



ESG REPORT

FUSION FINANCE LIMITED

FY
24-25

1. About the Report.....	03
■ Reporting Cycle	
■ Reporting Scope & Boundary	
■ Data Compilation Methodology	
■ Way Forward	
2. Leadership Reflections.....	05
■ Message from MD	
■ Message from CEO	
3. About the Company.....	08
■ Our Mission, Vision & Values	
■ Journey	
■ Geographical Presence	
■ Business Segments	
■ Memberships & Associations	
4. ESG Highlights.....	15
5. Stakeholder Engagement.....	19
6. Materiality Assessment.....	22
■ Process of Materiality Assessment	
■ Material Topics	
■ Emerging Risks & Opportunities	
7. Environment.....	28
■ Energy Management	
■ Climate Resilience & Emissions Management	
■ Water Stewardship	
■ Waste Management	

8. Social.....	33
■ Human Capital	
□ Workforce Demographics	
□ Talent Acquisition & Retention	
■ Diversity, Equity & Inclusion	
□ Inclusive Workplace Culture	
□ Gender Pay Gap	
■ Learning & Development	
■ Digitization	
■ Health & Safety	
■ Human Rights	
■ Privacy & Data Security	
■ Employee Engagement	
■ Employee Well-being	
■ Community Engagement	
■ Customer Grievance Handling	
8. Governance.....	50
■ Corporate Governance	
□ Board of Directors	
□ Board Composition & Expertise	
□ Board Committees	
■ ESG Governance & Board Oversight	
■ Key Policies	
■ Risk Management	
■ Business Ethics	
■ Business Continuity & Disaster Management Plan	
8. GRI Content Index.....	64



ABOUT THE **REPORT**

Reporting Cycle

At Fusion Finance, sustainability reporting is a deliberate and structured process, anchored in transparency, accountability, and continuous evolution. This report marks the commitment to an annual reporting cycle, capturing Environment Social and Governance (ESG) related performance and developments for the period from April 1, 2024, to March 31, 2025. As this marks Fusion Finance's inaugural sustainability report, the Company has adopted a progressive disclosure approach, laying the foundation for transparent and structured ESG reporting.

Reporting Scope & Boundary

The scope of this report includes the Company's core lending operations, branch-level activities, and head office functions, spanning both rural and semi-urban geographies where Fusion majorly operates. All data, initiatives, and narratives pertain to operations under the direct control of Fusion Finance, unless otherwise specified.

This includes the operational scope of

1571
Branches

across

22
States

and

497
Districts in
India

Data Compilation Methodology

The data presented in this report has been sourced from various internal systems specifically designed for sustainability reporting, separate from those used for financial disclosures outlined in the Annual Report for FY 2024–25.

Way Forward

As a purpose-driven financial institution, Fusion Finance is deeply committed to advancing sustainability at the intersection of financial inclusion, community empowerment, and responsible governance. With a strong footprint in rural and semi-urban India, Fusion recognizes its unique role in driving systemic change, ensuring that environmental stewardship, social equity, and ethical governance are not peripheral goals, but embedded into the very fabric of its operations.

The Company strives to continually refine its ESG framework to reflect evolving risks, emerging opportunities, and stakeholder expectations, ensuring it remains future-fit, resilient, and relevant.

Looking ahead, Fusion Finance remains focused on translating its ESG vision into measurable and impactful outcomes, through decarbonisation efforts, inclusive product innovation, community outreach, and governance transparency.



LEADERSHIP REFLECTIONS



Message From MD

Dear Stakeholders,

As Fusion marks 15 years of purposeful growth, I take this opportunity to reflect not just on where we have been, but on how we move forward with responsibility, resilience, and sustainability at our core.

From day one, Fusion's mission has been about more than just credit. It has been about enabling choice, dignity, and opportunity, especially for women in rural and semi-urban India. Today, as sustainability takes centre stage globally, we see a powerful convergence between our core purpose and the broader Environmental, Social, and Governance (ESG) agenda. Our work in financial inclusion is, at its heart, a social mission. And now, with growing awareness of environmental risks, our journey must evolve to drive impact across all three pillars: People, Planet, and Principles.

Over the past year, we have deepened our ESG approach; not as a standalone initiative, but as an integrated part of how Fusion operates. From strengthening governance systems to embedding environmental awareness into our product design, we are building a future-ready institution that can thrive in a changing world. Our solar loan product, for instance, reflects this shift supporting clean energy adoption in underserved communities and enabling a just transition that includes the last mile.

We are also becoming more structured and transparent in how we measure, manage, and disclose our sustainability performance. As we prepare this ESG Report, our aim is to move beyond commitments and articulate outcomes. We are aligning with leading frameworks like BRSR, GRI, and the SDGs to hold ourselves to the highest standards of accountability.

But the journey is far from over. The road to sustainability requires grit, adaptability, and a long view values that have defined Fusion since its inception. As we face new challenges, from climate-related risks to evolving stakeholder expectations, we remain grounded in our belief that doing good and doing well are not trade-offs, they are mutually reinforcing.

I am confident that with the strength of our people, the trust of our customers, and the clarity of our purpose, Fusion will continue to set benchmarks not just as a financial institution, but as a force for positive and lasting change.

Sincerely,

Devesh Sachdev
Managing Director
Fusion Finance Limited



Message From CEO

Dear Stakeholders,

At Fusion, we view sustainability not just as a compliance imperative but as a strategic compass that guides every aspect of our decision-making, from customer engagement to operational excellence. Our aim is to foster inclusive growth, minimise environmental impact, and ensure strong governance across all levels of the organisation.

We are focused on ensuring that our organisation remains future-ready, scalable, and agile. That means embracing sustainability as a driver of competitive advantage, not cost. Whether it's by digitising loan servicing to reduce our carbon footprint and improve customer experience or enhancing community-centric models, we are embedding ESG principles into our core business model.

In FY2024-25, we took multiple tangible steps towards our ESG aspirations, and our focus will be to build on these going forward.

Environment – As part of our steadfast commitment towards environmental stewardship, Fusion has integrated environmental aspects into its business operations. We have adopted International Finance Corporation (IFC) guidelines and Exclusion list which continues to guide the types of businesses that we finance. We have also prioritised activities like green financing in the form of rooftop solar financing along with initiatives such as E-waste management, solar installations and plantation drives.

Social – Through our various social responsibility programs, we continue to engage with and transform communities under UN Sustainable Development Goals. Our initiatives have touched around 10 lakh lives so far, thus driving positive changes within the communities involved.

Governance – We follow strong governance practices, striving for the highest standards of ethics and transparency. From enhancing grievance redressal system to reinforcing branch level governance, we have been strengthening our governance framework. Through our digital transformation efforts, we expect to further enhance our overall risk management and governance practices.

Going forward, we aim to harness data, technology, and partnerships to better assess sustainability risks, integrate ESG into credit decisions, and expand green lending, particularly around clean energy access. Our aspiration is to build a Fusion that is not only profitable but purpose-driven, scalable, and truly impact-oriented.

Warm regards,

Sanjay Garyali
Chief Executive Officer,
Fusion Finance Limited





ABOUT THE **COMPANY**



Fusion Finance Limited

(formerly Fusion Micro Finance Limited) is a purpose-driven Non-Banking Financial Company – Microfinance Institution (NBFC-MFI), established in 2010 with a clear mission to create economic opportunities for the underserved and unserved women across rural and semi-rural India. Operating through the Joint Liability Group (JLG) lending model inspired by the Grameen Bank's approach, Fusion has played a pivotal role in advancing financial inclusion at the grassroots level.

In 2019, the Company diversified its portfolio by launching an MSME lending vertical, aimed at addressing the credit gap for the 'missing middle' segment of entrepreneurs and small businesses that are often overlooked by traditional financial institutions. This strategic expansion reinforced Fusion's role as a financial enabler across a broader spectrum of underserved communities.

A landmark moment came in 2022, when Fusion was publicly listed on India's premier stock exchanges, BSE and NSE, marking a significant milestone in its journey from a high-impact startup to a respected financial institution.

Our Mission, Vision & Values



Our Mission

To create a self-sustainable financial institution which leverages the distribution network to channel other products and services



Our Vision

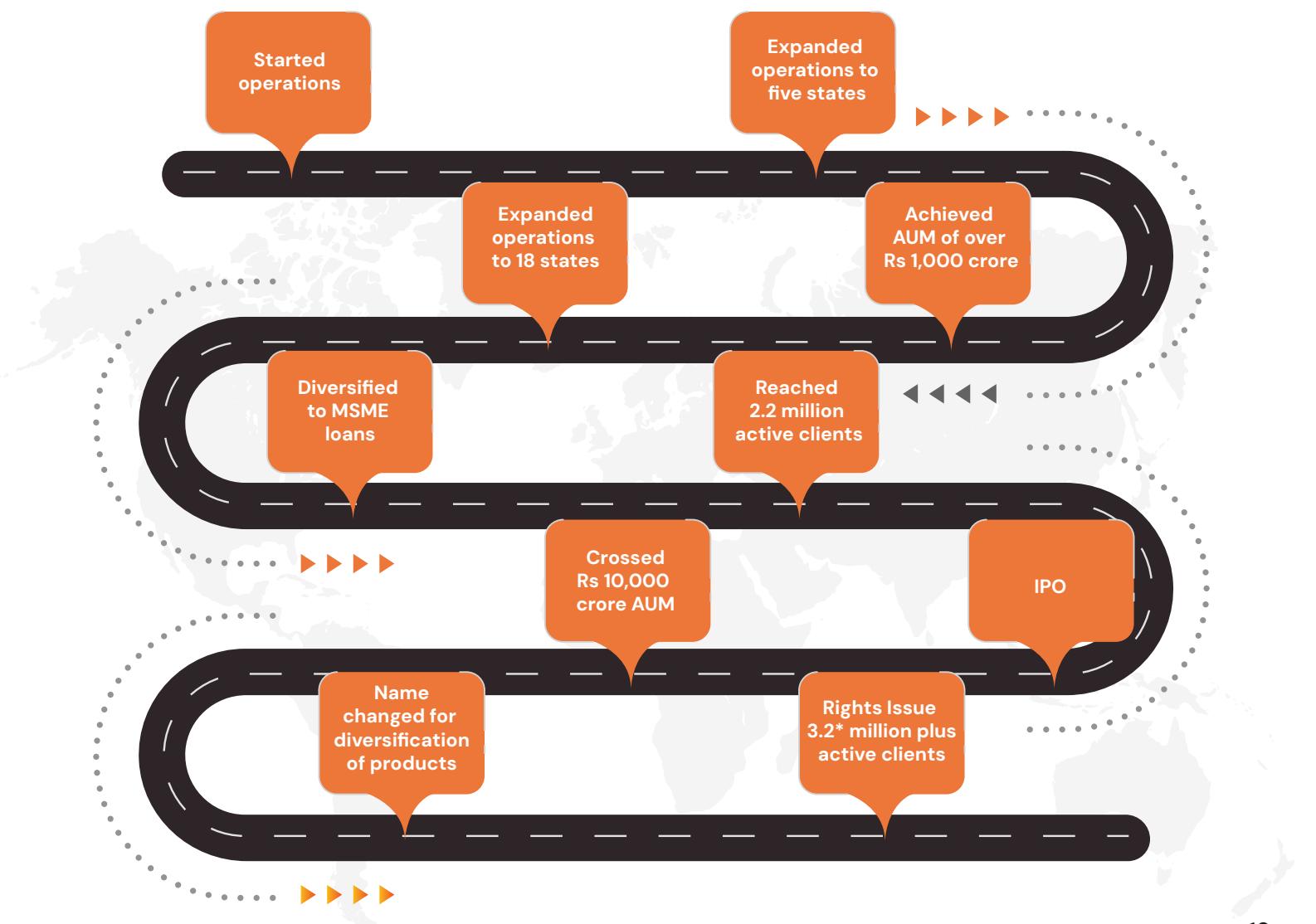
To provide underprivileged women with economic opportunities to transform the quality of their lives



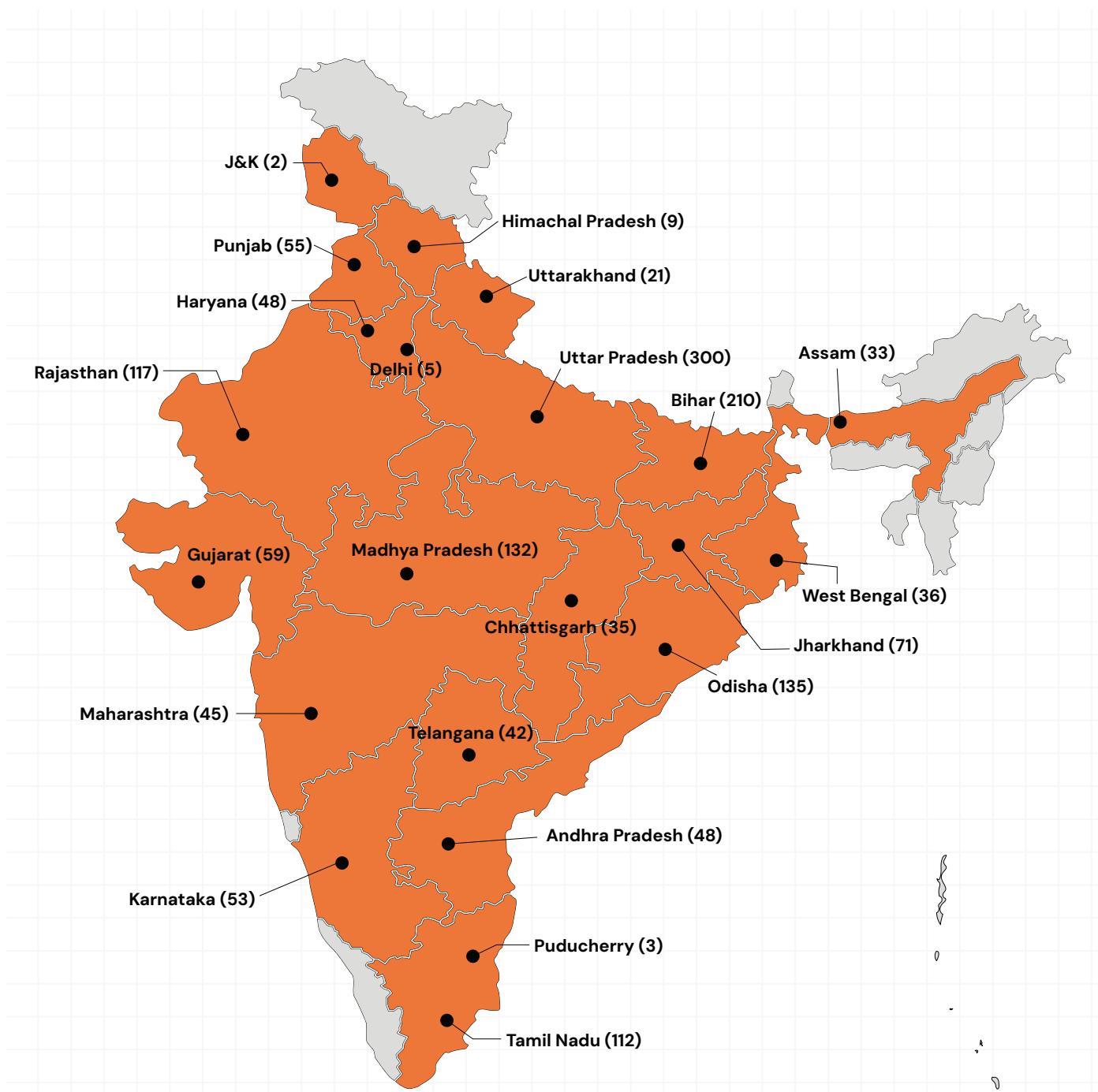
Our Values

Customer Centricity | Respect | Responsibility | Collaboration | Humility | Governance & Transparency

Journey



Geographical Presence



	FY23	FY24	FY25
States	20	22	22
Districts	398	453	497
Villages	125385	1,42,083	1,60,585
Branches	1,086	1,297	1,571
AUM (Rs. Cr)	9,296.22	11,476	8,980

Business Segments

Fusion Finance operates through two primary business verticals that are strategically aligned with its mission to expand access to responsible and inclusive financial services:

Microfinance

At the core of Fusion's operations is its Microfinance vertical, which provides small-ticket loans to women entrepreneurs from low-income and underserved communities. Delivered through the Joint Liability Group (JLG) lending model, these loans empower women to start or expand income-generating activities, strengthen household resilience, and participate more actively in local economies. The microfinance portfolio includes a range of tailored products such as Income Generation Loans to support business ventures and address urgent financial requirements.

Income Generation Loans

Designed for use by women in rural areas and intended to provide capital for their small businesses



■ MSME Loans

Recognizing the financing gap faced by the 'missing middle, micro and small enterprises that are too large for microfinance but too small or informal for mainstream banking, Fusion launched its MSME lending vertical in 2019. This business line provides tailored credit solutions and secured business loans, and solar loans, to support the working capital, business expansion, and sustainability goals of small businesses. Notably, the vertical also offers financing for solar rooftop installations, furthering Fusion's support for green energy adoption and environmental resilience within entrepreneurial ecosystems.

Secured Business Loans

Offer substantial funding, longer tenures, and flexible, competitive terms for small businesses



Solar Loans

Offer secured loans to help transition to solar energy, reducing costs and ensuring a sustainable future

Memberships & Associations

Fusion Finance is an active member of various industries and professional associations that promote best practices, knowledge sharing, and policy advocacy in the financial services sector. Through these memberships, the Company engages with peers, regulators, and stakeholders to stay informed about emerging trends, regulatory developments, and innovations in microfinance, MSME lending, and sustainable finance.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State / National)
1	Microfinance Institutions Network (MFIN)	National



ESG HIGHLIGHTS



Environment



1544.5 GJ
Total Energy Consumption



11346.3 kW
Financed Solar Installed Capacity



536.32 MtCO2e
Total GHG Emissions (Scope 1,2,3)

Key Topics

1

Energy Management

2

Climate Resilience & Emissions Management

3

Water Stewardship

4

Waste Management

Key SDGs

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



Social



30%
Increase in
Female workforce



7500+
Total
Training Hours



FinDost
Digital
Lending Platform



7.05 Crore
CSR Amount spent
for FY24-25



ZERO
Safety-related
Incidents



100%
Human Rights
Training Coverage

Key Topics

1 Human Capital

2 Diversity, Equity & Inclusion

3 Learning & Development

4 Digitization

5 Health & Safety

6 Human Rights

7 Privacy & Data Security

8 Employee Engagement

9 Employee Wellbeing

10 Community Engagement

11 Customer Grievance Handling

Key SDGs



Governance



57%

Independent
Directors Composition



Robust

Governance
Framework

Key Topics

1

Corporate Governance

2

Business Ethics

3

ESG Governance &
Board Oversight

4

Business Continuity &
Disaster Management Plan

5

Key Policies

6

Risk Management

Key SDGs

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS





**STAKEHOLDER
ENGAGEMENT**



Fusion Finance utilizes stakeholder engagement and centricity as a core strategy for success, embedding these aspects within its business decisions and operations. The Company is cognizant of the diverse perspectives, unique insights and varying needs of its stakeholders.



Shareholder and Investor

CHANNELS OF COMMUNICATION	KEY EXPECTATIONS	FREQUENCY
<ul style="list-style-type: none">• Quarterly results• Investor presentations• Annual Report• Annual General Meeting• Investor/analysts calls and meet• Media releases• Website and other updates submitted on stock exchanges under “corporate announcements” & other sections	To address investor queries related to financial performance, present key business performance highlights to investors, and communicate publicly available information to shareholders and investors	At least one engagement on a quarterly basis



Customer

CHANNELS OF COMMUNICATION	KEY EXPECTATIONS	FREQUENCY
Multiple channels – physical and digital	To provide end-to-end support throughout the customer lifecycle and address queries or grievances promptly at any stage	Frequent and need basis



Government & Regulators

CHANNELS OF COMMUNICATION	KEY EXPECTATIONS	FREQUENCY
<ul style="list-style-type: none"> Meetings with key regulatory bodies Written communications Industry associations 	To engage in regulatory interactions through seeking clarifications and relaxations, and responding to inspections and queries	Need basis



Employees

CHANNELS OF COMMUNICATION	KEY EXPECTATIONS	FREQUENCY
Multiple channels – physical and digital	To foster a thriving, safe, and inclusive workplace environment, while offering merit-based opportunities for professional development and career advancement.	Frequent and need basis



Society

CHANNELS OF COMMUNICATION	KEY EXPECTATIONS	FREQUENCY
Multiple channels – physical and digital	To advance social welfare initiatives that foster inclusive growth, equitable development, and the overall well-being of society through responsible business practices.	Frequent and need basis

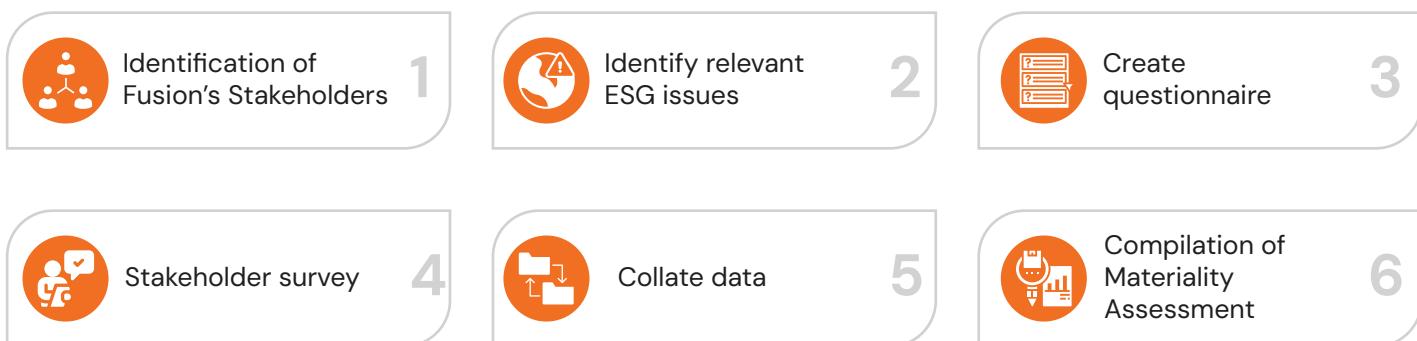


MATERIALITY ASSESSMENT



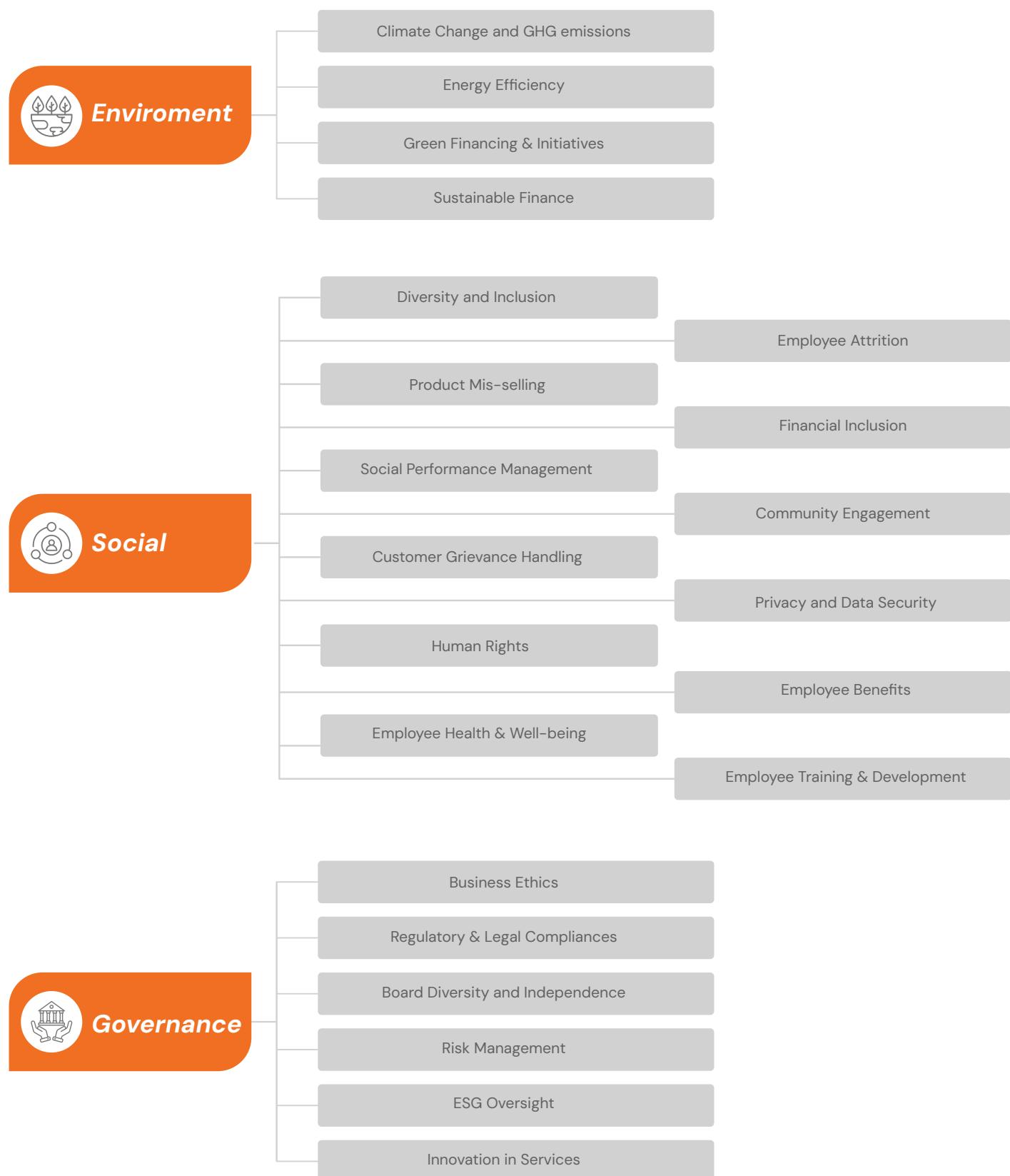
Fusion Finance engages with its internal stakeholders, including employees and management, to identify, prioritize, and assess material topics relevant to its operations and long-term strategy. Through structured surveys, focus group discussions, and leadership interactions, the Company captures insights into key environmental, social, and governance (ESG) issues.

Process of Materiality Assessment



Material Topics

Through its comprehensive materiality assessment process, Fusion Finance has identified 22 topics as material issues, reflecting the most significant Environmental, Social, and Governance (ESG) priorities for the organisation and its internal stakeholders. To further strengthen transparency, Fusion has also developed a Materiality Matrix, mapping the relative importance of these issues to stakeholders and the business, which serves as a guiding tool for sustainability strategy and disclosures.



Materiality Matrix



Ranking of Material Topics based on Stakeholder's Responses

Very High Priority	High Priority	Moderate Priority
8. Financial Inclusion 11. Customer Grievance Handling 12. Privacy and Data Security 13. Human Rights 14. Employee Benefits 15. Employee Health & Wellbeing 16. Employee Training & Development 17. Business Ethics 18. Regulatory & Legal Compliances 20. Risk Management	5. Diversity and Inclusion 6. Employee Attrition 7. Product Mis-selling 9. Social Performance Management 10. Community Engagement 19. Board Diversity and Independence 21. ESG Oversight 22. Innovation in Services	1. Climate Change & GHG Emissions 2. Energy Efficiency 3. Green Financing & Initiatives 4. Sustainable Finance

Note: The scoring for each topic is based on the increasing importance to Fusion's stakeholders & management

Emerging Risks & Opportunities

Fusion Finance monitors emerging risks and opportunities to remain agile in a rapidly evolving business environment. Key risks include climate change impacts, evolving regulatory requirements, technological disruptions, cybersecurity threats, and shifting stakeholder expectations regarding sustainability.

Sr. No.	Material issue identified	Indicate whether a risk or an opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, the approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Customer Experience	Risk	Fusion Finance caters to millions in rural communities, making customer experience central to operations. Poor experience affects retention	Strengthening customer feedback systems, regular staff training, customer-centric service delivery	Negative: Reputational damage may lead to attrition and reduced customer base
2.	Financial Inclusion	Opportunity	The Company aims to uplift underserved communities by offering financial products to rural and low-income segments	Distribution networks and the use of cutting-edge technological solutions are used to reach customers and create easy customer experience	Positive: Increased client base, government support, improved brand equity
3.	Selling Practices/ Consumer Financial Protection	Risk	Mis-selling can result in over indebtedness, complaints, and regulatory scrutiny	Transparent product disclosures, continuous staff training, strong grievance redressal mechanism	Negative: Legal penalties, reputational loss
4.	Customer Privacy	Risk	Handling sensitive personal and financial data can expose the organization to reputational and trust-related risks if not managed appropriately	Robust data privacy policies, use of encryption, and regular staff training on data protection.	Negative: Loss of stakeholder trust, erosion of brand value
5.	Data Security	Risk	Cyber threats and inadequate IT infrastructure could compromise the confidentiality and integrity of client data	Regular security audits, advanced cybersecurity technologies, and continuous employee awareness programs.	Negative: Potential data breach, regulatory noncompliance, reputational damage

Emerging Risks & Opportunities

Sr. No.	Material issue identified	Indicate whether a risk or an opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, the approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Human Capital Development / Employee Training and Development	Opportunity	Staff need ongoing training to manage customer-centric models	-	Positive: Better service, reduced turnover
7.	Regulatory and Statutory Compliance	Risk	Microfinance is tightly regulated, and non-compliance may lead to imposition of fines, penalties and other stricter actions by regulators	Robust and proactive approach towards compliance with timelines and maintain ongoing timely communication with regulatory authorities to keep abreast of evolving rules and expectations. Regular internal reviews and trial audits to not only check compliance but also encourage a culture that values ongoing improvement and preparedness.	Negative: Fines and penalties, increased regulatory monitoring, reputational risk
8.	Corporate Governance and Ethics	Opportunity & Risk	Strong governance is crucial for maintaining reputation amongst investors/ lenders. Unethical practices could lead to poor reputation of the Company amongst investors/ lenders/ regulators	Building compliance-first culture; employees training and stakeholder awareness efforts for better understanding of compliance aspects.	Positive: Improved investor/ lender confidence, access to green/ social finance. Negative: Risk of investor/ lenders exit, strict actions from regulators.
9.	Fraud Risk Management	Risk	Field-level fraud remains a major challenge in Indian microfinance	A robust fraud risk management framework, led by Fraud Control Unit supported by internal audit function, enables the Company to identify frauds & develop ways to mitigate/ reduce risks associated with frauds and ensures continuous oversight and adherence to internal controls and compliance standards	Negative: Operational losses, legal action
10.	Financial Literacy	Opportunity	Financially literate customers are more reliable borrowers	-	Positive: Better repayment behaviour, reduced delinquencies, long-term customer engagement.



Fusion Finance has demonstrated a structured and proactive approach towards environmental stewardship. Key focus areas include the reduction of greenhouse gas emissions, enhancement of energy efficiency, advancement of water stewardship practices, and integration of circular economy principles across its value chain. A key element of this commitment is the integration of an Exclusion List into its Environmental and Social (E&S) Policy, explicitly defining the categories of business activities that it does not finance.

Fusion Finance organised a 'Slogan Writing Competition' centered on the themes of conservation and climate action. The initiative attracted active participation from over 50 employees across various functions, who shared creative and thought-provoking ideas reflecting their commitment to sustainability.



To promote responsible resource consumption, the organization observed a 'Print Less Day' at its Corporate Office, raising awareness on paper conservation and encouraging a shift towards digital practices. Functions that exhibited outstanding dedication to going paperless were honoured as 'Sustainability Champions'. Additionally, a 'Plantation Drive' at the Corporate Office engaged employees and management in a collective effort to contribute to a greener and healthier environment.

Energy Management

1544.5 GJ

Total Energy Consumption



11346.3 KW

Financed Solar Installed Capacity



Fusion Finance envisions energy management as a cornerstone of its sustainability strategy, recognizing its pivotal role in addressing climate challenges and enabling long-term business resilience. Thus, it supported renewable energy financing initiatives, facilitating the installation of 11,346.3 kW of solar capacity through its programs.

Year	Fuel Consumption (GJ)	Electricity Consumption (GJ)	Total Energy Consumption (GJ)
FY 23-24	–	1311.33	1311.33
FY 24-25	18.42	1526.08	1544.5

In FY 2024-25, Fusion Finance's total energy consumption was reported at 1,544.50 GJ, compared to 1,311.33 GJ in FY 2023-24. The increase is primarily attributable to enhanced accuracy in data capture and optimization of monitoring processes, which provided a more comprehensive representation of the Company's energy usage. This includes the introduction of fuel consumption reporting at 18.42 GJ, alongside electricity consumption.

Aligned with Fusion Finance's ESG vision of fostering inclusive growth and promoting environmental stewardship, the Company has continued to champion clean energy adoption through its 'Rooftop Solar Finance initiative', implemented under the 'Solar Energy Asset Finance Program'.

Climate Resilience & Emissions Management

536.32 MTCO2E

Total GHG Emissions
(Scope 1,2,3)



GHG Emissions (MtCO2e)

	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions	Total
FY 24-25	1.27	308.18	226.87	536.32



Emissions intensity per rupee of turnover (MtCO2e/Rs.)

Scope 1 & 2 Emissions Scope 3 Emissions

FY 24-25	0.13	0.10
----------	------	------

Fusion Finance actively manages its greenhouse gas (GHG) emissions by monitoring Scope 1, Scope 2, and relevant Scope 3 categories. In FY 2024-25, Fusion Finance's total greenhouse gas (GHG) emissions amounted to 536.32 MtCO₂e, comprising 1.27 MtCO₂e from direct emissions (Scope 1), 308.18 MtCO₂e from indirect emissions associated with purchased electricity (Scope 2), and 226.87 MtCO₂e from other indirect emissions under Scope 3, specifically Category 6 (Business Travel). Fusion Finance reported an emissions intensity of 0.13 MtCO₂e per rupee of turnover from Scope 1 and 2 emissions, and 0.10 MtCO₂e per rupee of turnover from Scope 3 emissions.



Water Stewardship

197263.71 KL

Total Water Consumption



Fusion Finance remains committed to advancing responsible water management as a core component of its environmental stewardship strategy.

In FY 2024-25, Fusion Finance recorded a total water consumption of 197263.71 kiloliters across its operations.

As a water conservation initiative, Fusion Finance implemented *Program JAL (WASH)* to improve access to safe drinking water for communities with limited availability. The initiative involved the installation of water purifiers and submersible pumps, thereby enhancing local water infrastructure and ensuring the provision of clean, potable water.



Total Water Consumption (KL)

FY 24-25

197263.71 KL

Waste Management

0.99 METRIC TONNES

Total Waste Generated



Fusion Finance has adopted a structured and sustainable approach to waste management, emphasizing waste minimization, resource recovery, and regulatory compliance. In FY 2024-25, Fusion Finance generated a total of 0.99 metric tonnes of waste, comprising exclusively electronic waste (e-waste). The organization follows a structured e-waste management process to ensure safe, compliant, and environmentally responsible handling of obsolete electronic equipment. All e-waste is channeled through authorized recyclers in line with applicable regulatory requirements.



Total Waste Generated (MT)

FY 24-25

0.99 MT



SOCIAL



Fusion Finance places strong emphasis on creating a positive social impact through its operations, with a focus on employee well-being, diversity and inclusion, community development, and customer-centric practices. The Company fosters a safe, fair, and inclusive workplace by embedding human rights provisions within its HR manual and Code of Conduct. Regular training and awareness programs are conducted to build employee capacity on ethical practices, human rights, and responsible business conduct. Fusion also invests in employee engagement initiatives, talent development, and health and safety measures to ensure holistic growth and well-being.

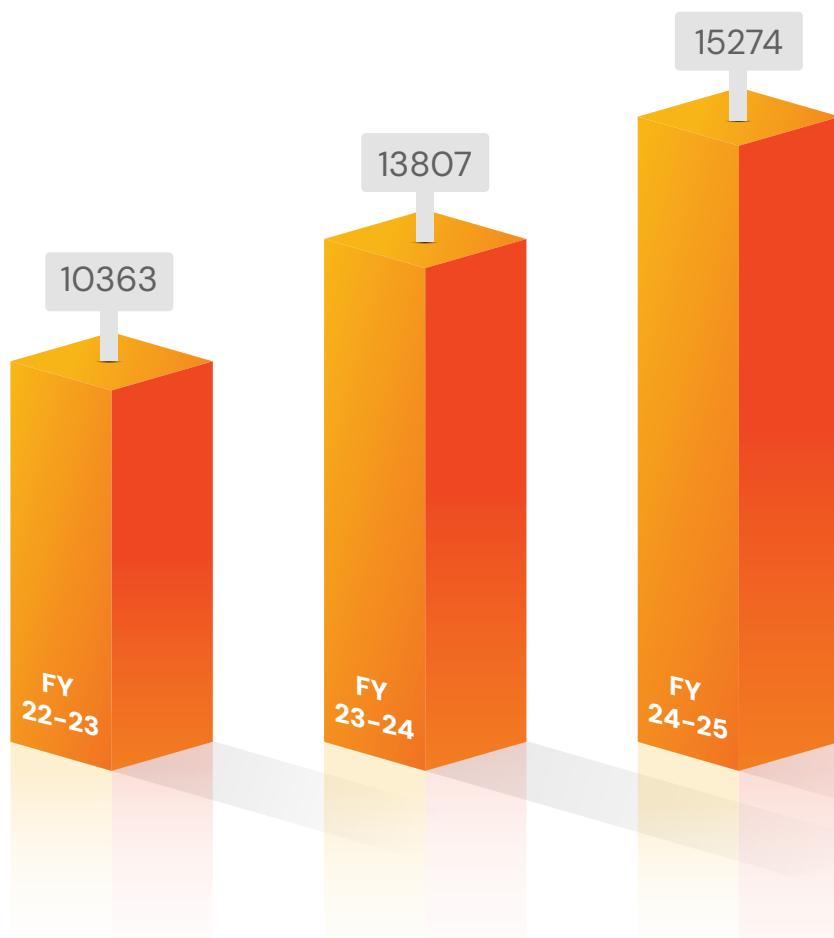
Human Capital

Fusion Finance recognizes its people as its most valuable asset and is committed to fostering a supportive, inclusive, and growth-oriented workplace. The Company invests in continuous learning and skill development through structured training programs, leadership initiatives, and capacity-building workshops to enhance employee competencies.

Workforce Demographics

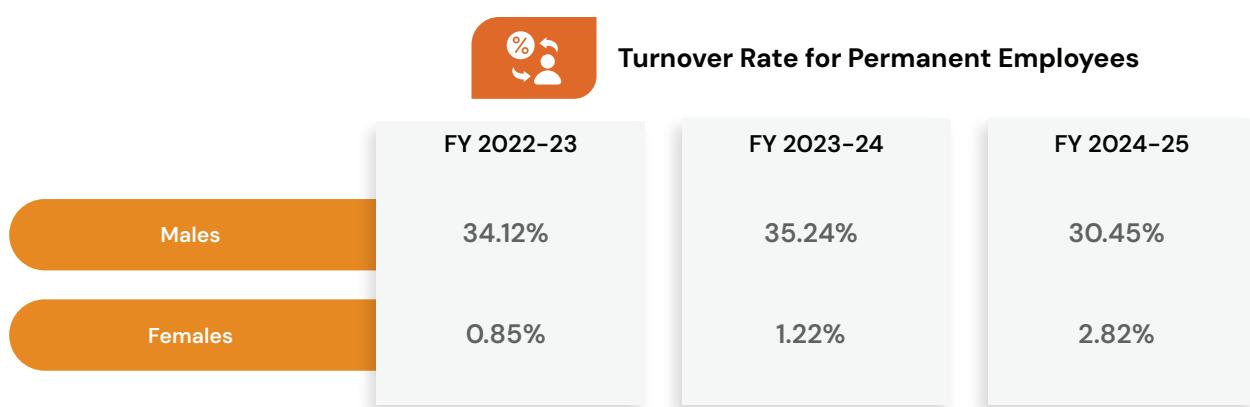
Fusion Finance has a steadily expanding workforce that reflects the company's growth and evolving business needs. With over 15,000 employees as of FY 2024-25, the organization brings together a diverse mix of professionals across different age groups, genders, and backgrounds. The workforce comprises a blend of experienced professionals and young talent, ensuring a balance of expertise and fresh perspectives.

Permanent Staff Headcount



Fusion Finance's permanent staff strength has demonstrated consistent growth over the past three years, increasing from 10,363 employees in FY 2022-23 to 13,807 employees in FY 2023-24, and further to 15,274 employees in FY 2024-25.

Talent Acquisition & Retention

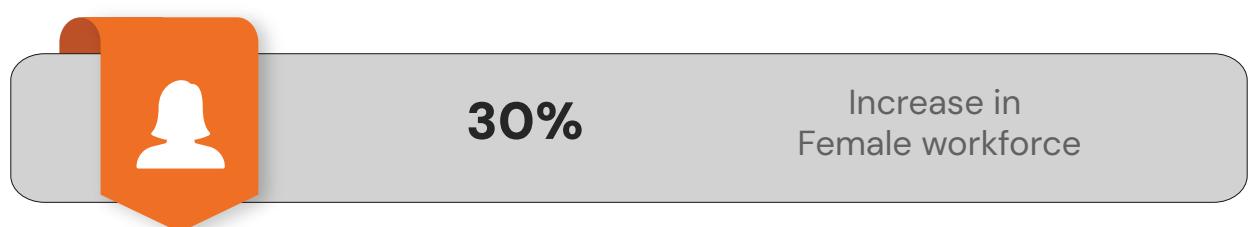


Fusion Finance continues to monitor employee turnover closely to ensure workforce stability. For male employees, the turnover rate moved from 34.12% in FY 2022-23 to 35.24% in FY 2023-24, before moderating to 30.45% in FY 2024-25, while female turnover in FY 2024-25 is at 2.82%.

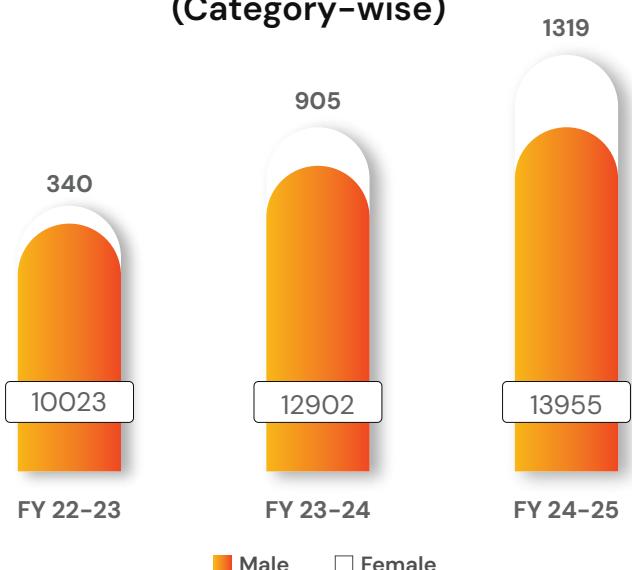
Diversity, Equity & Inclusion

Fusion Finance is committed to fostering a workplace culture built on the principles of diversity, equity, and inclusion. The Company values the unique perspectives and experiences that individuals bring and actively works to ensure equal opportunities across all levels of the organization.

Inclusive Workplace Culture



Permanent Staff Headcount (Category-wise)



Over the last three years, Fusion Finance's headcount increased from 10,363 in FY 2022-23 to 13,807 in FY 2023-24, and further to 15,274 in FY 2024-25. Also, female employees increased from 340 in FY 2022-23 to 905 in FY 2023-24, and further to 1,319 in FY 2024-25.

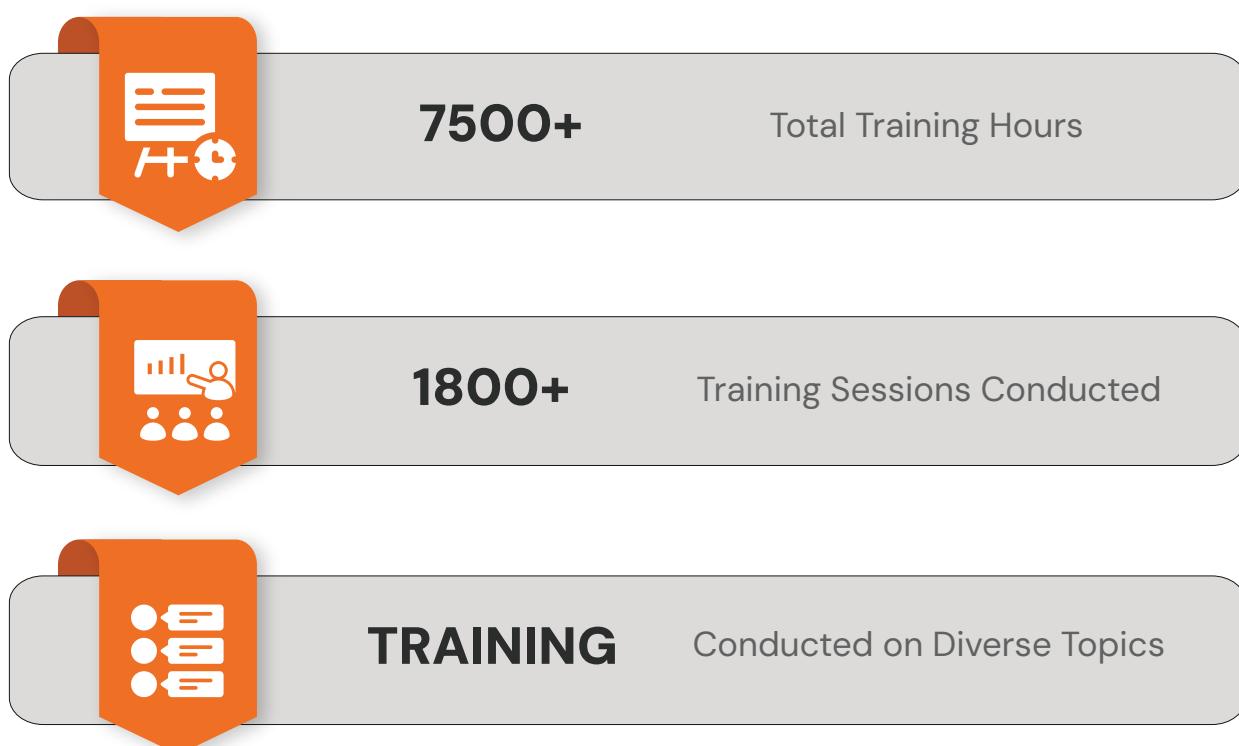
Fusion Finance celebrates International Women's Day across the organization to recognize the contributions of women in its workforce. Alongside celebrations, the company conducts awareness sessions, workshops, and engagement activities that promote participation and highlight the role of women employees.

Gender Pay Gap

	Board of Directors	Key Managerial Personnel	Employees other than BoD and KMP
Number of Males	4	4	4
Median Remuneration (in Rs.)	7,50,000	7,50,000	7,50,000
Number of Females	2	2	2
Median Remuneration (in Rs.)	7,50,000	7,50,000	7,50,000

Fusion Finance maintains a fair and transparent approach to remuneration across employee categories. At the Board-level both male and female directors received equal median remuneration of ₹7,50,000, reflecting the Company's commitment to gender pay equity in leadership positions. Among employees other than Board and managerial personnel, female employees recorded a slightly higher median remuneration (₹15,191) compared to their male counterparts (₹15,000).

Learning & Development





Fusion Finance prioritizes continuous learning and capability-building to foster a future-ready workforce. In FY 2024-25, the company delivered over 7,500 training hours across 1,800 sessions, reaching 13,883 employees with content spanning technical, functional, and behavioural domains. Structured leadership and operational development programs benefited more than 1,000 participants, while ESG capacity-building sessions conducted with CARE Advisory enhanced awareness of global standards, regulatory frameworks, and sustainability practices. The organization's intellectual capital is anchored by a seasoned field leadership team, with 58% serving for over three years and 70% of roles filled through internal promotions. A defined career progression framework supports retention and growth, reinforcing Fusion's commitment to inclusive development and strong governance.

Digitization

10,000 EMPLOYEES
Weekly Digital Engagements

FINDOST
Digital Lending Platform

Fusion Finance is advancing its digital journey to enhance efficiency, scalability, and customer experience through its "Touch & Tech" approach. The company leverages cloud-native platforms, end-to-end automation, and paperless processes to ensure seamless, secure, and transparent service delivery. Its core lending system, Shakti (webShakti and mShakti), enables digital onboarding, cashless disbursements, and mobile-enabled collections, while the newly launched FinDost platform supports MSME lending with API-ready integration and future AI-based credit scoring.

Digital governance is strengthened through tools such as Audit 360, Early Warning System (EWS), Asset Infinity, and inDefend DLP, ensuring real-time risk monitoring and data protection. Advanced features like geo-tagging, facial recognition, and remote authentication improve efficiency and transparency, while high-availability configurations and Palo Alto's PRISMA SASE framework safeguard network resilience. Looking ahead, Fusion plans to adopt Robotic Process Automation (RPA) and ERP systems to further enhance operational agility, customer service, and long-term digital resilience.

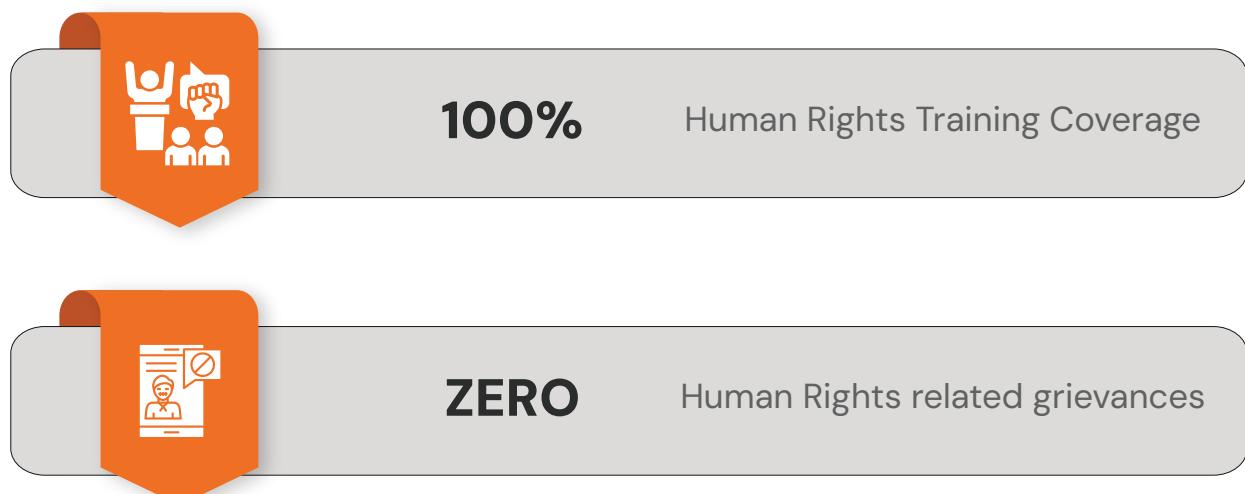
Health & Safety



Fusion Finance embeds health and safety practices through regular training, workplace audits, hazard identification, and preventive measures. The company prioritizes hygienic and safe work environments, supported by employee awareness and timely corrective actions. In FY 2024-25, Fusion maintained a zero-incident record, underscoring the effectiveness of its proactive safety culture and commitment to employee well-being.



Human Rights



Fusion Finance is committed to upholding human rights through 100% employee training, robust grievance redressal mechanisms, and policies promoting equal opportunity, fair employment, and zero tolerance for child or forced labour. The company also provides a safe, healthy, and substance-free workplace. In FY 2024-25, Fusion reported no human rights-related grievances, reflecting the strength of its policies and commitment to an ethical, inclusive work environment.

Privacy & Data Security



Fusion Finance upholds the highest standards of data privacy and cybersecurity, guided by its Data Protection and Privacy Policy aligned with UIDAI and regulatory norms. Practices are anchored in transparency, consent, and data minimisation, supported by employee training, strict protocols, and incident response mechanisms. Advanced safeguards such as encryption, secure access controls, DLP tools, and disaster recovery systems ensure confidentiality, integrity, and business continuity. In FY 2024-25, the company reported zero data privacy breaches, reflecting the robustness of its framework and reinforcing client trust and organisational integrity.



Employee Engagement



VARIOUS EMPLOYEE ENGAGEMENT INITIATIVES UNDERTAKEN



Fusion Finance strengthened employee engagement through initiatives focused on communication, recognition, and cultural alignment. Sahyog onboarded 9,944 new joiners, while revamped Rewards & Recognition schemes and the launch of The Samvaad newsletter enhanced transparency and pride. Platforms such as townhalls, policy quizzes, 32 Sangathan sessions, and 313 Baithaks fostered dialogue and feedback, alongside 1,100+ engagement activities covering approximately 13,769 employees. Looking ahead, Fusion will introduce a Regional Champions program, Regional Town Halls, and Leadership Roadshows to deepen connection.

Employee Well-being



90%

Staff Covered under Accident Insurance

Fusion Finance has strengthened its employee well-being framework through expanded insurance coverage, including parental coverage for managerial staff along with a range of wellness initiatives such as mental health sessions, yoga, fitness challenges, and financial planning workshops. The upcoming Employee Assistance Program (EAP) will provide digital counselling support, while branch-level fitness drives and financial wellness sessions will extend holistic care across locations. In addition, health and accident insurance, maternity and paternity benefits, and partnerships with clinics for subsidized health camps reinforce Fusion's commitment to creating a secure, supportive, and inclusive workplace.

Community Engagement



7.05 CRORE

CSR Amount spent for FY24-25

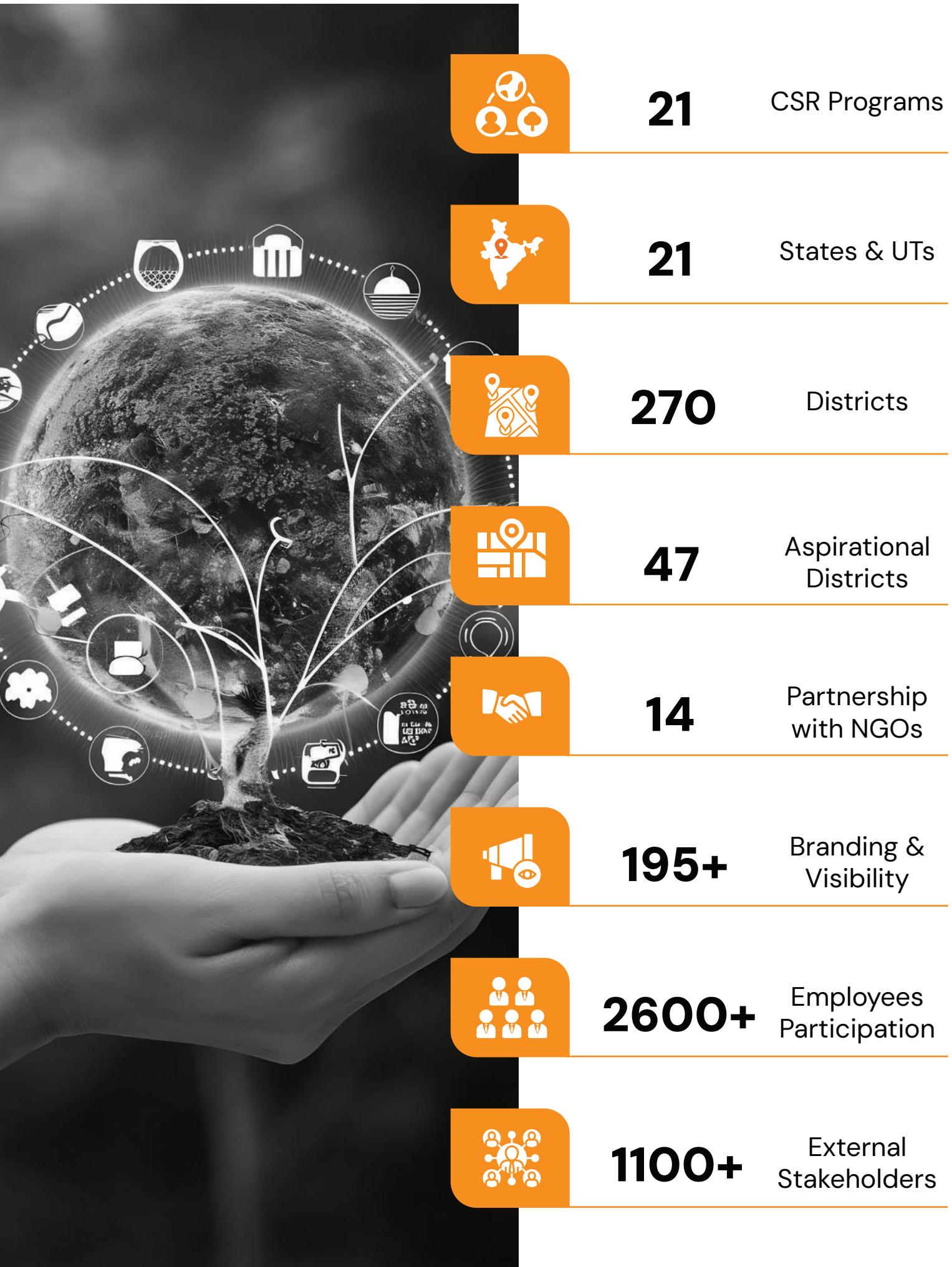


BOARD LEVEL

CSR & ESG Committee



Fusion Finance is deeply committed to creating a positive impact beyond its core business by actively engaging with the communities it serves. Through targeted CSR programs and outreach initiatives, the Company supports areas such as financial literacy, education, health, and livelihood development, particularly in underserved regions.



CSR THEMES & SUSTAINABLE DEVELOPMENT GOALS



EDUCATION & SKILL DEVELOPMENT



COMMUNITY EMPOWERMENT & LIVELIHOOD



ENVIRONMENT SUSTAINABILITY & SANITATION



HEALTH & HYGIENE



RELIEF & REHABILITATION



CSR ACTIVITIES – CASE STUDIES

FINANCIAL AND DIGITAL LITERACY PROGRAM

Women in rural areas often face barriers in accessing financial services due to limited awareness, lack of digital skills, and low confidence in managing personal finances. This restricts their ability to save securely, use formal banking channels, and achieve financial independence.

3

States

15

Villages

510

Sessions

6500+

Women

- Fusion Finance conducted financial and digital literacy sessions for women in rural villages, covering budgeting, savings, digital payments, ATM use, and financial planning.
- The program boosted women's confidence in managing money, using digital tools, and engaging with formal financial systems.

PROGRAM JAL (WASH)



Distributed 497 water wheels to reduce the physical burden of fetching water, especially for women and children.

Installed water purifiers and coolers in schools, hospitals, and community spaces to improve access to clean drinking water.

Enhanced community health and well-being through safe, reliable, and accessible water facilities.

URJA: EMPOWERING COMMUNITIES WITH RENEWABLE ENERGY



Many schools, hospitals, and community spaces in rural and semi-urban areas face frequent power outages and unreliable electricity supply. This disrupts students' education, affects essential healthcare services, and increases dependency on costly, non-renewable energy sources, leading to higher carbon emissions.

6

States

3500+

Lives Impacted



Installed solar plants (2.75–20 kW) in schools, hospitals, and community centers to ensure reliable power.



Enabled the provision of uninterrupted education and healthcare services while lowering electricity costs.



Promoted renewable energy adoption and reduced the carbon footprint in rural communities.

DISASTER RELIEF AND COMMUNITY SUPPORT



Fusion extended immediate relief to communities affected by floods and fires, reaching over 10,000 individuals with essential food packets, clothing, and critical supplies to meet urgent needs. Through swift action and efficient logistics, timely aid was delivered to those in distress. These efforts reflect our strong commitment to rapid disaster response while also laying the groundwork for long-term recovery and sustainable rebuilding.

CELEBRATION OF INTERNATIONAL WOMEN'S DAY WITH ADOLESCENT GIRLS



In partnership with Lakshya Jeevan Jagriti and We Care Foundation, 13 women employees from Fusion volunteered to lead an awareness initiative on menstrual hygiene for adolescent girls. Alongside these sessions, they also distributed more than 200 sanitary napkin packets to girls in Delhi and Gurgaon, fostering awareness and promoting healthier practices.

FUSION'S VOLUNTEERING PROGRAMS



At Fusion, we believe success is defined not only by business growth but also by the positive difference we create in society. Through our Employee Volunteering Program, we actively engage employees in initiatives that support underprivileged communities and promote social well-being. This program enables employees to contribute their time, skills, and resources, whether through hands-on volunteering or financial support towards meaningful causes. By fostering compassion, collaboration, and purpose, the initiative not only strengthens community impact but also nurtures a culture of empathy and shared responsibility within Fusion. Together, we are working to build a brighter, more inclusive future.



VOLUNTEERING IN CSR PROGRAMS

During FY 2024–25, Fusion employees actively participated in a wide range of CSR initiatives, fostering a strong culture of community engagement and social responsibility. Their involvement spans health camps, financial literacy workshops, plantation drives, and other meaningful activities. This enthusiastic participation not only created a positive impact on the communities served but also enhanced employee morale, reinforcing Fusion's commitment to social goods while advancing progress toward the Sustainable Development Goals (SDGs).

DAAN UTSAV – THE JOY OF GIVING WEEK



Celebrated a week-long Daan Utsav with a Wish-Tree and multiple donation drives.



Donated 1,000+ books to PRATHAM, setting up libraries in low-income schools.



72 employees participated in a blood donation drive; essential items were donated to the We Care Foundation for underprivileged communities.



GRIEVANCE REDRESS DAY

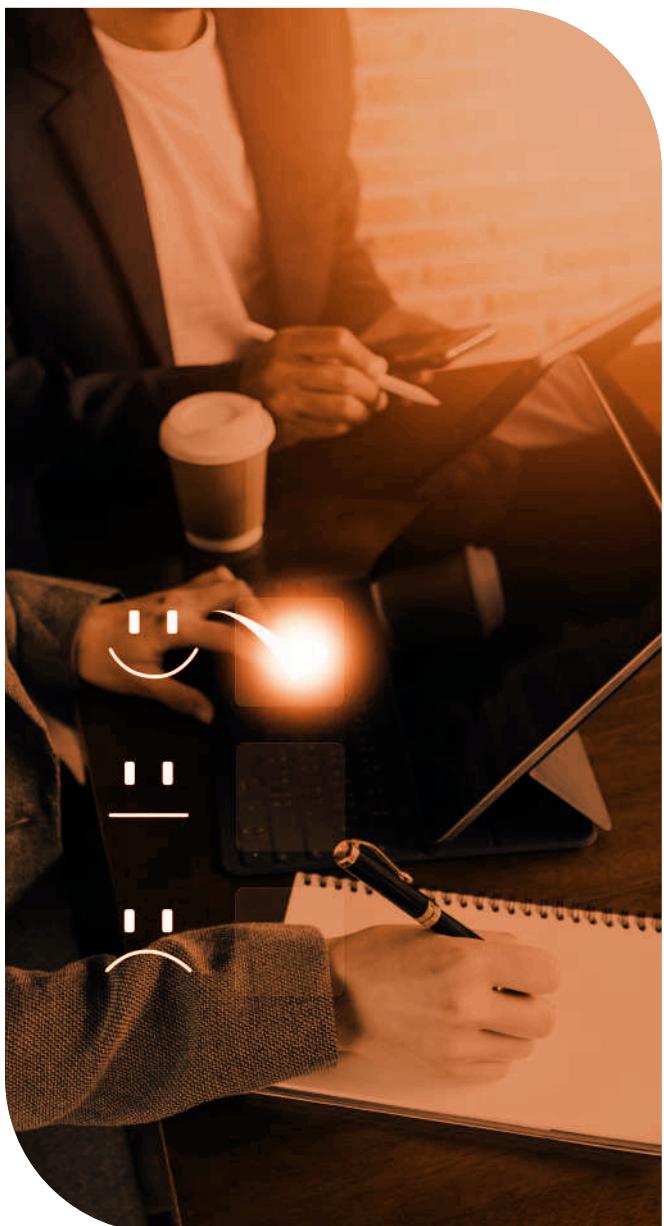
States



GRIEVANCE REDRESSAL

Policy

Fusion Finance manages all customer complaints through a centralized system, where each case is assigned a unique reference ID, categorized by type, and resolved within defined turnaround times. A dedicated grievance team at the Head Office oversees cases received through multiple channels, including the toll-free number, email, website, branches, and regulatory bodies such as RBI, CPGRAMS, and MFIN. The process is guided by a formal Grievance Redressal Policy with clear escalation protocols and timelines, while periodic reporting helps identify trends and systemic gaps. In addition, feedback mechanisms such as suggestion boxes at branches strengthen customer engagement, ensuring transparency, timely resolution, and continuous improvement in service delivery.





CORPORATE GOVERNANCE

At Fusion Finance Limited, corporate governance is the cornerstone of our commitment to responsible, ethical, and transparent business practices. We have established a robust governance framework that aligns with the best global practices and regulatory requirements, ensuring accountability across all levels of the organisation.

Board of Directors

The Board of Directors of Fusion Finance serves as the strategic guiding force of the organization, entrusted with steering its vision, ensuring long-term value creation, and upholding the highest standards of corporate governance. Comprising a diverse mix of seasoned professionals, industry veterans, and independent experts, the Board brings a wealth of expertise in finance, risk management, sustainability, and stakeholder engagement.

The Board of Directors' experience is highlighted below.



Managing Director

Mr. Devesh Sachdev

Mr. Devesh Sachdev, an XLRI postgraduate, founded Fusion in 2009–10 after over 29 years in the service industry. He has in the past held various positions with Citicorp Credit Services India Limited, Samarth Financial Consultancy Private Limited, and BSA Logistics Private Limited. Under his stewardship, the Company has emerged as one of India's leading microfinance institutions, with a steadily expanding footprint. A graduate of Harvard Business School's Strategic Leadership Program, he has also served as Chairperson of the governing board of the Microfinance Institutions Network (MFN), a self-regulatory body for NBFC-MFIs that actively engages with regulators and stakeholders to advance financial inclusion through microfinance.

Nominee Director

Mr. Kenneth Dan Vander Weele

Mr. Kenneth Dan Vander Weele serves as a Director at Creation Investments Social Ventures Fund (I, II, III, and IV). He holds a Ph.D. in International Economics from the University of Oxford and a BBA in Business Administration from the University of Wisconsin. In addition, he has successfully passed the National Uniform Certified Public Accountant (CPA) Examination. He has over 18 years of experience and has previously served on the board of several companies including CreditAccess Grameen Limited, Muthoot Microfinance Limited, Sonata Finance Private Limited, and Vivriti Capital Private Limited.



Nominee Director

Mr. Narendra Ostawal

Based in Mumbai, **Mr. Narendra Ostawal** is the Managing Director at Warburg Pincus, where he leads the firm's investment advisory activities in India. He joined Warburg Pincus in 2007, following roles as an Associate with 3i India and McKinsey & Company, and has 23 years of experience. A Chartered Accountant from The Institute of Chartered Accountants of India, he also holds an MBA from the Indian Institute of Management, Bangalore. He serves as a Nominee Director on the Board of Fusion Micro Finance Limited.



Independent Director

Ms. Ratna Dharashree Vishwanathan

Mrs. Ratna Dharashree Vishwanathan was the CEO of the Microfinance Institutions Network (MFIN) for three years, strengthening it as a credible self-regulatory organization in alignment with the Reserve Bank of India's supervisory mandate. She established the annual International Microfinance Conclave, significantly enhancing sector visibility. In the development sector, she has held senior leadership roles with international NGOs such as Oxfam and VSO, guiding them through critical change management transitions from liaison offices to fully-fledged Indian entities. She holds a Bachelor of Arts degree from Utkal University, Bhubaneshwar, and studied Master of Arts at the University of Lucknow. She has over 38 years of experience and has worked in the past with the Government of India (IA & AS 87), United Nations Office for Project Services, MFIN, and United Nations Development Program.

Independent Director

Ms. Namrata Kaul

Ms. Namrata Kaul is a career banker with over 37 years of experience spanning Treasury, Corporate Banking, Debt Capital Markets, and Corporate Finance in India and the UK. As Managing Director at Deutsche Bank AG, she led the Corporate Bank practice in India and was a member of the Asia Executive Committee, the Board of Deutsche Bank India, and a founding member of its Diversity Council. A Chevening Scholar from the London School of Economics, she holds a B.Com. from Lady Shri Ram College, Delhi University, and an MBA from IIM Ahmedabad. She currently serves as an Independent Director on several boards, including Havells India, Vivriti Capital, Vivriti Asset Management, and Schneider Electric, and has previously served on the Board of Bhopal Smart City Development Corporation, and Prime Securities Ltd.



Independent Director

Dr. Puneet Gupta

Dr. Puneet Gupta brings nearly three decades of professional and academic experience across India and North America. He has managed private equity funds, advised family offices, and founded SimpliLend, a fintech platform leveraging AI and machine learning for credit automation. He has held senior leadership roles in global organisations and currently serves as an adjunct professor at IMT Ghaziabad. Dr. Gupta serves on the boards of UTI Pension, NCDEX eMarkets, and Meta Materials Circular Markets, and advises ONGC's Startup Fund and Kentrus Investment Advisors Private Limited. He holds a Ph.D. from IIT Delhi, an MBA from the Kellogg School of Management, and a B.E. in Computer Science from Mangalore University.

Independent Director

Mr. Pankaj Vaish

Mr. Pankaj Vaish brings over four decades of diverse experience spanning Technology-Led Transformation, Management Consulting, Leadership Development, B2B Sales, and Outsourcing. Having spent more than 28 years with Accenture, he successfully built businesses from the ground up and scaled them to global proportions, holding several senior regional and global leadership roles. Beyond his corporate career, he has served as an Independent Director on the boards of multiple listed companies and has held board positions, both independent and nominee, across a wide range of industries. In addition, he actively advises and mentors growth-stage companies and SMEs, leveraging his strategic expertise to drive sustainable business growth and organizational excellence.



Board Composition & Expertise



57%

Independent
Directors

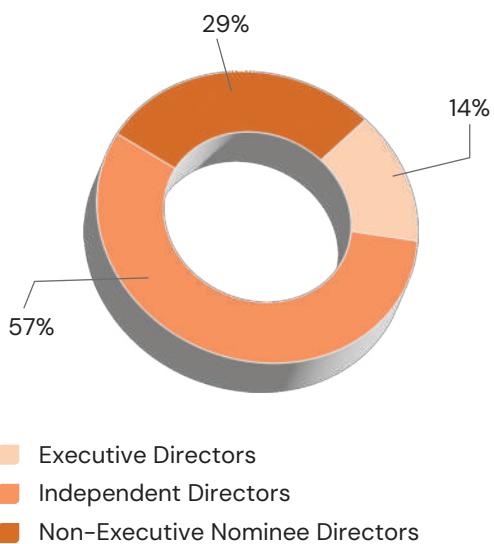


Female Representation
on Board

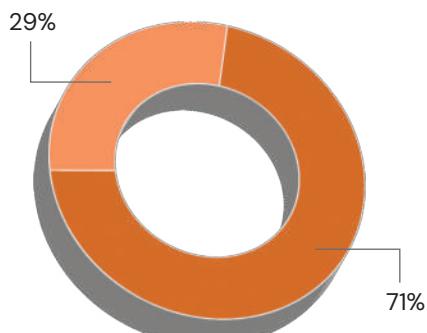
29%



Board Composition



Board Diversity



Male
Female

The Board of Directors of Fusion Finance comprises six members, combining executive leadership, investor representation, and independent oversight. It includes one Executive Director, serving as the Managing Director; two Nominee Directors representing key investors; and four Independent Directors, two of whom are women. This structure reflects the Company's commitment to strong governance, diverse perspectives, and inclusive leadership. The Board's composition ensures a well-rounded balance of operational expertise, strategic vision, and independent judgement, enabling it to effectively steer Fusion Finance's long-term strategy, risk management, and sustainable value creation.

Expertise of Board

Sectors



Mr. Devesh Sachdev



Mr. Kenneth Dan Vander Weele



Mr. Narendra Ostawal

Banking Operations



Audit & Financial Statements



Financing



Investment



Risk Management



Entrepreneurship



Micro-Finance



Management



Information Technology



Human Resource Development



Sectors



Mrs. Ratna Dharashree Vishwanathan



Mrs. Namrata Kaul



Dr. Puneet Gupta



Mr. Pankaj Vaish

Banking Operations



Audit & Financial Statements



Financing



Investment



Risk Management



Entrepreneurship



Micro-Finance



Management



Information Technology



Human Resource Development



Board Committees

The governance framework of Fusion Finance is strengthened through a well-structured system of Board Committees, each established with clearly defined mandates to ensure effective oversight, strategic guidance, and robust compliance with regulatory and ethical standards.

1

AUDIT COMMITTEE

The Audit Committee at Fusion Finance ensures that robust internal controls, risk management systems, and compliance mechanisms are effectively implemented and continuously strengthened. The Committee reviews and monitors statutory and internal audit processes, assesses the adequacy of financial disclosures, and evaluates adherence to applicable legal and regulatory requirements.

► Ms. Namrata Kaul

Chairperson (Non-Executive & Independent Director)

► Dr. Puneet Gupta

Member (Non-Executive & Independent Director)

► Mr. Pankaj Vaish

Member (Non-Executive & Independent Director)

► Mr. Narendra Ostawal

Member (Non-Executive & Nominee Director)

► Ms. Ratna Dharashree Vishwanathan

Member (Non-Executive & Nominee Director)

2

NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) at Fusion Finance is entrusted with ensuring that the Company attracts, develops, and retains high-calibre leadership in alignment with its strategic objectives and values. The Committee is responsible for identifying and recommending qualified individuals for Board and senior management positions, formulating criteria for their selection, and overseeing succession planning.

► Ms. Ratna Dharashree Vishwanathan

Member (Non-Executive & Nominee Director)

► Ms. Namrata Kaul

Chairperson (Non-Executive & Independent Director)

► Mr. Narendra Ostawal

Member (Non-Executive & Nominee Director)

► Dr. Puneet Gupta

Member (Non-Executive & Independent Director)

STAKEHOLDERS RELATIONSHIP COMMITTEE

3

The Stakeholders Relationship Committee at Fusion Finance is entrusted with safeguarding and enhancing stakeholder confidence through efficient redressal of grievances and proactive engagement. Its primary responsibilities include monitoring investor and shareholder communications, overseeing the resolution of complaints related to share transfers, dividend distribution, and other corporate actions, and ensuring timely disclosures in line with statutory and regulatory requirements.

► Ms. Ratna Dharashree Vishwanathan

Member (Non-Executive & Nominee Director)

► Mr. Devesh Sachdev

Member (Managing Director)

► Ms. Namrata Kaul

Chairperson (Non-Executive & Independent Director)

► Dr. Puneet Gupta

Member (Non-Executive & Independent Director)

BOARD RISK MANAGEMENT COMMITTEE

4

The Board Risk Management Committee at Fusion Finance is entrusted with the critical responsibility of overseeing the Company's enterprise-wide risk framework to ensure that strategic objectives are achieved within defined risk tolerances. The Committee identifies, evaluates, and monitors key financial, operational, compliance, and ESG-related risks, recommending appropriate mitigation strategies to the Board.

► Ms. Namrata Kaul

Chairperson (Non-Executive & Independent Director)

► Mr. Devesh Sachdev

Member (Managing Director)

► Mr. Pankaj Vaish

Member (Non-Executive & Independent Director)

► Dr. Puneet Gupta

Member (Non-Executive & Independent Director)

► Mr. Narendra Ostawal

Member (Non - Executive & Nominee Director)

► Mr. Sanjay Choudhary

Member (Chief Risk Officer)

BOARD-LEVEL CSR & ESG COMMITTEE

The Board has constituted a CSR & ESG Committee to oversee the company's Corporate Social Responsibility (CSR) initiatives and Environmental, Social, and Governance (ESG) strategies. The Committee ensures compliance with all regulatory requirements, manages the CSR policy, and monitors the utilization of allocated funds in line with the Companies Act. In addition, it is responsible for guiding, implementing, and monitoring ESG initiatives to ensure they are effectively integrated into the company's operations and long-term strategy.

► Ms. Ratna Dharashree Vishwanathan

Chairperson (Non-Executive & Independent Director)

► Mr. Pankaj Vaish

Member (Non-Executive & Independent Director)

► Mr. Devesh Sachdev

Member (Managing Director)

► Dr. Puneet Gupta

Member (Non-Executive & Independent Director)



At Fusion Finance, our governance framework is anchored in a robust set of policies that guide ethical conduct, regulatory compliance, and responsible business practices across all operations. These policies encompass critical domains including environmental stewardship, human rights, diversity and inclusion, anti-bribery and corruption, data privacy, occupational health and safety, and sustainable procurement. Each policy is designed to foster transparency, accountability, and resilience while aligning with international best practices and the expectations of our stakeholders.





CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) Policy is designed to create long-term value for communities by aligning social and environmental initiatives with the company's vision of sustainable growth. The policy emphasizes projects in areas such as education, healthcare, gender equality, livelihood enhancement, environmental sustainability, rural development, and disaster relief, in line with Schedule VII of the Companies Act, 2013.



VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Fusion Finance has adopted a Vigil Mechanism/ Whistle Blower Policy to promote a culture of transparency, accountability, and ethical conduct. The policy provides a secure framework for employees, directors, and stakeholders to report concerns related to unethical practices, misconduct, fraud, or violations of the company's Code of Conduct.



REFUND POLICY

Fusion Finance's Refund Policy is designed to ensure fairness, transparency, and compliance with regulatory guidelines in handling customer repayments. The policy provides a structured framework for processing refunds arising from excess collections, double payments, or erroneous transactions, ensuring that such amounts are promptly verified and credited back to the customer's account.



CODE OF CONDUCT POLICY

Fusion Finance's Code of Conduct Policy establishes clear standards of fairness, transparency, and ethical behavior in all dealings with customers, employees, and stakeholders. The policy ensures responsible lending practices, non-discrimination, privacy and data protection, grievance redressal, and fair treatment of clients.



DATA PROTECTION & PRIVACY POLICY

The Data Protection and Privacy Policy of Fusion Finance governs the manner in which personal information related to employees, clients, and third-party users is collected, managed, and disclosed. The company upholds the highest standards of confidentiality and is committed to safeguarding individual privacy by ensuring that the acquisition, storage, and sharing of such information are conducted responsibly and in compliance with applicable regulations.



CORPORATE GOVERNANCE POLICY

The Corporate Governance Policy of Fusion Finance Limited (FFL) establishes the Company's commitment to adopting best practices in transparency, accountability, and ethical conduct. The policy outlines the governance framework, including the role of the Board of Directors and its Committees in providing strategic guidance, monitoring risks, ensuring regulatory compliance, and safeguarding stakeholder interests.



FAIR PRACTICE CODE

Fusion Finance Limited, as an NBFC-MFI, has adopted a Fair Practices Code (FPC) in line with RBI guidelines to ensure transparency, fairness, and accountability in all lending activities. The policy sets minimum standards for client interactions, covering loan processing, appraisal, disbursement, recovery practices, and grievance redressal, while emphasizing responsible lending, non-coercive recovery, and confidentiality of client information.



E&S POLICY

Fusion Finance's Environmental and Social Policy ensures that environmental and social safeguards are integrated into its operations and lending practices. The policy adopts a structured Environmental and Social Management Framework (ESMF) that emphasizes compliance with applicable laws, risk categorization, exclusion of high-risk activities, and continuous monitoring.

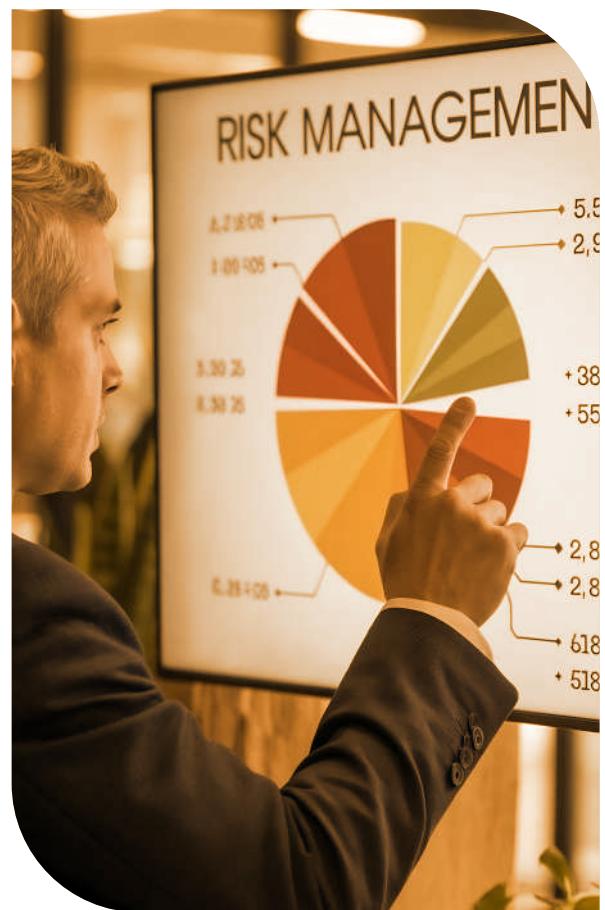


GRIEVANCE REDRESSAL POLICY

Fusion Finance's Grievance Redressal Policy is designed to uphold customer-centricity, transparency, and timely resolution of complaints. The policy establishes multiple channels for lodging grievances, a structured escalation matrix up to the RBI Ombudsman, and defined turnaround times for complaint resolution.

Risk Management

Fusion Finance's Enterprise Risk Management (ERM) framework, underpinned by a formal Risk Management Policy, provides a structured approach to identifying, assessing, evaluating, addressing, and monitoring key risks, including credit, market, liquidity, operational, and compliance risks that may affect the achievement of our strategic objectives. This framework is designed to minimize adverse impacts while enabling the Company to seize market opportunities and strengthen its long-term competitive advantage. Oversight of the ERM process lies with the Board Risk Management Committee (BRMC), which is mandated to formulate, implement, and monitor the enterprise risk management plan in alignment with the policy. The BRMC regularly reviews the plan's effectiveness, ensures adherence to established risk parameters, and evaluates exposures to critical risks such as credit risk, interest rate risk, liquidity risk, and operational risk.



Business Ethics



Fusion Finance upholds integrity, fairness, and transparency as the foundation of its business operations. Guided by its comprehensive Code of Conduct, the organization ensures ethical behavior across all levels while maintaining compliance with regulatory requirements and industry best practices. The policy, aligned with the Microfinance Institution Network (MFIN) Code of Conduct, sets clear standards for customer interactions, lending practices, transparency, data privacy, grievance redressal, and employee engagement.

The company emphasizes fair interaction, ensuring customers are treated with dignity and without discrimination, prohibiting coercive recovery methods, and always maintaining respectful communication. Lending practices are governed by suitability criteria to prevent over-indebtedness, supported by prudent credit assessments and financial literacy programs.

Business Continuity & Disaster Management Plan

Fusion Finance has instituted a comprehensive Business Continuity and Disaster Management Plan to safeguard operational resilience and ensure uninterrupted service delivery during unforeseen disruptions. The framework encompasses protocols for risk identification, impact assessment, and rapid response to scenarios such as natural disasters, technological failures, socio-political unrest, and other emergencies. It integrates preventive measures, alternate operational arrangements, and crisis communication strategies to protect employees, customers, and critical business assets. The company has reinforced its disaster recovery capabilities through robust data backup systems, advanced redundancy protocols, and formalized continuity plans, all of which are regularly tested and validated to ensure operational readiness. Supported by periodic drills, employee training, and continuous review, these measures enable Fusion Finance to minimize downtime, maintain regulatory compliance, and deliver seamless service even under adverse conditions.



GRI CONTENT INDEX



GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 2: General Disclosures 2021	<p>2-1 Organisational details</p> <p>2-2 Entities included in the organisation's sustainability reporting</p> <p>2-3 Reporting period, frequency and contact point</p> <p>2-6 Activities, value chain and other business relationships</p> <p>2-7 Employees</p> <p>2-8 Workers who are not employees</p> <p>2-9 Governance structure and composition</p> <p>2-10 Nomination and election of the highest governance body</p> <p>2-11 Chair of the highest governance body</p> <p>2-12 Role of the highest governance body in overseeing the management of impacts</p> <p>2-13 Delegation of responsibility for managing impacts</p> <p>2-14 Role of the highest governance body in sustainability reporting</p> <p>2-15 Conflicts of interest</p> <p>2-16 Communication of critical concerns</p> <p>2-16 Communication of critical concerns</p> <p>2-17 Collective knowledge of the highest governance body</p>	<p>About the Company</p> <p>Geographical Presence</p> <p>Reporting Scope & Boundary</p> <p>Stakeholder Engagement</p> <p>Human Capital</p> <p>Board of Directors</p> <p>Annual Report 24-25</p> <p>Board of Directors</p> <p>Board Committees</p> <p>ESG Governance & Board Oversight</p> <p>BRSR Principle 1 – Essential Indicator – Q6</p> <p>BRSR Section A – Q25</p> <p>Board Composition & Expertise</p>	<p>8</p> <p>11</p> <p>4</p> <p>19</p> <p>35</p> <p>52-53</p> <p>–</p> <p>52-53</p> <p>56</p> <p>58</p> <p>–</p> <p>54</p>

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 3: Material Topics 2021	2-19 Remuneration policies	Annual Report 24-25	
	2-20 Process to determine remuneration	BRSR Principle 5 – Essential Indicator – Q3	-
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy	Director statement	
	2-23 Policy commitments	Key Policies	59
	2-24 Embedding policy commitments	Emerging Risks & Opportunities	26-27
	2-25 Processes to remediate negative impacts	Employee Engagement	41
	2-26 Mechanisms for seeking advice and raising concerns	Board of Directors	52-53
	2-27 Compliance with laws and regulations	Memberships & Associations	14
	2-28 Membership associations	Stakeholder Engagement	19
GRI 201: Economic Performance 2016	2-29 Approach to stakeholder engagement	BRSR Principle 3 – Essential Indicator – Q7	-
	2-30 Collective bargaining agreements		
	3-1 Process to determine material topics	Materiality Assessment	22
GRI 201: Economic Performance 2016	3-2 List of material topics		
	3-3 Management of material topics		
	201-1 Direct economic value generated and distributed	Annual Report 24-25	-
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Resilience & Emissions Management	31

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 202: Market Presence 2016	<p>201-3 Defined benefit plan obligations and other retirement plans</p> <p>201-4 Financial assistance received from government</p>	<p>Annual Report 24-25</p> <p>Annual Report 24-25</p>	-
GRI 205: Anti-corruption 2016	<p>202-1 Ratios of standard entry level wage by gender compared to local minimum wage</p> <p>202-2 Proportion of senior management hired from the local community</p> <p>203-2 Significant indirect economic impacts</p> <p>205-1 Operations assessed for risks related to corruption</p>	<p>BRSR Principle 5 – Essential Indicator – Q2</p>	-
GRI 207: Tax 2019	<p>205-2 Communication and training about anti-corruption policies and procedures</p> <p>205-3 Confirmed incidents of corruption and actions taken</p> <p>207-1 Approach to tax</p> <p>207-2 Tax governance, control, and risk management</p> <p>207-3 Stakeholder engagement and management of concerns related to tax</p> <p>207-4 Country-by-country reporting</p>	<p>Business Ethics</p>	62
GRI 301: Materials 2016	<p>301-1 Materials used by weight or volume</p> <p>301-2 Recycled input materials used</p> <p>301-3 Reclaimed products and their packaging materials</p>	<p>Annual Report 24-25</p> <p>Not Applicable as operations are only restricted to India.</p>	-
		<p>BRSR Principle 2 – Leadership Indicator – Q3</p>	

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 302: Energy 2016	<p>302-1 Energy consumption within the organization</p> <p>302-2 Energy consumption outside of the organization</p> <p>302-3 Energy intensity</p> <p>302-4 Reduction of energy consumption</p> <p>302-5 Reduction in energy requirements of products and services</p>	Energy Management	30
GRI 303: Water and Effluents 2018	<p>303-1 Interactions on water as a shared resource</p> <p>303-2 Management of water discharge-related impacts</p> <p>303-3 Water withdrawal</p> <p>303-4 Water discharge</p> <p>303-5 Water consumption</p>	Water Stewardship	32
GRI 305: Emissions 2016	<p>305-1 Direct (Scope 1) GHG emissions</p> <p>305-2 Energy indirect (Scope 2) GHG emissions</p> <p>305-3 Other indirect (Scope 3) GHG emissions</p> <p>305-4 GHG emissions intensity</p> <p>305-5 Reduction of GHG emissions</p> <p>305-6 Emissions of ozone-depleting substances (ODS)</p> <p>305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</p>	Climate Resilience & Emissions Management	31

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 306: Waste 2020	<p>306-1 Waste generation and significant waste-related impacts</p> <hr/> <p>306-2 Management of significant waste-related impacts</p> <hr/> <p>306-3 Waste generated</p> <hr/> <p>306-4 Waste diverted from disposal</p> <hr/> <p>306-5 Waste directed to disposal</p>	Waste Management	32
GRI 308: Supplier Environmental Assessment 2016	<p>308-1 New suppliers that were screened using environmental criteria</p> <hr/> <p>308-2 Negative environmental impacts in the supply chain and actions taken</p>	BRSR Principle 2 – Essential Indicator – Q2 Principle 6 – Leadership Indicator – Q7	–
GRI 401: Employment 2016	<p>401-1 New employee hires and employee turnover</p> <hr/> <p>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</p> <hr/> <p>401-3 Parental leave</p>	Human Capital	35
GRI 402: Labour/Management Relations 2016	<p>402-1 Minimum notice periods regarding operational changes</p>	In case of any operational changes like relocation, closure, or new project sites the employees will be notified well in advance	42

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 403: Occupational Health and Safety 2018	<p>403-1 Occupational health and safety management system</p> <p>403-2 Hazard identification, risk assessment, and incident investigation</p> <p>403-3 Occupational health services</p> <p>403-4 Worker participation, consultation, and communication on occupational health and safety</p> <p>403-5 Worker training on occupational health and safety</p> <p>403-6 Promotion of worker health</p> <p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p> <p>403-8 Workers covered by occupational health and safety management system</p> <p>403-9 Work-related injuries</p> <p>403-10 Work-related ill health</p>	<p>Health & Safety</p>	39
GRI 404: Training and Education 2016	<p>404-1 Average hours of training per year per employee</p> <p>404-2 Programs for upgrading employee skills and transition assistance programs</p> <p>404-3 Percentage of employees receiving regular performance and career development reviews</p>	<p>Learning & Development</p>	37
GRI 405: Diversity and Equal Opportunity 2016	<p>405-1 Diversity of governance bodies and employees</p> <p>405-2 Ratio of basic salary and remuneration of women to men</p>	<p>BRSR Principle 3 – Essential Indicator – Q9</p> <p>Diversity, Equity & Inclusion</p>	– 36

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE NO.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	(No such incidents)	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	BRSR Principle 3 – Essential Indicator – Q7	–
GRI 411: Rights of Indigenous Peoples 2016	406-1 Incidents of discrimination and corrective actions taken	(No such incidents)	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Engagement	42
	413-2 Operations with significant actual and potential negative impacts on local communities	(No such negative impacts)	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	BRSR Principle 5 – Leadership Indicator – Q4	
	414-2 Negative social impacts in the supply chain and actions taken	(No such incidents)	
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	BRSR Principle 9 – Essential Indicator – Q4	–
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	(No such incidents)	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	BRSR Principle 9 – Essential Indicator – Q2 Leadership Indicator – Q2, Q4	
	417-2 Incidents of non-compliance concerning product and service information and labelling	(No such incidents)	
GRI 418: Customer Privacy 2016	417-3 Incidents of non-compliance concerning marketing communications	(No such incidents)	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	(No such incidents)	

