small Finance Bank's approach to Responsible Operations. By using resources efficiently, designing smarter systems and strengthening processes that uphold environmental balance, the Bank advances operations rooted in responsibility and clarity. Waste reduction, energy stewardship and thoughtful procurement reflect a culture that values renewal over excess. Each operational choice contributes to a workplace where people, processes and the environment support one another. Rock Garden embodies this commitment to transforming effort into lasting value and building operations that stand on integrity and intention.

Human Capital and Wellbeing

(GRI 203-1)

People are the cornerstone of AU Small Finance Bank's sustainability journey. Employee well-being and inclusive workplaces are recognised as critical drivers of sustainable development and long-term business resilience. Organisations that invest in their people not only foster innovation and trust but also contribute to broader social progress.

At AU Small Finance Bank, this imperative is embraced by creating an environment where individuals thrive and purpose drives performance. Recognised as a Great Place to Work, the Bank continuously benchmarks practices against global standards to ensure fairness, inclusion, and growth. An Employee Happiness Index of 86% reflects the strength of these practices and the Bank's commitment to building a workplace rooted in care, integrity, and trust.

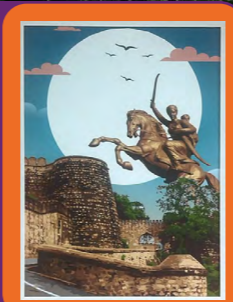
AU SFB's people-first approach extends beyond the workplace, supporting employees and their families through initiatives that promote health, financial security,

and professional growth. Guided by a governance framework that ensures transparency and compliance with labour laws, the Bank's human resource strategy is designed to build a responsible, future-ready organisation focused on holistic well-being.

AU SFB's Well-being Framework focuses on four dimensions:

- **Holistic Well-being:** Physical, mental, financial, and social health initiatives.
- **Inclusive Culture:** Diversity, equity, and inclusion embedded across policies and practices.
- **Future-ready Workforce:** Learning, leadership development, and sustainability-focused skills.
- **Engagement and Purpose:** Employee engagement programs and volunteerism that foster belonging and impact.

The image of Jhansi Fort at our Civil Lines Jhansi branch, Jhansi signifies resilience, clarity and structured strength, aligning Human Capital and Wellbeing with a workplace built on stability, capability and mutual respect.



Holistic Wellbeing

The employees have been the driving force behind AU SFB's progress and sustained value creation. Over the past financial year, the workforce has doubled, bringing together passionate professionals from across India.

The investment in employees goes beyond professional development, the Bank follows a holistic approach that prioritises the well-being of employees and their families. These initiatives are continuously shaped by feedback received through

annual engagement surveys and other communication channels, ensuring the employee benefits align with their evolving needs and preferences. compress it retain the content for sustainability report.

Physical Wellbeing

Employee health is fundamental to building a motivated, high-performing workforce and an organisation capable of sustaining long-term progress. At AU Small Finance Bank, we translate this into action by fostering a culture of active living, preventive care, and workplace safety.

We encourage employees to lead healthy, active lives through initiatives such as the AU Marathon, AU Khelotsav, fitness challenges, and live yoga and Zumba sessions across locations. Our holistic approach extends beyond fitness to include regular health screenings, awareness programmes, and inclusive workplace design that supports diverse mobility needs.

Occupational safety remains a key priority, supported by regular safety assessments, emergency

preparedness drills, and fire safety training to ensure a secure work environment for all. We continue to strengthen employee well-being beyond day-to-day operations by ensuring safe, hygienic, and inclusive work environments. Offices are maintained to high standards of cleanliness, equipped with fire alarms, sprinklers, and emergency systems to ensure preparedness. Accessibility is supported through inclusive infrastructure and assistive tools, while initiatives such as POSH awareness, nutritious in-house meals, and the HR Sahayak portal create a workplace that is respectful and responsive to employee needs.

Through strategic partnerships and in-house programmes, employees and their families benefit from continuous access to healthcare services and resources that encourage a balanced lifestyle.

Highlights

2,600

Employees participated in AU Khelotsav

3

Women's teams Participated in the 2024-25 tournaments

34,000+

Family members covered under wellness app

12

families supported

16

employees benefited

under Prevention, Cure, Security (P.C.S.) initiative

Mental and Emotional Wellbeing

Mental and emotional well-being is a cornerstone of sustainable performance. When employees feel supported and balanced, they bring their best selves to work, fostering collaboration and resilience.

At AU Small Finance Bank, this foundation is strengthened by encouraging open dialogue, addressing stigma around mental health, and creating a workplace where individuals feel heard and valued. Employees are empowered to take time for self-care and personal development through the Bank's sabbatical leave policy, while returning mothers benefit from

flexible work options that ease their transition back to work.

The Bank promotes work-life balance through progressive policies such as pre-approved leave for personal milestones, enhanced paternity leave, and menstrual leave, reflecting gender-sensitive practices. Flexible working hours in select departments further support autonomy. Milestone recognitions, cultural events, and personal celebrations strengthen belonging, while the AU Forever Pass for high-performing alumni reinforces lifelong relationships and continued association.

Highlights

16,122

menstrual leaves availed under women's health policy

89

employees awarded the AU Forever Pass

Financial Wellness

Financial security is an essential pillar of overall well-being and a key driver of employee satisfaction and stability. At AU Small Finance Bank, financial confidence is enabled through fair and competitive compensation practices, transparent rewards, and clear career growth pathways. Employees benefit from structured performance-linked incentives, recognition programmes, and opportunities for long-term wealth creation.

To support flexibility and evolving financial needs, employees have access to a range of loan options, including personal, home, and vehicle loans, catering to different life stages. Professional growth is encouraged through the Education Assistance Programme, which provides fee reimbursements for upskilling and continuous learning. During medical emergencies, the

Bank's Leave Bank offers additional paid leave to employees requiring extended recovery time.

Financial protection for employees and their families is further ensured through medical insurance, personal accident cover, and life insurance. Financial literacy and planning are promoted through dedicated sessions and resources on savings, investments, and retirement readiness. Comprehensive benefits such as health and life insurance, concessional loans, and employee-friendly financial schemes strengthen this foundation.

By helping individuals make informed financial decisions, the Bank empowers employees to achieve personal goals while remaining focused, engaged, and motivated in their professional journey.

Highlights

2,149

Employees benefited from loan facilities in FY 2024-25

916

In times of medical exigencies, additional leaves through the leave Bank

Comprehensive insurance coverage for employees and dependents

Inclusion Culture

Diversity, Equity and Inclusion are recognised as essential drivers of innovation, resilience and sustainable growth. Organisations that embrace diverse perspectives and equitable practices create stronger teams and deliver greater value to stakeholders.

At AU Small Finance Bank, diversity and inclusion are integral to the organisational ethos and are actively championed by the Board Committee. The Bank's approach spans three strategic dimensions.

Identity and Demographic Diversity

Traits individuals are born with or strongly identify with such as gender, disability status and age form the foundation of the Bank's inclusion strategy.

- Gender Diversity:** The Bank empowers women by supporting women across all roles with 26 weeks of paid maternity leave, extended sabbatical options post-maternity, and flexible work arrangements. Late working hours are discouraged to ensure safety and well-being. A strong grievance redressal mechanism provides confidence to voice and resolve workplace concerns
- Disability Inclusion:** Accessible infrastructure including ramps, voice enabled elevators and assistive headsets supports mobility and communication needs for employees. A dedicated HR team maintains close engagement with differently abled colleagues to ensure continuous support.
- Age Diversity:** The workforce reflects a dynamic generational mix, with 21,940 Gen Z employees and 27,303 Millennials, fostering fresh perspectives and adaptability across roles.

(GRI: 2-7 - Employee)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	50,946	46,508	91.29%	4,438	8.71%
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D+E)	50,946	46,508	91.29%	4,438	8.71%

Workers

4	Permanent (F)	NIL	NIL	NA	NIL	NA
5	Other than Permanent (G)	NIL	NIL	NA	NIL	NA
6	Total workers (F+G)	NIL	NIL	NA	NIL	NA

Gender	Permanent Employees	
	Return to Work Rate	Retention Rate
Male	98.67%	76.28%
Female	98.21%	31.84%
Total	98.59%	68.02%

Indicators	Total Number of Employees as on 31 st March, 2025	Turnover Rate
Male	46,517	49.92%
Female	4,429	58.00%
<30 years	23,349	58.74%
Between 30-50 years	27,420	43.94%
>50 years	177	13.56%

Indicators	Total Number of Employees as on 31 st March, 2025
Sr. Level Emp.	98
Mid Level Emp.	764
Jr. Level Emp.	7,483
Frontline Emp.	42,601



Employees of Corporate Office, Mumbai undergoing a session on Gut Health

Social Wellness

A sense of connection and belonging is central to AU Small Finance Bank's culture. The Bank strives to create an environment where equality, self-expression, and shared experiences foster inclusion and mutual respect.

Engagement programmes such as town halls, festival and birthday celebrations, and skip-level interactions like Coffee with HOD and Decaf promote open communication and team bonding. In FY 2024-25, over 6,100+ town halls were conducted across locations, alongside milestone and performance recognitions that

reinforced a culture of appreciation.

Leadership engagement is further strengthened through platforms such as Reflection and Anticipation with the MD and CEO and the buddy mentor system for new joiners. Recognition through SPOT Awards, Value Awards, and team off-sites continues to enhance morale, collaboration, and camaraderie.

Through these efforts, AU SFB nurtures a workplace where people feel connected to one another, to the organisation, and to the larger community.

Highlights

6,100+

Town halls conducted

6,088

Milestone rewards

1,800

Recognitions

19,880

New employees onboarded

91%

Employees were placed in their hometowns.

GRI 401-1: New employee hires and employee turnover

Indicators	Total Number of Employees as on 31 st March 2025	Turnover Rate
Male	26,849	57.72%
Female	3,380	76.32%
<30 years	17,831	76.37%
Between 30–50 years	12,379	45.15%
>50 years	19	10.73%

GRI 401-3: Parental leave

Category	Total (A)	Maternity Benefits		Paternity Benefits	
		Number (D)	% (D/A)	Number (E)	% (E/A)
Male	46,508	0	0%	46,508	100%
Female	4,438	4,438	100%	0	0%
Total	50,946	4,438	8.71%	46,508	91.29%

GRI 405-2: Ratio of basic salary and remuneration of women to men

Category	Total (A)	FY 2024-25				FY 2023-24				
		Equal to Minimum Wage		More than Minimum Wage		Equal to Minimum Wage		More than Minimum Wage		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (B)	% (B/A)	No. (C)	% (C/A)	
Employees										
Permanent	50,946	7	0.01	50,939	99.99	29,738	30	0.10	29,708	99.90
Male	46,508	6	0.01	46,502	99.99	26,959	27	0.10	26,932	99.90
Female	4,438	1	0.02	4,437	99.98	2,779	3	0.11	2,776	99.89
Other than Permanent										
Male										
Female										Not Applicable
Workers										
Permanent										
Male										Not Applicable
Female										
Other than Permanent										
Male										
Female										

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	96%	NA	Yes	95%	NA	Yes
Gratuity*	96%	NA	Yes	95%	NA	Yes
ESI	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA

* Remaining 4% employees are Management Trainee (MT)

Cognitive and Intellectual Diversity

Differences in how individuals think, learn and solve problems are reflected in AU Small Finance Bank's commitment to educational diversity and capability building.

- The workforce includes 10,304 professionally qualified employees, 25,364 graduates and 5,702 postgraduates, ensuring a strong foundation of knowledge and expertise.

- AU SFB offers a range of learning and development programmes. Saksham builds role specific competencies, AU Dharma reinforces cultural values and the Capacity Building Framework identifies potential and provides targeted training. Behavioural Workshops and the First Time Managers programme support smooth leadership transitions.



Awareness session for the employees of Indore Regional Office

Experiential Diversity

Differences in life experiences and career stages strengthen the talent pipeline and enhance organisational adaptability.

AU Small Finance Bank develops future talent through three strategic programmes AURIFY, AURIC and AU Shine.

AURIFY hires high potential candidates from Tier 1 and Tier 2 institutes such as IIM Kozhikode, IIFT, MICA, IIT Bombay and NIT Jaipur, offering holistic exposure through on the job training and leadership interactions.

AURIC provides internships to students across India, with over 100 interns gaining hands-on

experience in banking operations and digital transformation.

AU Shine, the Bank's flagship fintech internship, equips 29 students with practical skills, expert mentorship and real time project exposure, preparing them for the dynamic fintech industry.

These structured programmes and inclusive policies ensure that every individual regardless of gender, ability, age or background has the opportunity to thrive and contribute meaningfully to the organisation's purpose.



AU SFB employees celebrating the festival of lights

Highlights

50,000+
employees

21,940
Gen Z employees

27,303
Millennial employees

10,304
professionally qualified

25,364
graduates

5,702
postgraduates

100+
interns trained under AURIC and AU Shine

29
Students trained in AU shine

Future-ready Workforce

Continuous learning and leadership development are recognised as critical enablers of sustainable business performance. In India, the focus on future ready talent is accelerating as organisations adapt to digital transformation and evolving customer expectations.

At AU Small Finance Bank, learning and leadership are treated as interconnected priorities. Every employee has unique aspirations, and development programmes are designed to be inclusive and adaptable to evolving roles. In partnership with Korn Ferry, the

Bank launched a structured succession planning programme to make the organisation future ready. This initiative focuses on identifying top talent, grooming future leaders and aligning individual growth with defined career pathways.

Throughout the year, a wide range of training programmes were conducted, covering leadership development, skill enhancement and role based capability building. The annual AU Vibes survey helps assess employee sentiment and engagement, providing valuable

feedback to strengthen workplace culture.

The commitment to continuous learning is reflected in the scale of the Bank's training ecosystem. Programmes such as Branch Service Excellence (BSE) training enhance customer service standards and promote a culture of responsiveness and excellence across branches. The Bank also leverages a Learning Management System (LMS) to deliver personalised and scalable learning experiences that encourage innovation and leadership.

GRI 404-1: Average hours of training per year per employee; 404-2: Programs for upgrading employee skills and transition assistance programs

Category	Total (A)	FY 2024-25				FY 2023-24				
		On Health & Safety Measures		On Skill Upgradation		On Health & Safety Measures		On Skill Upgradation		
		No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	46,508	43,798	94.17%	45,055	96.88%	26,959	25,681	95.26%	25,677	95.24%
Female	4,438	4,178	94.14%	4,284	96.53%	2,779	2,581	92.88%	2,562	92.19%
Total	50,946	47,976	94.17%	49,339	96.85%	29,738	28,262	95.04%	28,239	94.96%

GRI 404-3: Percentage of employees receiving regular performance and career development reviews

Category	FY 2024-25			FY 2023-24		
	Total (A)	Total (B)	%(B/A)	Total (A)	Total (B)	%(B/A)
Male	46,508	46,508	100%	26,959	26,959	100%
Female	4,438	4,438	100%	2,779	2,779	100%
Total	50,946	50,946	100%	29,738	29,738	100%

Highlights

₹4.46 Crore

Training and development investment

2,085,681+

Total training hours

32

Average training hours per employee/per year

49,742 (97.64%)

employees Unique trained out of 50,946

94.27%

Trained in Code of Conduct(48,025 Trained out of 50,946)

94.62%

Trained in Human Rights (48,204 Trained out of 50,946)

94.89%

Trained in Expertise and Training for Risk Management Function (48,343 out of 50,946)

Particulars	% of Hours	Training Programmes	Average Training Hours	Male	Female
Average person-hours for all employees	40.40	Top Management	7.7	7.7	~
Average person-hours of training - Men	41.20	Senior Management	14.72	14.75	14.05
Average person-hours of training - Women	32.73	Junior Management	28.29	28.46	26.17
		Associate	41.49	42.78	33.34

Engagement and Purpose

This year marked a pivotal moment for global climate action, with the UN Sustainable Development Goals entering their final decade and COP28 reinforcing commitments to limit global warming to 1.5°C. In India, national priorities such as Mission LiFE (Lifestyle for Environment) and the Ministry of Education's "Ek Ped Maa Ke Naam" initiative accelerated efforts to embed sustainability into everyday life.

AU Small Finance Bank Ltd. aligns its engagement strategy with these frameworks, ensuring that internal campaigns raise awareness and drive tangible action toward a low carbon, resource efficient future.

Celebrating World Environment Day

On World Environment Day, AU Small Finance Bank launched a multifaceted campaign that combined awareness with action. Plantation drives were organised across multiple locations to restore green cover and contribute to the reduction of the collective carbon footprint. To promote sustainable mobility, special electric vehicle financing rates were introduced for employees, making cleaner transportation more accessible. These efforts were strengthened by leadership advocacy, with the MD and CEO addressing the CII 7R Conclave on AU SFB's vision for circularity and responsible resource use.

Nationwide Month Long Plantation Campaign

Further reinforcing this commitment, AU Small Finance Bank initiated a nationwide month-long plantation campaign aligned with the Ministry of Education's "Ek Ped Maa Ke Naam 2.0" initiative. Branches across India conducted plantation activities in nearby schools, engaging employees, students and local communities in collective action for a greener future. The campaign culminated in a flagship event at Amrita Vidyalyam, New Delhi, led by the Chairman, Mr. H. R. Khan.

Mission LiFE Campaign

The Bank also adopted the Government of India's Mission LiFE initiative, focusing on seven key themes: energy, water, plastics, food systems, waste, lifestyle and e waste. Through internal communication platforms, employee stories and practical tips were shared to encourage small, everyday actions that collectively generate meaningful environmental impact.

Highlights

550

trees planted across 10 locations on World Environment Day

500+

AU branches participated in plantation drives nationwide

5,000+

saplings planted under "Ek Ped Maa Ke Naam 2.0"



Leadership team participating in a tree plantation drive on World Environment Day.

Climate and Resource Efficiency

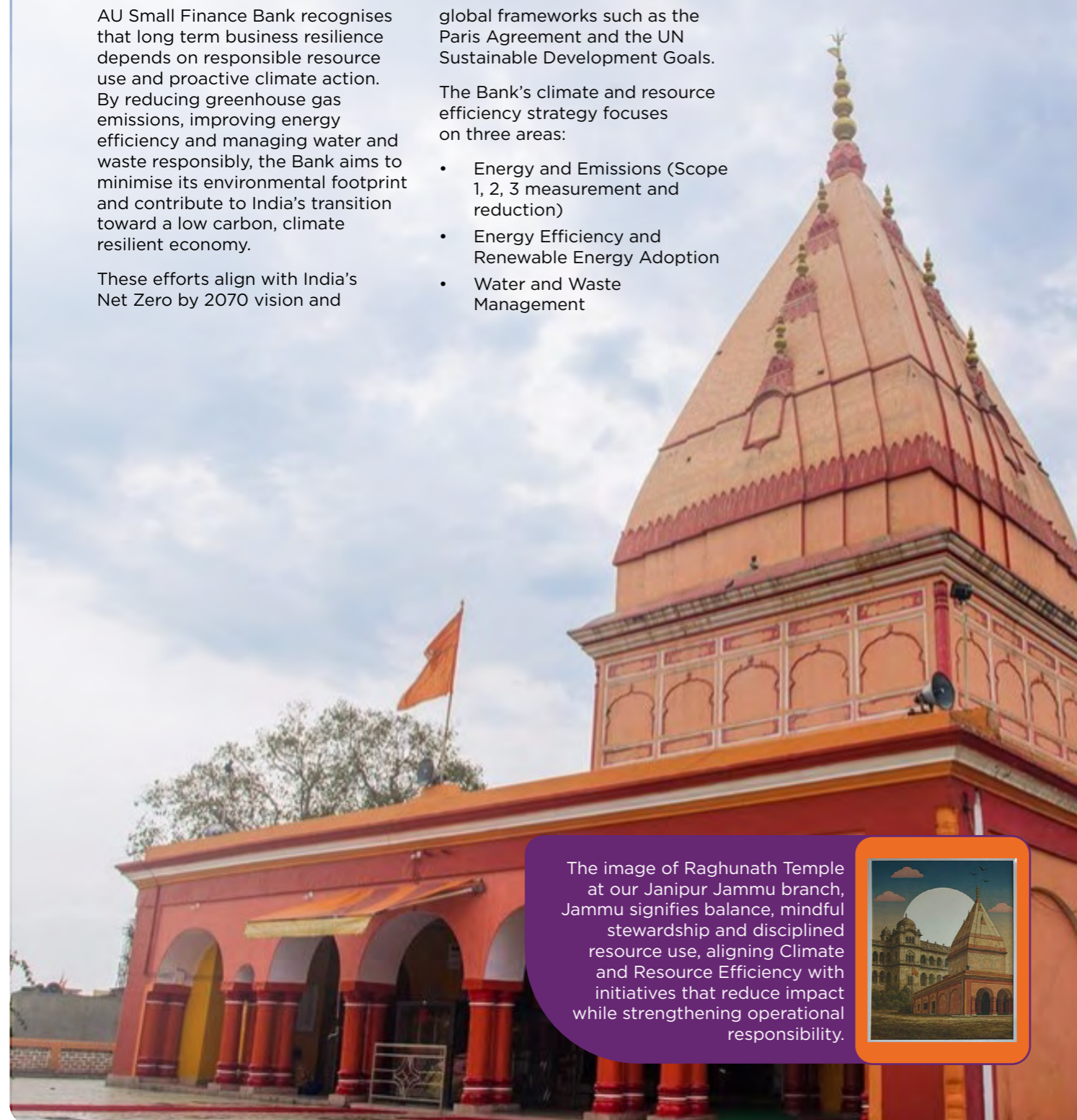
AU Small Finance Bank recognises that long term business resilience depends on responsible resource use and proactive climate action. By reducing greenhouse gas emissions, improving energy efficiency and managing water and waste responsibly, the Bank aims to minimise its environmental footprint and contribute to India's transition toward a low carbon, climate resilient economy.

These efforts align with India's Net Zero by 2070 vision and

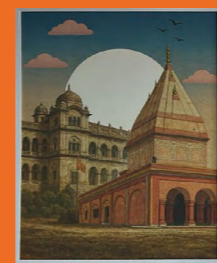
global frameworks such as the Paris Agreement and the UN Sustainable Development Goals.

The Bank's climate and resource efficiency strategy focuses on three areas:

- Energy and Emissions (Scope 1, 2, 3 measurement and reduction)
- Energy Efficiency and Renewable Energy Adoption
- Water and Waste Management



The image of Raghunath Temple at our Janipur Jammu branch, Jammu signifies balance, mindful stewardship and disciplined resource use, aligning Climate and Resource Efficiency with initiatives that reduce impact while strengthening operational responsibility.



Energy and Emissions

GRI: 302-1, 302-2, 302-3, 302-4, 305-4

In FY 2024-25, AU Small Finance Bank recorded a total energy consumption of 1,49,351.31 GJ, a significant increase from the previous year. Of this, 3,911.18 GJ was sourced from renewable electricity, while 1,45,440.14 GJ came from non-renewable sources, primarily electricity (1,41,163.60 GJ) and fuel (4,276.54 GJ). The Bank maintained its commitment to energy efficiency with an energy intensity of 0.8034 GJ per million INR revenue and 16.41 GJ per rupee of turnover adjusted for PPP. Additionally, energy intensity per full-time employee stood at 2.93 GJ/FTE, supported by reasonable assurance.

AU Small Finance Bank is committed to reducing its carbon footprint in alignment with global frameworks such as SDG 7- Affordable and Clean Energy and SDG 13 - Climate Action, as well as India's Net Zero by 2070 vision and the National Solar Mission. The Bank measures and manages greenhouse gas emissions across Scope 1, Scope 2 and Scope 3 in

accordance with the Greenhouse Gas Protocol.

Scope 1 covers direct emissions from fuel combustion in company owned vehicles and diesel generators, which are being mitigated through fuel efficiency improvements and cleaner technologies.

Scope 2 includes indirect emissions from purchased electricity used across branches, ATMs and offices, addressed through renewable energy procurement, energy efficient infrastructure upgrades and digital transformation initiatives.

Scope 3 represents other indirect emissions across the value chain. The Bank has begun by measuring business air travel and, in partnership with the International Finance Corporation (IFC), is working to expand coverage to financed emissions (Category 15) as part of a broader roadmap for comprehensive value chain reporting.

Highlights

GRI 305 -1; 2; 3

317
tCO₂e

Scope 1 emissions

28,076
tCO₂e

Scope 2 emissions

733.62
tCO₂e

Scope 3 emissions
(business air travel)

Case Study: Carbon Neutralization for AU Bank's AGM

Opportunity

Corporate events often generate carbon emissions through electricity consumption and related activities. For AU Bank's Annual General Meeting (AGM) FY 2024-25, held on August 8, 2025, we identified an opportunity to demonstrate leadership in sustainability by neutralizing the event's carbon footprint.

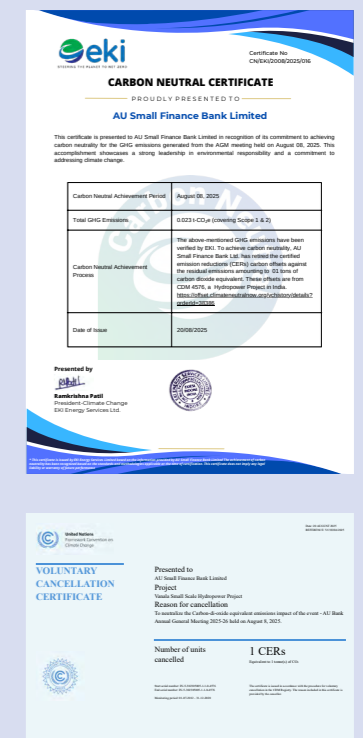
Intervention

The AGM consumed 31.62 kWh of electricity through laptops, LED lights, fans, and Wi-Fi routers. Using an emission factor of 0.727 kg CO₂/kWh, this amounted to 0.02299 tonnes of CO₂ equivalent. To offset these emissions, AU Bank cancelled 1 Certified Emission Reduction (CER)

unit from the Vanala Small Scale Hydropower Project, equivalent to 1 tonne of CO₂ emissions, far exceeding the event's footprint. This was executed under the Clean Development Mechanism (CDM) of the Kyoto Protocol, which supports renewable energy projects in developing countries.

Impact

By offsetting more than the event's emissions, AU Bank ensured its AGM was carbon neutral while contributing to renewable energy generation and global climate goals. This initiative reinforces AU's commitment to green banking and responsible corporate practices, setting a benchmark for sustainability in the financial sector.





Renewable Energy Roadmap and Efficiency

GRI 305-5

AU Small Finance Bank is advancing its renewable energy and energy efficiency initiatives in alignment with global frameworks such as SDG 7: Affordable and Clean Energy and SDG 13: Climate Action, as well as India's national targets under the National Solar Mission and its Net-Zero by 2070 vision. A major milestone is the installation of a 1 MW solar plant at the Gajner Site in Bikaner, Rajasthan, which supplies clean power to key offices including JPO-01, Malviya Nagar, and Tonk Road. This initiative generates 1.6 million units of renewable energy annually, reducing reliance on conventional sources and offsetting a significant portion of AU SFB's carbon footprint.

Energy efficiency is embedded across our operations through measures such as maintaining optimal temperature settings (25°C and above), deploying star-rated equipment, LED lighting, and power factor correction systems. Office spaces are designed for maximum daylight use and equipped with timers for signage and performance-

linked energy contracts. Advanced technologies like the i-Touch Manager enable real-time monitoring of electricity usage, while Variable Refrigerant Volume (VRV) chillers reduce air-conditioning energy consumption by approximately 20%. Additional interventions, including insulation and UPS/inverter systems, further minimise heat load and reduce dependence on diesel generators.

To enhance energy efficiency and operational transparency, AU Small Finance Bank introduced an innovative Electricity Metering Initiative in FY 2024-25. Developed in collaboration with a technology partner and powered by generative AI, this platform centralizes access to energy bills, including those printed on thermal paper, ensuring data accuracy and integrity. The system provides advanced visual analytics on consumption patterns and cost trends, enabling timely interventions to prevent penalties related to Maximum Demand (MD) and Power Factor. By digitizing and automating energy data management, the

initiative empowers proactive decision-making, optimizes resource utilization, and strengthens the Bank's commitment to sustainability and cost efficiency.

Highlights

1 MW

Solar plant installed at Gajner Site, Bikaner

1.6 Mn

Units of renewable energy generated annually

20%

Reduction in AC energy consumption through VRV chillers



At the entrance of AU Small Finance Bank, Jagatpura Office, Jaipur

Case Study: Energy Savings

Opportunity

Continuous cooling in ATM and server room areas across AU SFB's branch network is essential for operational reliability but contributes significantly to energy consumption. This presented an opportunity to reduce electricity usage without compromising system performance or customer comfort.

Intervention

AU SFB deployed IoT-based AC optimization devices across approximately 730 branches nationwide, focusing on ATM and server room areas. Each branch was equipped with two smart devices that automate and optimize air-conditioning usage through intelligent controls, ensuring energy efficiency while maintaining required cooling standards.

Impact

This initiative delivered energy savings of 150,791.4 kWh, translating into ₹19.62 lakh in cost savings from a total consumption of 376,271.4 kWh. By leveraging intelligent automation, AU SFB enhanced operational efficiency and reduced emissions, reinforcing its commitment to climate action and energy transition goals.

Water & Waste Management

AU Small Finance Bank is advancing sustainable resource management in alignment with global frameworks such as SDG 6: Clean Water and Sanitation and SDG 12: Responsible Consumption and Production, as well as national priorities under Jal Shakti Mission and India's E-Waste Management Rules. Beyond operational measures, AU SFB drives water conservation through CSR initiatives including rainwater recharge systems, pond rejuvenation projects, and groundwater replenishment efforts in water-stressed regions, reflecting an integrated approach to water stewardship by harvesting over 5Cr. Litre of rainwater. With AU Jal Jeevan Mission in Jaipur, a 3 Kilo Litre per Day packaged Sewage Treatment Plant (STP) has been installed



Sewerage treatment plant at Jaipur

and treats approximately 3,000 litres of wastewater per day, ensuring efficient treatment and safe discharge. The treated water is reused for irrigating plants and maintaining greenery within the premises, reducing reliance on freshwater.

This model for community-level and small-scale wastewater management, demonstrating how such systems can be replicated in residential colonies, institutions, and government offices to promote environmental sustainability.

GRI 306-2: Management of significant waste-related impacts; GRI 306:3 Waste generated

AU Small Finance Bank ensures responsible waste management through authorized vendors across its pan-India operations. General waste, including paper and biodegradable materials, is disposed of via municipal channels, while e-waste is managed by certified vendors. The Bank has engaged authorized vendors for waste collection and disposal across its pan-India operations. General waste, including paper and biodegradable materials, is managed through municipal channels, while e-waste is handled by certified vendors. The Bank is actively reducing plastic usage by adopting sustainable alternatives across offices and branches. As a financial institution, the use of hazardous chemicals is minimal and limited to equipment such as transformers and diesel generators, which are maintained by authorized third parties.

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3.48	NA
E-waste (B)	80.18	8.43
Bio-medical waste (C)	NIL	Nil
Construction and demolition waste (D)	NIL	Nil
Battery waste (E)	70.51	NA
Radioactive waste (F)	NIL	Nil
Other Hazardous waste. Please specify, if any. (G)	NIL	Nil
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Miscellaneous (4.69) + Paper (4)	NA
Total (A+B + C + D + E + F + G + H)	162.87	8.43
Waste intensity per rupee of turnover (Mn. INR) (Total waste generated / Revenue from operations)	0.000871	0.0000686
Waste intensity per rupee of turnover (Mn. INR) adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.018	NA
Waste intensity in terms of physical output	-	Nil
Waste intensity (optional) – the relevant metric may be selected by the entity	0.0032 t/FTE	NA

GRI 306-4 : Waste diverted from disposal; 306-5 Waste directed to disposal

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	70.174	Nil
(ii) Re-used (e-waste)	64.29	NA
(iii) Other recovery options (Battery)	0.336	Nil
Total	134.80	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations (Handed over to authorised recycler)	28.06	Nil
Total	28.06	Nil

Electronic waste is handled by certified vendors, while hazardous materials, limited to transformers and diesel generators, are maintained by approved third parties. In FY 2024-25, AU SFB generated 80.18 metric tonnes of e-waste, of which 64.29 metric tonnes (approximately 80 percent) was reused or repurposed through certified partners. By extending the lifecycle of electronic assets and prioritising reuse over disposal, AU SFB reinforces its commitment to circular economy principles and contributes to India's vision for resource efficiency and climate action under the Net-Zero by 2070 roadmap.

Highlights

64.29 MT (~80%) of e-waste reused or repurposed

80.18 MT of e-waste generated in FY 2024-25

28.06 MT (Disposal through third party)





Value Chain and Human Rights Stewardship

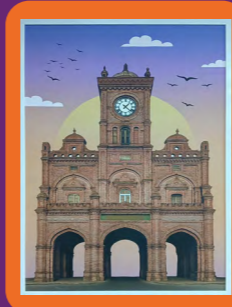
GRI 308-1: New suppliers that were screened using environmental criteria

AU Small Finance Bank advances a responsible value chain by embedding sustainable procurement and human rights stewardship across all operations. The Bank's Sustainable Procurement Guidelines shape supplier behaviour on environmental responsibility, labour standards, and governance, reflecting India's MSME-driven supply chain realities and global expectations for ethical sourcing. By integrating circular economy principles, safeguarding human dignity, and enforcing zero tolerance for practices such as child and

forced labour, the Bank strengthens value chain resilience. This unified approach reduces operational risks, promotes inclusive growth, and advances AU SFB's commitment to global sustainability and human rights standards.



The image of Ghanta Ghar at our Garh Road Meerut branch, Meerut signifies vigilance, accountability and timely oversight, aligning Responsible Procurement with ethical supplier practices and transparent value-chain governance.



Sustainable Procurement Guidelines

GRI 414-1: New suppliers that were screened using social criteria

AU Small Finance Bank has established Sustainable Procurement Guidelines to create an ecosystem that prioritizes environmental stewardship, social responsibility, and ethical business conduct. These guidelines form the foundation of the Bank's responsible sourcing framework and are anchored in three core pillars.

Environmental Stewardship

Suppliers are expected to adopt low-carbon and resource-efficient practices, integrate circular economy models, and implement proactive environmental governance.

Social Responsibility

Vendors are required to maintain inclusive, safe, and dignified

workplaces, uphold human rights, and promote employee well-being.

Ethical Business Practices

Strong compliance frameworks, financial integrity, and transparency are mandatory across all levels of the supply chain.

To promote inclusive growth, AU SFB follows a preferential procurement approach that supports MSMEs, women-led enterprises, businesses owned by persons with disabilities, social enterprises focused on sustainability, and organizations from disadvantaged communities. Eligibility is verified through credible documentation and reviewed annually for transparency.

A process has been implemented to capture ESG data from key players in the value chain, strengthening due diligence and enhancing transparency, accountability, and responsible sourcing. To complement this, AU SFB has introduced a Sustainable Procurement Training Module to build supplier capacity and operationalize these guidelines. The module educates vendors on the Triple Bottom Line and provides practical guidance for integrating sustainability into everyday operations.

Please find attached a link to the policy on our website: www.au.bank.in/sustainability-awareness

Case Study Supplier Sustainability

This highlights how AU Small Finance Bank's procurement partner is operationalizing sustainability across Environmental, Social, and Governance (ESG) dimensions, strengthening the bank's responsible sourcing ecosystem and advancing inclusive growth.



Futuretek Commerce Private Limited (Jaipur)

Opportunity

Futuretek aimed to reduce its environmental footprint and enhance social and governance practices to align with AU SFB's procurement guidelines and global sustainability standards.

Intervention

The company adopted water-saving fixtures, paperless operations, and green data centers, while tracking its carbon footprint. It maintains ISO 27001:2022 and ISO 9001:2015 certifications that reinforce accountability. Human rights due diligence

and employee well-being programmes, including mental health support and childcare subsidies, strengthen the social dimension. Governance is supported through PCI DSS certification, ethics frameworks, and advanced data security protocols.

Impact

Futuretek has reduced its operational carbon footprint, improved workplace inclusivity, and upheld high standards of data security and ethical compliance, positioning the company as a model vendor within AU SFB's sustainable procurement ecosystem.

Upholding Dignity & Equality for All

INTERNATIONAL HUMAN RIGHTS DAY

Every year on **10 December**, the world observes **Human Rights Day** to commemorate the adoption of the **Universal Declaration of Human Rights (UDHR)** in 1948, a landmark document affirming that dignity, freedom, and equality are the birthright of every individual. This day reminds us that human rights are not abstract principles; they are the foundation of justice, peace, and sustainable development.

The 2025 theme, **"Human Rights: Our Everyday Essentials,"** emphasizes that rights are woven into daily life, from access to clean water and education to safety, privacy, and freedom of expression. It calls on governments, businesses, and individuals to protect these essentials in an era of growing inequality and global challenges.

Let's act now: reduce pollution, support sustainable practices, and secure the future of those who rise before dawn to keep our plates full and our planet healthy.

How We Can Support This

Respect and Promote Diversity: Foster an inclusive workplace where every voice matters.	Speak Up Against Injustice: Report discrimination and advocate fairness in all interactions.	Champion Equal Opportunities: Support initiatives that empower marginalized communities.
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Human Rights Stewardship

AU Small Finance Bank's Code of Conduct positions human rights as a core principle across operations and supply chains. A zero-tolerance approach toward bribery and corruption is maintained through vigilance training and oversight by the Disciplinary and Audit Committee. The approach is aligned with global frameworks such as the UN Guiding Principles on Business and Human Rights and India's labour and social equity standards. Human rights are embedded into the Sustainable Procurement Guidelines, requiring suppliers to eliminate child and forced labour and maintain safe, inclusive workplaces. Beyond compliance, AU SFB supports initiatives that enhance employee welfare and strengthen workplace inclusivity, ensuring dignity and equal opportunity for all.



International Women's Day Celebration at AU Jagatpura Office, Jaipur

House of Growth Initiative

Opportunity

A need was identified to improve living conditions for the Microfinance Business team operating in remote areas, consistent with AU SFB's focus on employee well-being.

Intervention

The House of Growth initiative upgraded hygiene, cleanliness, and essential amenities across 888 staff accommodations. Enhancements include proper beds, housekeeping, entertainment options, and recreational spaces, benefiting 6,000-8,000 field and loan officers. The first upgraded apartments were inaugurated in Bassi, Rajasthan, marking the beginning of this transformation.

Impact

Living standards for grassroots employees have significantly improved, ensuring hygienic and comfortable housing for teams serving remote communities.

Workplace Inclusivity

Opportunity

AU SFB recognised the need to create inclusive workplaces for persons with disabilities, ensuring accessibility and equal opportunity in alignment with Persons with Disabilities (PwD) Act.

Intervention

Investments were made in accessible infrastructure, including ramps, assistive headsets, braille signage, and wheelchair-friendly pathways. A dedicated HR team works closely with differently abled colleagues to provide ongoing support and strengthen inclusion.

Impact

These measures have enabled the employment of 28 persons with disabilities across operations, reinforcing AU SFB's commitment to diversity and inclusion.



Sustainable Communities

Empowering People, Enabling Progress



Rajwada Palace reflects community strength, shared heritage and collective spirit, reminding us that progress grows when people stand together.



The image of Rajwada Palace at our Indore Ranjeet Hanuman Road branch, Indore reminds us that thriving communities grow through shared identity, mutual support and initiatives that strengthen everyday lives with dignity and opportunity.

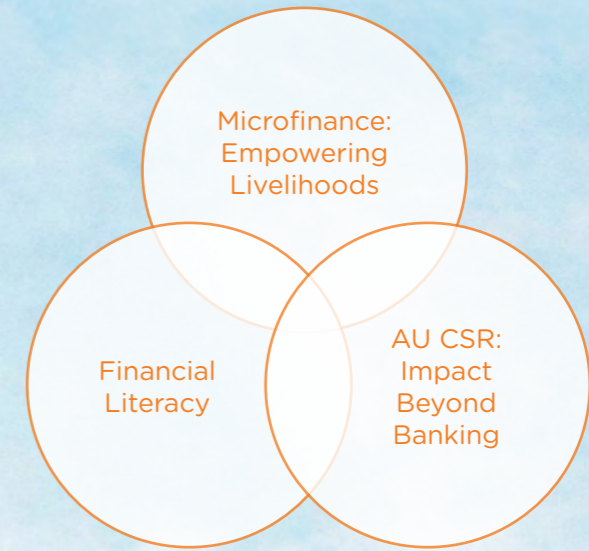
Rajwada Palace has long been a place where people gathered, exchanged ideas and participated in community life. Its presence speaks to belonging, shared identity and the strength that emerges when individuals move forward together. This spirit guides AU Small Finance Bank's Thriving Communities pillar. Through financial literacy, livelihood support, microfinance, education initiatives and social development programmes, the Bank works to expand opportunities that uplift families and strengthen local ecosystems. Each intervention aims to create pathways that nurture confidence, resilience and dignity. Rajwada Palace reflects this belief that communities flourish when connected by trust, participation and the promise of collective progress.

Introduction

Sustainable Communities form the foundation of our commitment to inclusive growth. They extend the impact of banking beyond financial services, reaching into the lives, aspirations, and opportunities of the communities we serve. At AU Small Finance Bank, we believe that economic empowerment, social equity, and community well-being are essential for building a resilient and thriving society.

Through focused interventions in livelihood creation, education, sports, health, and environmental stewardship, we create pathways for individuals and communities to prosper. Each initiative reflects our purpose of enabling progress that is both meaningful and enduring.

To drive this vision, our Sustainable Finance initiatives focus on three key areas:



Awards

Bano Champion awarded Best Community Initiative in Grassroots Sports Development

by the Sport India Foundation

Economic Times 2 Good 4 Good CSR Awards

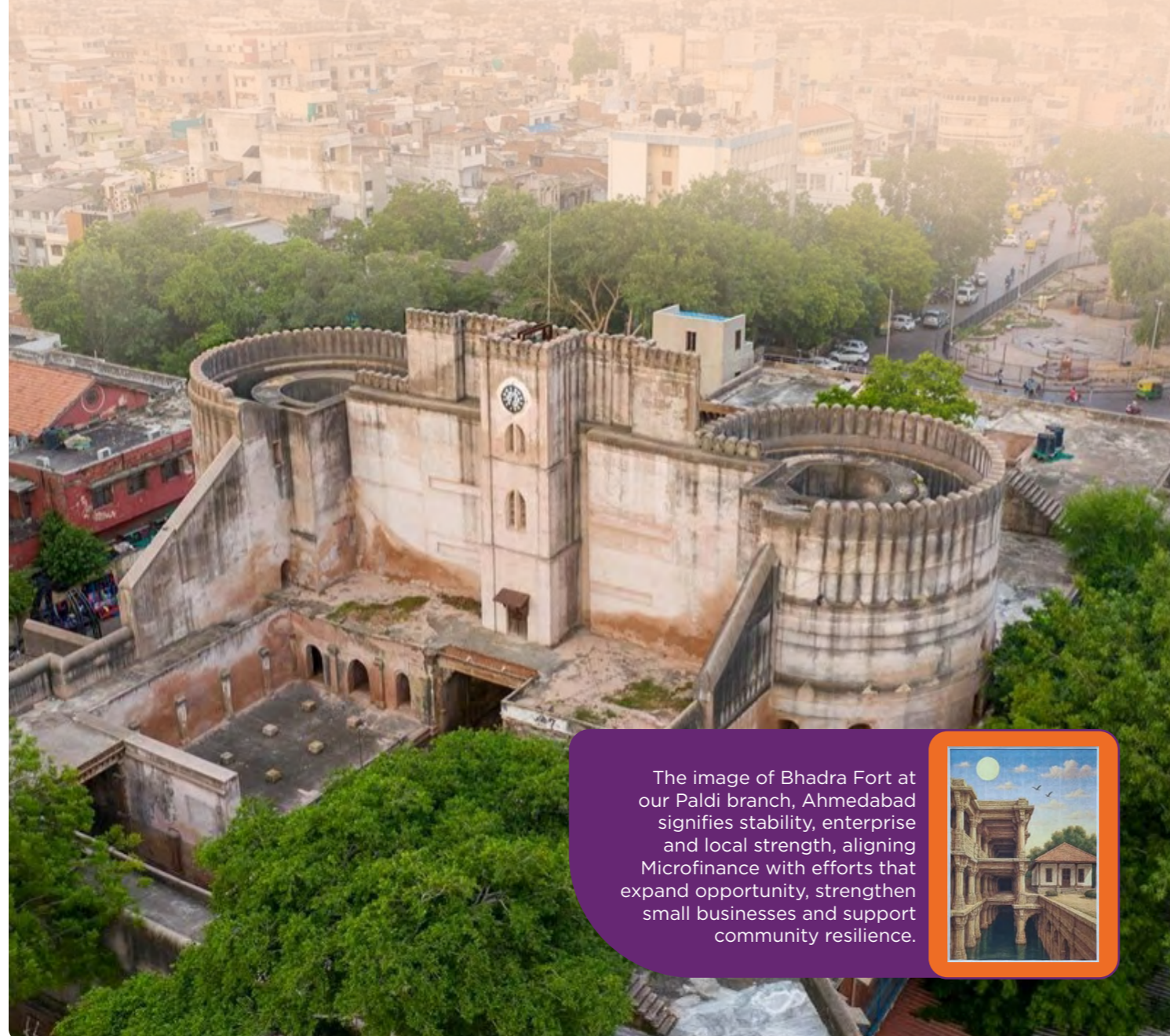
by KPMG



Microfinance: Empowering Livelihoods

Microfinance is a cornerstone of inclusive growth, enabling low-income households, especially women, to access affordable credit and build sustainable income streams. Guided by the Reserve Bank of India's Master Direction on Microfinance Loans (2022, updated July 2025), AU Small Finance Bank positions microfinance at the centre of its purpose.

Through ethical, risk-controlled practices, the Bank delivers inclusive credit and livelihood support across rural and semi-urban India. By empowering women entrepreneurs, artisans, and small farmers, microfinance fosters grassroots entrepreneurship, strengthens community resilience, and contributes to long-term sustainable development.



The image of Bhadra Fort at our Paldi branch, Ahmedabad signifies stability, enterprise and local strength, aligning Microfinance with efforts that expand opportunity, strengthen small businesses and support community resilience.



Financing Women Entrepreneurs and Artisans

Empowering women and artisans forms a central pillar of AU Small Finance Bank's Microfinance and Livelihoods strategy. The Bank now serves 25.7 Lakh customers across 18 states, reaching 349 districts and more than 59,000 villages, expanding financial access for underserved communities.

The Bank's micro-finance engagement primarily supports joint liability groups, over 9 Lakh groups to date, that seek small-ticket loans for activities such as livestock rearing, tailoring, kirana shops, and other micro-enterprises. With an average loan exposure

of ~₹26,000, these group-based microloans remain affordable and impactful.

Beyond credit, the Bank offers financial literacy training, credit counselling, and simplified documentation, enabling first-time borrowers to confidently manage their finances. This approach has helped open more than 54+ Lakh Shakti accounts, rural savings accounts that nurture a culture of savings alongside entrepreneurship.

Dedicated on-ground relationship teams deepen trust and

community engagement, ensuring timely credit cycles that help small businesses grow sustainably. This reflects a broader philosophy rooted in trust, innovation, and inclusion, ensuring that every individual, from digitally savvy urban professionals to aspiring rural entrepreneurs under Swadesh Banking, receives solutions tailored to their needs.

By empowering women and artisans through microfinance, AU SFB strengthens entrepreneurship, drives income generation, and contributes meaningfully to building an inclusive India.

Highlights

25.7+ Lakh

Total customers served

9+ Lakh

Joint liability groups

54+ Lakh

Shakti accounts rural savings accounts

~₹26,000

Average loan exposure

18 States 349 Districts

59,000+ Villages covered

Life and Health Protection for Borrowers

True empowerment extends beyond access to credit and includes security against life's uncertainties. AU Small Finance Bank integrates life and health protection within its microfinance ecosystem, ensuring borrowers and their families remain safeguarded against unexpected challenges.

In FY 2024-25, protection initiatives created meaningful impact:

- Life Insurance provided coverage to 10.9 Lakh

borrowers, protecting more than 21.8 Lakh lives.

- Hospicash supported 6.8 Lakh beneficiaries, offering financial relief during medical emergencies and reaching 13.5 Lakh lives.

These interventions elevate microfinance from a transactional service to a long-term partnership that strengthens resilience, enhances financial security, and promotes holistic well-being for customers and their families.





Provided dry ration kits to flood affected victims of Gujarat

Driving Social Impact through Microfinance and Inclusive Banking

GRI 413-1

Microfinance and Inclusive Banking (MFIB) has been instrumental in transforming rural communities by providing access to essential financial services and integrating social welfare initiatives. Through bank's CSR programs, MFIB addresses critical needs beyond banking, ensuring holistic development and empowerment of rural populations. By combining financial inclusion with social interventions, MFIB strengthens trust, builds emotional connections, and positions itself as a true partner in progress rather than just a credit provider.

The initiatives focus on disaster relief, healthcare, and education, three pillars that directly impact the quality of life in rural areas. These programs not only provide immediate support but also create sustainable benefits, fostering loyalty and community development. The following sections detail the major CSR activities undertaken during FY 2024-25, highlighting their objectives, interventions, impacts, and measurable outcomes.

Flood Relief and Grocery Kit Distribution

In response to severe flooding across multiple states, the Bank initiated a relief program to support affected families with essential supplies. Grocery kits were distributed to ensure nutritional security during a time of acute distress, with branch teams providing on-ground assistance and ensuring equitable access. Active engagement with local communities strengthened trust and reinforced the Bank's presence as a socially responsible institution. The initiative offered immediate relief, enhanced perception within the community, and created a meaningful emotional connection with customers, positioning the Bank as a dependable partner in moments of crisis and a catalyst for community resilience.

State	Branches	Beneficiaries
Tamil Nadu	8	1,335
Andhra Pradesh	6	1,276
Karnataka	5	1,000
Telangana	4	882
Uttar Pradesh	4	363
Gujarat	2	450
Bihar	1	115
Grand Total	30	5,421

Highlights

State wise branch participation in Flood Relief

7

States

30

Branches

5,421

Beneficiaries

Health Checkup Program

To strengthen preventive healthcare access in rural and semi-urban regions, the Bank implemented a Health Checkup Program designed to support early diagnosis and promote overall well-being focusing towards prevention of anemia. Free screening camps and medical consultations were organized in underserved areas, enabling communities to receive essential health services that are often unavailable locally. Qualified medical professionals provided diagnosis, guidance, and health awareness materials, encouraging preventive practices and long-term care. By addressing fundamental healthcare gaps and offering compassionate, community-focused support, the initiative enhanced trust, deepened emotional connections, and positioned the Bank as a partner contributing meaningfully to social progress and long-term community resilience.



Conducted Health check up camp for patients in Gujarat

State	Branches	Beneficiaries
Rajasthan	18	7,779
Karnataka	15	7,268
Gujarat	14	6,045
Tamil Nadu	12	7,157
Andhra Pradesh	10	6,945
Bihar	8	6,957
Chhattisgarh	6	7,159
Odisha	6	8,091
Telangana	5	5,005
Uttar Pradesh	6	3,051
Madhya Pradesh	2	982
Maharashtra	2	2,680
Grand Total	104	69,119

Highlights

State wise branch participation in Health Check-up Program

12

States

104

Branches

69,119

Beneficiaries

AU Study Centers



Education via AU Study Centre in Tamil Nadu

State	Branches	Villages	Students
Tamil Nadu	7	39	863
Karnataka	3	23	494
Andhra Pradesh	1	12	256
Grand Total	11	74	1,613

Introduction

Education is a cornerstone of sustainable development, and to support learning in rural communities, our Bank established AU Study Centers. These centers provided structured academic support to students in underserved areas, helping them enhance their skills and encouraging continued education.

Intervention

The Bank set up study centers across 74 villages in three states, equipped with trained facilitators and learning materials. A structured curriculum was implemented to improve academic performance, while parents and communities were engaged to promote education and reduce dropout rates.

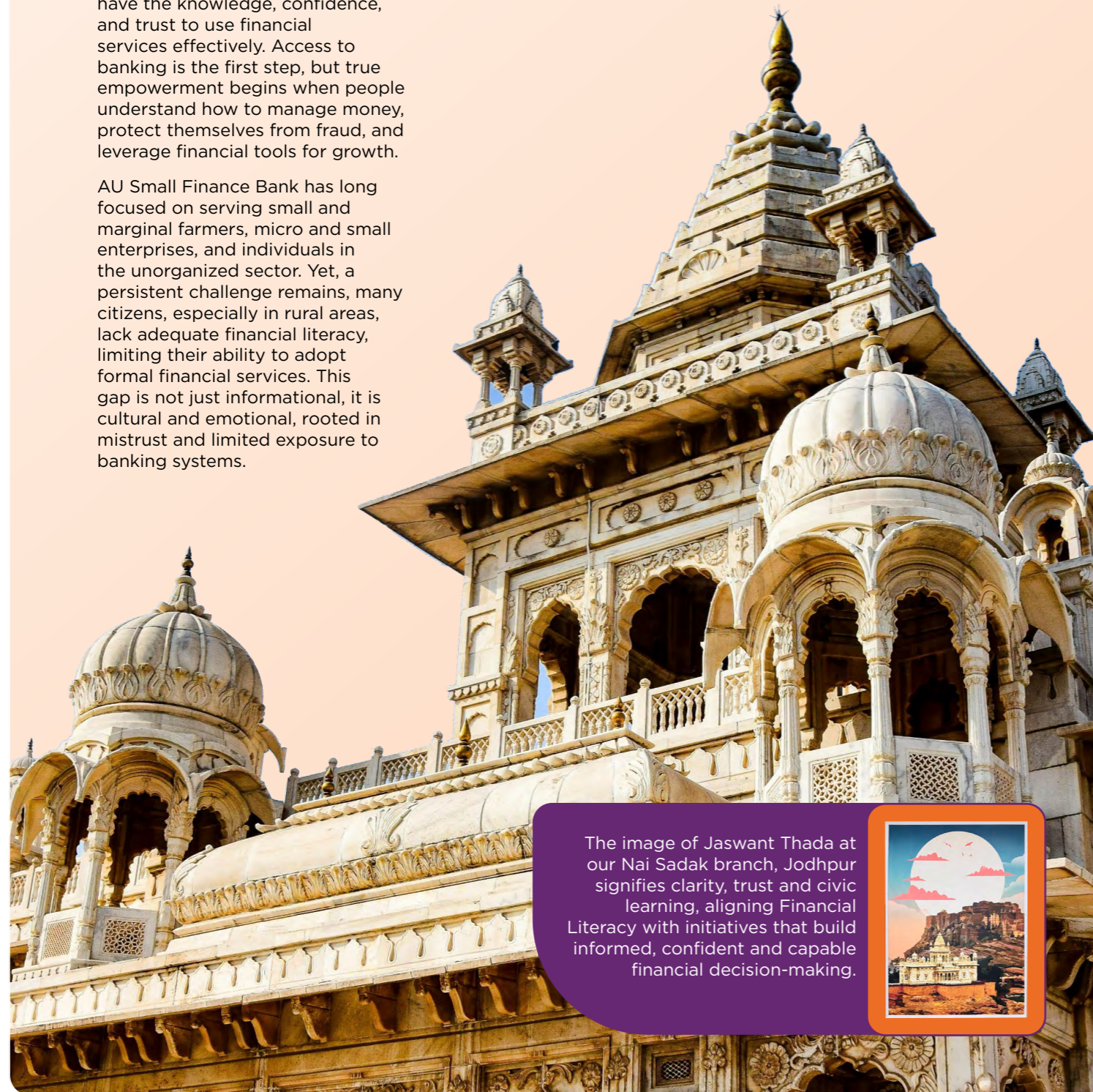
Impact

The AU Study Centers empowered rural students by improving learning outcomes and fostering a culture of education. This initiative strengthened trust and goodwill among families and contributed to building a skilled future workforce, reinforcing the Bank's role as a partner in community development.

Financial Literacy and Community Engagement

Financial inclusion achieves its true purpose only when individuals have the knowledge, confidence, and trust to use financial services effectively. Access to banking is the first step, but true empowerment begins when people understand how to manage money, protect themselves from fraud, and leverage financial tools for growth.

AU Small Finance Bank has long focused on serving small and marginal farmers, micro and small enterprises, and individuals in the unorganized sector. Yet, a persistent challenge remains, many citizens, especially in rural areas, lack adequate financial literacy, limiting their ability to adopt formal financial services. This gap is not just informational, it is cultural and emotional, rooted in mistrust and limited exposure to banking systems.



The image of Jaswant Thada at our Nai Sadak branch, Jodhpur signifies clarity, trust and civic learning, aligning Financial Literacy with initiatives that build informed, confident and capable financial decision-making.



Understanding the Challenge

When AU SFB initiated its literacy drive, several barriers emerged. Many rural citizens hesitated to visit bank branches due to past experiences of financial fraud, fear of hidden charges, and the perception that banking was only for the educated. Language differences and lack of personal connection deepened this divide, leaving communities reliant on informal saving and borrowing.

Innovative Solution

To address these challenges, AU Small Finance Bank designed a behavioral change framework for financial and digital literacy. The approach was infotainment based, using culturally familiar formats such as Nukkad Natak (street plays), puppet shows, and folk performances to make learning engaging and relatable. Sessions were delivered in local dialects, combining storytelling, multimedia, and real-life examples from rural settings.

Bank staff actively participated in these camps, breaking social barriers and fostering trust. This human connection was critical. Villagers who once viewed banking with suspicion began interacting directly

with bank representatives. The sessions attracted large audiences from villages within a 20 to 25 km radius, creating a ripple effect of awareness and confidence.

Content Coverage

The modules covered practical topics such as saving habits, deposit schemes, KYC norms, government-backed social security programs (PMJJBY, PMSBY, APY), insurance, and consumer protection in the digital era. Special emphasis was placed on digital safety, including UPI and e-wallet usage, cyber fraud prevention (Helpline 1930), and responsible banking habits. Women entrepreneurship and financial planning were also key themes to ensure inclusivity and relevance.

Impact

The initiative has significantly enhanced financial awareness and trust in rural communities. Thousands of individuals have opened bank accounts, enrolled in government schemes, and adopted digital payment systems. By combining cultural sensitivity with innovative communication, AU Small Finance Bank has transformed financial literacy into a powerful tool for inclusion and empowerment.

Highlights

18,300+

Financial & Digital Literacy Camps across 18 States & 2 Union Territories

19+ Lakh

Citizens reached, including 4.5+ Lakh direct beneficiaries

₹1 Crore

Support from NABARD Financial Inclusion Fund to expand outreach

Infotainment delivery Street plays, folk performances, puppet shows & audio-visual content in local dialects

Case Study: Sunita Devi

In Sikar district, Sunita Devi, previously unfamiliar with digital banking, attended a Financial Literacy Camp conducted by AU Small Finance Bank. After gaining awareness of secure UPI practices and account safety, she began using mobile banking with confidence. Encouraged by this progress, she started a small food business with a microloan from the Bank and now mentors other women in her village on safe digital finance, becoming a catalyst for community empowerment.

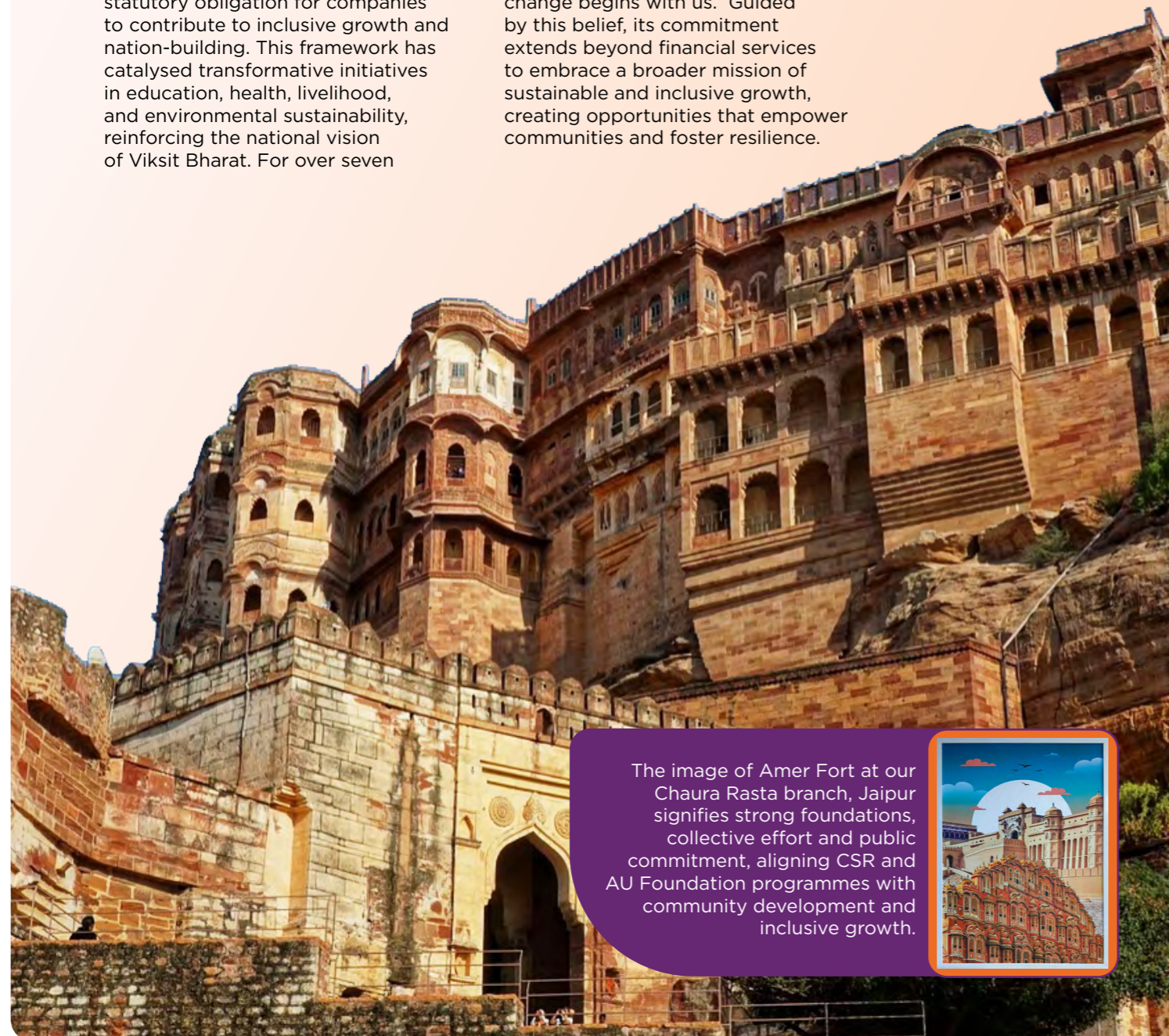


Financial Literacy Camp conducted at a village in Sikar District, Rajasthan

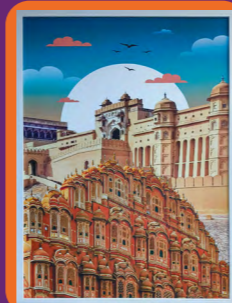
AU CSR: Impact Beyond Banking

Across the world, Corporate Social Responsibility (CSR) has emerged as a foundation of sustainable development, aligning businesses with the UN Sustainable Development Goals (SDGs) to address pressing social, economic, and environmental challenges. In India, CSR has been institutionalized through Section 135 of the Companies Act, 2013, making it a statutory obligation for companies to contribute to inclusive growth and nation-building. This framework has catalysed transformative initiatives in education, health, livelihood, and environmental sustainability, reinforcing the national vision of Viksit Bharat. For over seven

years, AU Foundation has been a dedicated CSR arm of AU Small Finance Bank. Its vision is to create opportunities that uplift the society, enhance the quality of life by addressing socio economic needs and ensure that everyone advances towards an equitable world, ultimately achieving self-sustainable lives in alignment with the Bank's belief, "Badlaav Humse Hai" - change begins with us. Guided by this belief, its commitment extends beyond financial services to embrace a broader mission of sustainable and inclusive growth, creating opportunities that empower communities and foster resilience.



The image of Amer Fort at our Chaura Rasta branch, Jaipur signifies strong foundations, collective effort and public commitment, aligning CSR and AU Foundation programmes with community development and inclusive growth.



Athletes of AU Bano Champion Program

The CSR Framework

AU Foundation's approach is anchored in four strategic pillars, each addressing a critical dimension of community development:

- **AU Ignite-** *Unlocking You* - Skill development and job placement support for youth, bridging the gap between education and employability.
- **AU Udyogini-** *Aatminirbharta se Badlaav Tak* - Women's empowerment through entrepreneurship, financial literacy, and capacity building.
- **AU Bano Champion-** *Maidan se Manzil Tak* - Create a culture of sports by providing guided training to kids and youth in rural and semi urban geographies promoting holistic growth.
- **AU Kartavya-** Extensive spectrum of transformative initiatives spanning healthcare, education, environment, water conservation, and road safety, among others.

Highlights

Since April 2017, CSR initiatives have reached over 3 million beneficiaries through flagship, strategic and need based programs such as AU Ignite, AU Udyogini, AU Bano Champion and AU Kartavya.

AU Ignite

29,701+

Youth trained, with 74% placed in formal jobs

AU Udyogini

4,000+

Women empowered through entrepreneurship and sustainable livelihood opportunities

AU Bano Champion

15,000

Budding athletes nurtured, with 50+ represented at National levels



Supported specially abled individuals with assistive devices.

AU Ignite - Skilling Youth for the Future



Female trainees of the AU Ignite skill development program.

AU Ignite is the flagship skill development initiative of the AU Foundation, launched in 2018-19 with a single Skills Academy in Jaipur. The program began by training just over 100 youth and has since expanded significantly across Rajasthan. In FY 2024-25, AU Ignite operated 16 skills training centers across 12 districts, supported by a network of 5 AU Foundation-run academies and 11 partner-led centers under a Hub-and-Spoke model aligned with NCVET guidelines.

Since inception, AU Ignite has trained 29,701 youth, achieving a 74% placement rate as of 31 March 2025. In FY 2024-25 alone, the program trained 8,165 youth, of whom 5,403 secured employment in industries such as banking, tourism and hospitality, healthcare, and IT/ITeS. The program has also facilitated international placements and provided tailored support to beneficiaries with disabilities, enabling them to obtain training and jobs in reputable organizations.

A notable achievement of AU Ignite is its contribution to gender inclusion. Through focused community engagement—including awareness drives, targeted mobilization, family counseling, and community meetings—the program has successfully increased women's participation to 35-36%, marking a positive social shift in communities that earlier hesitated to allow women to pursue professional training.

To ensure quality and accountability, the program uses biometric attendance, CCTV surveillance, smart classrooms, well equipped labs, certified trainers, standardized learning content, bilingual participant handbook, soft skills and other employability skills training through online and offline medium, grooming through formal uniforms, dedicated Learning Management System (LMS), regular internal assessment. Third-party assessments and certifications add further credibility to the training outcomes.

The program also offers advanced courses in Full Stack Development,

Salesforce, and Artificial Intelligence, alongside foundational training for entry-level roles. Through its Future Skills Program, AU Ignite is addressing the growing demand for technology-enabled careers, with reach extending beyond India.

To achieve quality placements, the program ensures on the job training and partnership with credible organizations including listed companies, renowned hospitals and hotels, private employers with high standards of working and local entrepreneurs with good names. AU Ignite trainees are offered an average salary of around Rs. 12500 a month with an opportunity to get good incentives and HR benefits after one year for normal courses whereas its future skills trainees get job opportunities with annual CTC ranging from Rs. 2.5 lacs to 13 lacs.

AU Ignite directly contributes to the 2 UN Sustainable Development Goals, particularly SDG 4: Quality Education & SDG 8: Decent Work and Economic Growth.

Highlights

16

Academies

12

Districts

29,701

Youth trained

22,182

Placed

8,165

Youth trained in FY 2024-25, across BFSI, Tourism and Hospitality, Health care and IT-ITES

Case Study: Nisha Salvi

Opportunity

Nisha Salvi, the youngest daughter in a family of six from a humble background in Madhya Pradesh, faced significant financial challenges after her family relocated to a small village near Bhilwara in search of better opportunities. Despite hardships, her parents instilled in her the belief that "Hard work can change your destiny." Determined to support her retired father and homemaker mother, Nisha sought a way to build a stable career and uplift her family.

Intervention

A friend introduced Nisha to the AU Foundation's skill development program, designed to empower youth

with banking knowledge and employability skills. Initially hesitant due to financial constraints, Nisha was relieved to learn the course fee was only ₹1,000 and included job placement support. Over 76 days, she underwent comprehensive training covering banking fundamentals, computer literacy, soft skills, and confidence-building, which transformed her outlook and prepared her for the professional world.

Impact

The program proved life-changing. Nisha secured a role at Axis Bank with a package of ₹2.5 LPA plus incentives. She even received an offer from Equitas Bank for ₹5.5 LPA but chose to stay with Axis Bank for steady growth and better

location convenience. Within four months of joining, Nisha achieved a milestone—purchasing her first vehicle—symbolizing financial independence and family pride. Today, she stands as a beacon of hope for others in her community and credits the AU Foundation for turning her aspirations into reality.





In Photo: Seema Sharma, a beneficiary of AU Udyogini program from Mandsaur, Madhya Pradesh

AU Udyogini - Aatmanirbharta se Badlaav Tak

Women in rural India face systemic barriers to economic independence, including limited market access, low technical exposure, and minimal linkage to formal financial systems. These constraints restrict their ability to contribute to household income and community development. AU Udyogini was established to break this cycle by fostering entrepreneurship and creating sustainable livelihood opportunities for women from marginalized backgrounds. As AU Small Finance Bank's strategic women empowerment initiative, AU Udyogini enables women to start microenterprises, strengthen self-help groups, access social welfare schemes, and engage with formal financial systems. The program strongly aligns with SDGs 1 (No Poverty), 3 (Good Health & Well-being), 5 (Gender Equality), 8 (Decent Work & Economic Growth), and 10 (Reduced Inequalities). Through structured training in entrepreneurship, record-keeping, financial literacy, and digital literacy, women gain the capabilities needed to run sustainable enterprises.

The programme operates through two complementary models:

1. Collective Enterprise Model

This model brings women together to form producer companies that leverage scale and shared resources.

- Khejri Mahila Producer Company (Maa Annapurna Masala): A women-led enterprise producing FSSAI-certified spices, mustard oil, and gram flour across seven centres in Jobner, Jaipur. Women receive EDP, FL, and DL training and access market linkages through exhibitions and institutional buyers.
- Nirjhari Artisans Producer Company: A trademark-licensed company manufacturing handcrafted paper products, home decor, and textiles, empowering 215 women through structured training and sustained income opportunities.

2. Individual Women Entrepreneurship (IWE) Model

This seed capital support women in launching microenterprises across 55 trades in manufacturing, trading, and services. Women receive non-refundable seed support, customised

mentorship, and assistance with Udyam Aadhaar registration to access schemes and credit. The Udyogini Sakhi model, a community-led peer-support mechanism, enhances continuity and keeps enterprise closure rates as low as 5%.

Quality and sustainability remain central to AU Udyogini. The programme promotes savings, reinvestment, and economic agency while providing technical support and market linkages. A unique initiative AU Udyogini Bazaar, a one-business-one-shop model in Navrangpura, Rajasthan strengthens the collective retail visibility of women entrepreneurs.

AU Udyogini has empowered over 2,245 individual women entrepreneurs across 400 villages, and over 4,000 women through both collective and individual entrepreneurship models. Through its integrated, community-centric approach, the programme continues to move women from dependency to self-reliance—creating pathways of dignity, opportunity, and sustained economic growth.

Highlights

2,245+

Individual women entrepreneurs

347

Women involved under collective entrepreneurship model

4,000+

Total women nurtured through individual women entrepreneurship model, collective entrepreneurship model and SHGs.

1,540+

Women engaged through SHGs for savings and reinvestment

2,000+

Women earning regular income through individual enterprises

Case Study: Bhavana Sharma

Opportunity

Bhavana Sharma, a resident of Sathkheda, Mandsaur (MP), faced a life-altering challenge when her husband became physically impaired and unable to work. With limited resources and growing family responsibilities, Bhavana was determined to find a way to sustain her household and secure a better future.

Intervention

Her turning point came through the Women Entrepreneurship Program, supported by AU Small Finance Bank. With their guidance, mentorship, and financial assistance, Bhavana was able to start a small grocery store. The program not only provided her with the means to begin her entrepreneurial journey

but also equipped her with confidence and business know-how.

Impact

Bhavana's grocery store gradually grew into a stable and successful business. Today, she earns around ₹15,000 per month, ensuring financial independence and security for her family. Her husband now actively supports her in running the shop, and together they have built a better life. Bhavana's journey is a powerful example of how timely support and personal determination can help women overcome hardships and lead their families toward a brighter future.





Kids and participants of AU Bano Champion program with AU SFB Officials

AU Bano Champion – Maidan se Manzil Tak

Sports have the power to transform lives, especially in rural and semi-urban communities where opportunities for structured physical activity are limited. Beyond physical fitness, sports nurture discipline, confidence, and resilience, qualities that shape success both on and off the field. Recognizing this, AU Small Finance Bank launched AU Bano Champion: Maidan se Manzil Tak, a flagship initiative that uses sports as a medium for holistic development among children and youth.

The program operates across 60+ locations in 20+ districts of Rajasthan, creating access to quality training and competitive platforms for thousands of young athletes. Village, district, and state-level tournaments provide exposure and encourage talent to shine. In

the past year alone, over 25,000 children participated in the first leg of tournaments, over 52,000 competed at district level, and 1,500 athletes showcased their skills at the 3rd state-level Sports Tournament hosted at Jodhpur & Jhunjhunu across seven sports disciplines.

AU Bano Champion covers a wide range of sports, including athletics, football, throwball, volleyball, and other locally popular games, ensuring cultural relevance and community participation. A strong focus on capacity building ensures that 90+ trained coaches and sub-coaches, supported by volunteers, mentor 8,000+ children and youth through guided sports training. Continuous training for coaches, in partnership with sports associations and government bodies, strengthens

the program's foundation and ensures quality.

The impact is visible in the achievements of its athletes. 480+ positions have been secured at State and National level tournaments, while 1090+ positions were earned at district-level competitions. Specialised exposure camps were organised for 120 promising athletes with India's best sports academies, demonstrating nurturing grassroots talent and connecting it to national platforms.

By creating access to structured training, mentorship, and competitive exposure, AU Bano Champion is not just building athletes, it is shaping confident, disciplined individuals who embody the spirit of change.

Highlights

60+

Locations 20+
Districts in Rajasthan

8,000+

Children & youth receiving guided sports training under 90+ trained coaches & sub-coaches

480+

Positions secured at State and National level tournaments

1090+

Positions secured at District level tournaments

120+

Promising athletes provided specialized trainings at India's best sports academies

Till 31st March 2025

Case Study: Devika Soni

Opportunity

Growing up in Nohar in a modest rural household, Devika Soni had limited access to professional sports facilities and coaching. Despite these constraints, her passion for athletics drove her to begin self-training, showcasing raw talent and determination. This situation highlighted the need for structured programs to identify and nurture potential athletes from underserved communities.

Intervention

The turning point came when Devika joined the Bano Champion program, which provided her with professional coaching, a structured training regimen, and a supportive sports ecosystem. Under expert guidance, her skills and confidence improved significantly, and she gained opportunities to compete at district, state, and national levels—transforming her journey from self-trained athlete to a rising star.

Impact

Devika's progress has been remarkable. She won gold medals at SGFI State and District levels, followed by a gold at the 39th National Junior Athletics Championship (2024) and a silver at the 40th National Games (2025) in Bhubaneswar. Her achievements not only mark personal success but also inspire countless young athletes, especially girls from rural areas, proving that access to quality coaching and community-based initiatives can unlock extraordinary potential.



AU Kartavya

AU Kartavya reflects AU Small Finance Bank's belief, by transforming compassion into action through employee volunteering and community development initiatives. Beyond its flagship programs, AU Kartavya addresses critical needs in education, healthcare, environment, water conservation, and public infrastructure, fostering inclusive growth and resilience.

Education and Learning Support

AU Kartavya improves access to education by creating safe, conducive learning environments. The Bank has constructed nine classrooms in government schools across Jodhpur and Jaipur, benefiting 400+ students annually. Through AU Study Centres, over 1,600 students have received academic support. To promote learning continuity, AU distributed 7,200 sweaters, 37,200 notebooks, and 4,000 school bags across Rajasthan, Madhya Pradesh, Gujarat, and Maharashtra.

Healthcare and Community Well-being

GRI: 203-1: Infrastructure investments and services supported

AU Kartavya strengthens healthcare access through 1,100+ health camps, benefiting 70,000+ individuals across 12 states. Infrastructure support includes installing a dialysis unit at Sangrur Government Hospital, deploying a Mobile Medical Unit in rural Gujarat, and providing advanced medical systems to Dayanand Medical College, Ludhiana. The Bank also partnered with Jaipur Foot for mobility aids, distributed water through 176 tankers in drought-hit regions, and introduced a food distribution van in Jaipur, serving fresh meals daily.

Environment and Sustainability

AU Kartavya promotes green living through renewable energy and waste management projects. A solar power plant in Banswara, Rajasthan now fully meets the

energy needs of a charitable healthcare facility, reducing emissions and costs. Waste management and sewage treatment systems have been installed in Jaipur, while plantation drives at Nehru Garden Park near Fateh Sagar Lake in Udaipur have created cleaner, greener community spaces.

Public Infrastructure and Safety

To enhance public safety and well-being, AU Kartavya installed 11 police booths in Rajasthan and Madhya Pradesh, placed road safety signage across Patna, and set up open-air gyms in public parks, including Jaipur's Central Park.

Crisis Relief

During emergencies, AU Kartavya provided immediate relief by distributing dry ration kits to 5,400+ families across seven states, ensuring food security during times of need.



Old bus transformed in a permanent bus stop in Bhopal

From Relief to Resilience

Community support plays a vital role in strengthening resilience, especially in regions facing recurring social and environmental challenges. At AU Small Finance Bank, the focus extends beyond core programs to address immediate community needs while fostering long-term development. These interventions are rooted in the urgent needs expressed by communities themselves, ensuring relevance and impact across diverse geographies.

1. Health and Education
2. Water Conservation
3. Disaster Relief
4. Livelihood Empowerment

Key Initiatives and Impact

Reusing Waste: Bus Stop Restoration

The Bank restored an old bus in Bhopal and transformed it into a functional, visually appealing bus stop, demonstrating how innovative upcycling can convert scrap vehicles, often contributors to urban waste and pollution, into useful community assets. The initiative created a safer and more convenient waiting space

for passengers, reduced metal waste through reuse, and encouraged greater public awareness about recycling and circular practices

Protecting Nature: Plastic Waste Management

The Bank deployed three Gobblers at Jaipur Municipal Corporation (Heritage and Greater) to automate plastic and waste collection, addressing the growing challenge of urban plastic pollution and its impact on health and the environment. This initiative has significantly reduced open plastic littering, enabled daily collection and recycling of substantial waste, supported the objectives of the Swachh Bharat Mission, promoted cleaner and more sustainable urban living, and strengthened collaboration with local authorities on long-term environmental stewardship.

Employee Engagement with Communities

Employees actively contribute to community initiatives through meaningful ISR efforts, including a contribution of ₹3 Lakh for sports shoes for Bano Champion winners. Their involvement spans all on-

ground projects, from installing water coolers to supporting sports tournaments and distributing school bags and notebooks, working closely with local stakeholders to ensure effective implementation. As a retail bank with deep community touchpoints, employees often receive direct requests from local residents, enabling the Bank to respond swiftly to emerging needs and strengthen its connection with the communities it serves.

Education Infrastructure Development

To strengthen the learning environment in government schools across Jodhpur and Jaipur, five new classrooms were constructed to address infrastructure gaps that often lead to overcrowded and challenging learning conditions. This initiative aims to reduce congestion, create safe and supportive educational spaces, and enhance overall student engagement. The new classrooms now benefit more than 400 students each year, improving the teacher-student ratio, expanding opportunities for extracurricular activities, and motivating children to continue their education with confidence and enthusiasm.

Highlights

09

Classrooms built as on 31st march 2025, benefiting 400+ students annually

11

Police booths installed and open-air gyms set up in public parks

1,100+

Health camps, reaching 70,000+ individuals

37,200

Notebooks distributed

1,600+

Students supported through AU Study Centres

176

Water tankers deployed in drought-affected regions

4,000

School bags distributed

7,200

Sweaters distributed



Rampal Jat, a farmer from Chomu constructed a farm pond with AU SFB's support

Case Study

A Farm Pond that revived a Farmer's Future

Opportunity

Rampal ji, a farmer from the village, faced years of uncertainty as his fields remained dry due to the lack of a dependable water source. With no irrigation facility, cultivation had nearly stopped, household income declined sharply, and sustaining basic expenses became a challenge. Farming as a livelihood seemed increasingly unviable.

Intervention

Through a village meeting organized under AU Kartavya, Rampal ji learned about the farm pond initiative. He applied for the scheme, and once the pond was constructed, the transformation

began. With assured water availability, he installed drip and sprinkler systems, introducing precision irrigation to his farm. After years of dryness, his land turned green again, signaling a new beginning.

Impact

The farm pond enabled year-round cultivation, allowing Rampal ji to grow multiple crops across three seasons. His income stabilized, financial stress reduced, and farming regained its viability. What was once a story of despair became a testament to how sustainable water solutions can revive livelihoods and restore hope.

"The last few years were very difficult for us. We had no water, farming had completely stopped, and even running the household became hard. After the farm pond was built, it was the first time I felt that things could change. Now my fields are green again, our income has increased, and there is peace at home. Honestly, life feels a little easier now."

- Rampalji

₹95,000

Season 1 (Rabi) Total Profit

₹52,000

Season 2 (Kharif/Zayad) Total Profit

₹95,000

Season 3 (Rabi) Total Profit Expected

₹2,42,000

Overall Annual Profit (All Three Seasons Combined) Expected

With dependable irrigation and year-round farming, his land regained its productivity, and his livelihood is now more secure and sustainable.



Supported Lalita Jat by constructing a roof rainwater harvesting system

Case Study

Lalita Ji Jat's Story - A Tank of Relief

Opportunity

Lalita Jat, a resident of Morija, lived with her family of eight without a personal borewell. The household depended on a shared borewell that supplied water only once every four days. When water ran out, Lalita had to walk to another dhani or arrange private tankers, spending ₹800 monthly. The borewell water was unsafe, with a TDS level of 800, leading to health issues like skin problems for her husband. Lack of access, poor quality, and dependency created constant stress for the family.

Intervention

During a door-to-door awareness survey, Lalita learned about the Rooftop Rainwater Harvesting System (RRWHS). With

guidance and support from the Foundation, she and her husband decided to build a rainwater harvesting tank at home. This offered a sustainable, long-term solution to break their reliance on unsafe and unreliable water sources.

Impact

The rainwater harvesting system transformed Lalita's life by providing clean and safe water at home, freeing her family from dependence on borewells and costly tankers. This change brought significant financial relief, saving ₹800 every month, and improved health conditions, as her husband's skin issues subsided after switching to clean water. With rainwater stored for seven to eight months, the family

now enjoys long-term stability and security. Lalita describes the experience as life-changing:

"Earlier, we waited for tankers and still ended up drinking unclean water. After the rainwater tank was built, everything changed. Now we have clean water at home, and our family finally feels relief, comfort, and dignity."

-Lalita Ji Jat



Sustainable Reporting

Strengthening Governance for Long-Term Value



Chennai Central Station represents clarity, coordination and dependable structure, reminding us that trust is built through consistent, transparent action.





The image of Chennai Central Station at our Mogappair West branch, Chennai reminds us that trust grows through reliable systems, transparent communication and governance practices that guide every journey with clarity and confidence.

Chennai Central Station stands as a landmark of order, rhythm and coordinated movement. Its design brings people together through systems that operate with clarity, reliability and purpose. This ethos reflects AU Small Finance Bank's approach to Sustainability Reporting. The Bank strengthens governance, risk management, disclosures and customer protection by building frameworks that support confidence and consistent performance. Through clear communication, ethical practices, data stewardship and accountable decision making, AU SFB aims to create an environment where stakeholders can navigate information with assurance. Chennai Central Station mirrors this commitment to structured progress and the steady delivery of actions that inspire trust.

Introduction

Sustainability Reporting forms the foundation of AU Small Finance Bank's commitment to transparency and ethical governance. It goes beyond disclosure to reflect a responsibility to operate with integrity, accountability, and trust. At AU Small Finance Bank, reporting serves as a strategic enabler, embedding governance, risk management, and sustainability into every decision taken.

safeguarded through strong data protection and privacy practices. These efforts reflect the belief that ethical governance, proactive risk management, and customer centricity are essential for long-term value creation.

To drive this vision, Sustainability Reporting initiatives focus on three key areas:



Aligned with BRSR principles and in compliance with RBI and SEBI guidelines, the Bank upholds the highest standards of ethical conduct. Independent assurance and clear communication strengthen stakeholder confidence. Robust frameworks ensure that Board oversight drives governance and ethics. ESG considerations are integrated into risk management and strategy. Customer trust is

Awards



Best Cloud Management and Infrastructure Initiative

ET Now Data Center & Cloud Innovation Summit

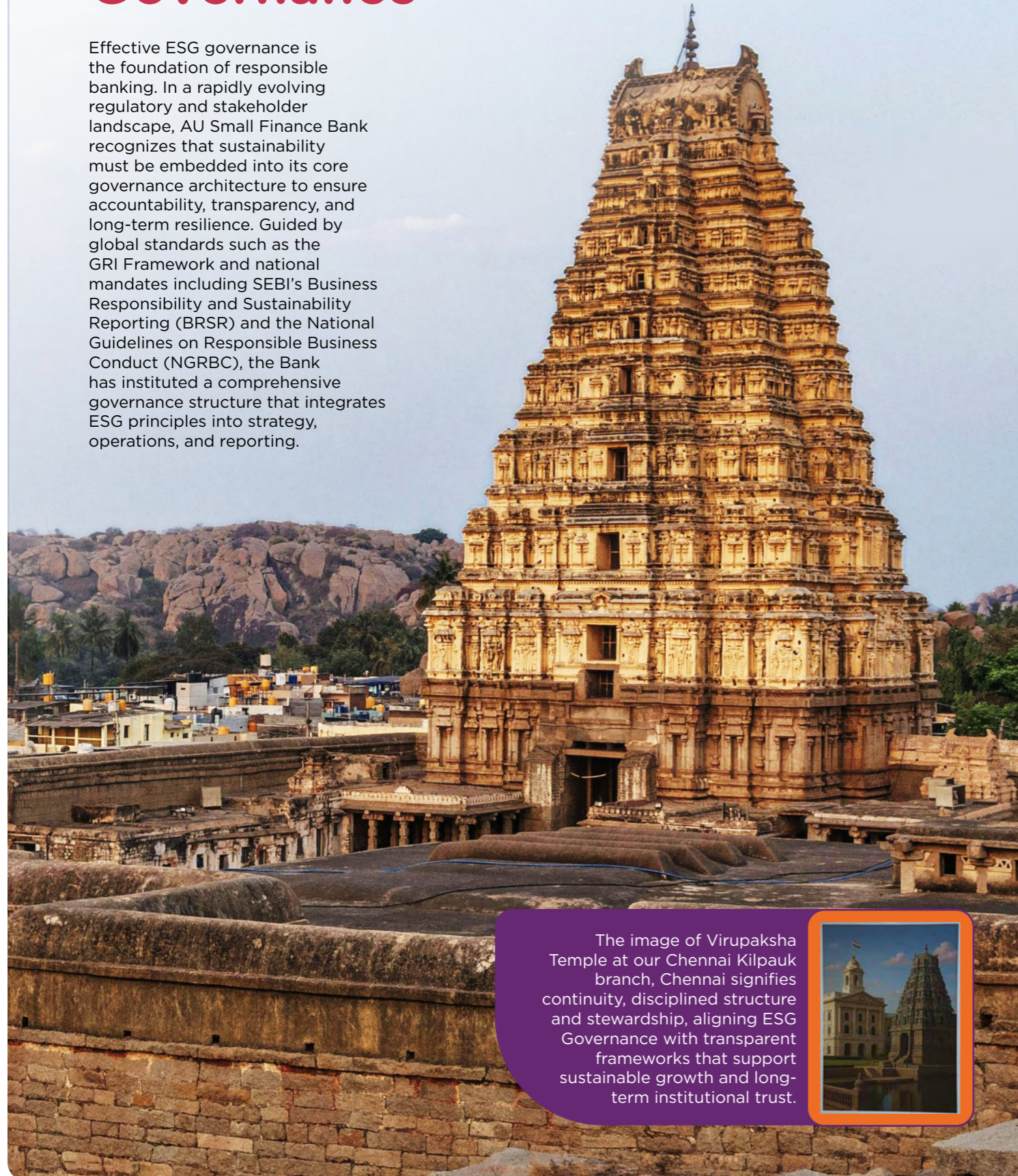


Quantic for Excellence in Continuous Integration/Continuous Delivery Implementation and Automation

(SFB category) BFSI Excellence Awards

ESG Governance

Effective ESG governance is the foundation of responsible banking. In a rapidly evolving regulatory and stakeholder landscape, AU Small Finance Bank recognizes that sustainability must be embedded into its core governance architecture to ensure accountability, transparency, and long-term resilience. Guided by global standards such as the GRI Framework and national mandates including SEBI's Business Responsibility and Sustainability Reporting (BRSR) and the National Guidelines on Responsible Business Conduct (NGRBC), the Bank has instituted a comprehensive governance structure that integrates ESG principles into strategy, operations, and reporting.



The image of Virupaksha Temple at our Chennai Kilpauk branch, Chennai signifies continuity, disciplined structure and stewardship, aligning ESG Governance with transparent frameworks that support sustainable growth and long-term institutional trust.



ESG Oversight at Board and Committee Level

GRI 2: 2-10, 2-11; 2-12; 2-13; 2-14

AU Small Finance Bank has instituted a robust governance structure to embed sustainability across its value chain. This three-tier framework ensures strategic oversight, operational execution, and organization-wide integration, enabling ESG principles to be deeply rooted in decision-making and business practices.

Apex Level: Sustainability Board Committee

At the highest level, the Sustainability Board Committee, chaired by an Independent Director and comprising both Independent and Executive Directors, provide strategic direction and oversight for all ESG initiatives. This Committee

ensures that the Bank's sustainability agenda aligns with long-term business goals and contributes to responsible and inclusive growth. Details regarding its composition, terms of reference, and meeting particulars are disclosed in the Corporate Governance Report annexed to the Board's Report (Annual Report, pg. 147).

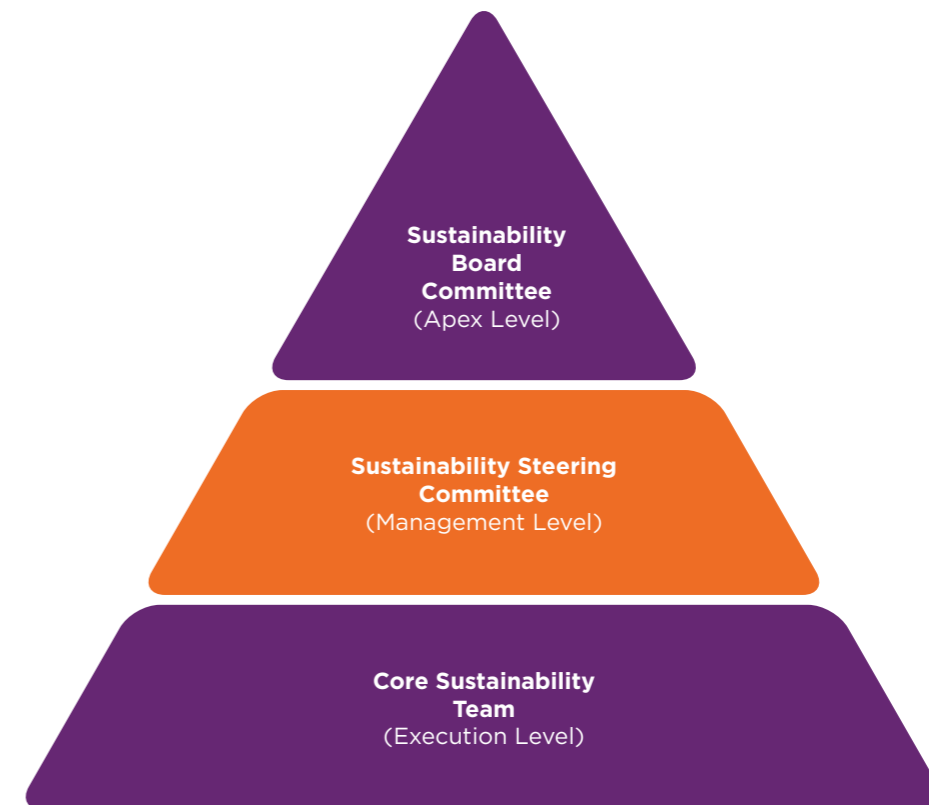
Management Level: Sustainability Steering Committee

The Sustainability Steering Committee operates at the management level and is chaired by the MD and CEO. This Committee translates Board-level directives into actionable plans, monitors progress on ESG priorities and ensures cross-

functional coordination. It serves as the central decision-making body for operationalising sustainability initiatives across business units and support functions.

Executive Level: Core Sustainability Team

At the executive level, the Core Sustainability Team, led by the Head of Sustainability, drives day-to-day implementation of ESG programs. This team is responsible for integrating sustainability into products, processes, and stakeholder engagement, while ensuring compliance with regulatory requirements and alignment with global best practices.



GRI 2: 2-9 Governance structure and composition

The Bank has a well-defined governance framework anchored by the **Board of Directors**, supported by specialized committees that ensure accountability and transparency.

Sustainability Committee Composition

As of March 31, 2025, the **Sustainability Board Committee** - the apex body for ESG oversight is chaired by an Independent Director and includes four Independent Directors and the Managing Director and CEO. The composition is as follows:

Name	Category of Directorship	Role
Ms. Malini Thadani	Independent Director	Chairperson
Ms. Kavita Venugopal	Independent Director	Member
Mr. H. R. Khan	Independent Director	Member
Mr. Kamlesh Vikamsey	Independent Director	Member
Mr. Sanjay Agarwal	Managing Director and CEO	Member

This structure ensures strategic oversight and independence in sustainability governance.

ESG Governance Framework and Oversight

Global sustainability standards and national mandates such as the National Guidelines on Responsible Business Conduct (NGRBC), and SEBI's Business Responsibility and Sustainability Reporting (BRSR) require banks to demonstrate accountability and transparency in ESG performance. For AU Small Finance Bank, ESG governance is a strategic pillar that strengthens stakeholder trust, mitigates long-term risks, and positions the Bank as a leader in responsible banking aligned with India's inclusive and green growth agenda.

Sustainability Strategy and Policy

The Bank's ESG governance covers the formulation and implementation of sustainability strategy, ensuring integration of ESG principles into business objectives, risk frameworks, and decision-making processes. This includes embedding sustainability into Board-level agendas and aligning with global best practices.

Sustainable Finance

AU SFB promotes green financing through products such as Green Loans and Planet First Green Fixed Deposits, guided by its Sustainability Policy and Green Fixed Deposit Policy. These initiatives are validated through independent audits and third-party assurance to ensure credibility and impact.

Operations and Resource Efficiency

The Bank governs operational sustainability through Natural Capital Accounting, Energy Conservation Initiatives, and measures to reduce its carbon footprint across branches and offices. These efforts aim to optimize resource use and minimize environmental impact.

Communities and Social Impact

ESG governance extends to community engagement and social responsibility, ensuring inclusive growth and alignment with stakeholder expectations identified through Materiality Assessments.

Reporting and Regulatory Compliance

Performance and reporting are governed through preparation of the BRSR, mandated by SEBI for the top 1000 listed companies. AU has secured third-party assurance for core ESG indicators, reinforcing transparency and credibility. This approach aligns with NGRBC principles and global ESG norms, ensuring comprehensive disclosure and stakeholder confidence.

Governance is operationalized through structured processes:

- **Strategic Integration:** ESG embedded into core business strategy and Board-level decision-making.
- **Performance Monitoring:** Regular reviews by the Steering Committee and reporting to the Board.
- **Independent Assurance:** Third-party validation of ESG indicators in the BRSR for credibility.

By embedding ESG governance into its organizational DNA, AU SFB ensures strategic coherence, regulatory alignment, and resilience against emerging risks. This approach positions the Bank as a leader in responsible banking, reinforcing trust among regulators, investors, and customers.



Mr. Sanjay Agrawal, MD&CEO of AU SFB, addressing at the CII Rajasthan 7Rs Conclave on World Environment Day

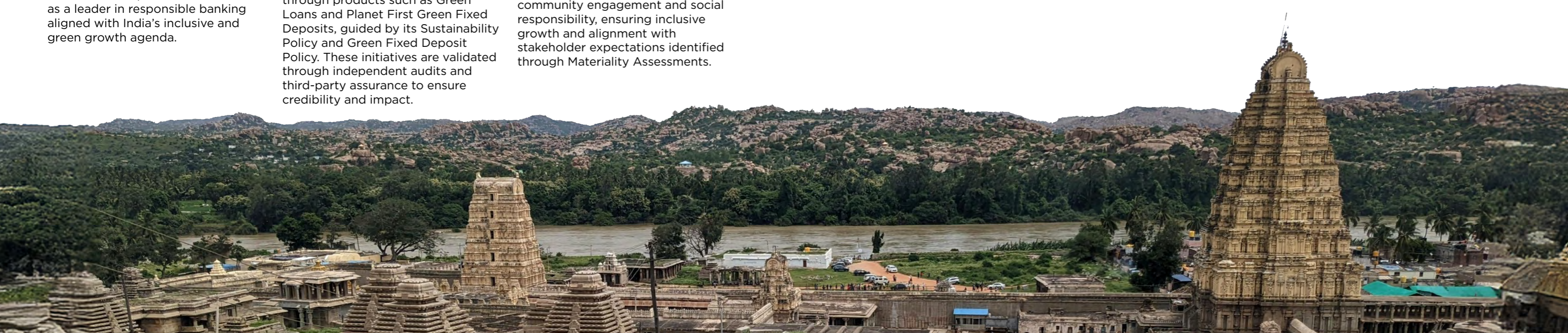
Advocacy and Industry Engagement

GRI 2-28: Membership associations

Stakeholder advocacy is a cornerstone of AU Small Finance Bank's sustainability strategy. The Bank actively engages with national-level trade and industry chambers to promote sustainability-focused policies and practices that benefit both the financial sector and the wider community. The Bank maintains strong affiliations with leading industry bodies, including the Association of Small Finance Banks of India, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Indian Banks Association (IBA), Indian Institute of Banking and Finance (IIBF), Microfinance Institution Network (MFIN), Society of Indian Automobile Manufacturers (SIAM), Fixed Income

Money Market and Derivatives Association of India (FIMMDA), Data Security Council of India (DSCI), and the Foreign Exchange Dealers' Association of India (FEDAI).

Through these memberships, AU SFB actively participates in sectoral dialogues, public forums, conferences, and working groups, enabling alignment with evolving industry standards and contributing to progressive policy frameworks. These collaborations strengthen the Bank's role in shaping sustainable finance practices and ensure that stakeholder interests are represented, keeping the Bank's sustainability agenda relevant, forward-looking, and impactful.



Corporate Governance

Strong governance and unwavering ethics guide every aspect of our operations, ensuring accountability, transparency, and trust across the organization. Through a well-defined governance framework, dedicated ESG oversight, and a culture rooted in integrity, we uphold the highest standards of responsible banking.



The image of Charminar at our Hyderabad Banjara Hills branch, Hyderabad signifies symmetry, balance and coordinated structure, aligning Corporate Governance with clear oversight, fair processes and consistent organisational accountability.



The board of directors as on 31st March 2025 | Starting from top left: Mr. Uttam Tibrewal, Mr. Kamlesh Shivji Vikamsey, Mr. Sanjay Agarwal, Mr. Divya Sehgal, Mr. V. G. Kannan, Ms. Malini Thadani | Sitting from left: Mr. Pushpinder Singh, Mr. Harun Rasid Khan, Mr. Mankal Shankar Sriram, Ms. Kavita Venugopal

Governance Structure

The governance philosophy is anchored in four key pillars: transparency, accountability, independence, and integrity. To embed these principles across operations, a robust Governance, Risk, and Compliance (GRC) framework has been established, aligned with regulatory requirements and global best practices. The Board of Directors provide strategic direction and oversight through a balanced structure comprising executive, non executive, and independent directors. This composition ensures diverse perspectives and independent functioning. The roles of Chairperson and Managing Director and CEO are separated to reinforce checks and balances, while gender diversity is actively promoted through the inclusion of women directors.

The Board operates through specialized committees that strengthen governance and risk management. The Audit Committee of the Board oversees financial reporting integrity and internal controls, while the Risk Management Committee of the Board monitors enterprise wide risks, including ESG related risks. The Nomination and Remuneration Committee ensures

fair and transparent leadership appointments, and the Corporate Social Responsibility Committee guides social impact initiatives. These committees collectively enable timely decision making, strong risk oversight, and adherence to ethical standards.

Diversity and Inclusion in Governance

GRI 405-1: Diversity of Governance Bodies and Employees

The Bank recognizes diversity and inclusion as essential components of strong governance and sustainable growth. The approach is anchored in three dimensions.

Identity and Demographic Diversity

The Board reflects diversity in age and gender, with members ranging from early fifties to early seventies and representation of accomplished women leaders. This ensures balanced perspectives and compliance with regulatory norms.

Cognitive and Intellectual Diversity

Differences in thinking, learning, and problem solving are valued. Board members bring varied educational backgrounds and domain expertise

spanning banking, risk management, technology, and sustainability, enabling informed and innovative decision making.

Experiential Diversity

Directors possess rich professional and life experiences across leadership roles, regulatory bodies, and global institutions. These varied career stages and experiences enhance adaptability and strengthen the talent pipeline.

The age profile of the Board members is as follows: Mr. Harun Rasid Khan at 70, Mr. Kamlesh Shivji Vikamsey at 64, Mr. Kannan Gopalaraghavan Vellur at 68, Mr. Mankal Shankar Sriram at 62, Mr. Pushpinder Singh at 71, Mr. Divya Sehgal at 52, Mr. Sanjay Agarwal at 54, and Mr. Uttam Tibrewal at 54. Gender diversity is represented through Ms. Kavita Venugopal at 68 and Ms. Malini Thadani at 67, both bringing extensive experience and leadership to the Board. This composition demonstrates commitment to fostering diversity in governance bodies in line with regulatory requirements and global best practices.



GRI 2: 2-17: Collective knowledge of the highest governance body

In line with Regulation 25(7) of the Listing Regulations and RBI guidelines, the Bank conducts structured familiarisation programmes for all its directors, including Independent Directors. The Bank places strong emphasis on strengthening the collective knowledge of its highest governance body to enable informed decision-making and effective oversight. To achieve this, comprehensive familiarisation sessions are organized to provide directors with a deep understanding of the Bank's operations, regulatory environment, and strategic priorities.

Name of Director	No. of Trainings Attended
Mr. Harun Rasid Khan	2
Mr. Mankal Shankar Sriram	3
Mr. Pushpinder Singh	3
Mr. Kannan Gopalaraghavan Vellur	1
Mr. Kamlesh Shivji Vikamsey	2
Ms. Kavita Venugopal	2
Ms. Malini Thadani	2
Mr. Sanjay Agarwal	2

Programs for FY 24-25

- Knowledge Program on Agri & Agri Financing and its evolution
- Certification Programmes in IT & Cyber Security for Board Members
- Knowledge Session on Global and Indian Macroeconomic environment

- Workshop on Climate Change Risk Sustainability for the Board Members of Banks, NBFCs Fis

These programs are designed to provide a deep understanding of the Bank's operations, regulatory landscape, and emerging trends shaping the financial sector. The familiarisation sessions are conducted through a blend of internal experts and external specialists who bring deep knowledge in areas such as risk management, regulatory compliance, sustainability, and digital transformation.

Each program is tailored to the Bank's business needs and the directors' existing skill sets, ensuring the content is relevant, practical, and aligned with the Bank's strategic direction. Through these initiatives, directors gain exposure to current industry issues, evolving regulations, and the Bank's long-term priorities, enabling them to contribute meaningfully to governance and oversight.

In FY 2024-25, the Bank strengthened this practice by conducting multiple sessions focused on key developments in banking regulations, corporate governance, and technology-led innovation. Additional details of the familiarisation programme conducted for Independent Directors during the year are available on the Bank's [website](#).

GRI 2-18: Evaluation of the Performance of the Highest Governance Body

The Bank conducts an annual independent internal evaluation of the Board, its Committees, the Chairperson, Independent Directors, and Executive as well as Non Executive Directors in accordance with SEBI's guidance note on Board Evaluation. This process is designed to ensure that the governance structure remains effective, transparent, and aligned with the Bank's strategic objectives. Inputs for the evaluation are gathered through a structured online questionnaire that covers both qualitative and quantitative criteria. To maintain objectivity, directors under evaluation do not participate

in the assessment process.

In addition to the formal evaluation, Independent Directors convene a separate meeting to review the performance of Non Independent Directors, the functioning of the Board, and the effectiveness of the Chairperson's leadership. The evaluation framework encompasses critical aspects such as Board composition and structure, meeting effectiveness, independence, governance practices, leadership quality, strategic execution, and alignment with shareholder interests. This comprehensive approach ensures that the Board continues to uphold the highest standards of governance and accountability.

The key observations and action points arising from the evaluation for FY 2024-25 have been disclosed in the Bank's Annual Report on page 163, reinforcing a commitment to transparency and continuous improvement in governance practices.

GRI 2: 2-19: Remuneration Policies

The Bank follows a Board approved Compensation Policy that is aligned with the Reserve Bank of India guidelines dated November 4, 2019, Section 178 of the Companies Act 2013, and SEBI Listing Regulations. This policy governs remuneration for Executive and Non Executive Directors, Key Managerial Personnel, Senior Management, Material Risk Takers, and Control Function staff. It is designed to ensure fairness, competitiveness, and alignment with prudent risk management principles.

The Independent Directors are entitled to receive the sitting fees of ₹90,000 per meeting for attending the board meetings and ₹55,000 per meeting for attending the committee meetings.

Executive Directors receive remuneration approved by the Board based on recommendations from the Nomination and Remuneration Committee, subject to shareholder approval and RBI clearance. Their compensation structure includes fixed and variable components, incorporating deferral arrangements

along with malus and clawback provisions to address negative performance outcomes.

For senior executives, compensation comprises fixed pay, perquisites, performance bonuses, Employee Stock Options, retirement benefits, and deferred variable pay, ensuring a balanced approach to reward and accountability.

GRI 2: 2-20: Process to Determine Remuneration

The NRC, comprising Independent Directors, is responsible for framing, reviewing, and implementing the Bank's Compensation Policy. It works in close coordination with the Risk Management and Audit Committees to ensure that remuneration structures are aligned with the Bank's risk appetite and regulatory requirements. The NRC evaluates proposals for Executive and Non Executive Directors and Senior Management, which are then placed before the Board for approval. For Directors, these proposals are further submitted to shareholders for consent, and in the case of Executive Directors and the Part time Chairman, RBI approval is also obtained. This multi tiered process ensures transparency, compliance, and alignment with long term strategic objectives.

During FY 2024-25, shareholder approval was sought for the remuneration of key executives. The proposal for Mr. Sanjay Agarwal, Managing Director and CEO, received 99.49% votes in favor, while Mr. Uttam Tibrewal, Whole Time Director and Deputy CEO, also secured 99.99 % votes in favor, reflecting strong shareholder confidence in the Bank's leadership and governance practices.

Board Meetings:

The Board and its Committees meet regularly to review strategic, financial, and regulatory matters in line with the Reserve Bank of India's Calendar of Reviews issued on May 14, 2015, which covers seven critical themes. To strengthen governance and address evolving priorities, the Board has added two new themes, IT Strategy and ESG Strategy Reframe, reflecting a commitment to enhanced oversight in technology and sustainability.

Area of Expertise	Mr. H.R. Khan	Mr. Kamlesh Vikamsey	Mr. V.G. Kannan	Ms. Kavita Venugopal	Ms. Malini Thadani	Mr. M.S. Sriram	Mr. Pushpinder Singh	Mr. Divya Sehgal	Mr. Sanjay Agarwal	Mr. Uttam Tibrewal
Accountancy										
Agriculture & Rural Economy										
Banking										
Business Management										
Co-operation										
Economics										
Finance										
Financial Inclusion										
Human Resources										
Information Technology										
Payment & Settlement										
Risk Management										
Small-Scale Industry										
Sustainability & ESG										
Treasury										

The attendance details of directors at Board Meetings and last Annual General Meeting ("AGM") are as follows:

Name of the Director	Designation	No. of Board Meetings Entitled to Attend	Board Meetings Attended	Attendance at 29th AGM
Mr. H. R. Khan	Part-Time Chairman and Independent Director	11	11	✓
Mr. Kamlesh Vikamsey	Independent Director	11	11	✓
Mr. V. G. Kannan	Independent Director	11	11	✗
Ms. Kavita Venugopal	Independent Director	11	11	✓
Ms. Malini Thadani	Independent Director	11	11	✗
Mr. M. S. Sriram	Independent Director	11	11	✗
Mr. Pushpinder Singh	Independent Director	11	11	✓
Mr. Divya Sehgal	Non-Executive Non-Independent Director	10	7	✓
Mr. Sanjay Agarwal	Managing Director & CEO	11	11	✓
Mr. Uttam Tibrewal	Whole-Time Director and Deputy CEO	11	11	✓

GRI 2-21: Annual Total Compensation Ratio

The Bank discloses the ratio of the annual total compensation of its highest-paid individual to the median annual total compensation of all employees, in line with regulatory requirements. This ratio is calculated in accordance with SEBI and RBI guidelines and is presented in the Bank's Annual Report for FY 2024-25 on page 191. The disclosure underscores the Bank's commitment to transparency, equitable remuneration practices, and adherence to governance norms.

Responsible Banking and Conflict of Interest

GRI 2-15: Conflicts of interest, 2-16: Communication of critical concerns

AU Small Finance Bank adopts a proactive and transparent approach to managing conflicts of interest, ensuring fairness and integrity across all levels of governance.

Policies and Framework

The Bank's Code of Conduct for Directors and Senior Management, along with the Policy on Related Party Transactions, strictly prohibits involvement in situations that could compromise independent judgment. All directors, senior management, and employees are required to disclose any personal or financial interests, including those held by family members. Additionally, prior approval from the Nomination and Remuneration Committee is mandatory before accepting external engagements that may create a conflict of interest.

Monitoring and Disclosures

To maintain transparency, disclosures on complaints related to conflicts of interest are included in the Bank's Annual Report and updated quarterly in the Integrated Governance Report submitted to stock exchanges. Through continuous monitoring, employee engagement, and proactive risk management, AU Small Finance Bank ensures that governance standards remain strong, transparent, and future ready.



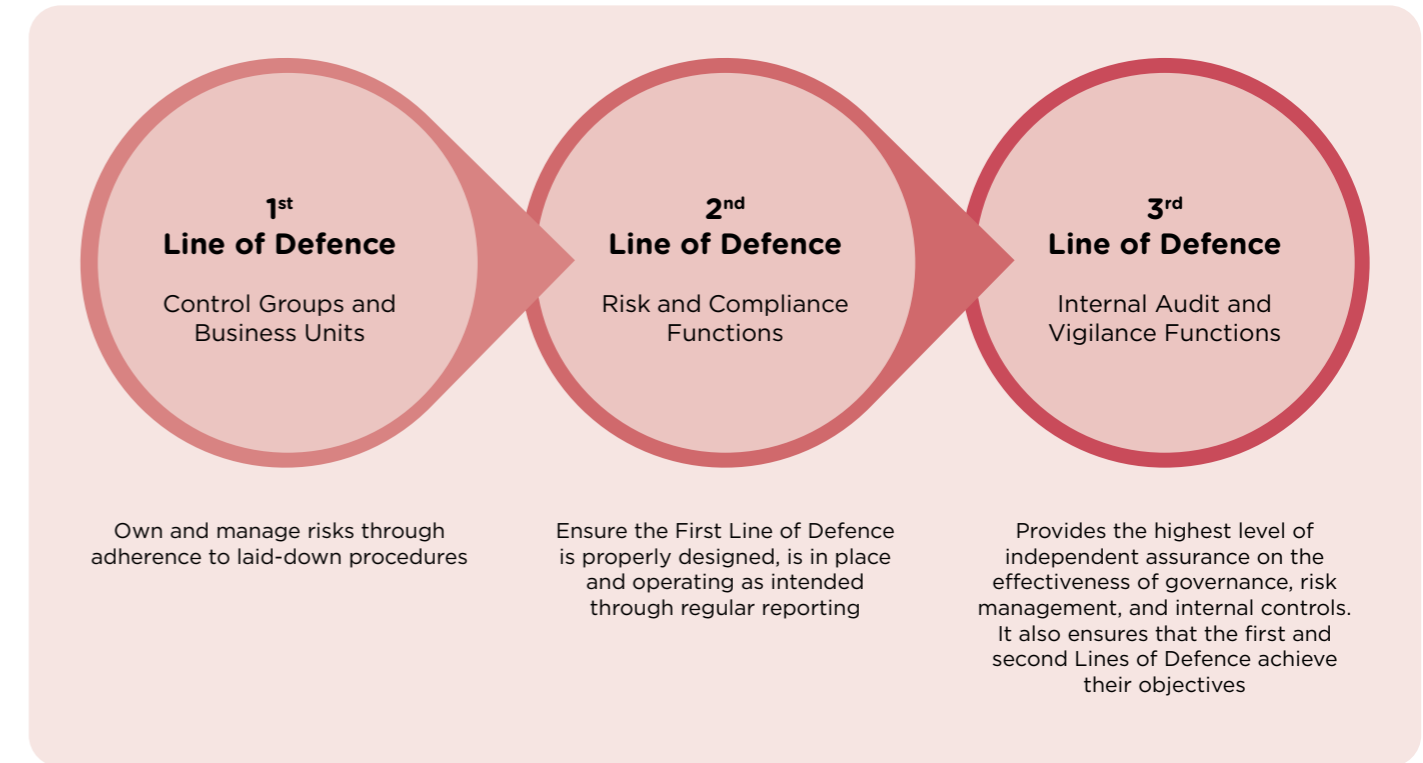
Risk Management and Ethical Practices

In a dynamic financial ecosystem, strong governance and ethical business practices are essential to building trust and resilience. AU Small Finance Bank has established a comprehensive framework that integrates risk management, customer trust and data protection, cybersecurity, and ethical conduct into its core operations. This approach ensures compliance with regulatory

standards, safeguards stakeholder interests, and reinforces the Bank's commitment to transparency and integrity. From robust risk oversight and secure digital infrastructure to zero tolerance policies on corruption and responsible tax practices, AU SFB embeds these principles into every aspect of its business, creating a foundation for sustainable growth and long term stakeholder confidence.



The image of Karl Schmidt Memorial at our GN Chetty Road branch, Chennai signifies vigilance, responsibility and ethical duty, aligning Risk Management with disciplined judgement and strong institutional safeguards.



Risk Management and Oversight

As part of a prudent approach towards managing organisation wide risks, an elaborate Enterprise Risk Management framework has been designed to safeguard the organisation and protect the interests of all major stakeholders, including depositors, customers, employees, and shareholders. Anchored in a robust Three Lines of Defence model, the framework is aligned with a clearly defined risk appetite and supported by comprehensive risk policies, systems, and processes that ensure continuous risk assessment and compliance with internal and regulatory limits. This is reinforced by strong governance, compliance, and internal audit functions, along with periodic monitoring, submission, and review of key reports to relevant management and Board committees.

At the apex of the governance structure, the Board of Directors provide strategic oversight, assisted by the Risk Management Committee of the Board. Under the Risk Management Committee of the Board, specialized committees manage specific risk areas, including the Credit

Risk Management Committee, Information Security Committee, Asset Liability Management Committee, Investment Committee, Operational Risk Management Committee, and the Committee for Outsourcing of Information Technology and Financial Services. The Chief Risk Officer is responsible for implementing risk strategies and coordinating across these committees.

The enterprise risk model covers diverse categories such as Credit Risk, Balance Sheet Risk, Liquidity and Market Risk, Compliance Risk, Operational and Fraud Risk, People Risk, and Information Technology and Information Security Risk, which are further subdivided into risk factors and parameters. Each parameter is assigned a defined weight, reviewed periodically and upon adverse market or regulatory changes. Internal limits that are more stringent than regulatory requirements are maintained to create a buffer for unforeseen circumstances and ensure prudent risk management. Breaches beyond acceptable ranges are promptly reported to the Board Committee for timely mitigation.

To strengthen resilience, bi-annual stress testing is conducted across key risk categories including Credit, Market, Liquidity, Interest Rate, and other material risks. The results are reviewed by the Risk Management Committee of the Board and inform mitigation strategies, contingency planning, and capital and liquidity management under stressed conditions. Additionally, the capital management framework includes an annual Internal Capital Adequacy Assessment Process to determine optimal capitalization levels and reinforce structured risk governance. These mechanisms ensure systems remain resilient, scalable, and capable of supporting sustainable growth while safeguarding financial stability.

This structured and systematic approach provides confidence that risk management systems are robust, aligned with long term growth objectives, and effectively support the ambition for sustainable and resilient growth.

Customer Trust and Data Protection

In an increasingly digital banking environment, safeguarding customer trust and data security is paramount. AU Small Finance Bank recognizes that secure and transparent digital interactions form the foundation of customer confidence. By combining advanced technology with rigorous security protocols, the Bank ensures that every transaction is protected and every customer experience is seamless. This commitment extends beyond compliance and reflects AU SFB's core philosophy of delivering banking services that are safe, accessible, and customer-centric while driving financial inclusion through innovative digital solutions.



| Video Banking for superior customer-service

Secure Digital Banking Infrastructure

AU Small Finance Bank continues to strengthen its digital ecosystem to deliver secure, seamless, and customer-centric banking experiences. Through robust online and mobile banking platforms, the Bank ensures convenient access to financial services while prioritizing security. Advanced technologies such as AI-powered chatbots for customer support, blockchain-based transaction security, and biometric authentication reflect the Bank's commitment to digital excellence and trust.

The Bank's digitization initiatives include AU 101, video banking facilities, e-receipts, automated e-receipt generation, and specialized platforms such as AU DigiTrade for MSMEs and AU Remit for NRIs and residents, enabling efficient cross-border transactions. AU's technology strategy is anchored on six principles which are high availability, security, agility, speed, scalability, and customer-centricity. It is supported by consistent investment of

8 to 10 percent of operating expenses, a strong in-house technology team, and strategic partnerships with global technology leaders.

By promoting mobile banking, digital KYC, and online transactions, the Bank advances financial inclusion and ensures a secure, accessible digital banking experience for all customer segments.

GRI 417-2: Incidents of non-compliance concerning product and service information and labeling

AU Small Finance Bank ensures transparent and accessible product information through multiple channels, including its official website, AU 0101 mobile app, branches, customer support centers, and relationship managers. Beyond statutory requirements, the Bank provides detailed product insights through brochures, welcome kits, FAQs, and post-onboarding communication. Regular updates are shared through email, SMS, WhatsApp, and social media campaigns, enabling customers to make informed decisions with ease.

Customer Service

AU Small Finance Bank's Customer Service Policy reflects its unwavering commitment to fair, transparent, and inclusive banking practices. The policy establishes clear governance structures, defines customer rights,

and sets service standards across deposits, loans, branches, and locker facilities. It places strong emphasis on grievance, redressal, privacy, and non-discrimination, ensuring that every customer interaction is guided by principles of equity and trust.

Accessibility and timely communication are central to this policy, supported by multiple service channels including branches, digital platforms, and secure video banking. The policy also incorporates robust mechanisms for handling complaints, unauthorized transactions, and settlement of claims, reinforcing AU SFB's focus on customer satisfaction and long-term trust.

Grievance Redressal Framework

To translate this commitment into action, AU Small Finance Bank has implemented a comprehensive and customer-centric grievance redressal framework designed to ensure timely and effective resolution of complaints and feedback. This framework is fully aligned with regulatory guidelines and reflects the Bank's dedication to service excellence and transparency.

Customers can lodge complaints through multiple accessible

channels, including a 24x7 customer care helpline, direct interaction with branch officials, and digital platforms such as the Bank's website and dedicated service email IDs. Complaints can be submitted via an online form or by writing to customercare@aubank.in. Each complaint is acknowledged with a unique reference number, recorded in the CRM system, and resolved within defined turnaround times.

If a grievance remains unresolved within 30 days or is rejected, customers have the right to escalate the matter to the Banking Ombudsman under the Reserve Bank of India's Integrated Ombudsman Scheme. Additionally, the Bank conducts root cause analyses of complaints to identify systemic issues and implement corrective actions, ensuring continuous improvement in service delivery and strengthening customer confidence.

For more details, please refer to our Grievance Redressal Mechanism:

<https://www.au.bank.in/grievance-redressal-mechanism-grievance-redressal-mechanism.pdf>

Data Privacy Policies and Cybersecurity

AU Small Finance Bank is committed to safeguarding customer data and ensuring robust cybersecurity across its operations. The Bank's Information Security Strategy is designed in alignment with key regulatory guidelines, including:

- Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices (RBI/2023-24/107)
- Cyber Security Framework in Banks (RBI/2015-16/418)
- Gopalakrishna Committee Report on Information Security, Electronic Banking, Technology Risk Management, and Cyber Frauds (2011)
- Master Directions on Cyber Resilience and Digital Payment Security Controls (DPSC) for Payment System Operators (RBI/2023-24/June 02, 2023)

Customer Delight Programs

AU Small Finance Bank goes beyond regulatory compliance by introducing customer delight initiatives that focus on convenience, speed, and personalized care. These programs are designed to ensure that every interaction reflects the Bank's commitment to service excellence and trust-building.

- **Video Banking: Personalized Assistance Anytime, Anywhere**
- AU SFB offers secure Video Banking services, enabling customers to access both financial and non-financial services related to assets, credit cards, and liabilities from the comfort of their homes, offices, or any location. Real-time interaction ensures personalized assistance and convenience, positioning AU SFB as a pioneer in delivering comprehensive video banking support.

- **Dedicated Special Desk for Quick Resolutions**

- To enhance efficiency, the Bank has established a Special Desk exclusively for Asset and Liability customers, providing instant services and quick resolutions. This initiative reinforces AU SFB's commitment to transparency and reliability, ensuring faster turnaround times and personalized care.

- **Proactive Compensation for Service Deficiencies**

- The Bank proactively compensates customers for identified service deficiencies without waiting for complaints, through fee waivers or monetary benefits. For example, when a single complaint revealed delays affecting over 50 customers, AU SFB immediately dispatched revised deliverables and extended monetary compensation along with an apology email, demonstrating its proactive approach to customer trust.

Information Security Governance

The Bank has institutionalized a Board-approved Information Security and Cybersecurity Policy, supported by a Cyber Security Crisis Management Plan (CCMP). A capable and empowered organizational structure oversees Infrastructure Security, SOC (Security Operations Centre) Management, Cybersecurity Operations, IS Governance, and Cloud Security.

Comprehensive ISMS Framework

AU operates a robust Information Security Management System (ISMS) that covers access control, incident response, encryption, business continuity planning, and malware protection. Cybersecurity controls are aligned with the NIST framework, ensuring effective risk management across endpoint, network, and application security layers.

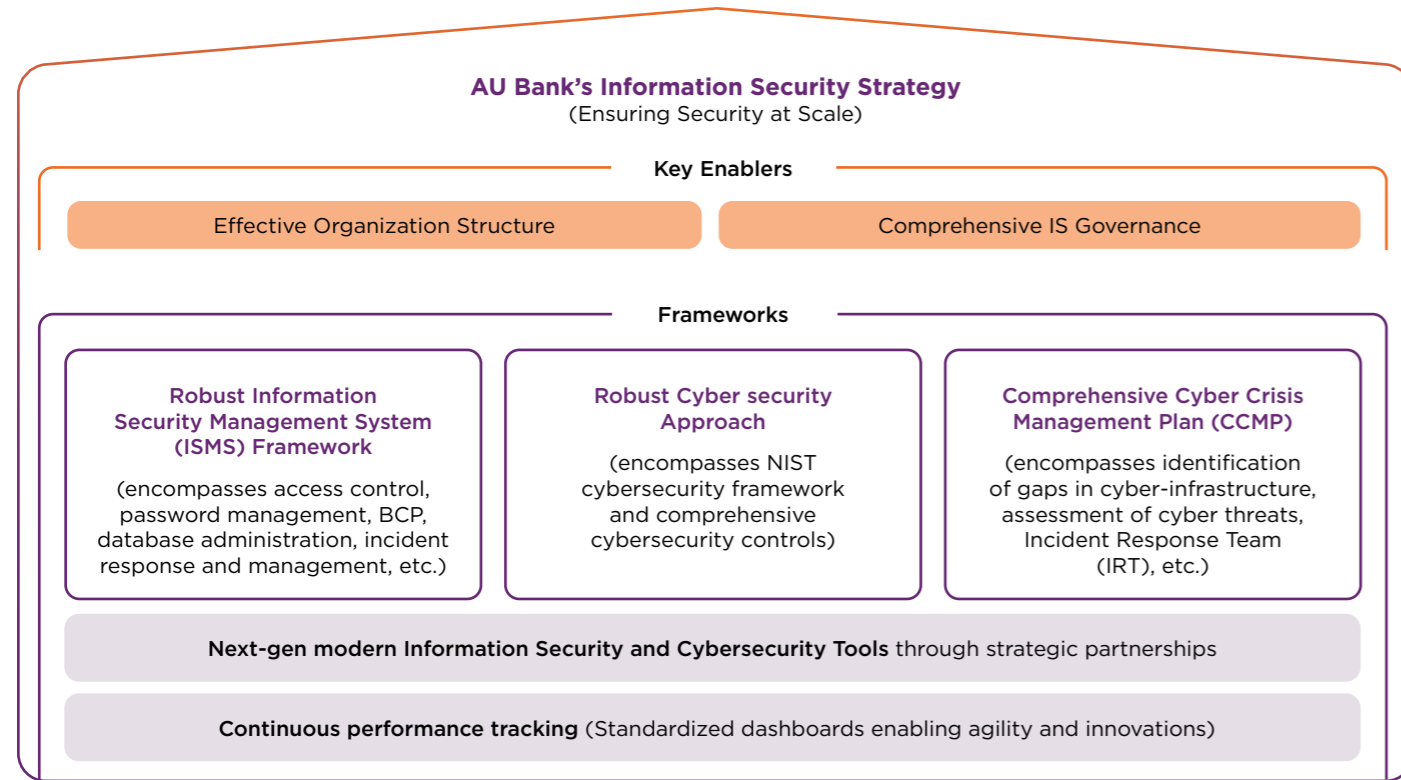
Cyber Crisis Management and Advanced Tools

To minimize the impact of unforeseen cyber incidents, AU has implemented a Cyber Crisis Management Plan with clear protocols for identification, assessment, and response, supported by an Incident Response Team (IRT). The Bank leverages next-generation SaaS-based security tools and collaborates with top-tier technology partners to maintain cutting-edge protection.

Monitoring and Performance Tracking

A centralized dashboard provides real-time visibility into security metrics, including endpoint security, DLP alerts, and vulnerability assessments. This enables swift response and continuous improvement in security posture. With consistent investment in best-

in-class platforms, tools, and in-house technology talent, AU has built a scalable, secure, and compliant technology architecture capable of managing transactions at scale while ensuring data privacy and customer trust.



GRI 205-1: Operations Assessed for Risks Related to Corruption

Vigilance and Anti-Corruption Framework

To uphold integrity and prevent misconduct, AU Small Finance Bank operates an independent Vigilance Department, supported by a strict zero-tolerance approach to bribery and corruption under the Anti-Bribery and Anti-Corruption (ABAC) Policy. This policy applies to employees, directors, and business associates, defining bribery, conflicts of interest, and facilitation payments. It is publicly available at www.au.bank.in/notice-board

Three Pillars of Vigilance

The Bank's vigilance framework rests on three pillars:

- Preventive Vigilance:** Background verification and CIBIL checks during onboarding, regular advisories on data security and sourcing diligence, employee awareness programs, and process reviews to identify corruption-prone areas.
- Detective Vigilance:** Investigation of complaints and alerts received through secure channels.
- Punitive Vigilance:** Corrective actions and disciplinary measures following investigations.

Whistle Blower Policy and Reporting Channels

Employees, customers, and stakeholders can report concerns via email, phone, written application, intranet, or in-person. A strict No Retaliation policy ensures protection for those acting in good faith. The policy is publicly available at www.au.bank.in/investors/secretarial-policies. All cases are reviewed monthly by the Vigilance Department and reported to the Whistle Blower Committee and Audit Committee of the Board. In FY 2024-25, 12 cases were presented and resolved.

GRI 205 - 2: Communication and training about anti-corruption policies and procedures

Employee Categories	Completed	Pending	Grand Total	Completion Percentage
Associates	43,354	2,610	45,964	94%
Middle Management	4,212	168	4,380	96%
Senior Management	470	34	504	93%
Top Management	62	36	98	63%
Grand Total	48,098	2,848	50,946	94%

Preventive Vigilance and Awareness

Preventive vigilance is embedded in our governance ethos, fostering integrity and ethical conduct through:

- Vigilance Awareness Training:** Case-based modules, self-assessments, and integrity pledges on Whistle Blower and Anti-Corruption policies.
- Employee Advisories:** Regular updates on data security, sourcing diligence, and process adherence.
- Vigilance Awareness Week:** Conducted annually per CVC guidelines to reinforce ethical values.
- Whistle Blower Posters:** Displayed across branches and offices with reporting details.
- Surprise Branch Inspections:** Periodic checks to assess compliance and identify vulnerabilities.

Ethical Business Practices

Ethical conduct, integrity, and compliance are central to AU Small Finance Bank's operations. The Bank upholds the highest standards of professionalism, transparency, and accountability through a robust Code of Conduct and a comprehensive Anti-Money Laundering (AML) framework. These policies emphasize honesty, fairness, and respect in every interaction, while ensuring strict adherence to legal and regulatory requirements.

By embedding these principles into daily operations, AU Small Finance Bank fosters a culture of vigilance and accountability, ensuring that its purpose of serving with trust, transparency, and responsibility is consistently upheld.

CUSTOMER ONBOARDING ADVISORY VIGILANCE AWARENESS

Capture correct email ID / phone number of customers at the time of onboarding

- At the time of onboarding, we need to ensure that the customer's correct details are captured as provided by the customer only, specifically phone number, email address, etc.
- Never enter your own contact number or email ID in the customer's data during onboarding.
- Employees must ensure such malpractice does not occur. Upon identification of such an act, necessary strict disciplinary action will be taken against the erring staff.

ऑनबोर्डिंग के समय ग्राहकों की सही ईमेल आईडी / फोन नंबर का उल्लेख करें

- ग्राहक के बैंक में ऑनबोर्डिंग करते समय यह सुनिश्चित करना चाहिए कि ग्राहक द्वारा प्रदान किए गए सही विवरण ही दर्ज किए जाएं। विशेष रूप से फोन नंबर, ईमेल आईडी आदि का उल्लेख करें।
- ऑनबोर्डिंग के समय कभी भी ग्राहक की जानकारी में अपना संपर्क नंबर/ई-मेल ID दर्ज न करें।
- कर्मचारियों को यह सुनिश्चित करना चाहिए कि ऐसा कदाचार न हो। इस तरह के कार्य की पहचान होने पर संबंधित कर्मचारी के खिलाफ आवश्यक सख्त अनुशासनात्मक कार्रवाई की जा सकती है।



Anti-Money Laundering Training Session for the employees of AU SFB

Regulatory Compliance

AU Small Finance Bank operates within a robust framework of legal and ethical standards, ensuring full compliance with all applicable laws, regulations, and industry norms. Our governance and operational practices are designed to uphold transparency, accountability, and integrity across every function of the Bank.

To reinforce this commitment, we conduct regular audits, comprehensive policy reviews, and mandatory employee training programs, ensuring that regulatory requirements and ethical conduct are consistently met. Compliance

is embedded into core business processes, enabling proactive risk management and safeguarding stakeholder interests.

By integrating compliance into our operational DNA, AU SFB not only maintains trust and credibility but also supports sustainable and responsible growth, aligning with the highest standards of governance and ethical banking practices.

Brand and Reputation Management

As AU Small Finance Bank advances toward becoming a future-ready institution, building a strong, stable, and diversified deposit base remains

a cornerstone of its strategic vision. This foundation is critical for ensuring resilience and supporting inclusive growth. Our roadmap emphasizes deepening customer engagement, expanding geographic reach, enhancing digital capabilities, and optimizing the cost of funds.

Through a segment-led and inclusive approach, we are strengthening our deposit franchise across retail, business, and government segments, ensuring that our growth is both long-term and sustainable. These efforts not only reinforce financial stability but also enhance stakeholder confidence, positioning AU SFB as a trusted partner in India's evolving financial ecosystem.

Approach to Tax

GRI 207-1: Approach to Tax; 207-2; 207-3; 207-4

AU Small Finance Bank (AUSFB) adopts a transparent, compliant, and responsible approach to taxation, ensuring full adherence to applicable laws and regulations. We do not engage in aggressive tax planning; instead, tax matters are managed with prudence and diligence, guided by internal experts and external advisors. All tax positions are well-reasoned, documented, and defensible.

Governance and Oversight

Tax strategy is overseen by senior management under the guidance of the Audit Committee of the Board (ACB), with periodic reviews by the Internal Audit Department. Strong documentation and record-keeping

practices support compliance and minimize litigation risk.

Compliance and Practices

AUSFB recognizes its responsibility as a corporate taxpayer by ensuring timely and accurate payment of direct and indirect taxes. We actively support government initiatives such as GST implementation, digital tax filing, and TDS compliance. Our robust tax strategy has resulted in negligible tax litigation.

Stakeholder Engagement

The Bank engages proactively with regulators, tax authorities, auditors, and investors on tax-related matters. Internally, the tax function collaborates with finance, legal,

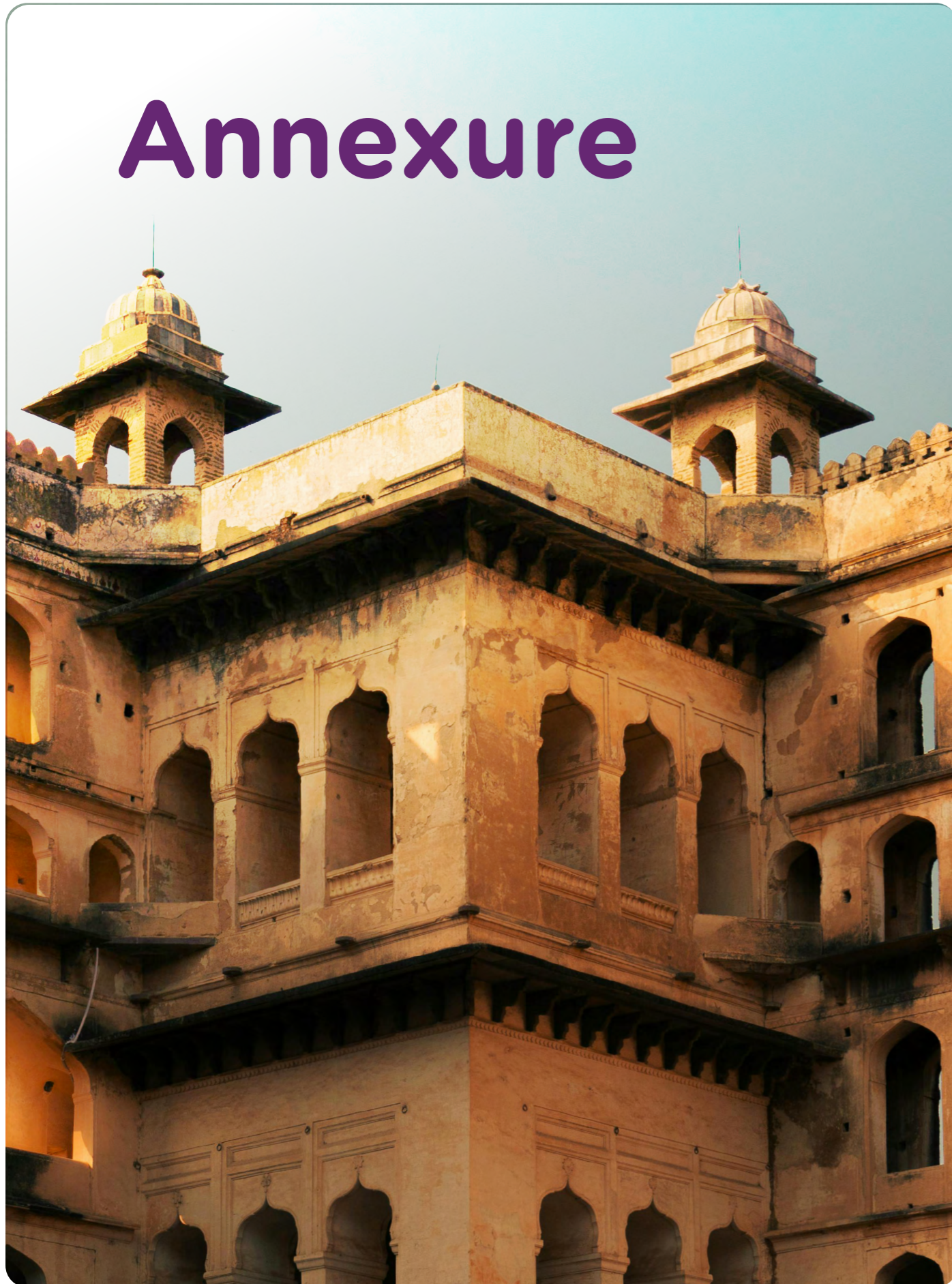
procurement, and business teams to ensure correct application of GST, TDS, and other levies.

Country-Specific Reporting

As AUSFB operates solely within India, tax reporting and financial disclosures are made on a country-specific basis. We do not fall under the purview of multinational Country-by-Country (CbC) reporting. However, we ensure complete compliance with domestic requirements under the Income Tax Act, 1961 and the GST Act, supported by strong documentation, digital filing, and minimal litigation.

ESG Score Board

	AA (Leader)
	17.1 (Low Risk)
	80%
	79.5
	76.09
	2.9
	42
	D (Climate Disclosure)



Annexure

GRI Table

GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
	Statement of use	AU Small Finance Bank has reported the information cited in this GRI content index for the period 01-04-2024 to 31-03-2025 with reference to the GRI Standards.	About the report
GRI			
GRI 1: Foundation			
GRI 2: General Disclosure			
2-1	Organizational details	12	About the Report
2-2	Entities included in the organization's sustainability reporting	28	Scope and Boundary
2-3	Reporting period, frequency and contact point	Reporting period for FY 2024-25 covers 1 April 2024 to 31 st March 2025, and the report is prepared on an annual basis. For further information, please contact: Ms. Sunanda Sharma (Head - Sustainability), Telephone: 0141-411060/61, Email: sustainability@au.bank.in	GRI Table
2-4	Restatements of information	NIL	GRI Table
2-5	External assurance	Intertek India Private Limited ("Intertek") was engaged by AU Small Finance Bank Ltd ("AU Bank") to provide an independent limited assurance on its Sustainability Report for FY 2025 ("the Report"). The scope of the Report comprises the reporting period of 1st April 2024 to 31st March 2025. The Report is prepared by AU Bank with reference to Global Reporting Initiative (GRI) Standards.	GRI Table
2-6	Activities, value chain and other business relationships	12	Organization overview
2-7	Employees	55	Inclusion culture
2-8	Workers who are not employees	NA	-
2-9	Governance structure and composition	97	ESG Oversight at Board and Committee Level
2-10	Nomination and selection of the highest governance body	97	ESG Oversight at Board and Committee Level
2-11	Chair of the highest governance body	Chair of the sustainability committee is non - executive director	ESG Oversight at Board and Committee Level



GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	110	Ethical Business practices
205-2	Communication and training about anti-corruption policies and procedures	110	Vigilance and Anti-Corruption Framework
205-3	Confirmed incidents of corruption and actions taken	BRSR: P1E5	Annual Report FY2024-25
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	NIL	GRI Table
GRI 207: Tax 2019			
207-1	Approach to tax	112	Approach to tax
207-2	Tax governance, control, and risk management	112	Approach to tax
207-3	Stakeholder engagement and management of concerns related to tax	112	Approach to tax
207-4	Country-by-country reporting	112	Approach to tax
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	NA	-
301-2	Recycled input materials used	BRSR: P2L3	Annual Report FY2024-25
301-3	Reclaimed products and their packaging materials	NA	-
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	61	Energy & Emissions
302-2	Energy consumption outside of the organization	61	Energy & Emissions
302-3	Energy intensity	61	Energy & Emissions
302-4	Reduction of energy consumption	61	Energy & Emissions
302-5	Reductions in energy requirements of products and services	NA	-
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	251673.24 KL water discharged in the municipal drainage after first level treatment.	GRI Table
303-2	Management of water discharge-related impacts	NA	-

GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
303-3	Water withdrawal	Total Water withdrawal and consumption from third party: 5,66,264.79 KL	GRI Table
303-4	Water discharge	Total water Discharged 251673.24 KL into municipal water drain after first level treatment	GRI Table
303-5	Water consumption	5,66,264.79 KL	GRI Table
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NA	-
304-2	Significant impacts of activities, products, and services on biodiversity	As an institution providing financial services, the Bank does not cause any significant, direct impact on biodiversity. The Bank's offices and Branches are not operated in and around the ecologically sensitive areas.	GRI Table
304-3	Habitats protected or restored	NA	-
304-4i	IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA	-
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	61	Energy & Emissions
305-2	Energy indirect (Scope 2) GHG emissions	61	Energy & Emissions
305-3	Other indirect (Scope 3) GHG emissions	61	Energy & Emissions
305-4	GHG emissions intensity	9	Highlights
305-5	Reduction of GHG emissions	62	Renewable Energy Roadmap & Efficiency
305-6	Emissions of ozone-depleting substances (ODS)	NA	-
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	NA	-
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	NA	-



GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
306-2	Management of significant waste-related impacts	64	Renewable Energy Roadmap & Efficiency
306-3	Waste generated	64	Renewable Energy Roadmap & Efficiency
306-4	Waste diverted from disposal	65	Renewable Energy Roadmap & Efficiency
306-5	Waste directed to disposal	65	Renewable Energy Roadmap & Efficiency
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	NA	-
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	66	Value Chain and Human Rights Stewardship
308-2	Negative environmental impacts in the supply chain and actions taken	In accordance with its Sustainability Procurement Guidelines, the Bank encourages supply chain partners to align with environmental best practices. However, the Bank has not yet conducted formal assessments of its value chain partners for environmental impacts	GRI Table
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	56	Inclusion Culture
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56	Inclusion Culture
401-3	Parental leave	56	Inclusion Culture
GRI 402: Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Relocation leave is provided only for business transfers of existing employees, with 3 days for intra-state and 5 days for inter-state relocation. All other benefits will follow the Bank's relocation policy.	GRI Table
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	BRSR: P3-E10 a	Annual Report FY2024-25
403-2	Hazard identification, risk assessment, and incident investigation	NA	-
403-3	Occupational health services	BRSR: P3E10a	Annual Report FY2024-25

GRI No.	Title of disclosure	Location, Page No./Remarks	Placement																																
403-4	Worker participation, consultation, and communication on occupational health and safety	NA	-																																
403-5	Worker training on occupational health and safety	NA	-																																
403-6	Promotion of worker health	NA	-																																
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	NA	-																																
403-8	Workers covered by an occupational health and safety management system	NA	-																																
403-9	Work-related injuries	403-9 & 403-10 Work-related injuries	GRI Table																																
		<table border="1"> <thead> <tr> <th>Safety Incident/Number</th> <th>Category</th> <th>FY 2024-25</th> <th>FY 2023-24</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</td> <td>Employees</td> <td>0</td> <td>0</td> </tr> <tr> <td>Workers</td> <td>Not Applicable</td> <td></td> </tr> <tr> <td rowspan="2">Total recordable work-related injuries</td> <td>Employees</td> <td>0</td> <td>0</td> </tr> <tr> <td>Workers</td> <td>Not Applicable</td> <td></td> </tr> <tr> <td rowspan="2">No. of fatalities</td> <td>Employees</td> <td>0</td> <td>0</td> </tr> <tr> <td>Workers</td> <td>Not Applicable</td> <td></td> </tr> <tr> <td rowspan="2">High consequence work-related injury or ill-health (excluding fatalities)</td> <td>Employees</td> <td>0</td> <td>0</td> </tr> <tr> <td>Workers</td> <td>Not Applicable</td> <td></td> </tr> </tbody> </table>	Safety Incident/Number	Category	FY 2024-25	FY 2023-24	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0	Workers	Not Applicable		Total recordable work-related injuries	Employees	0	0	Workers	Not Applicable		No. of fatalities	Employees	0	0	Workers	Not Applicable		High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0	Workers	Not Applicable		
Safety Incident/Number	Category	FY 2024-25	FY 2023-24																																
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0																																
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High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0																																
	Workers	Not Applicable																																	
403-10	Work-related ill health	NIL	GRI Table																																
GRI 404: Training and Education 2016																																			
404-1	Average hours of training per year per employee	58	Future-ready Workforce																																
404-2	Programs for upgrading employee skills and transition assistance programs	58	Future-ready Workforce																																
404-3	Percentage of employees receiving regular performance and career development reviews	58	Future ready workforce																																
GRI 405: Diversity and Equal Opportunity 2016																																			
405-1	Diversity of governance bodies and employees	101	Governance Structure																																



GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
405-2	Ratio of basic salary and remuneration of women to men	56	Inclusion culture

GRI 406: Non-discrimination 2016

406-1 Incidents of discrimination and corrective actions taken GRI Table

Particulars	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Discrimination at Workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

GRI 410: Security Practices 2016

410-1	Security personnel trained in human rights policies or procedures	Our Learning & Development function primarily focuses on employee training across various departments. Training for outsourced or third-party personnel, such as security staff, is typically managed by the Administration team, which oversees facility and security operations. This may include programs on human rights and ethical conduct	GRI Table
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GRI 411: Rights of Indigenous Peoples 2016

411-1	Incidents of violations involving rights of indigenous peoples	NA	-
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GRI 412: Human Rights Assessment 2016

412-1	Operations that have been subject to human rights reviews or impact assessments	NA	-
412-2	Employee training on human rights policies or procedures	NA	-
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	NA	-

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	76	CSR overall
-------	--	----	-------------

GRI No.	Title of disclosure	Location, Page No./Remarks	Placement
413-2	Operations with significant actual and potential negative impacts on local communities	NA	-

GRI 414: Supplier Social Assessment 2016

414-1	New suppliers that were screened using social criteria	67	Sustainable Procurement Guideline
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GRI 415: Public Policy 2016

415-1	Political contributions	NIL	GRI Table
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GRI 416: Customer Health and Safety 2016

416-1	Assessment of the health and safety impacts of product and service categories	NA	-
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416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Number</th> <th>Reasons for recall</th> </tr> </thead> <tbody> <tr> <td>Voluntary recalls</td> <td rowspan="2">Not Applicable</td> <td rowspan="2"></td> </tr> <tr> <td>Forced recalls</td> </tr> </tbody> </table>	Particulars	Number	Reasons for recall	Voluntary recalls	Not Applicable		Forced recalls	GRI Table
Particulars	Number	Reasons for recall								
Voluntary recalls	Not Applicable									
Forced recalls										

The Bank has not realized an incident of non-compliance w.r.t. health & safety impact of either its products or services during the reported FY.

GRI 417: Marketing and Labeling 2016

417-1	Requirements for product and service information and labeling	NA	-
417-2	Incidents of non-compliance concerning product and service information and labeling	Content	Customer Trust and Data Protection
417-3	Incidents of non-compliance concerning marketing communications	NA	-

GRI 418: Customer Privacy 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. Number of instances of data breaches: None b. Percentage of data breaches involving personally identifiable information of customers: Not Applicable c. Impact, if any, of the data breaches: Not Applicable	GRI Table
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GRI 419: Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area	NA	-
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**Note 3:** 302-1 and 302-3 Energy consumption within the organization

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) (in GJ)	3,911.18	1,859.88
Total fuel consumption (B) (in GJ)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources(A+B+C) (in GJ)	3,911.18	1,859.88
From non-renewable sources (in GJ)		
Total electricity consumption (D)	1,41,163.60	84,674.90
Total fuel consumption (E)	4,276.54	4,274.76
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,45,440.14	88,949.66
Total energy consumed (A+B+C+D+E+F)	1,49,351.31	90,809.54
Energy intensity per million INR Revenue	0.8034	-
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	16.41	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) - the relevant metric may be selected by the entity	2.93 GJ/FTE	2.99 GJ/FTE

Note 4: 303-3 and 5 Water withdrawal

Water withdrawal	5,66,264.79 KL (Third party water of different hardness)
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BRSR Index

The detailed BRSR Index can be accessed in our Integrated Annual Report FY 2024-25, on pages 196 to 236.

Assurance Statement



Independent Limited Assurance Statement to AU Small Finance Bank Ltd. on Selected Sustainability Disclosures Reported in Sustainability Report FY 2025

To the Management of AU Small Finance Bank Ltd. Jaipur, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by AU Small Finance Bank Ltd ("AU Bank") to provide an independent limited assurance on the selected sustainability disclosures reported in Sustainability Report for FY 2025 ("the Report"). The Report is prepared by AU Bank based on Global Reporting Initiative (GRI) Standards for the reporting period of 1st April 2024 to 31st March 2025.

The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability-related disclosures, as declared in the report, were not accurate, complete, consistent, transparent and free of material error or omission.

Intended Users

This Assurance Statement is intended to be a part of the Sustainability Report FY 2025 of AU Small Finance Bank Ltd.

Responsibilities

The management of AU Bank is solely responsible for data collection, preparation, development of the Report and presentation of the selected disclosures aligned with the selected criteria. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of AU Bank, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

Assurance has been provided for selected sustainability performance disclosure reported by AU Bank in its Report. The assurance boundary included data and information for the operations in India based on GRI standards. Our scope of assurance included verification of data and information on selected disclosures reported as summarized below:





GRI Indicator	Description of Indicator
2-1	Organizational details: Legal name, ownership, headquarters, countries of operation.
2-2	Entities included in sustainability reporting: Scope and boundary of reporting entities.
2-3	Reporting period, frequency, and contact point.
2-6	Activities, value chain, and other business relationships.
2-7	Employees: Total number by category, gender, etc.
2-9	Governance structure and composition.
2-14	Role of the highest governance body in sustainability reporting.
2-15	Conflicts of interest: How they are managed.
2-21	Annual total compensation ratio.
2-22	Statement on sustainable development strategy.
2-28	Membership associations.
2-29	Approach to stakeholder engagement.
3-1	Process to determine material topics.
3-2	List of material topics.
3-3	Management of material topics.
202-1	Ratios of standard entry-level wage compared to local minimum wage.
202-2	Proportion of senior management hired from local community.
204-1	Proportion of spending on local suppliers.
205-1	Operations assessed for risks related to corruption.
205-2	Communication and training on anti-corruption policies.
205-3	Confirmed incidents of corruption and actions taken.
206-1	Legal actions for anti-competitive behaviour.
302-1	Energy consumption within the organization (fuel, electricity, heating, cooling).
302-2	Energy consumption outside the organization (upstream/downstream).
302-3	Energy intensity (ratio of energy use to output).
302-4	Reduction of energy consumption through initiatives.

GRI Indicator	Description of Indicator
303-1	Interactions with water as a shared resource.
303-3	Water withdrawal by source.
303-4	Water discharge by destination and quality.
303-5	Water consumption (net use).
305-1	Direct (Scope 1) GHG emissions.
305-2	Indirect (Scope 2) GHG emissions from purchased energy.
305-3	Other indirect (Scope 3) GHG emissions.
305-4	GHG emissions intensity.
305-5	Reduction of GHG emissions.
306-2	Management of significant waste-related impacts.
306-3	Waste generated by type and disposal method.
306-4	Waste diverted from disposal (recycling, recovery).
306-5	Waste directed to disposal (landfill, incineration).
401-1	New employee hires and turnover.
401-3	Parental leave (entitlements and return rates).
403-1	Occupational health and safety management system.
403-3	Occupational health services provided.
403-9	Work-related injuries (rates, fatalities).
403-10	Work-related ill health.
404-1	Average hours of training per employee per year.
404-3	Percentage of employees receiving performance and career development reviews.
405-1	Diversity of governance bodies and employees.
405-2	Ratio of basic salary and remuneration of women to men.
406-1	Incidents of discrimination and corrective actions taken.
417-2	Incidents of non-compliance with labelling requirements.
418-1	Substantiated complaints regarding breaches of customer privacy.

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Limited Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement'

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using a risk-based approach to obtaining the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews & stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2025 at AU Bank office Jaipur. Our assurance task was planned and carried out in two phases, during May-Jun'2025 BRSR (Business responsibility and Sustainability reporting) core disclosures were reviewed as BRSR reasonable assurance and rest of the indicators were verified in the month of Oct-Nov'2025 from sustainability report. The assessment of sustainability report included the following:

- Assessment of the sustainability report contents
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at corporate offices and digitally.
- Conducted interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by AU Bank for data analysis.
- Reviewing appropriate documentary evidence on sample basis to validate material misstatements

The evidence gathering and interviews provided an opportunity to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

Conclusions

Intertek reviewed selected sustainability disclosures reported by AU Bank in its Report. Based on the data and information provided by AU Bank, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included Competent Sustainability Assurance Professionals, who were not involved in the collection and collation of any data except for this Assurance Opinion. Intertek maintains complete impartiality towards any people interviewed.





For Intertek India Pvt. Ltd.

Poonam Sinha

Poonam Sinha, Verifier
Intertek Assuris

28.11.2025

S. Myvizhi

Myvizhi Somasundaram, Reviewer
Intertek Assuris

28.11.2025

No member of the verification team (stated above) has a business relationship with AU Small Finance Bank Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.



Data Compilation Methodology

The data presented in this Sustainability Report is sourced from internal reporting systems developed specifically for sustainability disclosures. These systems operate independently of those used for financial reporting, as detailed in the Annual Report for FY 2024-25.

We employ robust processes and diverse practices to ensure accuracy, consistency, and reliability in tracking sustainability performance. Any significant limitations in the information provided have been noted, and we remain committed to refining our internal guidelines for data inclusion in future reporting cycles.

Suggestions, feedback and contact

We welcome any feedback and/or suggestions on the report's content and flow. Please send your comments to sustainability@aubank.in

Reference Links

- <https://www.iea.org/reports/world-energy-investment-2025/india>
- https://cea.nic.in/wp-content/uploads/psp_a_i/2022/12/CEA_Tx_Plan_for_500GW_Non_fossil_capacity_by_2030.pdf
- <https://www.gbci.org/india-retains-third-position-globally-leed-green-building-certification-2024>
- https://www.au.bank.in/press-releases_25-11-final-PR-IFC-partnership-revised.pdf
- <https://www.pmjdy.gov.in/>
- <https://www.au.bank.in/personal-banking/fincare/savings-accounts/shakti-accounts>
- <https://www.pmsvanidhi.mohua.gov.in/>
- <https://pmvishwakarma.gov.in/Home>
- https://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=59835
- <https://www.pib.gov.in/PressReleaselframePage.aspx?PRID=2106913®=3&lang=2>
- https://www.au.bank.in/press-releases_25-15-Media-Release-Van-Mahotsav-Event.pdf

For AU Bank Policies refer to

- <https://www.au.bank.in/notice-board>
- <https://www.au.bank.in/investors/secretarial-policies>

Glossary

Definitions:

- 1. Global Reporting Initiative (GRI) Standards:** An internationally recognized framework used for sustainability reporting, designed to provide transparency and consistency in ESG disclosures.
- 2. UN Sustainable Development Goals (SDGs):** A set of 17 global goals adopted by the United Nations to address various global challenges, including poverty, inequality, climate change, environmental degradation, and peace and justice.
- 3. Viksit Bharat:** A vision for India's development, focusing on the nation's progress and growth toward becoming a developed country.
- 4. Net Zero 2070 Commitment:** A commitment to achieving net-zero carbon emissions by the year 2070, reflecting long-term sustainability goals.
- 5. Joint-Liability Groups:** A group lending structure where individuals come together to take loans collectively, with each member acting as a guarantor for the others.
- 6. BSBD Accounts (Basic Savings Bank Deposit Accounts):** A type of savings account in India, typically designed to ensure financial inclusion by offering basic banking services to the unbanked population.
- 7. Employee Happiness Index:** A measure used to gauge employees' satisfaction and engagement within an organization.
- 8. Environmental and Social Due Diligence:** A process to assess the potential environmental and social impacts of a project, ensuring compliance with sustainability standards before approval or investment.
- 9. PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan):** A government initiative in India aimed at promoting solar energy and renewable energy in agriculture, focusing on empowering farmers through clean energy solutions.
- 10. Banking Correspondent (BC):** A person or entity who acts as an intermediary between a bank and customers, especially in rural or underserved areas, to deliver basic banking services like account opening, deposits, and withdrawals.
- 11. Certified Emission Reduction (CER):** A unit of emission reduction under the Clean Development Mechanism (CDM), which can be used for carbon offsetting, typically through renewable energy projects.
- 12. Clean Development Mechanism (CDM):** A framework established under the Kyoto Protocol that allows emission-reduction projects in developing countries to earn certified emission reduction credits, which can be traded and used to meet industrialized countries' emission reduction targets.
- 13. Self-Help Groups (SHGs):** Community-based groups formed primarily by women to facilitate mutual assistance, access to credit, and economic independence.
- 14. Udyam Aadhaar:** A government scheme aimed at providing a unique identification for micro, small, and medium enterprises (MSMEs) to help them avail various government benefits.
- 15. NGRBC (National Guidelines on Responsible Business Conduct):** A set of guidelines established by the Government of India that outline the principles for businesses to adopt to ensure ethical and responsible behavior.
- 16. Information Security Management System (ISMS):** A framework that ensures the confidentiality, integrity, and availability of information by applying a risk management process to protect sensitive data from threats.
- 17. Internal Capital Adequacy Assessment Process (ICAAP):** A process used to assess and ensure that a bank maintains sufficient capital to cover all of its risks.
- 18. Stress Testing:** A risk management technique used to evaluate the impact of various adverse conditions (e.g., economic downturns) on the financial stability of an organization.
- 19. Performance Monitoring:** The ongoing process of assessing the effectiveness of the strategies, policies, and operations implemented by the organization.

Abbreviations

- **AU SFB** - AU Small Finance Bank
- **GRI** - Global Reporting Initiative
- **SDGs** - Sustainable Development Goals
- **FTE** - Full-Time Equivalent
- **UPI** - Unified Payments Interface
- **PAT** - Profit After Tax
- **CRISIL** - Credit Rating Information Services of India Limited
- **ICRA** - Investment Information and Credit Rating Agency
- **CARE** - Credit Analysis and Research Limited
- **NSE** - National Stock Exchange of India
- **BSE** - Bombay Stock Exchange
- **NDCs** - Nationally Determined Contributions
- **IFC** - International Finance Corporation
- **DEI** - Diversity, Equity, and Inclusion
- **BRSR** - Business Responsibility and Sustainability Report
- **BSBD** - Basic Savings Bank Deposit
- **KYC** - Know Your Customer
- **AEPS** - Aadhaar Enabled Payment System
- **ISO** - International Organization for Standardization
- **RRI** - Reputation Risk Index
- **ICAAP** - Internal Capital Adequacy Assessment Process
- **TNPS** - Transactional Net Promoter Score
- **CSAT** - Customer Satisfaction Score
- **MWh** - Megawatt-hour
- **SEBI** - Securities and Exchange Board of India
- **PMJDY** - Pradhan Mantri Jan Dhan Yojana
- **Mudra** - Micro Units Development and Refinance Agency
- **APY** - Atal Pension Yojana
- **PMSBY** - Pradhan Mantri Suraksha Bima Yojana
- **PMJJBY** - Pradhan Mantri Jeevan Jyoti Bima Yojana
- **PSL** - Priority Sector Lending
- **SVANidhi** - Street Vendors AtmaNirbhar Nidhi
- **API** - Application Programming Interface
- **POS** - Point of Sale
- **SBTi** - Science Based Targets Initiative
- **RBI** - Reserve Bank of India
- **NBFC** - Non-Banking Financial Company
- **NABARD** - National Bank for Agriculture and Rural Development
- **BFSI** - Banking, Financial Services, and Insurance
- **LMS** - Learning Management System
- **TDS** - Tax Deducted at Source
- **WASH** - Water, Sanitation, and Hygiene
- **BOD** - Board of Directors
- **SGB** - Sovereign Gold Bond
- **RABI** - A type of crop season in India (mainly for wheat)
- **Kharif** - A type of crop season in India (mainly for rice, maize, etc.)
- **NPM** - Net Promoter Score
- **VRS** - Variable Refrigerant Volume (energy-efficient air conditioning system)
- **PPP** - Purchasing Power Parity (economic theory used to compare the relative value of currencies)
- **RMCB** - Risk Management Committee of the Board
- **PCI DSS** - Payment Card Industry Data Security Standard
- **SHG** - Self-Help Group
- **CER** - Certified Emission Reduction
- **CDM** - Clean Development Mechanism (under the Kyoto Protocol)
- **FPO** - Farmer Producer Organization
- **MFI** - Microfinance Institution
- **TCO_{2e}** - Tonnes of Carbon Dioxide Equivalent
- **GJ** - Gigajoules (energy measurement unit)
- **LTI** - Long-Term Incentive
- **STI** - Short-Term Incentive



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