



# Banking for a Better Planet

Sustainability Report  
2023-24

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# Abbreviations

| S.No. | Abbreviation | Full Form   |
|-------|--------------|---|
| 1.    | AI           | Artificial Intelligence                             |
| 2.    | API          | Application Programming Interface                   |
| 3.    | APL          | Above Poverty Line                                  |
| 4.    | ARAI         | Automotive Research Association of India            |
| 5.    | ASM          | Attack Surface Monitoring                           |
| 6.    | ATM          | Automated Teller Machine                            |
| 7.    | BBPS         | Bharat Bill Payment System                          |
| 8.    | BC           | Business Correspondent                              |
| 9.    | BFSI         | Banking, Financial Services, and Insurance          |
| 10.   | BNB          | Business Net Banking                                |
| 11.   | BPL          | Below Poverty Line                                  |
| 12.   | BSI          | British Standards Institution                       |
| 13.   | CAP          | Credit Approval Process                             |
| 14.   | CapEx        | Capital Expenditure                                 |
| 15.   | CBDR         | Common But Differentiated Responsibility            |
| 16.   | CCR          | Customer Care Representatives                       |
| 17.   | CDT          | Cheshire Disability Trust                           |
| 18.   | CIBIL        | Credit Information Bureau (India) Limited           |
| 19.   | CM           | Cluster Manager                                     |
| 20.   | CoC          | Code of Conduct                                     |
| 21.   | COO          | Chief Operating Officer                             |
| 22.   | CRISIL       | Credit Rating Information Services of India Limited |
| 23.   | CRM          | Customer Relationship Management                    |
| 24.   | CRO          | Customer Relationship Officer                       |
| 25.   | CRZ          | Coastal Regulation Zones                            |
| 26.   | CSA          | Corporate Sustainability Assessment                 |
| 27.   | C-SAT        | Customer Satisfaction                               |
| 28.   | CSR          | Corporate Social Responsibility                     |
| 29.   | CVI          | Climate Vulnerability Index                         |
| 30.   | DJSI         | Dow Jones Sustainability Index                      |

| S.No. | Abbreviation | Full Form   |
|-------|--------------|---|
| 31.   | DNS          | Domain Naming Services                                      |
| 32.   | DPDP         | Digital Personal Data Protection                            |
| 33.   | DRI          | Differential Rate of Interest                               |
| 34.   | DR           | Disaster Recovery   |
| 35.   | DSCI         | Data Security Council of India                              |
| 36.   | EDR          | Endpoint Detection and Response                             |
| 37.   | EMI          | Equated Monthly Instalment                                  |
| 38.   | ESG          | Environmental, Social, and Governance                       |
| 39.   | ESOP         | Employee Stock Ownership Plan                               |
| 40.   | ETB          | Existing-to-Bank  |
| 41.   | EV           | Electric Vehicle  |
| 42.   | FLP          | Financial Literacy Program                                  |
| 43.   | FTNR         | First Time Not Right  |
| 44.   | GHG          | Greenhouse Gas  |
| 45.   | GPTW         | Great Place to Work   |
| 46.   | GL           | Group Loans   |
| 47.   | GRI          | Global Reporting Initiative                                 |
| 48.   | GST          | Goods & Service Tax   |
| 49.   | HoD          | Head of Department  |
| 50.   | HRMS         | Human Resource Management System                            |
| 51.   | IB           | Internet Banking  |
| 52.   | IBA          | Indian Banking Association                                  |
| 53.   | IC           | Inquiry Committee   |
| 54.   | ICAAP        | Internal Capital Adequacy Assessment Process                |
| 55.   | IDRBT        | Institute of Development and Research on Banking Technology |
| 56.   | IEC          | International Electrotechnical Commission                   |
| 57.   | IFC          | International Finance Corporation                           |
| 58.   | IIBF         | Indian Institute of Banking & Finance                       |
| 59.   | IL           | Individual Loan   |

| S.No. | Abbreviation | Full Form   |
|-------|--------------|---|
| 60.   | INFHRA       | The Infrastructure, Facility, Human Resource And Realty Association   |
| 61.   | ISO          | International Organization for Standardization  |
| 62.   | IT           | Information Technology  |
| 63.   | KMP          | Key Management Personnel  |
| 64.   | KPI          | Key Performance Indicators  |
| 65.   | KRA          | Key Result Areas  |
| 66.   | KYC          | Know Your Customer  |
| 67.   | LMS          | Litigation Management System  |
| 68.   | LODR         | Listing Obligations and Disclosure Requirements   |
| 69.   | LSEG         | London Stock Exchange Group   |
| 70.   | LUC          | Loan Utilization Checks   |
| 71.   | MB           | Mobile Banking  |
| 72.   | MCA          | Ministry of Corporate Affairs   |
| 73.   | MoU          | Memorandum of Understanding   |
| 74.   | MSME         | Micro, Small, and Medium Enterprises  |
| 75.   | MSE-GIFT     | MSE- Green Investment Financing for Transformation<br>MSE - Scheme for Promotion and Investment in Circular Economy |
| 76.   | MSE - SPICE  |   |
| 77.   | MT           | Metric Tonnes   |
| 78.   | NABARD       | National Bank for Agriculture and Rural Development   |
| 79.   | NBC          | National Building Code  |
| 80.   | NBFC         | Non-Banking Financial Companies   |
| 81.   | NGFS         | Network for Greening the Financial System   |
| 82.   | NGO          | Non-Governmental Organisation   |
| 83.   | NPS          | Net Promoter Score  |
| 84.   | NRC          | Nomination and Remuneration Committee   |
| 85.   | NTB          | New-to-Bank   |
| 86.   | NURC         | New Unbanked Rural Centre   |
| 87.   | NVG          | National Voluntary Guidelines   |

| S.No. | Abbreviation | Full Form   |
|-------|--------------|---|
| 88.   | OHS          | Occupational Health and Safety                      |
| 89.   | OPEX         | Operational Expenditure                             |
| 90.   | POSH         | Prevention of Sexual Harassment                     |
| 91.   | PMO          | Project Management Office                           |
| 92.   | PSU          | Public Sector Undertakings                          |
| 93.   | PV           | Photo Voltaic                                       |
| 94.   | RAC          | Retail Asset Centres                                |
| 95.   | RBI          | Reserve Bank of India                               |
| 96.   | RFD          | Ready for Disbursement                              |
| 97.   | RPA          | Robotic Process Automation                          |
| 98.   | SDG          | Sustainable Development Goals                       |
| 99.   | SEBI         | Securities and Exchange Board of India              |
| 100.  | SIDBI        | Small Industries Development Bank of India          |
| 101.  | SLA          | Service Level Agreements                            |
| 102.  | SM           | Senior Manager                                      |
| 103.  | SOP          | Standard Operating Procedure                        |
| 104.  | SPOC         | Single Points of Contact                            |
| 105.  | SQ           | Service Quality                                     |
| 106.  | SR           | Service Requests                                    |
| 107.  | STP          | Straight Through Processing                         |
| 108.  | TAT          | Turnaround Time                                     |
| 109.  | TCFD         | Task Force on Climate-related Financial Disclosures |
| 110.  | UJJIVAN SFB  | Ujjivan Small Finance Bank                          |
| 111.  | ULI          | Unified Lending Interface                           |
| 112.  | UPI          | Unified Payments Interface                          |
| 113.  | VAPT         | Vulnerability Assessment and Penetration Testing    |
| 114.  | vKYC         | Video KYC   |
| 115.  | VRM          | Virtual Relationship Manager                        |
| 116.  | VRV          | Variable Refrigerant Volume                         |
| 117.  | WASH         | Water, Sanitation, and Hygiene                      |
| 118.  | YoY          | Year on Year  |

# Overview

## About the Report

Ujjivan Small Finance Bank (Ujjivan SFB), driven by its commitment to “Building Better Lives, Sustainably” is dedicated to creating positive impact across multiple dimensions of the operations, ensuring sustainability is at the heart of everything they do. By prioritising sustainability, Ujjivan SFB strives to foster lasting change and enhance lives, Sustainably! This report represents organization’s commitment to environmental stewardship, social responsibility and economic viability. As Ujjivan SFB releases its second edition of the Sustainability Report, it aims to provide a comprehensive overview of sustainability initiatives and progress achieved in alignment with the strategy set in the previous financial year. It articulates the Bank’s vision and approach to foster financial inclusion and promote responsible practices that benefit all the stakeholders.



In the previous year, Ujjivan SFB released its first Sustainability report for the financial year 2022-23 which is available on the Bank’s website at <https://www.ujjivansfb.in/sustainability-initiatives>.

### Reporting Boundaries

This report covers the organizational activities of Ujjivan SFB from April 1, 2023, to March 31, 2024, encompassing all business operations and services. It represents 100% of the revenue for the financial year 2023-24 and adheres to the globally recognized reporting frameworks, including the Global Reporting Initiative (GRI) and the United Nations’ Sustainable Development Goals (SDGs).

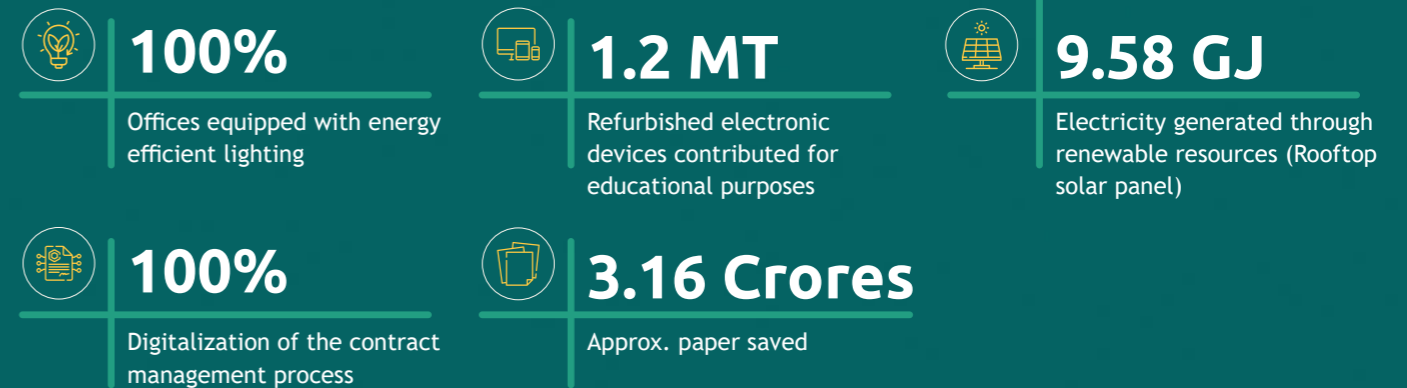
The bank’s internal functions are responsible for ensuring the accuracy, completeness, and timeliness of the data presented in this report. Each department plays a vital role in compiling and validating the information to maintain reliability and integrity.

Looking ahead, the organization remains dedicated towards establishing ambitious sustainability goals while fostering a culture of transparency and accountability.

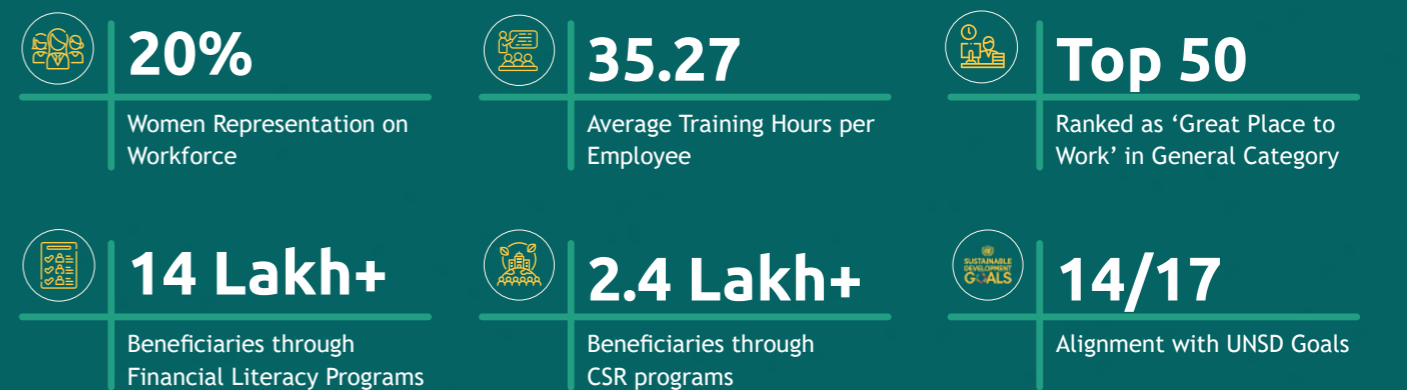
For any further information, please contact Mr. Sachin Jadhav - [sachin.jadhav@ujjivan.com](mailto:sachin.jadhav@ujjivan.com)

## Key Highlights of the Year

### Resilient Environment

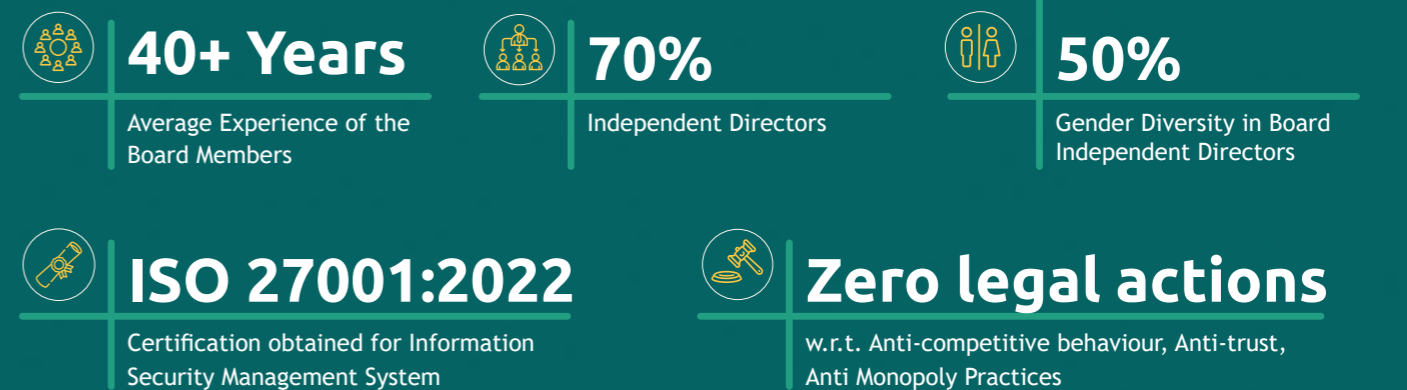


### Social Wellbeing (Employee & Communities)



### Ethical Governance\*

\*As on 31<sup>st</sup> December 2024



# Our Performance

## Message from The Chairman

Dear Stakeholders,

As we publish our second Sustainability Report, I am proud to reflect on the strides we have made in embedding sustainability into the core of our bank's operations. The fiscal year 2022-23 marked the inaugural release of our Sustainability Report, which highlighted the beginning of our journey towards adopting a comprehensive ESG and responsible approach. Despite a year filled with persistent challenges and an intensified worldwide emphasis on climate change, our dedication to promoting a more sustainable and inclusive tomorrow has not wavered.

Our path to sustainability is fuelled by the recognition that, as a prominent financial institution, we occupy a critical position in facilitating the shift towards a low-carbon economy. This understanding informs our actions and strategies as we strive to be a catalyst for change. Our initiatives this year have focused on integrating environmental considerations into our financial decision-making processes, supporting community development, and fostering a culture of ethical banking. We have consistently backed our customers in their quest for inclusive growth, delivering inventive financial products and services that fulfil their diverse needs while echoing our pledge to environmental stewardship and social responsibility, ensuring access to finance for all segments of society. By providing such support, we are not just aiding individual customers but also contributing to the broader objective of sustainable development.

Our commitment goes beyond mere financial transactions; it's about forging long-term partnerships with our customers, understanding their unique challenges and opportunities in the context of sustainability, and working collaboratively to address them. We believe that through our focused approach and the strategic deployment of capital, we can make a substantial contribution to the global movement towards a more sustainable and equitable economic system that benefits all stakeholders, now and in the future.

Our strategic investments in energy-efficient technologies at all the offices and pilot implementation of renewable energy source have successfully neutralized the carbon footprint expansion allowing us to maintain our energy intensity at the previous year's levels, despite the addition of new branches. Moreover, our digital initiatives have led to a substantial reduction in paper usage, totalling approximately 3.16 Crore pages. This initiative has not only streamlined our operations but also contributed to an environmental saving equivalent to approximately 295 tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in carbon emissions.

Our commitment to social responsibility has been unwavering, with substantial investments in community development programs that empower underprivileged sectors and promote financial literacy. Our initiatives through CSR and community development projects witnessed a total of 2.4 Lakh+ beneficiaries and we continue to strive to serve our communities that are indispensable to our society. Through the flagship 'Chote Kadam' programme, in collaboration with Parinaam Foundation, we have made significant strides in community infrastructure development, aligning with UN Sustainable Development Goals and positively impacting over 38,691 beneficiaries. Livelihood development initiatives have empowered differently-abled individuals, youth, and women by providing vocational training and employment opportunities. Environmental conservation efforts include water conservation, solar lighting for animal shelters, and tree plantation drives, aiming to enhance sustainability and green cover.

In education, Ujjivan SFB has supported inclusive learning for intellectually disabled children, digital literacy for teachers, and provided scholarships for transgender students. The bank ventured into promoting sports in FY 2023-24 by sponsoring disadvantaged youth in boxing and also supporting their education and training requirements. The Bank also supported the elderly through donations to old age homes. During FY 2023-24, we expanded our reach to 23 of the 26 States/Union Territories, with approximately 20% of the CSR projects being executed in aspirational districts.

We have also strengthened our governance structures by rebranding 'Social Services' department to 'Sustainable Banking' to ensure that sustainability considerations are an integral part of our decision-making processes.

Aligned with the United Nations Sustainable Development Goals (SDGs), we have focused our efforts on initiatives that tackle climate action, encourage responsible business, and foster collaborations to achieve these objectives. The impact of our work is apparent, as reflected in the enhanced ratings and recognitions received across different areas.

Looking ahead, we are excited to continue this journey with renewed vigour. We have set ambitious targets for the coming years, including further reducing our overall power consumption by 5% compared to last FY23-24 focusing primarily on Regional & corporate offices, exploring options for green finance portfolio to support more sustainable infrastructure and clean technologies, enhancing our product offerings with the aim of empowering the underprivileged sections of society and micro, small, and medium-sized enterprises.

I extend my deepest appreciation to all our stakeholders, our dedicated employees, valued customers, and steadfast partners for being an integral part of this vital journey towards sustainability and for their constant support and strong commitment to our sustainability goals. Our shared dedication to these principles is what drives meaningful progress, and it is this unity in purpose that will ensure our long-term success in creating a healthier, more equitable, and environmentally responsible world.

This journey is not just about reaching a destination but about the progress we make, the values we uphold, and the legacy we leave behind.

With sincere gratitude,

**B. A. Prabhakar**  
Chairman

Our commitment goes beyond mere financial transactions; it's about forging long-term partnerships with our customers, understanding their unique challenges and opportunities in the context of sustainability, and working collaboratively to address them.

## Message from The MD & CEO

### Dear Esteemed Stakeholders,

As we navigate through an era of unprecedented change, the banking sector stands at the forefront of a transformative journey. At Ujjivan Small Finance Bank (Ujjivan SFB), we are acutely aware of our pivotal role in shaping a sustainable future. Our performance in FY 2024 is a narrative of resilience, innovation, and commitment to the principles of responsible banking.

#### The Evolving Role of Banking

The banking industry is evolving rapidly, embracing the dual mandate of financial inclusion and environmental stewardship. In the current market landscape, banks are uniquely positioned to channel resources towards sustainable endeavours, influencing the fight against climate change and social disparity. Ujjivan SFB has risen to this challenge, weaving financial performance with sustainability to ensure that our growth translates into collective benefits for people and the planet.

#### Financial Growth with a Conscience

Our financial growth, marked by a 36% year-on-year increase in total income, reaching ₹ 6,464 Crores, is a testament to our robust strategy and operational excellence. The addition of 9.1 Lakh new customers, resulting in an 86 Lakhs strong customer outreach, reflects our expanding influence and the trust reposed in us. However, our achievements transcend mere numbers. They represent our conscious choice to grow responsibly, ensuring that our financial services support inclusive banking and responsible finance - towards building Ujjivan SFB as a conscious, innovative, and mindful organization, thus contributing to an economy that is inclusive, and kinder to both People and Planet.

#### Responsible Finance as a Catalyst for Change

Responsible finance is the cornerstone of our ethos at Ujjivan SFB. We are exploring green financing opportunities across sectors, to drive sustainable economic growth. We are poised to support the enterprises in adopting greener practices through targeted financial products.

Simultaneously, we are tapping into the burgeoning Electric Vehicle (EV) market, acknowledging the pivotal role of clean transportation in reducing emissions. Our strategic plans to introduce financing solutions for EVs aim to accelerate the transition to electric mobility, thereby fostering an eco-friendly transportation ecosystem.

#### Alleviating Social Disparity through Inclusive Banking

Our commitment to financial inclusion is unwavering. By offering a suite of financial products tailored for underserved segments, including microloans and agricultural loans, we

are bridging the gap in access to finance. This approach has a profound impact on alleviating social disparity, as it empowers marginalized communities, fosters entrepreneurship, and stimulates economic activity. Our financial literacy programs have reached over 14 Lakh beneficiaries, equipping them with the knowledge to make informed financial decisions and participate actively in the economy.

#### Embedding ESG into Our DNA

At Ujjivan SFB, we believe that a sustainable future is built on the principles of environmental care, social equity, and strong governance. Our ESG initiatives are deeply integrated into our business model, driving us towards a future where financial success and sustainability go hand in hand.

Our governance structure, with dedicated committees overseeing the integration of ESG principles, ensures that our commitment to sustainability is both strategic and operational.

Ujjivan SFB is steadfast in its commitment to fostering an inclusive and equitable workplace. With women constituting 20% of our workforce and achieving 50% gender diversity among our Board's independent directors, we are pioneering new standards for inclusivity within the financial sector. Our dedication to employee development is evident in the 35.27 average training hours per employee, ensuring that our team is equipped with the knowledge and skills to excel in their roles.

At Ujjivan SFB, we remain vigilant on human rights issues, embedding protection into our internal codes of conduct and extending these principles to our suppliers. We conduct regular trainings and awareness sessions to ensure adherence to these codes, fostering a culture of respect and dignity. Our robust grievance mechanisms are designed to address any concerns swiftly and effectively, ensuring that every voice within the organization is heard and valued.

This commitment to our people has earned us the distinction of being ranked among the Top 50 'Great Place to Work' in the general category.

In terms of Environmental stewardship, we have made significant strides towards our 2030 goals. Ujjivan SFB has successfully installed a 3 KW rooftop solar panels at one of its branches under the Operational Expenditure (OPEX) model, which has contributed to total renewable energy consumption of 0.077 GJ in FY 2022-23 and 9.58 GJ in FY 2023-24. This initiative is part of a broader commitment to energy efficiency, as evidenced by our transition to 100% LED lighting across all facilities. Despite the expansion of our network with 123 new branches, we have successfully maintained our energy intensity at 11.31 Gigajoules per crore of turnover, demonstrating our effective energy management and commitment to sustainable practices.

Our renovated facilities now feature sensor-based lighting systems and Variable Refrigerant Volume (VRV) air conditioning, further reducing our energy footprint. We've also upgraded our technology infrastructure, replacing old servers and printers with more energy-efficient models, thus enhancing our operational efficiency while reducing energy consumption.

In line with our commitment to circularity and waste management, we've achieved a 60% increase in e-waste reuse, with a robust policy for the responsible disposal of non-functional electronics. Our water management practices are equally rigorous, with conservation campaigns and the installation of water-saving devices across recently renovated facilities, promoting responsible water usage.

#### Digital Transformation: A Leap into the Future

Our digital transformation initiatives are reshaping the customer experience, making banking more accessible, efficient, and secure. The launch of video KYC and digital savings accounts, coupled with our ISO 27001:2022 certification for Information Security Management System, exemplifies our dedication to innovation and safety in the digital age. By automating processes and embracing digital transactions, we are not only enhancing service delivery but also reducing our environmental impact.

#### Building Sustainable Communities

Our CSR activities have touched the lives of over 2.4 Lakh beneficiaries, with initiatives that span from environmental conservation to supporting differently-abled individuals. We have successfully integrated social development into our business model, ensuring that our growth contributes to the well-being of the communities we serve.

In conclusion, Ujjivan SFB's journey in FY 2024 has been one of conscious growth and strategic foresight. As the banking sector continues to evolve, we remain committed to our role as a catalyst for positive change, championing responsible finance, and contributing to the global agenda of sustainability. Our efforts are not just about achieving financial success; they are about ensuring that success is sustainable, inclusive, and responsible.

Thank you for your support and for joining us on this journey towards a brighter, more sustainable future

Warm regards,

**Sanjeev Nautiyal**  
MD & CEO



At Ujjivan Small Finance Bank (Ujjivan SFB), we are acutely aware of our pivotal role in shaping a sustainable future. Our performance in FY 2024 is a narrative of resilience, innovation, and commitment to the principles of responsible banking.

## Message from The Executive Director

Dear Esteemed Stakeholders,

In an era where the interdependence of economic vitality and social responsibility is increasingly recognized, Ujjivan Small Finance Bank (USFB) stands as a testament to the symbiotic relationship between robust business performance and the stewardship of people and the planet. Our conviction is that sustainable growth is not a parallel track to financial success but its very foundation. This past year, we have diligently worked towards intertwining these elements, demonstrating that responsible banking is not only a moral undertaking but a strategic driver of our success.

Our financial achievements this year have been significant, with a total income of ₹6,464 Crores and a PAT of ₹1,281 Crores, marking a year-on-year growth of 36% and 17% respectively. These figures are a clear indication of our business acumen and strategic planning. Yet, it is our commitment to responsible banking that has been the catalyst for this growth, ensuring that our expansion is both inclusive and sustainable, reaching new markets and building trust within the communities we serve.

The expansion of our reach has been strategic and purposeful, with 123 new branches enhancing our network and 9.1 Lakh new customers entrusting us with their financial needs. This growth is a reflection of our mission to provide financial inclusion. By ensuring that our services are accessible to the underserved, we are building a stronger, more resilient bank that is integral to the fabric of the communities we serve.

Digitalization has been essential to our strategy, with an impressive 88.54% of all transactions being carried out digitally. Initiatives like 'Hello Ujjivan', Digital Fixed Deposit, and Digital Saving Account have enhanced customer experience and contributed to our business growth. Our commitment to digital transformation remains strong, as we aim to launch our own UPI app and BBPS system, paving the way for a super app that integrates over 90 non-financial services. By embracing digital solutions, we intend to stay competitive in the market while also contributing to easier access to finance.

Responsible finance is a cornerstone of our business model, with over ₹9,100 crores of loans disbursed to minority communities. These efforts are not just about fulfilling our social obligations but about recognizing untapped market potential and driving business growth through inclusive practices. By catering to diverse customer needs and supporting sustainable industries, we are building a robust and forward-thinking financial institution. The Bank is also exploring green finance initiatives to support environmentally sustainable and eco-friendly projects.

Our environmental and social performance this year reflects our commitment to responsible growth. We have achieved a full transition to energy-efficient lighting across all offices and initiated solar power consumption at one of the branches as pilot run, which, along with our move towards a paperless environment, is helping us to progress towards our goal of reduction in carbon footprint. The Sanchaya 2.0 program is set to further cut power consumption by 5%, and we are exploring the options of generating solar energy at other feasible office facilities. Our waste management initiatives have also seen a 60% increase in e-waste reuse, with 16.69 metric tonnes responsibly recycled in FY 2024.

In the realm of social responsibility, USFB has been recognized as a 'Great Place to Work', with notable gender diversity in our workforce and board. Our financial literacy programs have reached over 14 Lakhs beneficiaries, and our CSR efforts, with an expenditure of ₹6.34 Crores, have impacted over 2.4 Lakh individuals, and empowering 50,000+ women. These efforts are integral to our mission and are a testament to our dedication to sustainable and inclusive growth.

In conclusion, the past year has been a resounding affirmation that business growth and responsibility is linked at Ujjivan SFB. Our financial success is a result of our commitment to the well-being of our customers, the welfare of our communities, and the health of our environment. As we look to the future, we remain dedicated to this integrated approach, confident that it will continue to drive our success and ensure our lasting impact.

Warm regards,

**Carol Kripanayana Furtado**  
Whole-Time Executive Director\*\*



Our financial achievements this year have been significant, with a total income of ₹6,464 Crores and a PAT of ₹1,281 Crores, marking a year-on-year growth of 36% and 17% respectively. These figures are a clear indication of our business acumen and strategic planning.



\*\* (effective May 01, 2024)

# About Ujjivan Small Finance Bank

## Introduction

Ujjivan Small Finance Bank (Ujjivan SFB), a leading mass market bank remains committed to serve the unserved and underserved segments through financial and digital inclusion. It strives to integrate sustainable thinking into operations, aiming to align all facets of its value creation processes with the overarching objective of sustainable growth. This approach involves a holistic view that connects various elements including financial performance, social responsibility and environmental stewardship.

The Bank seeks to foster synergies among its different activities ensuring that every decision and action contributes positively to long-term sustainability. It also leverages technology to enhance customer experience and streamline operations, making banking more accessible. By doing so, it not only enhances the Ujjivan SFB's resilience and adaptability in the dynamic market but also reinforces its commitment to creating lasting value for its stakeholders.

## Expanding the Reach

Ujjivan SFB has a Pan India presence, serving over 86 Lakhs customers through 752 banking touchpoints spread across 326 districts in 26 states and Union Territories. The Bank's convenient alternative channels such as 596 ATMs, 4 Business Correspondents and digital footprint across internet banking, mobile application, tablet-based origination and phone banking among others, provide 24x7 access to full services of the Bank. Ujjivan SFB is implementing a variety of strategies to effectively expand its reach and enhance its customer base.

The bank is leveraging cutting-edge digital technologies to enhance its online and mobile banking platforms. This includes optimizing user interfaces, streamlining transaction processes, and implementing robust security measures to expand its geographic reach without relying solely on physical branches.

In parallel, Ujjivan SFB is strategically opening new branches in underserved and high-potential areas to tap into new customer






segments and deliver essential financial services to communities with limited access to banking facilities. Understanding the diverse needs of its customers, the bank is focused on developing and promoting customized financial products and services to meet their specific requirements.

To reach a wider audience, the bank is strengthening its social media presence and enhancing online marketing efforts. It is also launching targeted marketing campaigns, community engagement programs, and financial literacy initiatives to raise awareness and empower customers and communities. Alternative channels such as ATMs, Retail Assets Centres, are also established by Ujjivan SFB to facilitate the essential banking services. Through these multifaceted strategies, the bank is positioning itself to significantly expand its reach, ensuring that it can effectively serve a growing and diverse customer base while reinforcing its commitment to financial inclusion.



## Highlights of Financial Performance

### Key financial highlights of Ujjivan SFB

|   |  |
|---|--|
|    | <b>86 Lakhs</b><br>Customer outreach   |
|    | <b>9.1 Lakhs</b><br>New customer added   |
|  | <b>₹ 6,464 Crores</b><br>Total income<br><b>26% YoY growth</b>                   |
|  | <b>₹ 1,917 Crores</b><br>Pre Provision Operating Profit<br><b>29% YoY growth</b> |
|  | <b>₹ 1,281 Crores</b><br>PAT<br><b>17% YoY growth</b>                            |
|  | <b>₹ 6.65</b><br>Earnings per share  |

### Economic Value Generated, Distributed and Retained

| Particulars                          | FY 2021-22<br>(Crores) | FY 2022-23<br>(Crores) | FY 2023-24<br>(Crores) |
|--------------------------------------|------------------------|------------------------|------------------------|
| <b>1) Economic Value Generated</b>   |                        |                        |                        |
| a) Revenue                           | 3,172.69               | 4,754.18               | 6,464.00               |
| <b>Total</b>                         | <b>3,172.69</b>        | <b>4,754.18</b>        | <b>6,464.00</b>        |
| <b>2) Economic Value Distributed</b> |                        |                        |                        |
| a) Operating costs                   | 677.12                 | 579.16                 | 675.32                 |
| b) Employee wages and benefits       | 812.59                 | 920.25                 | 1,183.18               |
| c) Payment to providers of capital   | -                      | 168.59                 | 68.34                  |
| d) Payments to government by country | 2.39                   | 3,019                  | 414.27                 |
| e) Community Investments             | 4.27                   | 0.73                   | 6.32                   |
| <b>Total</b>                         | <b>1,496.37</b>        | <b>1,970.65</b>        | <b>2,347.43</b>        |
| <b>3) Economic Value Retained</b>    | <b>1,676.32</b>        | <b>2,783.53</b>        | <b>4,116.57</b>        |

### Significant Indirect Economic Impacts

Ujjivan Small Finance Bank (Ujjivan SFB) has been a catalyst for socio-economic development through its strategic banking initiatives that extend beyond direct financial services. In FY 2024, by focusing on environmentally conscious credit delivery to low carbon intensive industries, the Bank supports sustainable economic growth and aligns with global climate change mitigation efforts. This approach has the indirect economic impact of promoting industries that contribute to a greener economy, potentially leading to job creation in sectors that are environmentally responsible.

Demonstrating its commitment to enhancing digital banking, Ujjivan SFB introduced the Virtual Relationship Manager (VRM) in FY 2024, facilitated by its Digital Support Team, DigiMitras. The VRM acts as an online platform offering personalized customer support, promoting digital adoption, and indirectly boosting productivity for both the Bank's customers and the broader economy. Furthermore, through the Mudra

loan program, a government-backed initiative. Ujjivan SFB empowers small businesses by improving access to credit. This initiative encourages entrepreneurship and self-employment, particularly in Tier 2 and Tier 3 cities, thereby fueling the growth of MicroBanking customers and contributing to regional economic development.

Ujjivan SFB's collaborations with organizations such as Cheshire Disability Trust (CDT) and proVISION Asia underscore its commitment to social inclusion. By offering employability training and mobility aids to differently-abled individuals, the Bank helps enhance their quality of life and facilitates their entry into the workforce. These efforts promote economic participation, enabling individuals to support their families and creating a more inclusive and diverse workforce, which further stimulates economic growth across various sectors.

### Collaborations and Associations

Trade and industry chambers/ associations (determined based on the total members of such a body)  
Ujjivan SFB is a member of/ affiliated to are listed below:

| S. No. | Name of the trade and industry chambers/ associations*                | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1.     | AKMI- Association of Karnataka Micro Finance institution              | State   |
| 2.     | IBA - Indian Banks' Association                                       | National  |
| 3.     | ASFBI - Association of Small Finance Banks of India                   | National  |
| 4.     | FIMMDA - Fixed Income Money Market & Derivatives Association of India | National  |
| 5.     | MFIN - Micro Finance Institutions Network                             | National  |
| 6.     | Sa - dhan   | National  |
| 7.     | DLCC - District Level Consultative Committee                          | State   |
| 8.     | SLBC - State Level Bankers Committee                                  | State   |

\*As on 31<sup>st</sup> December 2024

## Recognitions and Credentials



### ESG CREDENTIALS

Gold category award for Excellence in ESG from INFHRA

17% increase in LSEG ESG Scoring from previous year performance



### DATA PRIVACY AND CYBER SECURITY

Best Security Practices in Small and Medium Financial Banks from DSCI Excellence Awards 2023

Zero Trust Security Initiatives in Banking from 3rd Annual India DevOps Show 2024

Most Admired Cyber Security Initiative of The Year from BFSI Fintech Awards 2023

Cyber Security Initiative - Banking from Stars Awards of the Industry Awards

Best Risk & Cyber Security Initiatives (SFB) - Runner Up from ASSOCHAM 18th Annual Summit & Awards 2023

Enterprise Security from Technology Senate Awards

Best Cyber Security Initiative from LendTechX Factor Awards 2024

Information Security - BFSI - Silver from SKOCH Award 2023

BSide Bangalore - CyberSecurity Executive of the Year from BSides-Bangalore

Digital Security- Leader of the Year from BFSI (Adhikari Brothers)

Excellence in Asset Management & Security Management from CE Worldwide





### INFORMATION TECHNOLOGY AND DATA SCIENCE

Best Data Science Team of the Year (Small Finance Bank) from Data Analytics and AI Show

Best IT Risk Management - Payments and Small Finance Bank from 19th Annual Banking Technology Conference 2024



### WORKPLACE

'Best Workplaces in Small Finance Bank' from Great Place to Work India 2023

Excellence in Workplace Security from INFHRA



### INNOVATION IN BANKING

Best Bank in Innovation from BT Best Banks and NBFCs Awards (Jury Award)

Innovation in Consumer Tech (Hello Ujjivan App) from 13th AEGIS Graham BeLL Awards

SKOCH Award for Digital Transformation (Hello Ujjivan App)

BT Best Banks Awards- Best Technology Innovation (Hello Ujjivan) in Banking

Finalist in MIT-Solve, a Market Place for Social Impact Innovation (Hello Ujjivan App)








# Creating Long-Term Value

The core purpose of the organization's work gains significance through the active participation of stakeholders. Ujjivan SFB prioritizes regular engagement with its stakeholders to understand and address their needs, expectations, and aspirations, translating them into meaningful actions. These purpose-driven interactions shape the Bank's processes and amplify the value it delivers.

In FY 2022-23, Ujjivan SFB initiated its first stakeholder engagement and Materiality Assessment. The Bank remains committed to ongoing dialogue with its stakeholders, ensuring that long-term value is consistently recognized, nurtured, and sustained.

## Stakeholder Engagement

|  Employees   |  Investors  |  Customers                            |  Suppliers            |  Communities                        |
|---|--|--|--|--|
| Ujjivan SFB continuously disseminate news and progress regarding the bank's active operations, revisions in policy, initiatives and performance in sustainability | The Bank actively seeks investor insights on market demand and performance metrics, recognizing the importance of aligning its strategies with investor expectations | The Bank engages with its customers by obtaining feedback, introducing new schemes, loans, and facilitating transactions | The Bank engages in conversations with its suppliers to optimize and maintain a sustainable supply chain | The Bank collaborates with communities on new initiatives and ongoing projects aimed at enhancing community well-being |
| Frequency of Engagement   |  |  |  |  |
| Weekly/ Daily (Emails, SMS, WhatsApp), Quarterly (Notice Board)   | Quarterly  | Weekly   | Quarterly  | Quarterly  |

## Materiality Assessment

In FY 2022-23, Ujjivan SFB carried out first ever Materiality Assessment to identify and rank the key issues that could influence the organization's enduring viability and the welfare of stakeholders, through a measured approach. The Bank engaged both internal and external stakeholders to obtain their perspectives on the matters they consider most critical. After the significant issues were identified, a Materiality Matrix was developed that helps to evaluate and prioritize the issues basis their importance to Ujjivan SFB.

Additionally, the results of the Materiality Assessment are reviewed and approved by the organization's Senior Management, demonstrating Leadership's commitment to sustainability and accountability in business operations. The bank will conduct a Materiality Assessment every three years, or earlier if necessary, to maintain its pertinence and adaptability to the changing interests of stakeholders.

## Methodology

The process followed to arrive at the material issues is listed below:

- Universe of Issues:** A comprehensive list of ESG issues relevant to the organization was identified by referring sector-specific ESG standards, peer sustainability reports and Ujjivan SFB annual reports
- Business Objectives:** The identified issues were evaluated based on their effect on Bank's ability to increase revenue, maintain ongoing business operations, control expenses, enhance brand attractiveness and credibility, and achieve long-term strategic objectives
- Risk Assessment:** The material issues were further correlated with Ujjivan SFB's internal and external risks, ordered by their potential to affect the business and strategic plans, and organization's preparedness to address these risks
- Stakeholder Engagement:** The Bank engaged with both internal and external stakeholders on the importance and priority of the identified issues that make up organization's ESG landscape. By considering stakeholder input, Ujjivan SFB ensured that the Materiality Assessment is aligned with the expectations and needs of those affected by its operations
- External Requirements:** The selected issues were also reviewed for their pertinence in relation to the United Nations Sustainable Development Goals (SDGs), National Voluntary Guidelines (NVGs), Sustainability Accounting Standards Board (SASB) standards and the Dow Jones Sustainability Index

## Materiality Matrix

Ujjivan SFB identified 22 material issues from the universe of issues. These material issues have been plotted in the Materiality Matrix below according to their importance/ priority (high, medium, low) to the Bank.



Impact on Ujjivan SFB

Low Priority Medium Priority High Priority

|   |                                  |   |   |
|---|----------------------------------|---|---|
| A | Governance & Ethics              | L | Transparency & Disclosures                        |
| B | Decarbonisation Strategy         | M | Corporate Citizenship & Philanthropy              |
| C | Employee Well-being              | N | Risk & Crisis Management                          |
| D | Stakeholder Engagement           | O | Diversity, Equity & Inclusion                     |
| E | Responsible Finance              | P | Human Rights                                      |
| F | Cyber Security & Data Privacy    | Q | Compliance  |
| G | Digital Transformation           | R | Occupational Health & Safety                      |
| H | Customer Relationship Management | S | Water Stewardship                                 |
| I | Human Capital Development        | T | Responsible Procurement/ Sustainable Supply Chain |
| J | Consumer Financial Protection    | U | Epidemic & Pandemic Preparedness                  |
| K | Access to Finance                | V | Circular Economy/ Integrated Waste Management     |



# Material Issues for Enterprise Value Creation

Key material issues for long-term value creation are as below:



| Material Issues  | Business Case   | Business Impact  | Business Strategies  |
|--|---|--|--|
| <b>Governance &amp; Ethics</b><br>            | <p>Robust governance and ethical practices are essential to maintain trust and credibility among investors, regulators, and customers, ensuring the Bank's long-term success.</p>   | <p><b>Cost Impact:</b> The cost impact levied by governance and ethics includes expenses related to establishing and maintaining robust governance frameworks, compliance systems, and ethical training programs to prevent misconduct and ensure adherence to regulations.</p> <p><b>Risk Impact:</b> The risk impact levied by governance and ethics encompasses potential legal penalties, regulatory sanctions, and reputational damage that can arise from non-compliance or unethical practices.</p> | <p>Ujjivan SFB upholds a robust governance system that is meticulously designed to ensure the organization operates with the utmost integrity, efficiency, and accountability. Ethical conduct is guided by a code of conduct, anti-bribery, anti-corruption, grievance, and whistleblower policies.</p> <p>By prioritizing regulatory compliance, the Bank ensures that it adheres to all applicable laws and regulations, minimizing legal risks and fostering a culture of integrity.</p> |
| <b>Cyber Security &amp; Data Privacy</b><br> | <p>Cybersecurity and data privacy are critical to Ujjivan SFB due to the sensitive nature of the information it handles and the potential consequences of security breaches. The Bank stores and processes vast amounts of personal, financial, and transactional data, making it a prime target for cybercriminals</p> | <p><b>Risk Impact:</b> The risk impact levied by cybersecurity and data privacy includes immediate financial losses, regulatory fines, and a loss of customer trust, which are critical for the Bank's ongoing operations and credibility.</p>   | <p>Cybersecurity is reinforced with an ISO 27001:2022 certification, a record of zero data breaches, a systematic risk assessment approach, thorough product gap analyses, and routine cyber drills to maintain vigilance.</p>   |
| <b>Digital Transformation</b><br>           | <p>Embracing digital transformation allows the Bank to innovate, improve customer experience, and stay competitive in a rapidly evolving financial landscape.</p>   | <p><b>Cost Impact:</b> The cost impact levied by digital transformation includes investments in new technology, systems, and training that are necessary to stay competitive and meet customer expectations.</p>   | <p>Digital transformation is accelerated with the launch of video banking, video KYC, digital Fixed Deposits, Savings Accounts, UPI Lite, loan acknowledgement feature, an early warning system for monitoring customer behaviour, Marketing Automation Tool to increase digital adoption &amp; usage and 7 bots automating various banking processes.</p>   |
| <b>Customer Relationship Management</b><br> | <p>Effective customer relationship management drives loyalty, increases retention, and maximizes lifetime customer value. CRM systems enable the Bank to better understand and serve their customers, differentiate their offerings, and make data-driven decisions that improve long-term profitability.</p>           | <p><b>Revenue Impact:</b> The revenue impact levied by customer relationship management (CRM) includes increased customer retention, higher cross-sell and upsell rates, and improved customer acquisition, all contributing to the Bank's top-line growth.</p>  | <p>Customer relationship management is enhanced with a dedicated digital support team, a virtual relationship manager system, a high-resolution rate for customer issues, and the integration of customer feedback into satisfaction surveys for continuous improvement.</p> <p>The Bank offers a comprehensive range of products and services tailored to diverse customer segments.</p>  |
| <b>Consumer Financial Protection</b><br>    | <p>Upholding consumer financial protection safeguards customers' interests, enhancing trust and compliance with regulatory standards.</p>   | <p><b>Risk Impact:</b> The risk impact levied by consumer financial protection includes fines and sanctions from regulators, as well as potential litigation costs and settlement expenses due to non-compliance with consumer protection laws.</p>  | <p>The Bank ensures consumer financial protection through a vigilant 24/7 security operations centre and a comprehensive database monitoring system. It employs a digital verification framework to mitigate loan fraud, maintains a dedicated Fraud Committee for high-value fraud oversight, and conducts regular audits and gap assessments to uphold security standards.</p>   |
| <b>Access to Finance</b><br>                | <p>Expanding access to finance promotes financial inclusion, drives economic growth, and opens new market opportunities for the Bank.</p>   | <p><b>Revenue Impact:</b> The revenue impact levied by access to finance includes an increase in deposits, loan disbursements, and other financial product usage as a result of expanding the customer base through inclusive financial services.</p>  | <p>The Bank expands access to finance with a suite of financial products tailored for underserved segments, including microloans, agricultural loans, and savings accounts, complemented by the Aajeevan service, which provides enduring support to customers during key life events.</p>   |

# Material Issues for External Stakeholders

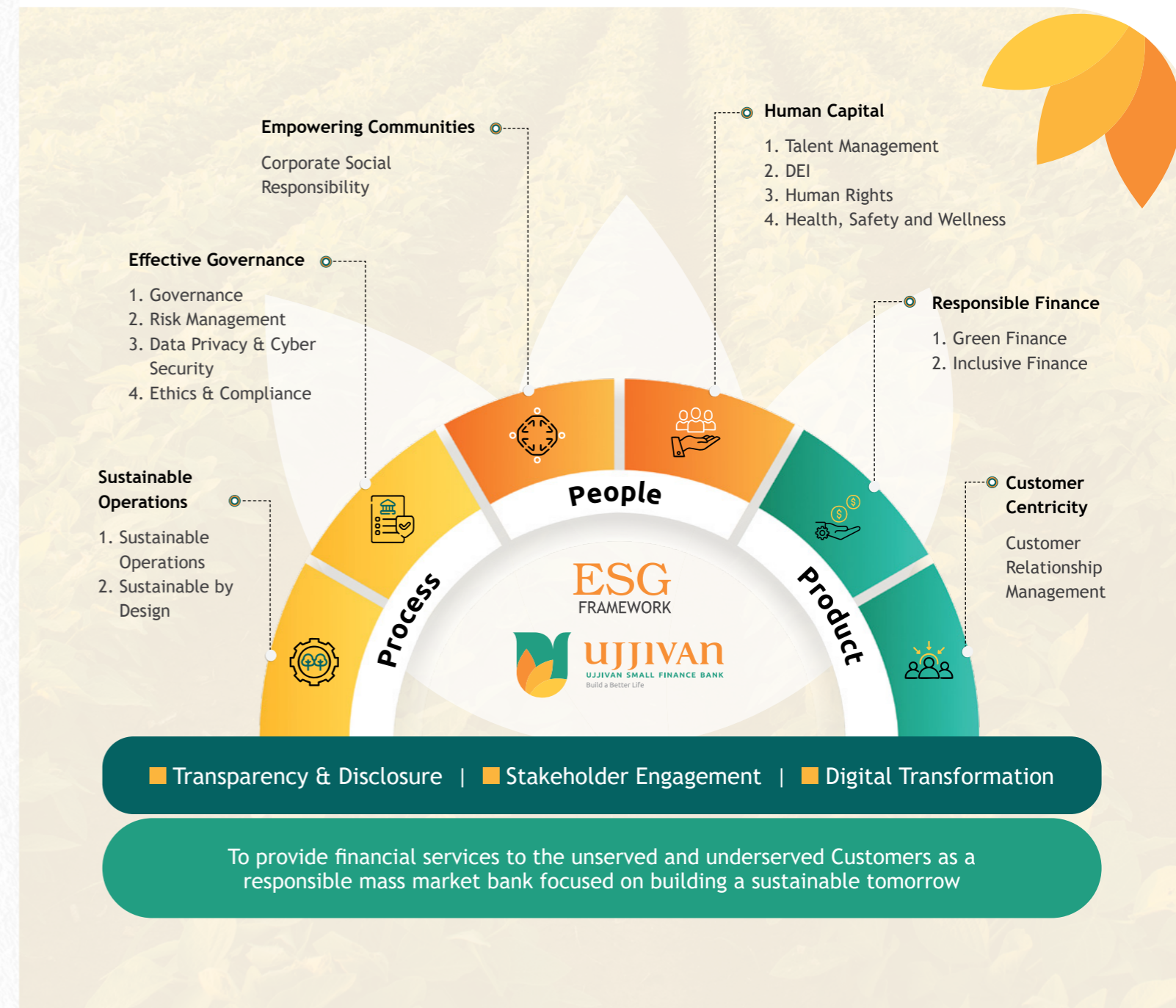
| Aspects  | Material Issues for External Stakeholders   |  |    |                            |    |               |    |     |    |   |
|--|---|--|----|----------------------------|----|---------------|----|-----|----|---|
|  | Customer Relationship Management  | Cyber Security & Data Privacy  |    |                            |    |               |    |     |    |   |
| <b>Cause of the Impact</b>                               | The external impact attributed to Customer Relationship Management (CRM) is primarily due to the business operations and services, as it directly influences how the Bank engages with and serves its customers. The Bank's Service Quality Department, including sales, customer service, and digital channels, play a key role in shaping these relationships. Additionally, the product offerings, marketing efforts, and overall business strategy all contribute to the external perception of the bank. | The impact of cyber security and data privacy can be attributed to several causes that stem from how Ujjivan SFB manages its digital infrastructure, handles customer data and responds to security threats. Recognising the pivotal role of its workforce in safeguarding information, the Bank takes proactive steps to implement stringent security protocols and communicate transparently with customers. |    |                            |    |               |    |     |    |   |
| <b>External stakeholder(s)/ impact area(s) evaluated</b> | Key stakeholders that are directly or indirectly affected by the Bank's customer relationship practices include customer themselves, regulators, investors and broader community. The areas focused are customer service, complaint resolution, feedback from customers, adherence to regulations, risk management and oversight.   | It involves the evaluation of security standards and practices, regulatory compliance, data protections, data breaches, transparency and communication. Key stakeholders are customers, regulatory bodies, investors and third-party vendors.  |    |                            |    |               |    |     |    |   |
| <b>Topic relevance on external stakeholders</b>          | It influences customer satisfaction, loyalty, retention and competitive positioning thereby effecting the reputation, financial performance and long-term sustainability of the bank.   | It directly impacts the security of personal and financial information, external threats, data breaches, customer and investor trust and legal consequences.   |    |                            |    |               |    |     |    |   |
| <b>Output Metric</b>                                     | During FY 2023-2024, the Bank sampled 15% of customers for post-resolution feedback, revealing that 91% were satisfied with the resolution. Furthermore, the overall number of complaints declined by 14% compared to the previous year.  | Achieved ISO 27001:2022 (Information Security Management System) certification from BSI.   |    |                            |    |               |    |     |    |   |
| <b>Impact Valuation</b>                                  | The Bank has conducted an independent customer satisfaction survey through an external agency covering 6 major products and services offered. Over 5000+ customers reached out for the survey.  | The Bank simulated real-world attacks to identify and exploit vulnerabilities within the Bank's applications.<br><br>It also participates in Cyber Drills orchestrated by the Institute of Development and Research on Banking Technology (IDRBT) to ensure the resilience of its banking infrastructure against cyber threats.  |    |                            |    |               |    |     |    |   |
| <b>Impact Metric</b>                                     | <b>Customer Satisfaction Score:</b> <table border="1" data-bbox="341 1753 845 1911"> <tr> <td>Composite C-SAT Index</td> <td>75</td> </tr> <tr> <td>Overall Satisfaction Index</td> <td>83</td> </tr> <tr> <td>Loyalty Index</td> <td>76</td> </tr> <tr> <td>NPS</td> <td>40</td> </tr> </table>  | Composite C-SAT Index  | 75 | Overall Satisfaction Index | 83 | Loyalty Index | 76 | NPS | 40 | Zero Data Breaches and no fines or penalties imposed during the reporting year. |
| Composite C-SAT Index                                    | 75  |  |    |                            |    |               |    |     |    |   |
| Overall Satisfaction Index                               | 83  |  |    |                            |    |               |    |     |    |   |
| Loyalty Index  | 76  |  |    |                            |    |               |    |     |    |   |
| NPS  | 40  |  |    |                            |    |               |    |     |    |   |





# ESG Strategy




Ujjivan SFB has developed an ESG/ Sustainability Framework based on the understanding of the material issues identified by Materiality Assessment. The Bank's sustainability strategy outlines its action plan, harmonizing its operations with current ESG trends, compliance requirements, and stakeholder expectations. Embedding sustainable practices into banking is crucial for strengthening the financial system's robustness, tackling

environmental and social issues, and promoting the transition to a sustainable and inclusive economy.

Under the ESG framework, the Bank identified six key pillars, that serve as a foundation for the ESG initiatives and guide the organization's strategic focus. In addition, fourteen focus areas were outlined within these pillars to ensure targeted action and measurable outcomes.








| S.No. | Pillar  | Focus Areas                     | Goals for 2030   | Progress so far (Status as of FY 2024)  |
|-------|---|---------------------------------|--|---|
| 1     | <br>Sustainable Operations | Sustainable by Operations       | 20% reduction in power consumption   | <ul style="list-style-type: none"> <li>100% of the offices are replaced with energy efficient lighting systems</li> <li>100% of the employees were provided awareness sessions on energy and water conservation practices</li> </ul>  |
|       |   | Sustainable by Design           | 10% of total office area (Ujjivan SFB offices) to achieve Green Building certification | <ul style="list-style-type: none"> <li>Every new infrastructure has been given due consideration on the green aspects such as Polycarbonate boards as a substitute for glass and Ricron sheets in place of wood which are 100% recyclable; Fitted with 5-star rated ACs and LED bulbs throughout</li> </ul> |
| 2.    | <br>Empowering communities | Corporate Social Responsibility | Disclose the social value through Social Return on Investment study                    | <ul style="list-style-type: none"> <li>102% increase in the beneficiaries impacted through livelihood development programs from that of FY 2022-23</li> <li>6,494 employees were engaged in the volunteering programs which is 119% from that of 2019-20</li> </ul>   |
| 3     | <br>Human Capital         | Talent Management               | 34 hours per employee training   | <ul style="list-style-type: none"> <li>35.27 average training hours spent per employee in the reporting year</li> </ul>   |
|       |   | Diversity, Equity & Inclusion   | Achieve gender diversity up to 30%   | <ul style="list-style-type: none"> <li>Achieved 20% gender diversity ratio with the addition of 2,507 women employees during the year with 349 women under "Unpause", an opportunity for the women on career break to resume their career</li> </ul>  |
|       |   | Health, Safety and Wellness     | Zero Accidents - Ujjivan SFB office locations  | <ul style="list-style-type: none"> <li>Policies on Occupational Health and Safety (OHS) and Human Rights were formulated.</li> <li>Awareness programmes conducted on road safety</li> </ul>   |
| 4     | <br>Effective Governance | Governance                      | Robust Governance Structure, beyond compliance   | <ul style="list-style-type: none"> <li>Rebranded the CSR Committee as the CSR &amp; Sustainability Committee of the Board</li> </ul>  |
|       |   | Data Privacy and Cyber Security | Zero Data Security Breaches  | <ul style="list-style-type: none"> <li>Zero Data Breaches</li> <li>Obtained ISO 27001:2022 certification for Information Security Management System</li> </ul>  |
|       |   | Ethics and Compliance           | Zero fines/penalties   | <ul style="list-style-type: none"> <li>No legal penalties</li> </ul>  |
|       |   | Risk Management                 | Achieve transformative stage in the risk maturity ladder                               | <ul style="list-style-type: none"> <li>Disclosure of maiden voluntary TCFD report</li> <li>Set an exposure limit of 5% in districts with heightened physical climate risks</li> </ul>   |

| S.No. | Pillar  | Focus Areas                      | Goals for 2030  | Progress so far (Status as of FY 2024)   |
|-------|---|----------------------------------|---|--|
| 5     | <br>Customer Centricity      | Customer Relationship Management | Top quartile in Customer Satisfaction Survey Score  | <ul style="list-style-type: none"> <li>Improvement from previous Bank level service index levels (from 85 to 89)</li> <li>Digitisation and Review of ongoing C-SAT surveys initiated, shall be completed by FY 2024-25</li> </ul>  |
| 6     | <br>Responsible Finance      | Green Finance                    | Exploring the green finance opportunities specific to MSME sector and Electric Vehicle (EV) financing         | <ul style="list-style-type: none"> <li>Exploring the options of introducing loans for solar projects</li> <li>Initiated financing for EV Two-Wheelers</li> </ul>   |
|       |   | Inclusive Finance                | Expanding reach & impact  | <ul style="list-style-type: none"> <li>Introduced "Loan acknowledgement" feature in Hello Ujjivan Application, to streamline the loan processing experience for customers</li> <li>Launched a dedicated loan program for minority communities</li> <li>WASH Loans in place</li> </ul>  |
| 7     | <br>Aspects cutting across | Transparency and Disclosures     | Aspire to reach top quartile on S&P Global CSA (DJSI)   | <ul style="list-style-type: none"> <li>Launched dedicated webpage on Sustainability with essential disclosures</li> <li>Disclosure of maiden voluntary Sustainability report</li> </ul>  |
|       |   | Stakeholder Engagement           | 100% digital invoices from suppliers with spend of 1 crore or higher  | <ul style="list-style-type: none"> <li>18-20% invoices digitalised</li> </ul>  |
|       |   | Digital Transformation           | Bringing 1 Crore customers into digital banking space and achieve digital transactions (volume) of 100 Crores | <ul style="list-style-type: none"> <li>Launched Digital Savings Account and Digital Fixed Deposit for both existing-to-bank (ETB) and New-to-Bank (NTB) customers</li> <li>34 Lakh unique digital customers were introduced to the digital banking space as of March 31, 2024, indicating a 42% YoY growth compared to FY 2023</li> <li>Total Digital Transactions volume during FY 24 stands at 37 Crores with 88.54% transactions happening digitally in Mar'24</li> <li>100% of vendor contracts were executed digitally during FY 2023-24</li> </ul> |

# Nurturing Organisational Integrity and Resilience

## Key Governance Performance Highlights\*

-  Rebranded 'Social Services' department to 'Sustainable Banking'
-  Board Diversity stands at **50%**
-  **4 women** out of 7 Independent Directors
-  Strengthened Sustainability Governance by rebranding CSR committee as **CSR & Sustainability Committee of the Board**
-  **Achieved ISO 27001:2022** certification from BSI
-  Adopted **Digital Verification Framework** (Geo-fencing & Geo-tagging) for fraud prevention

\*As on 31<sup>st</sup> December 2024



## Sustainable Development Goals



# Governance

Ujjivan SFB has established a robust governance system that is meticulously designed to ensure the organization operates with utmost integrity, efficiency, and accountability. This system is the structural backbone that supports the organization in achieving its strategic objectives while adhering to ethical standards, legal requirements, and best practices.

By placing a strong emphasis on regulatory compliance, the Bank ensures adherence to all applicable laws and regulations, thereby minimizing legal risks and promoting a culture of integrity. It seamlessly integrates risk management into its daily operations and strategic planning, enabling informed decision-making that supports long-term growth and stability. Equally central to the Bank's philosophy is stakeholder engagement. Ujjivan SFB actively seeks input from a diverse group of stakeholders, including employees, customers, shareholders, and the broader community, to promote transparency and build trust. Together, these elements form a cohesive framework embedded within the Bank's operations, empowering Ujjivan SFB to navigate challenges effectively while delivering sustainable value to all its stakeholders.

## Board of Directors and Board Committees

The Board of Directors serves as the highest governing authority in the Bank implementing overall strategic and operational directives. The Bank holds the firm belief that the cornerstone of its Corporate Governance lies in the strength and efficacy of the Board and the Board Committees. These Committees play a pivotal role in steering the Bank towards its objectives while upholding the principles of transparency, accountability, and ethical business practices.

The Bank has all the mandatory Board Committees as prescribed under the Companies Act 2013, SEBI LODR 2015, and RBI, like the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Customer Service Committee, Fraud Committee (Special Committee of Board for Monitoring and follow-up of Fraud cases), Corporate and Social Responsibility Committee, and Committee of Directors, among others.

The Board and Board Committees assign specific duties to the Management Level Committees, Senior Management, and various Departments. This delegation of responsibilities cascades down to the executive-level employees,

ensuring that the strategic directives from the top are effectively translated into actionable tasks throughout the organization. This structured flow of accountability and oversight is a key aspect of the Bank's operational efficiency and governance.

Furthermore, the Board and its Committees undertake a thorough examination of the Bank's operations and overall performance on regular basis. This periodic review ensures that the Bank's strategic objectives are being met and that any necessary adjustments are identified and implemented in a timely manner.

## Board Diversity & Independence

The composition of the Board is a testament to the Bank's commitment to independent oversight and diversity of expertise. Majority of the Board members are Independent Directors, each bringing a wealth of experience from a spectrum of fields such as Banking, Finance, Risk Management, Human Resources, Accountancy and Taxation, Information Technology, Legal Affairs, Micro Finance, Agriculture, Small Scale Industry, Rural Economy and Financial Inclusion. In the reporting year, the Board members have attended trainings and workshops on Cyber security trends, Board Room Strategy Programme, Programme on Interest Rate Risk in Banking Book (IRRBB) and Liquidity Risk Management.

As Ujjivan SFB reflects on the composition of its Board of Directors, its commitment to independent oversight and gender equality stands out, as outlined in its Policy on Board Diversity. As of March 31, 2024, the Board comprised eight (8) distinguished members, of which an impressive six (6) were Independent Directors. However, as on 31<sup>st</sup>

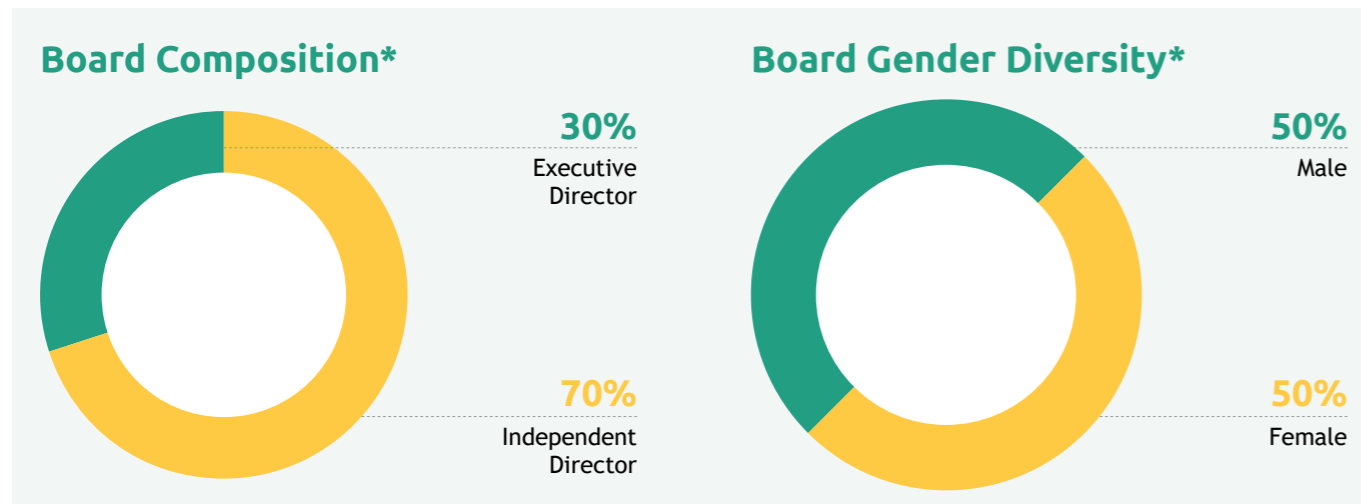
December 2024, seven (7) out of ten (10) directors are independent, highlighting the Bank's focus on robust governance. Notably, within its executive leadership, the Bank has achieved gender balance, with one of the two executive director positions held by a woman, exhibiting its dedication to gender representation.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies with a regular non-executive Chairperson must ensure that at least one-third (33%) of their board comprises independent directors. Ujjivan SFB, however, surpasses this requirement, with 70% of its Board currently classified as independent directors as on 31<sup>st</sup> December 2024.

Equally commendable are the Bank's efforts to achieve gender parity at the highest levels of leadership. The fiscal year 2024 marked a key milestone, with women occupying three (3) out of eight (8) directorial positions—representing 38% of the Board. As on 31<sup>st</sup> December 2024, this ratio has further improved, with five (5) out of ten (10) directors being women, translating to 50% representation—one of the highest in the industry. Ujjivan SFB's Board composition reflects its progressive outlook and unwavering commitment to establishing gender equality and exemplary corporate governance standards.

As per the Companies Act, 2013 and the aforementioned SEBI LODR, Regulations, 2015, the Board of Directors is required to meet at least four times a year, with no more than 120 days between consecutive meetings. In the FY 2023-24, the Board convened on nine occasions with average attendance of 97.4%. Directors are expected to attend at least 50% of the meetings held during the financial year.





as on 31<sup>st</sup> December, 2024

### Nomination, Selection and Remuneration of the Highest Governance Body

The Nomination and Remuneration Committee (NRC) of Ujjivan SFB plays a critical role in the appointment of directors, recommending candidates to the Board based on a comprehensive review of their professional qualifications, experience, diversity, and potential conflicts of interest, among other criteria. This process is conducted in accordance with the highest governance standards and includes obtaining necessary disclosures and declarations to meet the regulatory requirements set by the RBI, SEBI, and MCA. For executive director appointments, the Board’s recommendation is also subject to shareholder and RBI approval, ensuring transparency and compliance. Further for Non-Executive Directors as well, shareholders’ approval is obtained within the statutory timelines.

Regarding the compensation of directors, the Bank’s Nomination and Remuneration Committee (NRC), under the supervision of the Board, has established a clear policy. This policy stipulates that, apart from the MD & CEO, directors are not entitled to any form of remuneration beyond the sitting fees paid for attending Board meetings. The Executive Directors’ compensation package, which may include a combination of benefits and incentives, is determined by the NRC and the Board. These decisions are based on performance evaluations, industry benchmarks, and are subject to RBI approval. Additionally, matters related to remuneration are presented for shareholder approval through postal ballots or general meetings, as required. The Bank also ensures that investor concerns are proactively addressed through regular calls, enabling stakeholder feedback to be incorporated into remuneration policies and decisions.

### Performance Evaluation of the Board & Committees

The performance of Ujjivan SFB’s Board, its individual directors, and the Board Committees is thoroughly evaluated each year by board members using a set of predetermined criteria. Facilitated by the Nomination and Remuneration Committee (NRC) along with the Board, this process includes contributions from the Directors to compile an all-encompassing performance report. The Independent Directors of the Board have a separate annual meeting to evaluate the Board and Director performance as well. As the Bank enhances its ESG initiatives, these elements are integrated into the evaluations of the Board, Directors, and their committees, reflecting the Bank’s deepening commitment to ESG standards.

### Conflict of Interest

The Nomination and Remuneration Committee (NRC) and the Board of Ujjivan SFB actively monitor and mitigate any potential conflicts of interest involving Directors, both at the time of their appointment and through annual reviews. This is achieved by obtaining specific disclosures and declarations from Directors, which are thoroughly reviewed and acknowledged by the NRC and the Board each year. Additionally, details regarding the directorships and committee memberships held by Directors in other listed and public unlisted entities are transparently disclosed to Stock Exchanges and the general public through quarterly and annual corporate governance reports.

The shareholdings of Directors and Key Management Personnel (KMP) in the Bank are also publicly disclosed in the Bank’s Annual Report. To reinforce governance practices, the Bank has adopted policies on Related Party

Transactions and a Code of Conduct, both of which are available on the Bank’s website. Moreover, a semi-annual report on Related Party Transactions is submitted to Stock Exchanges and made accessible to the public, ensuring transparency and strict adherence to governance standards.

### Sustainability Governance

The Bank has demonstrated its steadfast dedication to sustainability and social responsibility by making a strategic shift in the naming of its “Social Services” department to “Sustainable Banking”. This signifies a holistic perspective that encompasses not only social welfare initiatives but also environmental stewardship and economic development. This department functions primarily as an operational and execution unit, seeking guidance from CSR and Sustainability Management Committee of the Board, and coordinating with various Bank departments to implement CSR/ESG/FLP initiatives. It also establishes clear metrics

and benchmarks to measure the effectiveness and impact of the Bank’s initiatives in Financial Literacy, CSR, and Sustainability.

During FY 2023-24, the Risk Committee of the Board provided oversight of the Bank’s ESG initiatives, with its governance structure detailed in the Annual Report for the same year. However, at the start of FY 2024-25, Ujjivan Small Finance Bank took a purposeful step by renaming two key governance bodies—the CSR & Sustainability Committee of the Board and the CSR & Sustainability Management Committee—to reinforce their commitment of integrating Environmental, Social, and Governance (ESG) principles into the Bank’s core operations. These committees are entrusted with the critical responsibility of ensuring that ESG considerations are not treated as peripheral concerns but are embedded at the heart of the Bank’s strategic decision-making and day-to-day activities. The Governance Structure of this restructured committee is presented below:



# Sustainability Governance Structure of Ujjivan Small Finance Bank\*

## Board of Directors



**Banavar Anantharamaiah Prabhakar**  
Part-time Chairman & Independent Director



**Sanjeev Nautiyal**  
Managing Director & CEO



**Samit Kumar Ghosh**  
Non-Executive Non-Independent Director



**Sudha Suresh**  
Independent Director



**Rajesh Kumar Jogi**  
Independent Director



**Ravichandran Venkataraman**  
Independent Director



**Anita Ramachandran**  
Independent Director



**Rajni Anil Mishra**  
Independent Director



**Mona Kachhwaha**  
Independent Director



**Carol Kripanayana Furtado**  
Whole Time Executive Director

## CSR & Sustainability Committee of the Board



**Rajesh Kumar Jogi**  
Independent Director



**Anita Ramachandran**  
Independent Director



**Rajni Anil Mishra**  
Independent Director



**Sudha Suresh**  
Independent Director



**Carol Kripanayana Furtado**  
Whole Time Executive Director

## Support Functions

**Abdul Hameed**  
Digital IT

**Ramesh Murthy\*\***  
Finance & Accounts

**Sathyananda Prabhu**  
Internal Audit

**Lakshman Velayutham**  
Marketing

**Rajaneesh Hosakoppa Rudresh**  
Compliance

## CSR & Sustainability Management Committee

**Sanjeev Nautiyal**  
Managing Director & CEO

**Prem Kumar**  
Head - Vehicle Finance

**Martin Pampilly S.**  
Chief Operating Officer

**Srikumar Vadake Varieth**  
Head Legal

**Suresh C**  
Head - Customer Experience

**Vibhas Chandra**  
Head - MicroBanking

**Ramesh Murthy\*\***  
Chief Financial Officer

**Brajesh Joseph Cherian**  
Chief Risk Officer

## Implementation Team (Working Group)

**Zubair Ulla**  
Digital Channels

**Vijayesh Kumar Pande**  
Admin & Infrastructure

**Chandralekha Chaudhuri**  
Human Resources

**Brajesh Joseph Cherian**  
Risk Management

**Srikumar Vadake Varieth**  
Legal


**Tahir Khan**  
Procurement

**Suresha C**  
Service Quality

**Sachin Jadhav**  
Sustainable Banking

**Sanjeev Barnwal**  
Company Secretary

Comprises of functional heads and representatives assigned by the functional head as SPOCs

 Chairperson

\*Effective July 22, 2024

\*\*Mr. Ramesh Murthy, former CFO, retired on October 07, 2024, and the Bank has appointed Mr. S Balakrishna Kamath as the CFO of the Bank, who has taken charge on December 05, 2024



## Key responsibilities

The CSR & Sustainability Committee of the Board serves as the primary governing body responsible for overseeing the Bank's Corporate Social Responsibility (CSR) and sustainability initiatives. This Committee provides strategic oversight and direction, ensuring that the Bank's ESG efforts align with its core values and long-term vision. The Committee is tasked with defining the scope of the CSR policy, ensuring compliance, and formulating broad strategies for CSR and sustainability. It actively monitors the Bank's CSR and sustainability programs, evaluates budget allocations, and offers strategic guidance to strengthen their impact. In addition, the Committee reviews the Bank's CSR and sustainability performance and supports the CSR & Sustainability Management Committee by offering direction and ensuring that the resources are effectively aligned with the Bank's objectives. It also evaluates the progress of financial literacy programs to confirm alignment with the Bank's broader strategic goals. The Committee convenes meetings as needed, requiring a quorum of at least two members for proceedings to take place.

Please refer the Annual Corporate Governance Report for FY 2023-24, available on the Bank's website at [https://www.Ujjivansfb.in/static/annual-reports/2023-24/pdf/Corporate\\_Governance\\_Report.pdf](https://www.Ujjivansfb.in/static/annual-reports/2023-24/pdf/Corporate_Governance_Report.pdf) for further details on Committee composition and Terms of Reference.

At the management level, the **CSR & Sustainability Management Committee** plays a pivotal role in developing strategies and initiatives that reflect the Bank's commitment to corporate social responsibility and sustainable practices. This committee is also responsible for crafting strategies for financial literacy programs, designed to enhance the financial knowledge and skills of both customers and communities. The committee works

diligently to translate the Bank's ESG objectives into concrete programs and policies that can be implemented across various departments and functions. It provides the execution team with operational guidelines, approves internal Standard Operating Procedures (SOPs), and evaluates and endorses CSR proposals from implementing agencies. Additionally, it is tasked with approving strategic partnerships with external agencies and NGOs for CSR projects, consulting services related to ESG, financial literacy programs (FLP), and independent agencies for impact assessments. The committee also oversees the execution of MoUs, agreements, and grant letters.

The **Implementation team** is responsible for executing the Bank's sustainability initiatives, supervising frontline teams, and assessing the relevance and effectiveness of various programs. This team diligently tracks and documents the tangible and intangible outcomes of these initiatives, regularly updating the Manager-CSR on program progress. Composed of departmental leaders and designated Single Points of Contact (SPOCs), this group ensures on-the-ground execution of projects and provides necessary data. Their primary objective is to transform endorsed strategies into measurable improvements within the organization.

Together, these committees form a comprehensive governance structure that not only champions the successful integration of ESG principles but also monitors their ongoing implementation.

The rebranding of Ujjivan Small Finance Bank's 'Social Services' Department into 'Sustainable Banking' and the restructuring of the CSR Committee into the CSR and Sustainability Committee to broaden and enhance its scope to include sustainability initiatives, reaffirms the Bank's commitment to creating long-term value for all stakeholders while contributing to a more sustainable future.

## Sustainability-linked Policies

At the core of a robust governance system are well-defined policies and procedures that provide clear guidance on the conduct of business activities. The Bank has implemented all necessary and mandatory policies to ensure transparent and efficient operations. These policies are not static; they

are regularly reviewed and updated to reflect the changing landscape of the industry, legal mandates, and societal expectations. They serve as a blueprint for decision-making and behaviour, establishing the boundaries within which the organization operates.



### Environment

- Sustainability Policy



### Social

- Human Rights Policy
- POSH Policy
- CSR Policy
- Occupational Health Safety Policy (Workplace)
- Vigilance - Anti-Bribery and Anti-Corruption Policy
- Grievance Redressal Policy
- Customer Rights Policy
- Whistleblower Policy



### Governance

- Policy on Code of Conduct
- Supplier Code of Conduct
- Risk Governance Policy
- Terms and Conditions of Appointment of Independent Directors
- Nomination And Remuneration Policy
- Code of Conduct for Insider Trading
- Policy on Board Diversity

Link to Sustainability-related Policies: Sustainability Initiatives & Policies - Ujjivan Small Finance Bank (<https://www.ujjivansfb.in/sustainability-initiatives>)

Link to Corporate Governance Policies: Corporate Governance Policies - Ujjivan Small Finance Bank (<https://www.ujjivansfb.in/corporate/corporate-governance-policies>)

## Ethics and Compliance

The Bank is unwavering in its commitment to fortify its organizational culture, fostering an environment where the adoption of core values and adherence to a stringent code of conduct are paramount. This commitment extends to the manner in which business is conducted—emphasizing fairness and transparency as non-negotiable standards for all operations.

In anticipation of this high bar for conduct, the Bank sets forth clear expectations for its employees, officers, and Directors to consistently operate within the realms of professionalism, governance, law and ethics. Every interaction and transaction is expected to reflect these standards, serving as a testament to the Bank's integrity and dedication to upholding its reputation.

The Bank has adopted a Code of Conduct that goes beyond a mere set of rules. It serves as a comprehensive guide, encompassing the values, principles, and ethical standards that should guide every decision and action taken by the Bank's personnel. This Code functions as a moral compass, helping employees make decisions that are in alignment with the Bank's ethos and the broader expectations of society. As a living document, the Code is designed to be a practical and accessible reference, providing employees with the clarity and confidence to navigate complex situations while upholding ethical standards. It reflects the Bank's proactive approach to governance and ethical conduct, ensuring that all employees are not only aware of the expected standards but are also empowered to integrate these values into their daily professional lives. Moreover, the Bank incorporates essential ethical principles such as anti-bribery, anti-corruption, and conflict of interest management into its core values. Ujjivan SFB also ensures that it does not engage in political contributions to any candidates or political parties.

The Bank's performance appraisal system is aligned with its commitment to compliance and ethical standards. It includes mandatory training and the adherence to the Code of Conduct as key components of employee performance evaluations.

Ujjivan SFB boasts a robust compliance infrastructure, supported by a comprehensive set of processes such as Risk Assessment, certifications, diligent monitoring, and rigorous testing. The Bank's compliance strategy is proactive and pre-emptive, demonstrating a strong commitment to not only meeting but surpassing the regulatory expectations outlined by the Reserve Bank of India (RBI). The Risk Committee plays a critical role in compliance risk management, actively identifying and addressing any instances of non-compliance. This is further supported by thorough internal audits and transparent reporting mechanisms, which together foster a culture that emphasizes ethics and compliance.

Additionally, the Bank also emphasizes its commitment to regulatory compliance by ensuring that its branding communications undergo thorough review by the Compliance team. These communications are released across different channels only once they have secured clearance from the Compliance unit.

There were no legal actions against the Bank in relation to anti-competitive behaviour, anti-trust, or monopoly practices in FY 2023-24.



### CERMO Tool

In accordance with the Reserve Bank of India's (RBI) guidelines on the Compliance function in banks (issued periodically), the Bank is required to establish an independent compliance structure across all branches and departments. Additionally, the Bank is tasked with fostering a strong compliance culture to ensure the effectiveness of the compliance function. As outlined in the Bank's Compliance Policy, the Branch Heads and the Compliance SPOC (Single Point of Contact) for each department serve as the Compliance Officers for their respective branches and departments. To align with the regulatory emphasis on strengthening the compliance culture across the organization, the Bank has implemented a Compliance Certification and Monitoring Tool, named Cermo+NXT. This self-

certification mechanism captures compliance across branches and departments, ensuring adherence to both regulatory and organizational guidelines and regulations.

Cermo+NXT comes with a comprehensive list of compliance obligations, repository of Regulatory Content, Internal and Statutory regulations, based on Bank's requirement and are mapped to the respective department and branches for periodic certification as per defined timelines. It automates the entire process of assigning guideline/policy based actionable and tracking the compliance on periodic basis. This tool also helps the Senior Management to monitor the level of compliance in the Bank.

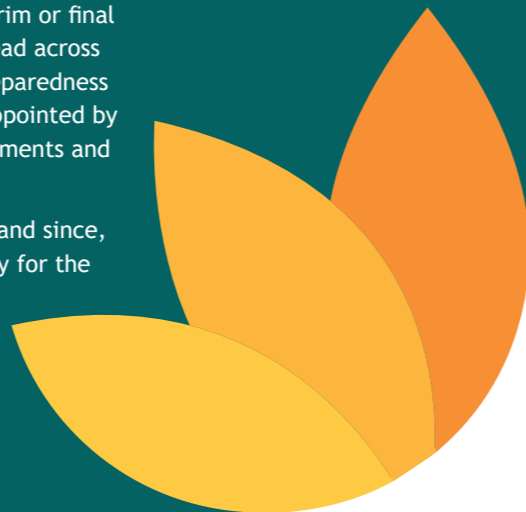
### Litigation Management Software

Ujjivan Small Finance Bank has adopted Litigation Management System, specifically the Legis TraK tool, starting from April 2024.

Legis TraK is an innovative tool designed to identify newly initiated legal actions involving the Bank. It offers real-time monitoring of ongoing cases and facilitates the generation of reports on a daily, weekly, monthly, and quarterly basis. The Litigation Management System (LMS) seamlessly connects with e-court platforms, enabling the Bank to receive immediate notifications about any new litigation filed against it. This feature is particularly advantageous as it can provide the Bank with advance notice of legal proceedings, well before the official court notices or summons are delivered.

Additionally, the tool aids in the daily monitoring of cases filed by and against the Bank in court, ensuring that the Bank is promptly informed of any interim or final order, along with access to the respective orders. The legal team, spread across various regions, receive daily cause lists via email, enhancing their preparedness for court proceedings. These updates are also sent to the advocates appointed by the Bank through email notifications, keeping them abreast of developments and ensuring prompt legal representation.

Report Generation- The case status report is generated using this tool and since, the report can be generated in bulk i.e., for PAN India, it becomes easy for the Department to keep track of the cases.



## Climate Risk Management

**In FY 2022-23, Ujjivan SFB was the first Small Finance Bank (SFB) to publish its first TCFD compliant disclosures on climate risks.**



### Prime Focus Areas in FY 2024

- Establishing robust governance and reporting protocols for climate risk management to ensure accountability and transparency
- Developing comprehensive strategies to proactively address and mitigate climate change risks
- Implementing a risk management framework that effectively manages climate risks from a micro-prudential standpoint
- Initiating research-driven projects to explore the use of advanced tools such as stress testing and climate scenario analysis for vulnerability assessment within the Bank
- Ensuring climate risk financial disclosures and reporting are in strict compliance with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines
- Enhancing capacity building efforts to equip staff with the necessary skills and knowledge to manage climate risks effectively
- Participating in and promoting voluntary initiatives that support the Bank's commitment to climate risk management and sustainability



### Journey of Climate Risk management

In FY 2024, the risk management function at Ujjivan SFB has taken significant strides in integrating sustainability into its core risk assessment framework. The Bank has analysed the impact of climate change and associated financial losses in its flagship portfolio i.e. the Micro banking portfolio. The Internal Capital Adequacy Assessment Process (ICAAP) document of the Bank now includes sustainability as a material risk within its risk register, with a clear distinction made between climate risk and ESG risk. Embracing the principle of 'Common but Differentiated Responsibility (CBDR),' Ujjivan SFB has evolved to adopt both an inside-out and outside-in approach to risk management.

The Bank being focused on retail segment, transition risks by way of changes in policy, technology, legal and consumer sentiments are low due to negligible exposure in the top three polluting sectors namely power generation, transportation, and steel. However, as a matter of prudent governance, the Bank has introduced a policy which prohibits taking on exposure in entities involved in the extraction and refinement of coal, conventional energy companies (generation, distribution and transmission

activities) and those entities involved in extraction/refining or processing of unconventional oil and gas, aligning with the requirements of the Climate Strategy Assessment. On the environmental front, Ujjivan SFB has focused on process improvements to embody the inside-out approach, with concerted efforts to reduce paper and fuel consumption, demonstrating its commitment to operational sustainability and proactive risk management.



### Stand on Task Force on Climate-related Financial Disclosures (TCFD)

Ujjivan SFB is actively engaging in research and development to understand transition risks and its impact on Retail, Agriculture and MSME segments, with a particular focus on supporting these businesses through their transitions. While transition risk is currently being evaluated, Ujjivan SFB is laying the groundwork for future inclusion in its material risk framework. Management intervention is playing a crucial role in this process, with preliminary work underway that will pave the way for policy advocacy shaped by the Bank's leadership. The Bank has also embraced the Network for Greening the Financial System (NGFS) guidelines, conducting a qualitative scenario analysis on climate-related risks, the insights from which have been detailed in the ICAAP report submitted to the Reserve Bank of India.

On Risk measurement, the Bank has attempted to quantify its severity for physical risk. 79 districts covering 192 Bank branches with a total outstanding balance of ₹7,341.5 Crores as of the reporting date were seen to be exposed to Very High or High risk as per an internal Climate Vulnerability Index (CVI) classification. This accounts for ~26% of the total exposure to Micro Banking portfolio. The assessment focuses only on the severity aspect, should a climate induced physical risk event occur. Here again, the severity is factored using simple summation techniques

under an assumption of a nationwide physical risk impact occurring at the same time; the probability of which is quite negligible. The Bank takes cognizance of the industry level challenges in assessing the probability of physical risk events since historical data cannot be leveraged to make a reasonable forecast over a decadal scale. Therefore, the assessment of forward-looking loss estimates can only be undertaken through some form of stress testing or scenario analysis, an approach where industry best practices are yet to emerge. To mitigate what is measured and to combat the increasing climate risk in flood and drought prone areas within the micro banking sector, the Bank has set an exposure limit of 5% (as a percentage to total Micro banking exposure) on a prudential basis. Eight districts are internally identified as vulnerable to Flood, Cyclones etc. Additionally, the Bank's branch opening policy was also enhanced to ensure that branch opening is restricted in the Coastal Regulation Zones (CRZ) buffer limits to minimize operational and Business Continuity Risks. These limits/restrictions are regularly monitored and reported internally.



### Due Diligence

Recognizing the importance of integrating climate risk considerations into day-to-day decision-making, Ujjivan SFB has implemented a due diligence checklist based on vulnerability zones published by the Government of India. This checklist aids in assessing the susceptibility of different areas to climate impacts. Adopting an outside-in approach, in particular, has led to the implementation of exposure limits in districts with heightened physical climate risks, a milestone achieved in November-December 2023, specifically for the microfinance and micro banking segments, while excluding the MSME and other segments. In alignment with the International Finance Corporation (IFC) standards, Ujjivan SFB has updated its credit policy to include a business exclusion list that reflects the IFC's guidelines and has introduced a policy on financing unconventional oil & gas. On the

sustainability front, Ujjivan SFB's administration and sustainability team have made considerable progress in promoting a climate-friendly lifestyle among its stakeholders, focusing on initiatives such as paper reduction and digitalization.



### Trainings on Risk Management

Ujjivan SFB is dedicated to the ongoing professional development of its employees, ensuring that each team member receives relevant external and internal training tailored to their roles. These training programs are strategically aligned with employees' Key Result Areas (KRAs), highlighting their importance in the overall performance evaluation process. The current training curriculum includes risk management topics, providing employees with the necessary knowledge and skills to effectively navigate the complex landscape of financial risks. Recognizing the need to stay ahead in an ever-evolving risk environment, Ujjivan SFB plans to incorporate training on ESG and climate risks into its future learning and development initiatives, primarily targeting supervisory personnel.



### Enhanced Risk Management going forward

Ujjivan SFB is always poised to undertake a series of forward-looking initiatives that will further embed sustainability into its operational ethos. It will be the endeavour of the Bank to continuously integrate sustainability considerations into its credit and investment decision-making processes. This integration will ensure that environmental and social governance factors are factored into lending activities, aligning financial decisions with the Bank's commitment to sustainable development and responsible banking practices.



# Data Privacy

## New Services Launched in FY 2024

|  |   |  |   |
|--|---|--|---|
|  <p><b>Domain Naming Services (DNS)</b></p> |  <p><b>Attack Surface Monitoring (ASM)</b></p> |  <p><b>Data Flow Diagram Assessment</b></p> |  <p><b>Application Forensic Readiness Assessment</b></p> |
|--|---|--|---|

Ujjivan SFB is dedicated to safeguarding the privacy of individuals whose personal information is in its possession, ensuring that the processing of this data aligns with the relevant legal requirements. It is imperative for both employees and operations to diligently protect customer information and adhere to the privacy regulations, thereby guaranteeing the safety and security of such data.

The Bank is committed to implementing all necessary and reasonable precautions to protect customer information and ensure its secure transmission across online channels. The privacy policy is specifically designed to apply to customers and users who visit or interact with the Bank through these digital platforms, ensuring that their personal data is consistently and comprehensively protected.

In FY 2024, Ujjivan SFB has made significant progress in enhancing its data security and privacy measures. The Bank has successfully obtained ISO 27001:2022 certification from BSI, effective from January 2, 2024, with a validity period through 2027. To maintain this certification, the Bank has undergone a sustainability assessment by BSI. Additionally, annual surveillance audits will be conducted until 2027. Before achieving this certification, the Bank was fully compliant with ISO 27001:2013 guidelines, having established all the necessary documents, policies, procedures, and standards.



### Product Security

Ujjivan SFB has adopted a process-based risk assessment approach, which captures every asset within a process, ensuring a comprehensive evaluation beyond just critical and high assets.

In the previous year, following the enactment of the Digital Personal Data Protection (DPDP) Act on August 11, 2023, Ujjivan SFB took proactive steps by conducting a gap analysis on two of its products during the initial phase to ensure compliance with the new regulations. The Bank selected one liability product and one asset product for this privacy-focused assessment. The results were encouraging, with no significant privacy concerns identified—only 2 to 3 minor issues, which were promptly addressed and resolved. Moving forward, the Bank plans to conduct a holistic gap assessment aimed at safeguarding data privacy throughout the customer onboarding process.

In the context of launching a new product, Ujjivan SFB follows a stringent risk assessment process to ensure robust security measures. This begins with a detailed product identification phase, where specialized checklists, tailored to the vendor's criticality, are used to assess potential risks. This initial evaluation is crucial for categorizing and understanding the product's security implications. Before any product is approved for launch, it undergoes an extensive Vulnerability Assessment and Penetration Testing (VAPT) to identify and mitigate any security vulnerabilities. This step is mandatory for all applications, regardless of their novelty or how long they have been in the system. For critical applications, such as mobile apps, the frequency of security testing is heightened, with quarterly testing and semi-annual penetration testing to ensure continuous security vigilance.



### Cyber Drills and Security

Ujjivan SFB regularly participates in Cyber Drills orchestrated by the Institute of Development and Research on Banking Technology (IDRBT) to ensure the resilience of its banking infrastructure against cyber threats. These

drills are conducted on a quarterly basis, where IDRBT simulates cyber-attacks from various sources at different times of the day, challenging Ujjivan SFB to promptly identify and report these incidents. The effectiveness of the Bank's response mechanisms is rigorously tested through four distinct attack scenarios. Following the drill, IDRBT provides a detailed report, which Ujjivan SFB uses to identify and address any security gaps, thereby reinforcing its cyber defence capabilities and maintaining a vigilant stance against potential breaches.

In the realm of application security, Ujjivan SFB employs a dual-team approach to protect its digital assets. The Red Team, an independent group of experts, conducts simulated real-world attacks to identify and exploit vulnerabilities within the Bank's applications, both pre-launch and post-launch. This proactive penetration testing provides invaluable insights, allowing the Bank to strengthen its security measures. Complementing the Red Team's efforts, the Blue Team operates within the Security Operations Centre (SOC), which functions 24/7 to monitor, detect, and analyse potential security incidents. The SOC team is well-equipped to take immediate action in response to threats, ensuring continuous protection and rapid incident resolution. Together, these teams form a dynamic defence strategy, significantly enhancing Ujjivan SFB's overall security posture and preparedness against cyber-attacks.



### Customer Data Protection

At Ujjivan SFB, protecting customer data is a top priority, guided by an Application Criticality Matrix that identifies critical applications for integration with the Bank's 24/7 Security Operations Centre (SOC). The SOC leverages a range of security tools, including SIEM technology such as QRadar, to oversee and manage systems from firewalls to Endpoint Detection and Response (EDR) solutions. Additionally, the Bank utilizes a Database Activity Monitoring Tool, which provides real-time alerts for any changes in the database, backed by a three-level approval process for modifications to customer or financial data. The Bank promotes customer awareness on data protection through its financial literacy programs, complemented by social media awareness campaigns in collaboration with the Digital Marketing team. Internally, Ujjivan SFB reinforces its security culture with weekly data security infographics, quarterly phishing simulations, and mandatory training that directly influence employee Key Result Areas (KRAs). Following comprehensive audits and gap assessments, the Bank has strengthened its security measures with two-tiered encryption for data in transit, both within the organization and externally.

### Fraud Prevention for Loan Issuance

To combat fraudulent activities in the field and ensure the integrity of loan issuance, a sophisticated digital verification framework (geo-fencing, geo-tagging) has been adopted. This framework requires field staff to document their site visits by taking geo-tagged photos, which are then uploaded for verification on a digital platform by loan supervisors. The supervisors are responsible for conducting appraisals and credit checks, with a strict policy that includes visiting customer homes for verification within a proximity that has been recently reduced from 500 meters to 100 meters of the branch. This procedural enhancement reflects a commitment to meticulous verification, aiming to reinforce the accuracy and reliability of the loan approval process.



### Enhanced Data Privacy and Cyber Security - Way Forward

Looking ahead, Ujjivan SFB is actively laying the groundwork for further enhancing its data privacy and security measures. The Bank has advocated for a dedicated privacy framework tailored to the banking and financial sector, engaging with the Indian Banking Association (IBA) and the Reserve Bank of India (RBI) at multiple forums to push this initiative forward. In addition, the Bank is set

to continue its commitment to international standards by maintaining the ISO 27001:2022 certificate for the second year, demonstrating the sustainability of its Information Security Management System. The Bank is also planning to implement privacy programs signalling Ujjivan SFB's proactive approach to upholding the highest standards of data protection for its customers.

## Digital Transformation



Achieved a customer base of **34.10** Lakhs

on digital platforms, nearing the goal of 35 Lakhs



Surpassed the digital transaction target with **37.41** Crore

transactions against a goal of 35 crores



Net addition of **10.18** Lakh

unique digital customers as new acquisition



**102%**

increase in digital repayments



**88.54%**

of Bank transactions carried out digitally\*

\*as on March 2024



## New Banking Initiatives taken in FY 2024

- Ujjivan SFB prioritized video banking in FY 2024, introducing services like video KYC (vKYC) to streamline processes, enhance customer experience, and reduce environmental impact through decreased paper usage and carbon emissions. The Bank is on its way to go 100% digital for the KYC processes
- Launched Digital Fixed Deposit and Digital Saving Account for both Existing to Bank (ETB) and New to Bank (NTB) customers. Additionally, 120 locations were identified which did not have Ujjivan SFB branches but still customers opened accounts digitally
- 42% of total customers base (Current & Savings) are registered to any one digital platforms with 39% active customers (at least doing one financial transaction during the month)
- Till 31<sup>st</sup> March 2024, the Bank has acquired 1,257 Savings Accounts and 6,099 Deposit Accounts digitally with a total of ₹1.26 Crore amount of Savings balance and ₹67.48 Crore amount of Deposit balance
- Video Banking Services (Phase I) was introduced in December 2023 so that customers can enjoy personalised banking from the comfort of their homes. The Bank also expanded its service outreach through WhatsApp banking
- Launched UPI Lite to allow small ticket size payments of up to ₹500 through any third-party UPI application without the need of entering UPI PIN. The Bank has facilitated 19,652 UPI Lite customers to register for UPI Lite and 75,158 transactions valuing more than ₹1.68 Crores has been completed till March 31, 2024
- Set ambitious quarterly targets to double customer engagement through video banking, with plans to migrate more services to this platform
- Initiated targeted communication strategies, starting with digital portal users via email, and preparing to include offline customers to broaden digital service adoption
- New branding approach crafted by the Bank's Marketing Team to emphasize more on the ESG aspects of the Bank's digital banking services



## Digitalised Transactions

The Bank witnessed a significant surge in digital transactions during the financial year 2023-24, with over 37.41 Crore transactions facilitated digitally by

March 31, 2024. A staggering 88.54% of all Bank transactions were carried out digitally during this period. In the past, cashless repayments accounted for approximately 15-18% of transactions. There is now a concerted effort, accompanied by ongoing campaigns to educate customers, to boost cashless repayments through the app. During FY 2023-24, about 1.18 Crore cashless repayments of value ₹ 4,237.04 crore were done, and 1,652 Crore value of Retail Deposits were opened through Digital channels.

In terms of loan origination and management, Ujjivan SFB has made significant advancements by leveraging technology to streamline processes. Most of the origination for term loans now occurs through a mobile application, equipping the field team with the tools to onboard customers, conduct basic KYC and bureau checks, and provide other primary services. This mobile app resolves 60-70% of the process, making cases ready for submission to the credit team for underwriting. The entire process is now cloud-based, enhancing efficiency and transparency. Unlike the previous paper-based system, which made tracking the Turnaround Time (TAT) challenging, the digital process allows for easy monitoring of each step. Customers benefit from increased visibility into their loans via mobile and internet banking, where they can also submit service requests. An early warning system has been implemented to monitor customer behaviour, analyse bank data, and trigger industry-level signals when necessary. This system is crucial for detecting customer-level patterns and ensuring that field staff are alerted to conduct thorough visits, allowing for proactive measures based on the triggers. Comprehensive training is provided to the team to ensure effective use of these applications, and integration with CRM tools has been established, such as linking the loan origination system with the CRM for retrieving basic customer details.



## Digital Integration into Micro Banking

In the realm of micro banking, digital integration has been a game-changer over the last 2-3 years, with more than 30% of repayments now being processed digitally—a significant milestone. Key digital initiatives such as 'Hello Ujjivan Application' and the emphasis on digital repayments have been instrumental in this transformation. The strategic placement of urban branches, serving approximately a 10 km radius, and semi-urban branches, catering to a wider 50-60 km radius, has been optimized considering the travel constraints of Customer Relationship Officer (CROs)/ field officers in semi-urban areas. By leveraging digital tools, these officers have reduced their daily travel by about 30-

40 km, amounting to an average of 20 km saved per day. This equates to a significant 360 km reduction in travel annually, based on an 18-day working month, highlighting the substantial efficiency gains brought about by digital integration in the micro banking space.



## Robotic Process Automation (RPA)

The digital team of Ujjivan SFB has successfully automated 32 processes with RPA. By automating repetitive, rule-based tasks, the Bank has been able to significantly improve efficiency, reduce operational costs, and enhance customer experience. The introduction of RPA has significantly reduced the workload equivalent to that of 33 full-time employees, leading to an impressive average saving of 37,955 man-hours each month. Over the course of a year, this equates to a substantial total of approximately 4,55,470 hours saved, or around 56,000 man-days. This remarkable efficiency gain not only streamlines operations but also plays a crucial role in minimizing operational costs.



## Digital Marketing

With a comprehensive digital marketing strategy, Ujjivan SFB's dedicated team is poised to effectively market the Bank's products. The adoption team is actively promoting digital channels through targeted campaigns, leveraging in-app push notifications, emails, and social media, while also ensuring branch teams are well-versed in digital initiatives. An exclusive marketing event is scheduled for FY 2025, set to showcase Ujjivan SFB's latest digital initiatives and reinforce the Bank's dedication to providing cutting-edge digital banking solutions.



## Awareness Initiatives

The "Digi Sampark" initiatives represent a key component of the Digital Banking strategy, focusing on the dissemination of knowledge and skills related to the latest digital offerings. Through this program, the Bank conducts virtual training sessions for branch personnel, aiming to equip them with a thorough understanding of new developments, improvements, and the range of digital products available. These initiatives are designed to ensure that branch staff are well-informed and proficient in promoting and supporting the Bank's digital services, thereby enhancing customer experience.



## Digital Processes in Pipeline

The digital team at Ujjivan SFB is gearing up to introduce a range of new solutions across three distinct segments:

- For Customer Acquisition/ Liability, the Bank has already expanded its digital offerings with the addition of Digital Savings Accounts and Fixed Deposits last year. The current plan is to further enhance this suite by launching digital Individual Current Account
- In the Retail and Corporate Liability Segment, particularly on the Payments Side, Ujjivan SFB is launching 2 services which includes - Own UPI PSP App integrated in the mobile banking app itself and becoming direct member of Bharat Bill Payment system to offer Biller Operating Unit (OU) services to its customers and extend the same to small business and offer Customer OU interface for the customers
- The Bank's Retail Internet Banking and Mobile Banking platform is undergoing upgrade and moving on Microservices architecture for building future super app for targeted mass customers. This will help the organization to integrate various small apps to provide banking and beyond banking services for its customers. For MicroBanking customers, in addition to the functionality for accepting loan offers, the Bank is building entire loan journey (for repeat customers) in Hello Ujjivan application
- Bank is also targeting to launch Corporate Mobile Banking App for business customers
- Ujjivan SFB is preparing to unveil innovative banking solutions as a result of its recent partnership with the RBI Innovation Hub. For retail asset loans, the Bank has upgraded its assisted onboarding platforms and working closely with Reserve Bank innovation hub team to avail services from Unified Lending Interface (ULI) platform for further improvements in customer onboarding experience

Ujjivan SFB is actively upgrading its mobile banking application with innovative features to elevate functionality and user experience. Simultaneously, the Bank is developing a minibot designed to streamline the creation of UAN numbers for employees within the Provident Fund system. The Bank is also looking to introduce AI into its chatbot. Additionally, next financial year will see the launch of targeted branch campaigns to boost digital banking awareness and adoption among customers.

## Service Quality and Customer Excellence

The Service Quality department at Ujjivan Small Finance Bank has been instrumental in enhancing the customer experience by promptly addressing feedback and grievances, maintaining high service standards, and ensuring strict adherence to customer service protocols. Building on these efforts, the Bank has strategically focused on integrating digital technology to further elevate the customer journey. By prioritizing digital solutions such as Video Banking and Phone Banking, the Bank has successfully transformed its service delivery, ensuring a seamless and efficient experience for customers at every touchpoint.



### Digital Support Team

Before the introduction of DigiMitras (support team at Ujjivan SFB), the Bank facilitated customer interactions through traditional channels such as phone banking and branch visits. Customer Service Requests (SRs), enquiries and complaints related to digital channels were assigned to the IT team for providing resolution. This mechanism was inconvenient to customers as back-end IT team members couldn't connect with customers in understanding actual problems. Acknowledging the potential to meet customer expectations better throughout their life cycle, the Bank took digital initiatives and formed a dedicated, technically proficient team called DigiMitra. This team specializes in managing customer queries, requests, and complaints for digital channels such as Mobile Banking (MB), Internet

Banking (IB), Business Net Banking (BNB), Digital Onboarding Platform and Unified Payments Interface (UPI). With a forward-thinking approach, the Bank aimed to elevate the customer experience by improving tracking capabilities and establishing direct lines of communication. The strategic initiative of creating the DigiMitra team has not only improved the resolution of digital service requests but also significantly increased the volume of SRs managed. Initially, around 430 SRs were handled by IT per month, but by the end of FY 2024, the number of SRs handled had escalated to 1,400 per month, with an impressive resolution rate of over 90% within the Turnaround Time (TAT), demonstrating the success of the DigiMitra program in enhancing digital customer support.

### Virtual Relationship Manager (VRM) Program

Ujjivan SFB's Virtual Relationship Manager (VRM) program, launched in the financial year 2023-24, represents a strategic initiative to enhance customer engagement through personalized service. Targeting a specific customer segment with a Total Relationship Value (TRV) ranging from ₹50,000 to ₹3 Lakh, the program assigns a dedicated VRM to a customer base of 2,500, managing an average book value of ₹35 Crores. Customers are introduced to their VRMs via initial calls, emails, and SMS, ensuring they are well-informed and comfortable with this personalized touchpoint. VRMs are equipped to handle a wide array of financial inquiries, requests, and complaints through an integrated CRM system, employing a 'Sticky Agent Logic' to streamline both inbound and outbound communication. With a dedicated contact number for each VRM, Ujjivan SFB ensures that customers can quickly and effortlessly connect with their VRM, thereby fostering trust, enhancing brand value, and ensuring a seamless banking experience.



### Aajeevan Services

Aajeevan services, offered by Ujjivan SFB, provide compassionate and comprehensive support to customers during significant life events, whether joyous or challenging. These events can range from the birth of a child, the loss of a loved one, illnesses, to celebrating a marriage. To ensure that all staff members, including Customer Care Representatives, Cashiers, Branch Heads, Branch Operations, and Business Heads, are equipped to offer the necessary attention and understanding to walk-in customers, a detailed awareness session on Aajeevan has been developed. In FY23-24, a total of 1,521 staff members across India received training in 72 batches, ensuring that front-end staff at every branch are well-prepared to handle sensitive situations with care and professionalism. Through these efforts, Ujjivan SFB ensures that customers experiencing significant life events receive the support they need with utmost understanding and efficiency. The major banking services under Aajeevan includes settlement of death claims, minor accounts and conversion of minor to major accounts, addition or deletion of account holder basis family's situations, nomination services, addition of mandate holder or power of attorney for managing the accounts of the customer is ill, incapacitated or temporarily moved out of country and many such other services arising out of customers' life events.

The effectiveness of Aajeevan is evident in the substantial progress made over the past few years. The resolution rate of Aajeevan service requests has seen a remarkable increase, climbing from 86% in FY 2022 to 94% in FY 2023, and reaching an impressive 99% in FY 2024. Additionally, the Bank has made significant strides in promoting the importance of nominating beneficiaries for accounts. The percentage of deposits opened with a nomination has risen from 82% in FY 2022 to 92% in FY 2023, and further to 94% in FY 2024.

In extraordinary circumstances, such as when a beneficiary passes away and the nominee is located in a remote, hard-to-reach area, the Central SQ team steps in. By obtaining internal approvals for claims, they streamline the backend processes, often in collaboration with the central products, operations, legal and risk team to overcome any challenges. The Turnaround Time (TAT) for processing claims is notably efficient, with a 3-day TAT for cases with a nominee and a 10-day TAT for those without. The Aajeevan Scheme's TAT stands out for its promptness compared to other issues.

Furthermore, the team diligently monitors the number of term deposits opened with and without nominees to facilitate smoother processing. All tickets related to Aajeevan services are resolved within the designated TAT, and Ujjivan SFB prides itself on achieving a target service completion rate of 98%, demonstrating their commitment to delivering exceptional customer service during life's pivotal moments.

### Digital Support to Improve Service Quality

The Digital Support Team at Ujjivan SFB, known as DigiMitras, is a dedicated team committed to providing support and assistance to customers navigating the bank's digital banking services, ensuring a seamless and user-friendly experience. In new age of banking, the level of digital experience of customers defines the overall customer satisfaction, hence it is imperative to build a seamless customer support systems to manage difficulties faced by customers with the Bank's digital channels.

Previously, the customer support for digital channels was managed by an outsourced tech company, only 30-35% of tickets were closed within the Turnaround Time (TAT) before the establishment of DigiMitras. However, in 2023, the DigiMitras team was established to enhance the service request process, which now involves logging customer issues and tickets in the CRM for effective tracking. This new approach ensures meticulous follow-up and communication with customers, with tickets in the CRM being closed only after customers confirm that the issues have been resolved. The introduction of a personalized calling feature has further enabled DigiMitras to provide tailored assistance to customers. This has led to an increase in ticket numbers and an improvement in TAT from 48% to 90%. Weekly review meetings are held to discuss new customer issues, resulting in a 32% decline in complaints related to digital payments and OTP issues, demonstrating improved efficiency and customer satisfaction achieved by the Digital Support Team at Ujjivan SFB.





### Service Index Program

The Service Index Program of the Bank is a strategic initiative that sets service standards for both external (business functions) and internal (support functions) customer service, evaluated on various aspects by an 8-member team. An approved Standard Operating Procedure (SOP) guides this process, and the progress in service index is being reviewed monthly with the respective functions and quarterly with the Board Committee on Customer Service. Accountability is integrated into the organization's culture, with a 10% Key Result Area (KRA) set at the Managing Director level, on Bank level service index goals. The KRAs of heads of businesses, support functions and their line managers upto the ground team has a weightage of 5% to 15% (depending on the nature of the role in customer service) for Service Index goals. Scorecards are constructed to measure performance, and if goals are met, targets are raised, while unmet targets prompt a root cause analysis at all levels to improve lagging parameters. The ultimate aim is to consistently achieve 90 points or above.

In March 2024, the Bank's Service Index reached an impressive 89 points, indicating a substantial improvement from that of the previous years - 66

points in March 2022 and 85 points in March 2023. With an average of 91 points, Rural Banking took the lead, closely followed by MicroBanking with 89 points during the same period. Housing services demonstrated a significant leap, with a score of 85 points in March 2024, reflecting 31 points uplift in service standards. In the Support Functions category, Administration/ Infrastructure and Deliverables jointly achieved a leading average of 96 points in 2024. Operations department also saw significant progress, with an 11-point increase to an average of 94.4 points in 2024, peaking at 96 points in March, a notable rise from the 85-point average in 2023.



### Customer Satisfaction

To testify the results of service standards internally measured, an independent research agency, IPSOS was commissioned to assess the current levels of customer satisfaction with the products of 6 major business verticals covering a sample size of 5000 plus customers. This independent assessment helped in understanding customers' perceptions and feedback towards the Bank's services, competitive performance at each touch point, and brand imagery. The C-SAT & NPS scores of the Bank are:-

As of March 2024, Ujjivan SFB has successfully integrated feedback from each business vertical into the C-SAT questionnaire for FY 2022-2023 and completed a comprehensive field study with a final presentation in October 2023 for FY 2023-2024. The bank is in process of digitizing C-SAT and Net Promoter Score (NPS), with full integration expected by the end of FY 2024-2025.

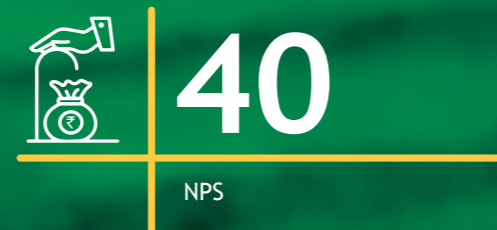
The Bank is devising a strategy to develop an internal survey platform aimed at gathering customer feedback, with the objective of expanding its reach to gain a deeper insight into customer satisfaction levels.



### Straight Through Processing (STPs) and End-to-End Processing

The Bank has implemented 12 STPs and over 450 end-to-end processes, with a cautious approach to increasing straight-through processes in phone/video banking. Customers can now book Fixed Deposits through phone banking. Where STPs are not available, end-to-end processes are in place, SoPs for which are reviewed quarterly with set targets.

### Customer Experience Metric





## Retail Asset Centres

Retail Asset Centres (RACs) at Ujjivan SFB are specialized hubs designed to provide convenience and proximity, focusing on delivering customer-centric financial services. These centres primarily function as back-office facilities, with the added advantage of providing doorstep services that negate the need for customers to travel. In a strategic move to enhance process optimization and efficiency, the Bank has expanded its network by opening 16 new RACs as of March 2024. This expansion has significantly bolstered the Bank's capacity for affordable housing disbursements, which saw a robust 64% growth compared to the previous fiscal year. The surge is attributed to the strong market demand and the improved efficiency of the RACs, which facilitate faster processing and quicker loan disbursements. The establishment of these new RACs has been instrumental in optimizing customer service, with streamlined disbursement processes and swift turnaround times. Moreover, the enhanced presence and client services have markedly improved branch referral business, contributing substantially to the Bank's overall growth.



## Customer Grievance Mechanism

Ujjivan SFB has instituted a Customer Service Committee, a dedicated Board committee, which conducts quarterly meetings focused on addressing root-level issues faced by the customers. These meetings are pivotal in ensuring that the Bank responds effectively to customer needs and maintains high service standards. A management level Committee too reviews the implementation of board directions and customer service standards once in every two months.

Ujjivan SFB has set ambitious resolution targets of 98% for complaints and 95% for service requests, with all resolutions to be completed within assured Turn-Around Times (TATs). The Bank has established a Standard Operating Procedure (SOP) to determine the number of customers to be contacted for feedback, ensuring that grievances are handled swiftly and effectively, contributing to high levels of customer satisfaction. During FY 2023-24,

the Bank successfully resolved 98% of complaints and 94% of service requests within the designated TAT. In accordance with the SOP, 15% of customers were sampled for post-resolution feedback. The results were positive, with 91% of customers expressing satisfaction with the resolution, 7% remaining neutral, and only 2% dissatisfied. Additionally, the total number of complaints decreased by 14% compared to FY 2022-2023, highlighting the effectiveness of Ujjivan SFB's customer grievance management process.



## Service Quality (SQ) Friday School

SQ Friday School is an innovative training program where branches receive training content snippets every Friday, and Branch Managers deliver the training to staff on the same day. This initiative educates branch staff on efficient customer service, handling customer requests and complaints, providing life event-related services, and analysing case studies. The study material, prepared by the SQ team, is circulated by Branch Managers, and a tracker is in place to monitor these training sessions.



## In-House Awards and Recognition for Quality Customer Service

Ujjivan SFB takes pride in recognizing the exceptional efforts of its staff through various awards that celebrate service excellence and dedication to customer satisfaction. The Bank celebrates excellence with awards and recognition, including Best Branches in the Region and Aajeevan Champion Branches awards. One of the most noteworthy rewards is for staff members, receiving written appreciation from their customers. Additionally, on every first Monday of each month, the executive committee meets to plan ahead and recognize the awardees.



Some of the key recognitions awarded in FY 2024 as are follows:

- **Aajeevan Services Recognition:** 64 Customer Care Representatives from various branches were recognized and rewarded for their outstanding contributions under the Aajeevan Services program
- **Best Branches in Service Quality:** 4 Branches were awarded per region in SFB category and 1 Branch was awarded in NURC category
- **Best Customer Care Representatives (CCRs) in Service Quality:** A total of 12 CCRs were awarded for their consistent and exemplary contributions which exceeded all the service metrics
- **Best Region for Service Quality:** The East region was awarded the Best Region for Service Quality among the four regions for FY 2023-2024, based on over 20 parameters including business and support function indices, within TAT resolution of complaints and requests, and the number of complaints referred to the Internal Ombudsman
- **Best Manager Service Quality:** Awarded to the best manager among the 8 Managers on Service Quality, based on performance against the Branch Score Card, CCR Score Card, and within TAT resolution of Aajeevan Service Requests
- **Recognition of Service Excellence by Executive Committee of the Bank:** 40 staff members were recognised and appreciated who went beyond call of duty and provided exemplary services
- **Annual Service Excellence Awards (for individuals across Bank) "Ujjivan Seva Rathna":** The Bank has

introduced an Annual Service Excellence Award effective from FY 2023-24 that recognises and honours individuals for their exceptional performance in Customer Service. During the reporting year, 6 awardees were recognized for their consistent and exemplary contributions which exceeded all the service metrics, fostered positive customer experience and contributed to highest customer satisfaction. This prestigious award was felicitated by Chairman of the Board and the awardees received a trophy along with cash prize of ₹ 50,000.




## Way Forward for Customer Service


Ujjivan SFB is embarking on a transformative journey to enhance customer service with the launch of an ambitious program in FY 2025. The program aims to migrate over 25% of its branch-visiting customers to digital platforms for fulfilling various service requests and complaints, up from the current 15%. To support this digital shift, the Bank is planning extensive campaigns to promote its digital channels, including Video Banking, WhatsApp Banking, smart statements, and UPI services. Branches that excel in helping customers adopt these digital offerings will receive special recognition. In parallel, Ujjivan SFB is reinforcing its commitment to customer satisfaction by developing an in-house platform for conducting CSAT surveys. This platform will enable the Bank to collect continuous feedback and gain a deeper understanding of customer needs. Additionally, the Bank will continue leveraging annual third-party surveys to gather comprehensive insights into customer experiences.

# Fostering Environmental and Financial Stewardship


## Key Environmental Performance Highlights as of FY 2024

-  Introduced **“Loan acknowledgement”** – a unique digital paperless feature


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-  **100% Digitalisation** of Vendor Contract Management


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-  **100% LED lighting** implemented across all Ujjivan SFB facilities


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-  **100% halt** on paper cups usage 1.5 years ago

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-  Use of **“recycled material”** at recently renovated facilities to foster circular economy model

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-  **Approximately 295 tCO<sub>2</sub>e** emissions saved due to paper saving



### United Nations Sustainable Development Goals (SDGs)



# Sustainable Operations

Ujjivan SFB is steadfast in pursuing its goal to reduce overall power consumption by 20% by the year 2030. To reach this ambitious target, it has implemented a series of energy-saving strategies throughout its various operational facets. These measures include the adoption of energy-efficient technologies, optimization of resource management, and the promotion of sustainable practices among employees.



## Going Paperless

Ujjivan SFB has taken proactive steps to transition towards a paperless environment by leveraging digital banking services to reduce its reliance on paper and minimize its environmental footprint. In FY 2024, the bank's strategic focus on digitalization resulted in a notable reduction in paper consumption and related carbon emissions. Through the implementation of innovative digital solutions, Ujjivan SFB has streamlined operations, enhanced customer experiences, and strengthened its commitment to sustainability. This shift to digital services has not only boosted operational efficiency but also advanced the bank's vision of building an eco-friendly and sustainable banking model.

Key digital initiatives contributing to Ujjivan SFB's paperless journey include:

- Issuance of 1,146 digital visiting cards, has contributed to a reduction in carbon emissions
- A fully digitalized contract management system that has eliminated the need for paper contracts
- Video banking services that have reduced the need for in-branch visits, thereby decreasing paper usage. Ujjivan SFB has a quarterly target to increase customer reach through video banking
- The implementation of Video KYC (vKYC), which has streamlined the verification process and reduced the need for physical document handling
- The launch of Digital Fixed Deposit and Digital Saving Account platforms with vKYC integration, allowing customers to open accounts remotely and generating significant business without the need for branch visits
- In Ujjivan loans documents, around 42,00,000 digital agreements were executed with each document consisting 7 pages amounting to saving of 2,94,00,000 pages
- Approximately 1,20,000 records of employee expense claims have been submitted digitally through the Happay transaction application, with each record comprising 5 pages

## 100% Digitalisation of Vendor Contract Management

Ujjivan SFB has achieved a milestone in vendor relations by fully digitizing its contract process. From October-November 2023 to March 2024, a total of 233 vendor contracts were executed using the Contract Lifecycle Management (CLM) platform, resulting in a paper savings of approximately 2,480 pages amounting to a saving of 0.02319 tCO<sub>2</sub>e carbon emissions.

This milestone reflects Ujjivan SFB's dedication to streamlining operations and its commitment to environmental sustainability.

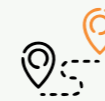
## Hello Ujjivan App's Loan Acknowledgement Feature

Ujjivan SFB's "Hello Ujjivan" app is at the forefront of the bank's digital innovation, significantly contributing to its paperless initiative. The introduction of the "loan acknowledgement" feature has streamlined the loan processing experience for repeat customers, allowing them to bypass the need for additional documentation. This has not only alleviated congestion in branches but has also led to a substantial reduction in paper consumption. With around 30% of customers utilizing this feature, the bank has achieved an impressive conservation milestone, saving an estimated four sheets of paper per customer. This equates to a total saving of over 16 Lakhs papers, highlighting the effectiveness of the app in promoting Ujjivan SFB's commitment to environmental sustainability and enhancing customer convenience.



## Papers Saved in FY 2023-24

| S. No.       | Activity   | No. of papers saved | Total emission saved (tCO <sub>2</sub> e) |
|--------------|--|---------------------|---|
| 1.           | 4 Lakh loans acknowledged through Hello Ujjivan App  | 16,00,000           | 14.96                                     |
| 2.           | 1,146 Digital Cards Issued                           | 1,146               | 0.00321                                   |
| 3.           | 233 Vendor Contracts executed through CLM platform   | 2,480               | 0.02319                                   |
| 4.           | 42,00,000 Loan agreements executed digitally         | 2,94,00,000         | 274.89                                    |
| 5.           | 1,20,000 Claims submitted through Happay transaction | 6,00,000            | 5.61                                      |
| <b>Total</b> |  | <b>3,16,03,626</b>  | <b>295.5</b>                              |



## Way Forward

In its pursuit of digital transformation, Ujjivan SFB is set to launch the "Ujjivan Goal Planner" app as part of its digital transformation journey. This innovative tool aims to revolutionize financial planning and is expected to benefit approximately 25,000 users. By transitioning to this digital platform, the bank anticipates saving over 100,000 sheets of paper, significantly cutting down paper usage and supporting its sustainability goals.

Looking ahead, the bank plans to expand its paperless initiatives by introducing digital invoices, further reinforcing its commitment to minimizing its environmental impact and improving operational efficiency.



## Energy & Emission Management

### Energy Efficiency

Ujjivan SFB has showcased a firm commitment to environmental sustainability through its extensive 'Green' initiatives implemented across more than 750 branches. These eco-friendly efforts align with the Bank's broader strategy to enhance energy efficiency and minimize its environmental impact.

In FY 2024, Ujjivan SFB introduced several key energy management initiatives, including a pilot installation of rooftop solar panel at one branch, a complete transition to LED lighting across all facilities, and the installation of sensor-based lighting systems along with Variable Refrigerant Volume (VRV) systems for air conditioning in recently renovated branches.

Notable energy saving initiatives taken up by Ujjivan SFB include the following:

- **Solar Power:** Ujjivan SFB has successfully installed a 3 KW rooftop solar panel at one of its branches under the Operational Expenditure (OPEX) model, which has contributed to total renewable energy consumption of 0.077 GJ in FY 2022-23 and 9.58 GJ in FY 2023-24.

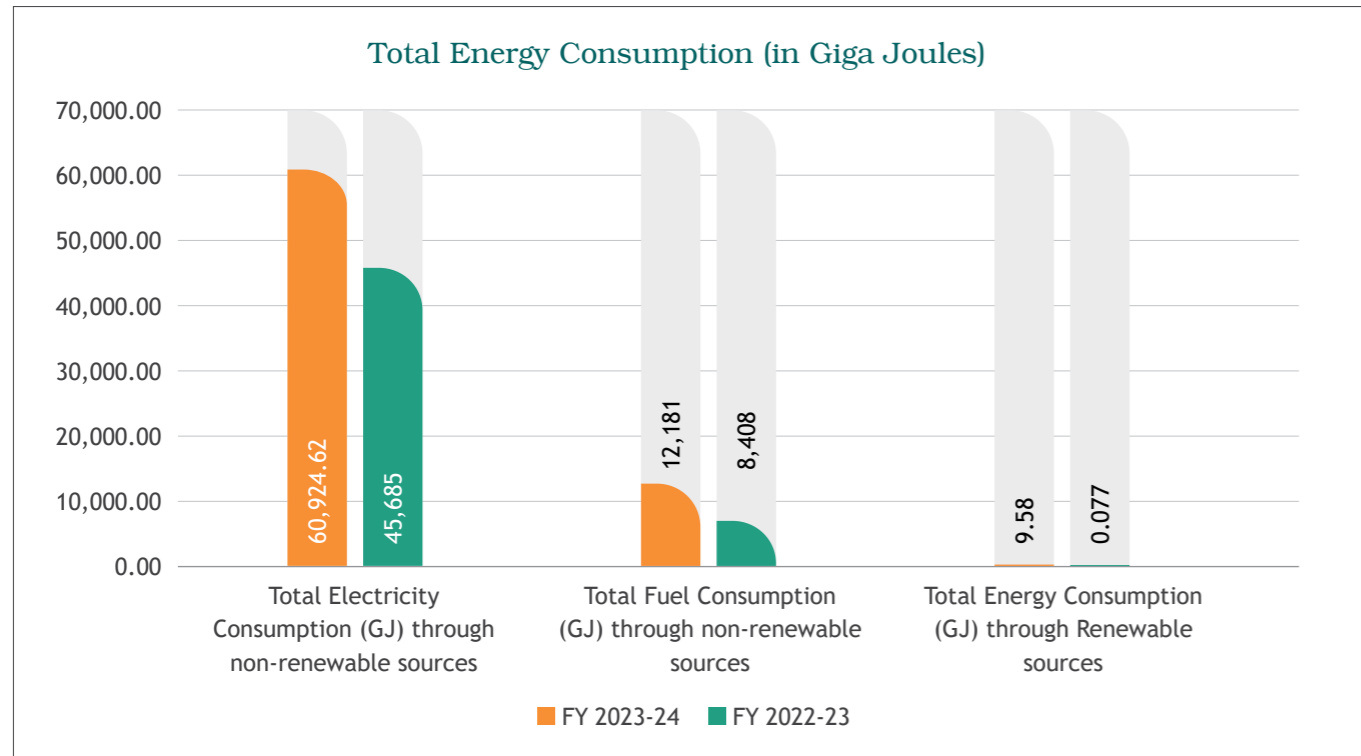
This strategic move is part of Bank's commitment to sustainability and reducing the carbon footprint

- **LED Lighting:** The transition to LED lighting has been completed across all Ujjivan SFB facilities, achieving 100% LED light implementation and playing a significant role in the bank's energy intensity of 11.31 GJ per crores turnover
- **Sensor-Based Systems:** Sensor-based lighting systems have been strategically installed at key locations in the recently renovated facilities that ensure lights are only active when the space is occupied, thereby avoiding wasteful energy use
- **VRV Air Conditioning:** The installation of Variable Refrigerant Volume (VRV) systems for air conditioning at renovated facilities has been a game-changer, offering high energy efficiency and reducing the overall energy footprint of the facilities
- **Replacement of old equipment:** Another significant energy-saving initiative undertaken by Ujjivan SFB involved upgrading its server and printer infrastructure. The outdated server boxes were replaced with a new server system featuring a capacity of 1,152 cores—more than double the previous 448 cores—while operating more efficiently at just 11.46 watts per core, compared to the earlier 22.32 watts. In addition to server upgrades, Ujjivan SFB modernized its printing equipment by replacing 15 printers across India with models that consume 250 watts at full capacity, down from 400 watts. Furthermore, around 100 other printers were upgraded to newer versions that operate at 495 watts, a reduction from the older models' 600 watts. To stay aligned with technological advancements, Ujjivan SFB also has a policy in place to replace obsolete desktops and laptops, ensuring continuous improvement in energy efficiency and operational performance.



## Energy Consumption Tracking

Comprehensive energy consumption data has been collected from PAN India operations, allowing for a detailed analysis of energy usage patterns and identification of areas for improvement.



## Energy Management at Data Centres and Disaster Recovery Centres

Ujjivan SFB is pioneering sustainability in its collocated data centre and disaster recovery centre, where a substantial portion of energy is obtained from green sources to power operations that prioritize environmental responsibility. These centres incorporate state-of-the-art servers that are regularly upgraded to maximize efficiency and minimize heat output, significantly reducing the energy required for cooling.

The commitment to sustainability is further exemplified by the prestigious certifications that these data centres have achieved. These centres are certified with ISO 14001:2015 and ISO 45001:2018, reflecting its dedication to environmental and occupational health standards, and ISO/IEC 20000-1:2018 for IT service management. In addition, these data centres have been awarded the IGBC gold certification, highlighting their sustainable design and operation.

It is ensured that all facilities adhere to stringent mandatory standards for cooling and safety systems, including fire and gas suppression systems. Additionally, the data centres are equipped with smoke detectors and water sprinklers, which are essential for early detection and response to potential fire incidents.

With initiatives like real-time water usage monitoring, e-waste management, advanced physical security measures, and strategic water stress analysis, these data centres are at the forefront of eco-friendly practices, and Ujjivan SFB is demonstrating its dedication to employing and advocating for sustainable resources in its operations.

Additionally, the data centre (DC) will see an upgrade of 54 servers and the disaster recovery (DR) site will upgrade 20 servers that would result in reduced energy consumption per core.



## Sanchaya Program – Way Forward

In alignment with its persistent dedication to environmental stewardship, Ujjivan SFB has proudly reintroduced Sanchaya 2.0 program at its Corporate and Regional Offices for FY 2025. The bank has set an ambitious goal to reduce power consumption by 5%, focusing primarily on Corporate and Regional Offices compared to the financial year 2023-24. To achieve this objective, the bank has outlined a series of eco-friendly practices for all employees to adopt. These practices include proactive steps such as ensuring lights are switched off when rooms are unoccupied, disconnecting devices from power sources when idle, and optimizing the use of equipment by activating energy-conservation modes to reduce power consumption. Additionally, setting thermostats to eco-friendly temperatures can significantly mitigate superfluous energy use. Employees are also encouraged to promptly report any maintenance issues, such as leaky faucets or malfunctioning equipment, to forestall any resource wastage, thereby contributing to the company's overarching eco-centric mission.

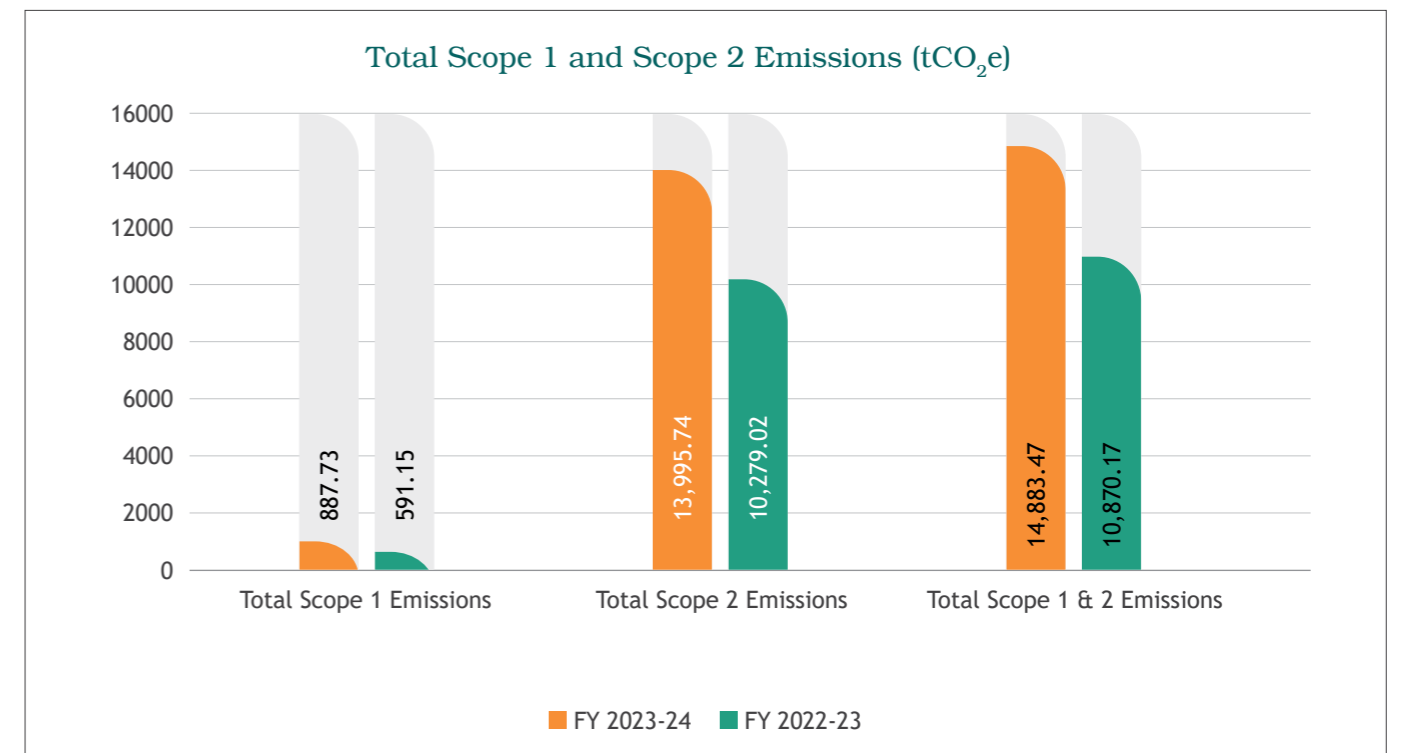


## Emissions Management

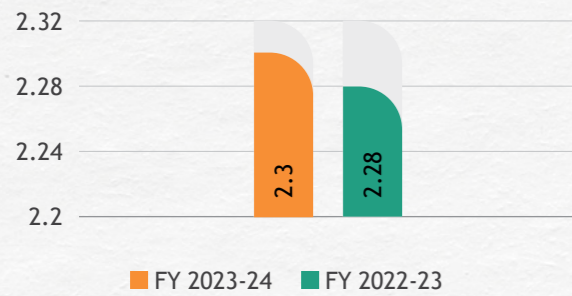
Ujjivan SFB is dedicated to reducing its carbon footprint by leveraging solar energy, a key element of the bank's comprehensive environmental strategy aimed at minimizing greenhouse gas emissions. As part of its commitment to sustainability, the Bank has conducted a detailed assessment and recorded all direct (Scope 1) and indirect (Scope 2) emissions, adhering to the standards outlined by the Greenhouse Gas (GHG) Protocol. This thorough evaluation ensures an accurate understanding of the Bank's

environmental impact, guiding its efforts to mitigate emissions and enhance sustainability.

In its quest for a more holistic understanding of its climate impact, the bank is now extending its emissions tracking to include Scope 3 emissions. The bank is currently establishing a process and key performance indicators to measure Scope 3 emissions, which encompass all indirect emissions that occur in the value chain of the organization, including both upstream and downstream activities.



Emission Intensity per Crore of Turnover



### Usage of Green Chemicals

Some of Ujjivan SFB offices across regions have started the usage of few green cleaning agents. The bank is actively looking into the feasibility of broadening the application of eco-friendly cleaning products throughout its facilities. Additionally, the bank is considering the possibility of partnering with suppliers who provide potent and environmentally responsible cleaning solutions.

These green chemicals are composed of natural ingredients, which are carefully selected to minimize their environmental impact. By using these substances, the bank aims to significantly reduce the release of hazardous emissions into the atmosphere.



### Way Forward

Ujjivan SFB is gearing up to launch campaigns aimed at reducing energy consumption by 5-10% in FY 2025. One such awareness campaign planned for FY 2025 is to switch one's desktop/ laptop to sleep mode if the system is idle for more than 10 minutes. These campaigns are expected to encompass a wide range of energy-saving initiatives intending to cultivate a culture of energy consciousness within the organization that contributes to significant reductions in energy use.

Ujjivan SFB is actively advancing its renewable energy initiatives by extending the use of solar power generation systems to two additional branches in FY 2025. This strategic move aims to harness clean energy sources more effectively, aligning with the Bank's environmental sustainability goals while potentially lowering operational energy costs. In addition, Ujjivan SFB is evaluating the feasibility of installing rooftop solar panels at key office locations. These efforts reflect the Bank's ongoing commitment to integrating renewable energy solutions, reducing its carbon footprint, and promoting long-term energy efficiency across its operations.



### Sustainable Infrastructure

Ujjivan SFB's Administration and Infrastructure department recognizes the pivotal role of strategic facility management in addressing the evolving needs of its workforce. The Bank's approach to sustainable infrastructure is multifaceted, focusing on energy efficiency, resource optimization, and environmentally responsible practices.

Key initiatives include the adoption of Variable Refrigerant Volume (VRV) air conditioning systems to enhance energy efficiency and the promotion of open office layouts to foster transparency and optimize resource utilization. Additionally, Ujjivan SFB emphasizes sustainable procurement practices by prioritizing locally sourced materials, which not only reduces import costs but also supports local industries.

To further enhance its sustainability goals, the Bank is actively exploring innovative material solutions to tackle non-recyclable waste and continues to invest in energy-efficient infrastructure. These efforts collectively aim to minimize the Bank's environmental footprint while delivering long-term cost savings and promoting sustainable growth.

**VRV AC Systems Implementation:** The strategic implementation of Variable Refrigerant Volume (VRV) AC systems within Ujjivan SFB facilities represents a significant step towards energy efficiency and cost reduction. Despite the initial investment, these systems are known for their energy-efficient functionality and have achieved energy certifications that attest to their operational cost savings. By choosing VRV technology, the Bank is able to provide a comfortable working environment for its employees while simultaneously reducing energy footprint and operational expenses over the long term.

**Open Office Space Promotion:** In the pursuit of a sustainable work environment, Ujjivan SFB has embraced the concept of open office spaces. This design philosophy prioritizes transparency and resource efficiency, favouring running workstations over traditional cubicles or private cabins. By minimizing the use of materials for partitions, the Bank not only fosters a collaborative atmosphere but also significantly reduces material consumption.

**Sustainable Procurement Practices:** By choosing products like carpets made in India, Ujjivan SFB not only supports domestic industries but also cuts down on import costs. This approach not only bolsters the local economy but also minimizes carbon footprint associated with transportation.

**Energy-Efficient Infrastructure:** Light fixtures with occupancy sensors and low-flow sensor-based taps are prime examples of Ujjivan SFB's efforts to minimize resource use. These sensors ensure that lighting and water are used, only when necessary thereby reducing wastage and promoting a more sustainable operational model. These innovative technologies not only enhance resource conservation but also contribute to a greener and more cost-effective infrastructure landscape.

### Innovative Material Usage to Enhance Circularity

The organization has utilized Ricron panels for construction purposes at its L&D Centre, a material derived from recycled plastic packaging, to tackle the issue of non-recyclable waste. These cutting-edge sheets are meticulously crafted from discarded plastic packaging, boasting an impressive 100% conversion rate while actively reducing energy usage and environmental impact. This approach ensures the ongoing and efficient utilization of resources, fostering a circular economy model. This initiative has led to the diversion of over 3000 kilograms of plastic from landfills, prevention of 16.65 tons of CO<sub>2</sub>-equivalent emissions, saving of 2,22,075 Megajoules of energy, and conservation of 81 cubic meters of water in India.

Furthermore, Ujjivan SFB has also incorporated 100% recyclable polycarbonate for construction purposes, which is not only sustainable but also versatile and durable, providing an optimal environment for its workforce. Its versatility and durability make it an ideal choice for translucent walls, given its high impact resistance and excellent light transmission, akin to glass. This demonstrates Bank's dedication to circular economy principles and adaptive reuse.



The Bank's strategic focus on sustainable infrastructure development aligns with its organizational values and long-term objectives, and ensure a brighter, more sustainable future for generations to come.



### Circularity

Ujjivan SFB has made commendable progress in its waste management and circularity efforts, reflecting a strong commitment to environmental sustainability. To standardize waste management practices (wet & dry waste) across Ujjivan SFB, a clearly defined process is incorporated in the existing Standard Operating Procedure (SOP) formulated by Admin & Infrastructure department of the Bank. The Bank adheres to the general guidelines on waste management set forth by local authorities, ensuring regulatory compliance. Following measures have been implemented to minimize waste and promote recycling:

**Elimination of Single-Use Plastic Items:** Ujjivan SFB has ceased the use of plastic cups, plates, and spoons, significantly reducing the generation of non-recyclable waste.

**Waste Segregation and Measurement:** The practice of segregating waste and weighing wet & dry waste before disposal has been established at Corporate & Regional Offices considering the volume of waste generated. The Bank has taken efforts to visit the Municipal Waste Segregation Centre to ascertain that the disposed waste were handed over to the authorised recyclers and treated responsibly.

**Reduction in Disposable item Procurement:** The procurement of paper cups was completely halted 1.5 years ago. Paper plates are now procured only for events on a need basis, moving away from fixed procurement practices and further reducing waste. This has led to saving of approximately 15,10,500 paper cups per year at Ujjivan SFB.

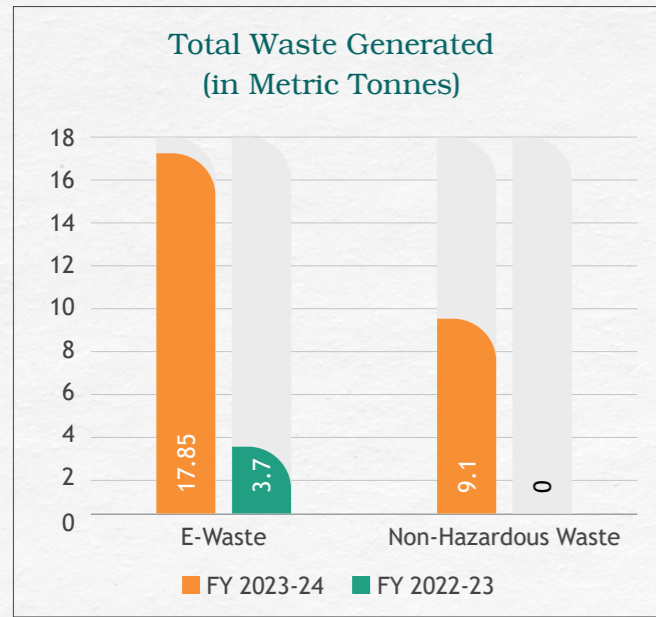
**Responsible Disposal and Certification:** In a preliminary initiative, Ujjivan SFB has successfully executed a responsible dry waste disposal program within its South and East Regional Offices, with certifications obtained to validate these efforts. The Bank is committed to maintaining and expanding these waste management practices to integrate similar measures at other branches and operations.

**Training to Employees and Housekeeping:** Employees have received both online and in-person training on waste segregation. To ensure the efficacy of the responsible waste management program, support staff were adequately trained to assist employees in the proper segregation and disposal of waste materials. The Bank employed a multi-channel communication strategy including posters, desktop banners, newsletters for creating awareness amongst employees. Additionally, the housekeeping staff has been thoroughly trained by their agency, with the Facility Manager performing verification to ensure compliance with best practices.



### Waste Management

Ujjivan SFB has demonstrated a strong commitment to sustainable waste management by effectively handling both e-waste and non-hazardous wastes. In FY 2024, the Bank achieved a 60% increase in the reuse of e-waste compared to the previous financial year. This significant improvement in waste reuse included a considerable number of electronic devices that were refurbished and subsequently donated to various institutions, enhancing their operational capabilities. This effort was facilitated through partnerships with NGOs, allowing Ujjivan SFB to extend the lifecycle of valuable resources and make a positive impact on the wider community.



The rise in recorded waste generation is attributed to the comprehensive collection and monitoring during the FY 2024. In the previous FY the e-waste data was collected for the period of 3 months.



### E-Waste

Ujjivan SFB has implemented a structured and environmentally compliant process for the disposal of e-waste, ensuring environmental compliance and sustainability. The Bank empanels authorized e-waste disposal vendors on a regional basis through a rigorous selection process, which includes verifying vendor authorization certifications and adherence to environmental standards. The identification and onboarding of e-waste handling vendors are jointly managed by Ujjivan SFB's Procurement Team and IT Operations Team. They ensure all selected vendors comply with the requirements set by the Pollution Control Board before finalizing partnerships.

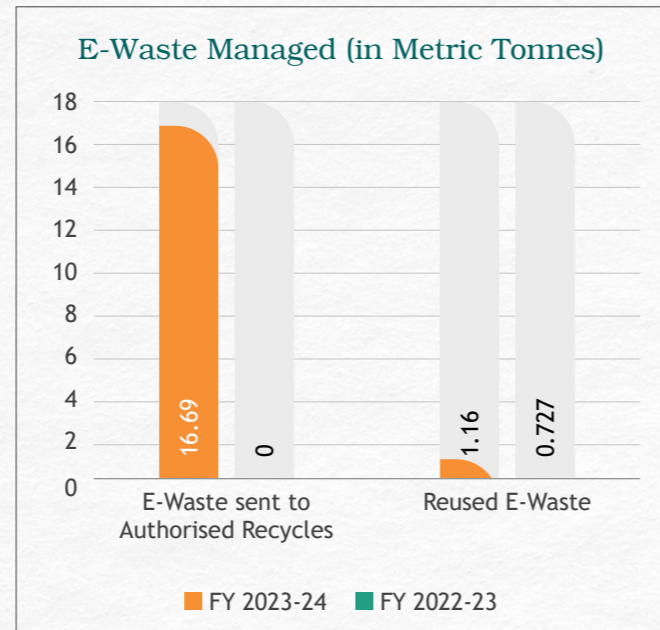
E-Waste collected from branches within a region is aggregated at a designated regional center or specific location. Authorized vendors are then responsible for collecting the waste and providing certificates of waste collection to verify proper disposal practices.

In line with its sustainability efforts, Ujjivan SFB also promotes reuse by donating functional laptops and handheld devices to those in need. Non-functional equipment is responsibly discarded through certified e-waste disposal vendors, ensuring minimal environmental impact.

In FY 2024, the IT department played a pivotal role in the responsible handling of e-waste, sending back a total of 16.69 metric tonnes (MT) to authorized recyclers. Furthermore, the amount of reused e-waste, which includes materials that are refurbished and repurposed, reached 1.16 MT in FY 2024, up from 0.727 MT in the previous financial year.

| Category of Waste   | FY 2022-23 | FY 2023-24 |
|---------------------|------------|------------|
| Recycled Waste (MT) | -          | 16.69      |
| Reused Waste (MT)*  | 0.727      | 1.16       |
| Total (MT)          | 0.727      | 17.85      |

\*Donated reusable electronic devices to institutions for reuse through NGOs



### Water Management

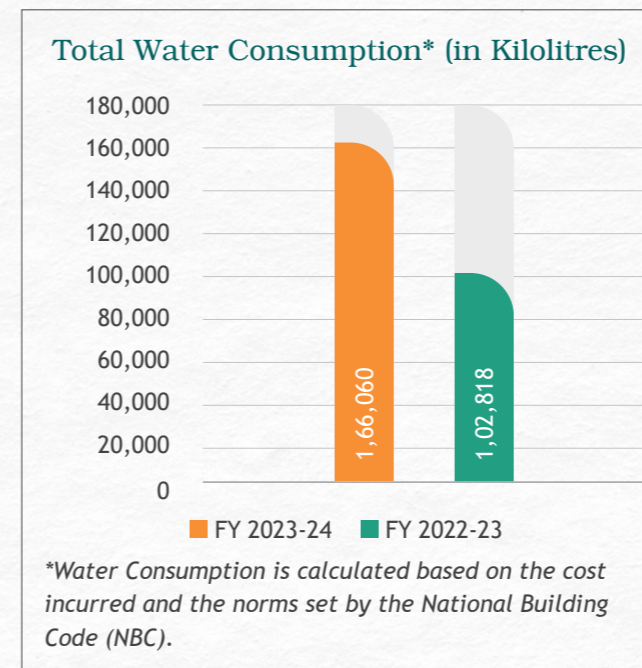
Ujjivan SFB is committed to adopting sustainable practices across its operations, ensuring that all activities align with the highest standards of environmental stewardship. As part of this effort, the Bank has implemented several key measures to promote efficient water management, which are as follows:

- **Conservation Campaigns:** Ujjivan SFB has conducted water conservation campaigns to raise awareness among 100% employees about the importance of saving water and to encourage responsible water usage practices.

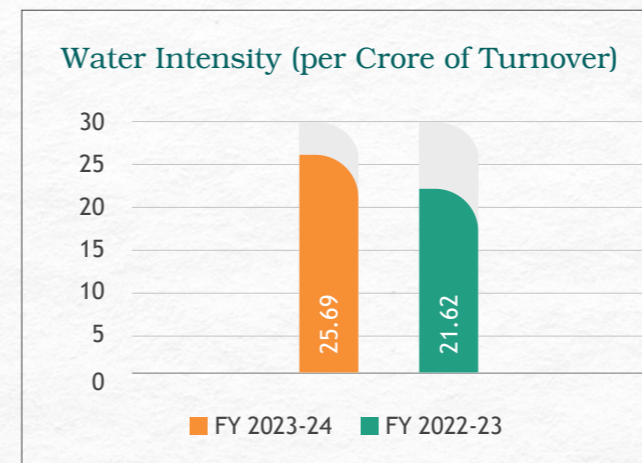
- **Installation of Water-Saving Devices:** All the recently renovated facilities of the Bank have been equipped with water aerators and sensor-based taps, which are instrumental in reducing water flow and preventing water wastage. These devices automatically adjust the water flow and shut off when not in use, thereby promoting conservation.



### Water Consumption



### Water Intensity



### Sustainable Supply Chain

Significant achievements of the year

1. Vendor code of conduct formulated & rolled out in the organization
2. 100% of input materials sourced directly from within India through local suppliers
3. Successfully identified vendors with strong ESG commitments, including key hardware and major furniture suppliers
4. Engaged exclusively with leading technology vendors and top-tier office furniture suppliers who have established ESG frameworks and following sustainable practices
5. Implemented a centralized procurement process in January to streamline operations and enhance efficiency
6. Initiated supplier performance evaluations based on SLAs to ensure service quality and accountability



### Supplier Code of Conduct (CoC)

Ujjivan SFB has established a comprehensive Vendor Code of Conduct (CoC) that serves as a cornerstone for ensuring adherence to fundamental human rights standards. This code mandates that all suppliers comply with the full spectrum of laws and regulations pertinent to their operational jurisdictions, with a particular emphasis on labour and tax legislation. To facilitate due diligence and compliance oversight, suppliers are obligated to maintain and furnish relevant documentation upon the bank's request. This encompasses a broad array of legal domains, including but not limited to, anti-corruption, anti-bribery, human rights, data protection, fair competition, and environmental stewardship.

The CoC, encapsulates key principles such as regulatory conformity, reporting & compliance, and maintenance of ethical business conduct. In an effort to provide a channel for addressing concerns, a dedicated email address has been established for vendors to report any issues or grievances they may encounter. Additionally, the CoC encompasses stringent social and labour standards.

A key enhancement to Ujjivan SFB's Code of Conduct (CoC) is the integration of environmental accountability into its vendor onboarding process. The Bank actively evaluates the Environmental, Social, and Governance (ESG) commitments and practices of its suppliers, prioritizing partnerships with vendors that demonstrate sustainability efforts—such

as using ocean-bound plastics or participating in recycling programs. Currently, this rigorous evaluation primarily applies to larger partners.

The policy also includes guidelines for media communications, ensuring vendors align with the Bank's standards for public engagement. Additionally, Ujjivan SFB has strengthened its contracts by incorporating the right to audit, enabling the Bank to directly assess vendor practices and verify compliance with the CoC.

To promote transparency and accountability, the CoC is communicated through multiple channels, including publication on the Bank's website and integration within service agreements and contracts where applicable. This multi-channel approach ensures that vendors are well-informed about the Bank's expectations and obligations, fostering a culture of compliance and responsible business practices across the supply chain.



## Environmental Stewardship by Suppliers

Acknowledging the substantial environmental impact of supply chains, Ujjivan SFB is actively implementing measures to align its suppliers with its sustainability goals. The Bank ensures that diesel generator (D.G.) sets supplied by vendors at its branches meet the desired standards. Specifically, the PECH 25 model, certified by the Automotive Research Association of India (ARAI) for compliance with noise and pollution regulations, is deployed across its network. This deliberate choice reflects Ujjivan SFB's commitment to reducing its environmental footprint and collaborating with suppliers who prioritize sustainability and adhere to environmental standards.

Further strengthening its sustainability initiatives, Ujjivan SFB has partnered with Canon India, a company that shares its eco-friendly vision. For every printer supplied, Canon plants a tree in India, reinforcing environmental conservation efforts. Additionally, Canon's use of 95% recycled materials in its products aligns seamlessly with Ujjivan SFB's focus on sustainability, highlighting their shared commitment to environmental responsibility.



## Supplier Assessment

Ujjivan SFB has established a comprehensive supplier assessment framework as a strategic initiative to enhance

risk management and quality assurance across its operations. This framework is designed to systematically evaluate and monitor the performance and reliability of suppliers, ensuring a robust, efficient, and high-quality supply chain.

The framework incorporates a range of evaluation criteria, including financial stability, governance policies, compliance with industry standards, management certifications, environmental sustainability practices, human rights aspects, health and safety measures, ethical sourcing, and delivery performance. These parameters help identify and mitigate potential risks and vulnerabilities that could impact the Bank's operations or reputation.

As part of its Risk Governance policy, Ujjivan SFB conducts thorough risk assessments of vendors, particularly those classified as material vendors (outsourced suppliers) due to their critical role in operations. These evaluations occur annually, with review cycles ranging from 12 to 18 months, depending on the vendor's risk profile and business engagement with the Bank.

The risk assessment process includes on-site visits by the risk management team to examine vendor facilities, assess documentation, operational practices, and compliance with regulatory standards. This hands-on approach provides deeper insights into potential risks and ensures greater accountability among vendors.

The Alliance unit, within the Alliance and Electronic Department, oversees systematic vendor performance evaluations. Assessment criteria outlined in Service Level Agreements (SLAs) serve as benchmarks for performance measurement. To streamline evaluations, the team maintains a 'material list' of key outsourced vendors, primarily those with contracts valued at Rs. 1 Crore or more. The team also manages a detailed repository of vendor data, identifies gaps, and coordinates with relevant departments to address issues. The team systematically evaluates the performance of all departments in managing their respective vendors based on their risk categorization thereby ensuring compliance with regulatory and internal processes and guidelines.

In the Information Technology (IT) domain, performance evaluations are embedded within contractual agreements, ensuring continuous monitoring of IT vendors against predefined performance metrics. Contracts also include financial penalties for non-compliance with SLA terms. Ujjivan SFB has implemented a Standard Operating Procedure (SOP) for IT vendor assessments, while SOPs for other departments are being developed based on insights from ongoing evaluations.

To maintain transparency and accountability, all evaluation findings are recorded in a dedicated tool called "Manage

Engine." This platform facilitates data logging, feedback collection, and performance tracking, particularly within the IT team, ensuring consistent monitoring and vendor accountability.



## Supplier Performance Insights

Throughout FY 2024, Ujjivan SFB's engagement with PHPL Solutions Private Limited, the bank's chief supplier of Gensets on rental, has been characterized by positive feedback and efficient service delivery. Ujjivan SFB has effectively managed a fleet of 386 Gensets across various regions, with an additional 31 units deployed during the year. The vendor successfully addressed a total of 330 calls for preventive maintenance and 427 breakdown calls, achieving an impressive average Turnaround Time (TAT) of 4.2 days for breakdown services. The promptness of Genset deliveries post the purchase order issuance, typically within 1 to 2 weeks, further exemplifies the supplier's commitment to timely service. PHPL has commended the Ujjivan SFB's Project and the concerned teams for their supportive engagement and the professional demeanour towards service engineers. The positive feedback and the consistent meeting of SLAs highlight the strength of Ujjivan SFB's vendor management and the productive relationship with PHPL in FY 2024.

The supplier performance evaluation process incorporates a two-way feedback system, fostering transparent communication and enabling an open exchange of feedback between the Bank and its suppliers. This collaborative approach helps strengthen relationships and drive continuous improvement across the supply chain.

Complementing these efforts, the Bank actively supports the growth of Micro, Small, and Medium Enterprises (MSMEs) by sourcing approximately 10-12% of its total procurement spend from these entities. This inclusive procurement strategy highlights Ujjivan SFB's commitment to promoting economic empowerment and fostering the development of smaller enterprises, further reinforcing its dedication to sustainability and social responsibility.



## Supplier Management Tracking

In March 2024, Ujjivan SFB introduced a supplier management tracking system in response to audit findings, for effective vendor governance. Overseen by the Alliance team, this system maintains a detailed master vendor

list, categorizing suppliers based on the necessity of formal agreements. It classifies vendors into groups such as individuals, agencies, and business correspondents, ensuring clear segmentation and streamlined management.

The system maintains comprehensive records of supplier data. This approach has proven highly beneficial by enabling the Bank to efficiently identify and engage suppliers based on specific business requirements, thereby improving operational efficiency and strengthening supply chain management.

The bank is planning to expand its supplier management tracking system to include Micro, Small, and Medium Enterprises (MSMEs), with a specific focus on integrating these smaller businesses into its environmental stewardship framework.



## Way Forward

Looking ahead, Ujjivan SFB remains dedicated to enhancing operational efficiency and sustainability through the implementation of a workflow management system. This system is designed to streamline invoice processing by enabling real-time tracking of invoice statuses, significantly reducing paper usage, and minimizing reliance on email correspondence.

The Bank is also experiencing a steady rise in the adoption of digital invoicing, a trend that aligns with its broader digital transformation objectives. As part of its long-term vision, Ujjivan SFB has set an ambitious goal to achieve 100% digital invoicing from suppliers with expenditures of 1 Crore or more by 2030.

As of FY 2024, 18-20% of invoices equating to approximately 1,000 invoices per month have already been digitized. To support this transition, the Bank is actively developing a robust tracking tool within its overarching ERP system. This initiative aims to further accelerate the shift toward a fully digital, eco-friendly, and efficient invoicing process by the end of the decade.



# Responsible Finance

Responsible finance is a comprehensive approach adopted by Ujjivan Small Finance Bank to ensure its financial services generate positive outcomes for both society and the environment. This approach encompasses a range of initiatives aimed at aligning banking operations with broader social and environmental goals. By implementing these initiatives, the Bank is fostering a financial system that is not only sustainable and equitable but also strengthens its long-term stability and competitive market position.

## MicroBanking Services



As an inclusive Finance Bank, Ujjivan SFB offers tailored financial products such as microloans, agricultural loans, savings accounts etc. designed specifically for underserved segments of society, including low-income individuals and small businesses. These services aim to empower customers who may lack access to traditional banking. It also supports the economic empowerment of marginalized communities through affordable and accessible financial products.

Ujjivan SFB has introduced an innovative digital paperless feature called “loan acknowledgement” in its ‘Hello Ujjivan’ mobile application in August 2023, significantly enhancing the loan processing experience for customers. This feature enables Ready for Disbursement (RFD) marking for loans digitally through the app, which was previously accessible only at bank branches. By eliminating the need for customers to visit branches, this initiative has not only improved convenience but also reduced paper consumption.

As of March 31, 2024, over 2.2 Lakh customers have digitally marked RFD through the Hello Ujjivan app, resulting in the acknowledgment of approximately 4 Lakh loans and saving nearly 16 Lakh sheets of paper in FY 2023-24.

In addition to the loan acknowledgement feature, the Hello Ujjivan app incorporates a Triple-V (Visual, Voice, Vernacular) interface to cater to customers who prefer regional languages or may not be tech-savvy. This inclusive approach ensures broader accessibility and usability, enabling more customers to benefit from digital banking services.

The application has also reintroduced an insurance feature called “Hospicare,” which provides affordable hospitalization coverage at a lower premium. It allows

customers to avail small-ticket loans to support their families’ health and financial security, reflecting Ujjivan SFB’s dedication to offering holistic financial solutions.

Looking ahead, Ujjivan SFB plans to expand its active customer base and geographic footprint while diversifying its product portfolio to meet evolving customer needs. The bank will continue focusing on digital transformation to enhance efficiency, improve customer experience, and reduce costs. Additionally, it aims to transition group loan customers to individual loans, offering greater flexibility and growth opportunities.



## Upcoming projects in MicroBanking

| Key indicators                   | Plans for strengthening the differentiators  | Objective   |
|----------------------------------|--|---|
| Turn Around Time (TAT)           | <ul style="list-style-type: none"> <li>Pre-approved Loans</li> <li>Disbursement Automation through Robotic Process Automation (RPA)</li> <li>Repeat &amp; Top-up Individual Loan through Hello Ujjivan App</li> <li>Building Self Sourcing Journey in Hello Ujjivan</li> </ul> | Bring Down Average TAT by 1-2 Days across Group Loans (GL) & Individual Loans (IL)  |
| Ease of Loan Application Process | <ul style="list-style-type: none"> <li>Loan Origination System Revamp</li> <li>Introduction of E-Sign &amp; E-Stamping</li> <li>Usage of Account Aggregators</li> <li>Lead Management Solutions</li> </ul>   | <ul style="list-style-type: none"> <li>Increase Staff Productivity by &gt;1 Lakh</li> <li>Elimination of Paperwork</li> <li>Increasing Accuracy- Reduce FTNR by &gt;2%</li> <li>Control Wastage of Physical Stamp Papers</li> </ul> |
| Ease of Repayment                | <ul style="list-style-type: none"> <li>Automation of Repayments through E-NACH &amp; SI</li> <li>UPI in Hello Ujjivan</li> </ul>   | <ul style="list-style-type: none"> <li>GL to be sustained at 30%</li> <li>IL to reach at 80%</li> </ul>   |
| Relationship Management          | <ul style="list-style-type: none"> <li>Usage of WhatsApp Banking</li> <li>AI based Relationship calls</li> <li>Virtual Relationship Manager (VRM)</li> <li>Phone Banking for Reaching out to Potential Customers</li> </ul>  | <ul style="list-style-type: none"> <li>Creating Alternate Channel to stay connected with customers</li> <li>Increase Customer Retention by 3-5%</li> </ul>  |



## WASH (Water, Sanitation, and Hygiene) Loans

Ujjivan Small Finance Bank has made significant strides in responsible financing by introducing WASH (Water, Sanitation, and Hygiene) loans, a specialized form of consumption loan available for amounts up to ₹1 Lakh. These loans offer flexible tenure options ranging from 6 to 36 months. As of March 2024, Ujjivan SFB has built an impressive portfolio of approximately ₹22 crores, benefiting 6,458 customers. The bank has set an ambitious target of disbursing ₹5 crore in WASH loans every month as part of its ongoing social impact efforts.

The primary objective of WASH loans is to provide financial assistance for constructing toilets, sanitation facilities, and hand wash units, as well as installing pipelines, drainage systems, and hand pumps. These initiatives aim to enhance hygiene standards and public health.

A key driver behind the introduction of WASH loans is Ujjivan SFB’s strategic vision to secure funding from NABARD (National Bank for Agriculture and Rural Development) for up to 95% of the loan value. This partnership reflects the bank’s commitment to leveraging institutional support to broaden its reach and impact.

To promote WASH loans effectively, Ujjivan SFB has partnered with WATER.org, a globally recognized NGO. This collaboration has been pivotal in boosting the visibility

of the bank’s WASH loans across various platforms. Additionally, WATER.org has played an important role in training Ujjivan SFB’s field staff on innovative marketing techniques, equipping them with the skills needed to communicate the benefits of these loans effectively.

For ease and efficiency, Ujjivan SFB has consolidated all WASH-related loans under a single product—WATSAN loans. This streamlined approach simplifies the application process and ensures a focused approach to address sanitation and hygiene needs. The bank maintains strict monitoring protocols to ensure proper utilization of funds. Branch managers conduct Loan Utilization Checks (LUC) both before and after disbursement, reinforcing Ujjivan SFB’s commitment to accountability and impact-driven lending.



## Government Initiatives - Loans for Minorities, SC/STs

In September 2023, Ujjivan Small Finance Bank launched a dedicated loan program for Scheduled Castes (SC) and Scheduled Tribes (ST), followed by a similar initiative for minorities in November 2023. These targeted loan programs are part of Ujjivan SFB’s commitment to financial inclusion and are designed to cater to the specific needs of these communities. As on March 24, with over ₹4,983 Crores disbursed to 9.2 Lakh minorities and over ₹9,100 crores of loans given to SC/ST communities. These loans are significant in scale and are duly reported to the Reserve

Bank of India (RBI), ensuring transparency and regulatory compliance.

Under the SC/ST loan program, the RBI has provided clear guidelines that allow for flexibility in offering various sub-products to meet the diverse needs of customers within these communities. One such initiative is the Differential Rate of Interest (DRI) scheme, which enables loans to be offered to SC/ST individuals at a concessional interest rate of 4%. This scheme underscores the Bank's efforts to providing affordable financial services to marginalized groups.

Additionally, Ujjivan SFB offers the Mudra loan, available to both group and individual borrowers. This loan is part of a broader government initiative aimed at fostering entrepreneurship and self-employment among small businesses, providing them with greater access to credit.

Looking ahead, Ujjivan SFB is preparing to launch a loan program under the PM Vishwakarma scheme, which is currently in development. This scheme is expected to offer further support to artisans and craftsmen from the Vishwakarma community, empowering them to expand their businesses while preserving their traditional crafts. Through these various loan programs, Ujjivan SFB is actively promoting economic empowerment and inclusive growth across different segments of society.



## MSME Loans

Ujjivan Small Finance Bank has positioned itself as an environmentally responsible institution by offering credit to customer segments engaged in low carbon intensive or less polluting industries, such as the rubber and food sectors. This initiative highlights the Bank's commitment to supporting industries with minimal environmental impact, in line with global efforts to mitigate climate change and foster sustainability.

The Bank has identified strategic markets and industries where it can make a significant contribution. For instance, Tripura has emerged as a key market due to its natural rubber production—an industry that is generally considered low-carbon intensive, owing to the carbon sequestration benefits of rubber trees. By providing financial support to businesses in this region, Ujjivan SFB is not only promoting sustainable agricultural practices but also supporting the local economy.

The Bank's financing approach for these environmentally friendly projects includes both capital expenditure

(CapEx) and working capital. This dual strategy ensures that businesses receive the necessary funds for long-term investments in energy-efficient machinery and equipment, as well as for day-to-day operations that help sustain eco-friendly practices.

In addition, the Bank has broadened its portfolio of financial products to cater to the diverse needs of its MSME customers. One of the key products introduced by Ujjivan SFB is the overdraft facility, which is a limit-based product that allows customers to withdraw funds up to a certain limit beyond the available balance in their accounts. Ujjivan SFB now offers bank guarantees to its customers to cover a borrower's liabilities in case they fail to fulfil a contractual obligation to a third party. Working capital loans are another product that the Bank has started offering. These loans are intended to finance the everyday operations of a business, helping to bridge the gap between revenue collection and expense payments.

By offering these new financial products, Ujjivan SFB is addressing the evolving needs of its business customers, enabling them to manage their finances more effectively and capitalize on market opportunities.



## Strategy Revamping for MSME portfolio

Ujjivan SFB has embarked on a strategy revamping initiative to scale its MSME portfolio while aligning with the bank's sustainability goals. Over the next 2-3 years, the Bank will focus on driving growth, enhancing customer engagement, and leveraging emerging technologies.

The Bank's target customers will be semi-formal and formal businesses, allowing it to offer tailored financial products that meet diverse needs. This customer-centric approach will deepen relationships and enhance the value proposition, providing comprehensive solutions that support MSME growth.

Ujjivan SFB will offer a mix of Short Tenure (ST) facilities and Long Tenure (LT) Loans against Property (LAP), alongside Supply Chain Finance facilities to the MSME. The Bank's technology-driven strategy aims to improve operational efficiency through new API-ready systems, streamlining processes like underwriting and monitoring while reducing paperwork.

Looking ahead, the Bank anticipates sustainable growth through Green Financing initiatives like MSE-SPICE (MSE scheme for promotion and investment in circular economy) and MSE-GIFT (MSME green investment and financing for transformation scheme), promoting the circular economy and supporting G20 goals. This revamp will strengthen the Ujjivan SFB's existing portfolio and create new growth opportunities.



## Green Finance

Being in the nascent stage of embracing Sustainability, Ujjivan SFB is striving to explore the green financing opportunities in the Agriculture Banking, Housing and Vehicle Finance towards environmental sustainability.



## Agriculture Banking

By financing sustainable agricultural practices such as drip irrigation, Ujjivan SFB is actively supporting water conservation, soil preservation, and energy-saving efforts among farmers, thereby contributing to broader environmental sustainability.

Additionally, the Bank is in discussions with the International Finance Corporation (IFC), a member of the World Bank Group, to launch a pilot program under the Climate Smart Agriculture initiative. This program focuses on reducing the carbon footprint of agriculture while

helping farmers adapt to the evolving climate. Through this partnership, Ujjivan SFB aims to further strengthen its commitment to Environmental, Social, and Governance (ESG) principles.



## Vehicle Finance

In recognition of the global imperative to reduce GHG emissions, the bank offers vehicle financing for new electric two-wheelers of all major manufacturers. The bank is also exploring options to extend this financing to three-wheelers in near future under urban transportation program.



## Way Forward

Ujjivan SFB is actively exploring environmentally and socially responsible financing options as part of its broader commitment to sustainability and responsible finance. One such initiative currently in the planning phase is the Green Loan for Solar Projects. The Bank is in discussions with

companies specializing in solar energy solutions to develop a tailored loan product aimed at supporting the adoption of renewable energy.

While the Bank has not yet made significant strides in solar project financing, it has expressed a clear intent to venture into renewable energy initiatives, including solar and hydro projects. These efforts align with the government's GIFT and SPICE schemes, which are designed to promote sustainable ventures. The MSME Green Investment Financing for Transformation (MSE - GIFT) and MSE - Scheme for Promotion and Investment in Circular Economy (MSE - SPICE), established by the Small Industries Development Bank of India (SIDBI), present strategic opportunities for Ujjivan SFB to actively support and finance environmentally sustainable projects.

These schemes were set up approximately a year ago with the primary aim of encouraging green financing and supporting the circular economy. Initially, the GIFT and SPICE schemes were launched exclusively for Public Sector Undertakings (PSUs) as part of a pilot phase to test the viability and impact of the programs. Having observed the potential benefits and successes of these initiatives, SIDBI has now extended the invitation to small finance banks, including Ujjivan SFB, to participate.



## Facilitation & Revamping of the loans

In an effort to enhance financial and digital inclusion, Ujjivan Small Finance Bank has initiated the Business Correspondent (BC) channel. This innovative approach allows Ujjivan SFB to broaden its reach to un-served and under-served segments of the population, providing them with essential financial services. The bank has adopted two distinct BC models to enhance its outreach.

The first model involves partnerships with three Non-Banking Financial Companies (NBFCs) that operate branches

on behalf of Ujjivan SFB, primarily in rural locations. These NBFCs act as extended arms of the Bank, enabling it to establish a physical presence in remote areas wherein setting up full-fledged branches may not be feasible. This approach allows the Bank to offer a comprehensive suite of banking services, effectively addressing the financial needs of underserved rural communities.

The second model, known as MoneyMitra, takes a personalized and direct approach to banking services. MoneyMitra agents act as Business Correspondents (BCs), providing doorstep banking services to customers. Through this model, customers can conveniently carry out cash deposits, cash withdrawals, and EMI repayments without needing to visit a branch. With a network of over 500+ MoneyMitra agents operating across diverse geographies, especially in areas where Bank staff may not frequently visit, Ujjivan SFB ensures that essential financial services remain accessible to a broader customer base, further strengthening its commitment to financial inclusion.

At present, the focus of these BC channels is primarily on customer servicing and loan referrals, however in the next phase, the bank aims to focus on providing a comprehensive banking network that will encompass all kinds of banking services, thereby making financial products and services even more accessible to its customers.



## Financial literacy

The bank has organized a series of financial literacy programs aimed at raising awareness and understanding of financial concepts among its customers and the wider community. These financial literacy programs are designed to educate participants on a range of topics, including the basics of saving and budgeting, the importance of credit scores and how they are calculated, the benefits of various banking products and services, etc. enabling them to make informed financial decisions.

## Customer Testimonial on Inclusive Finance

Ushaben Mali, a resident of Vadodara, faced financial challenges in 2010 as her husband's income was the sole support for their growing family, making it difficult to cover household, educational, and health expenses. Recognizing the need to contribute financially, Ushaben considered engaging in an income-generating activity but lacked the necessary funds. Fortunately, representatives from Ujjivan SFB, visited her community and introduced her to the bank's loan facilities. Despite her apprehensions about borrowing for the first time, Ushaben's determination and her husband's encouragement led her to take a loan of Rs. 10,000 from Ujjivan SFB.

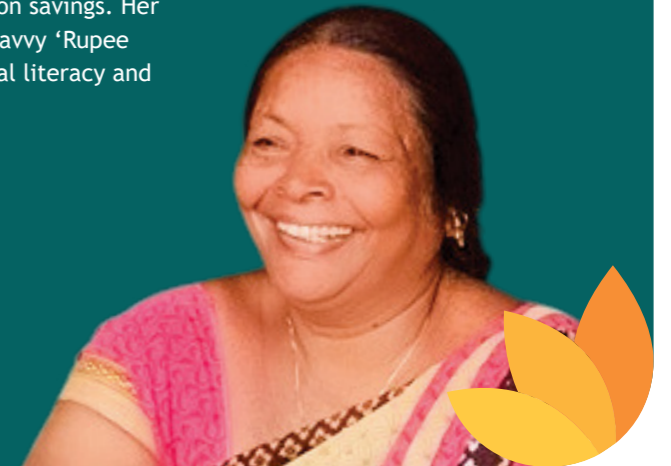
With the loan, Ushaben started a vegetable cart business in her vicinity, earning Rs. 400-500 daily, which allowed her to contribute to the family income and manage expenses. Her business success enabled her to repay her EMIs promptly and take an additional loan of Rs. 15,000 to cover further expenses, all while maintaining timely EMI payments.

Ushaben also attended Ujjivan's Diksha training program, where she learned the importance of responsible borrowing, the benefits of a good CIBIL score, and the advantages of having a savings account. Empowered by her experiences and newfound knowledge, she took a larger loan of Rs. 30,000 to establish a small grocery shop at her home. The shop's earnings of Rs. 700-800 per day helped her pay off her EMIs and save money.

Over the years, Ushaben's savings grew, allowing her family to invest in a fixed deposit with an attractive interest rate and eventually purchase an ECO car. The latest Diksha program introduced her to various banking products, online banking, and the convenience of QR codes for receiving payments directly into her Ujjivan account. Motivated by her plans to expand her business and improve her living conditions, Ushaben started a recurring deposit (RD) with the goal of opening a larger store on a main road and moving into a better house.

Ushaben credits Ujjivan's financial training for her ability to manage finances effectively, make informed borrowing decisions, and focus on savings. Her journey from financial stress to becoming a confident and savvy 'Rupee Rani' is a testament to the transformative power of financial literacy and the support provided by Ujjivan SFB.

-Ushaben Mali, Vadodara, Gujarat



# Advancing Social Well-being

## Key Social Performance Highlights as of FY 2024

-  **20 differently abled employees**

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-  **2,507 new women employees onboarded**

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-  **349 women** welcomed back into workforce after career break

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-  **15,070 hours** dedicated to Technical Skill Development

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-  **19% employees** completed self-paced ESG modules

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-  **89.55% employees** at Ujjivan SFB received performance and career development reviews

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-  **Effective resolution** of 100% POSH-related cases



### United Nations Sustainable Development Goals (SDGs)



## Empowering Our Human Capital

“Empowering the Human Capital” is a strategic approach that focuses on recognizing and nurturing the skills, knowledge, and well-being of the Bank’s employees. It is an acknowledgement that the workforce is the most valuable asset of the organization and that investing in the development and empowerment of employees is crucial for the bank’s success and sustainability.

Recognitions offered by Great Place to Work®



### Great Place to Work-Certified™ (GPTW) Scores for Ujjivan SFB

| Year | % of employees that provided the feedback | Score |
|------|---|-------|
| 2021 | 86%                                       | 85    |
| 2022 | 90%                                       | 91    |
| 2023 | 91.2%                                     | 90    |



### Human Resources Management System (HRMS)

Ujjivan SFB has made significant strides in optimizing HR operations by integrating more than 45 automated workflows into the HRMS system. This initiative has transformed a multitude of processes, such as the issuance of ID cards, processing staff loan applications, generating letters of authority, collecting mandatory declarations, and gathering feedback from branch visits. The introduction of these automated workflows has streamlined tasks for both employees and stakeholders, markedly improving efficiency. As a result, tasks are now completed more swiftly and with enhanced precision, contributing to a more effective and agile HR department.

Currently, staff personal loan applications are managed through the HRMS workflow, while subsequent processing steps are handled manually. This dual system often results in delays and extensive back-and-forth communication between applicants and HR, adversely impacting the overall turnaround time (TAT). To address this, the bank is transitioning to the CRMNxt platform for the entire loan application process which is slated for FY 2024-25.

The Talent Acquisition (TA) team has significantly reduced manual intervention by digitizing various processes within the HRMS, fostering efficiency and compliance. A comprehensive tracking mechanism for credit checks has been implemented to ensure process integrity and audit readiness. The offer generation process has been streamlined and aligned with statutory requirements, with an offer approval matrix configured to monitor cost implications based on hike percentages and compensation ranges. To minimize repetitive efforts, bulk processing capabilities have been introduced at each stage of the hiring process. An audio feature has also been integrated into HRMS to capture interview feedback seamlessly. Additionally, the system now enables easy job postings across multiple platforms through HRMS integration.

A key milestone was the end-to-end digitization of the referral process, eliminating manual tasks such as form submissions and maintaining trackers for referral bonus pay-out.

Furthermore, the onboarding process has undergone significant transformation to reduce extensive follow-ups and coordination with new joiners. A redesigned onboarding workflow ensures a seamless and engaging candidate experience, with all arrangements executed as per defined TAT.



## Human Rights

### Human Rights Policy

Ujjivan Small Finance Bank (SFB) has demonstrated its commitment to transparency and accessibility by publishing its Human Rights Policy on the Bank's official website. This policy reflects the Bank's dedication to human rights principles, including equal opportunity and non-discrimination in its operations.

To embed these values into its organizational framework, the policy has been seamlessly integrated into the Human Resource Management System (HRMS) and effectively communicated to employees through a series of emailers, underscoring its importance and practical applicability.

Additionally, Ujjivan SFB has established a recruitment and selection policy that explicitly defines equal opportunity provisions, reinforcing fair employment practices.

In FY 2024, the Bank successfully trained 98% of its employees on human rights issues, further solidifying its commitment to fostering an inclusive and ethical workplace. Building on this initiative, Ujjivan SFB is in process of developing a dedicated training module focused on human rights awareness. This module will serve as a cornerstone in nurturing a human rights-conscious culture throughout the organization.

### Employees who were trained in human rights issues

| Category               | FY 2022-23    |                              |             | FY 2023-24    |                              |              |
|------------------------|---------------|------------------------------|-------------|---------------|------------------------------|--------------|
|                        | Total (C)     | No. of Employees Covered (D) | % (D/C)     | Total (A)     | No. of Employees covered (B) | % (B/A)      |
| Permanent              | 21,019        | 21,019                       | 100%        | 22,566        | 22,133                       | 98%          |
| Other than Permanent   | -             | -                            | -           | 3,328         | 0                            | 0            |
| <b>Total Employees</b> | <b>21,019</b> | <b>21,019</b>                | <b>100%</b> | <b>25,894</b> | <b>22,133</b>                | <b>85.5%</b> |



## Human Rights Due Diligence

Ujjivan SFB demonstrates a multifaceted approach to human rights due diligence, prioritizing employee well-being. The organization conducts human rights due diligence through a range of mechanisms designed to address employee grievances effectively. The bank has established a comprehensive grievance redress system, encompassing internal channels such as the HR Helpdesk, the Amber digital platform, and the Whistleblower Policy. This framework allows employees to raise concerns related to human rights, including harassment and discrimination. To ensure effective implementation, the bank conducts regular monitoring and evaluation through various committees and dedicated teams, including HR, Employee Engagement, and Disciplinary committees. This proactive approach aims to swiftly address any issues and maintain a respectful and inclusive work environment for all employees.



## Addressing POSH

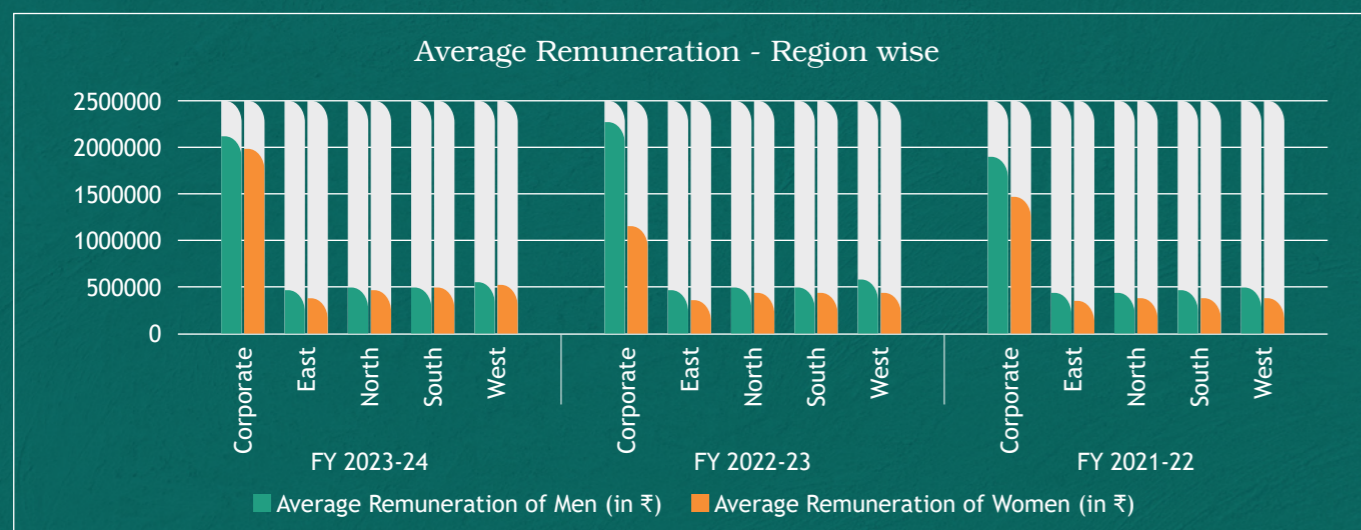
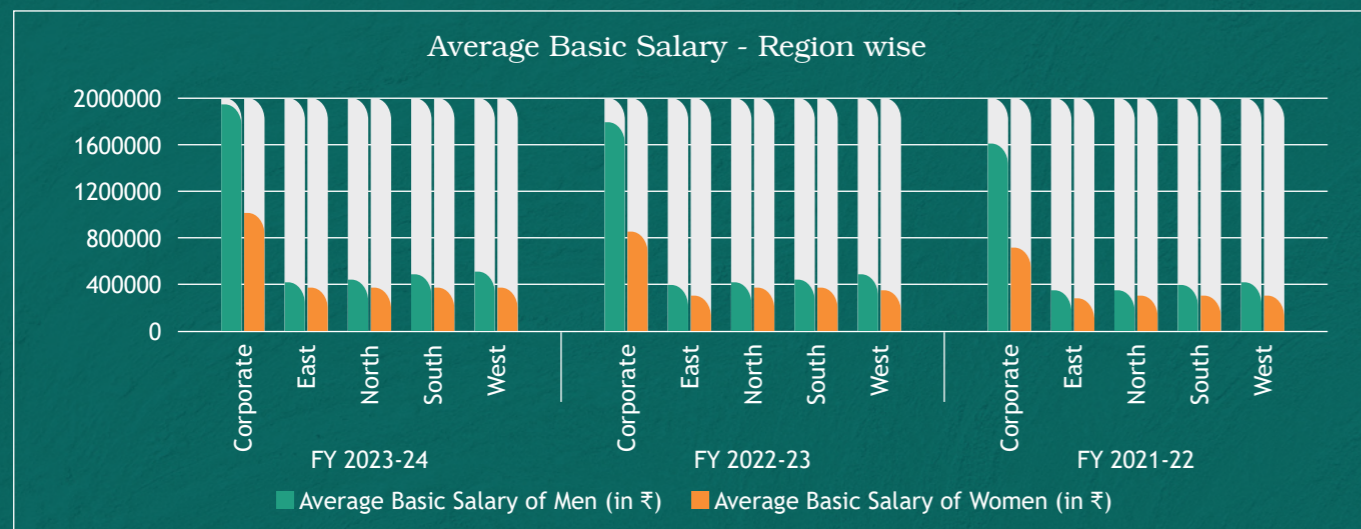
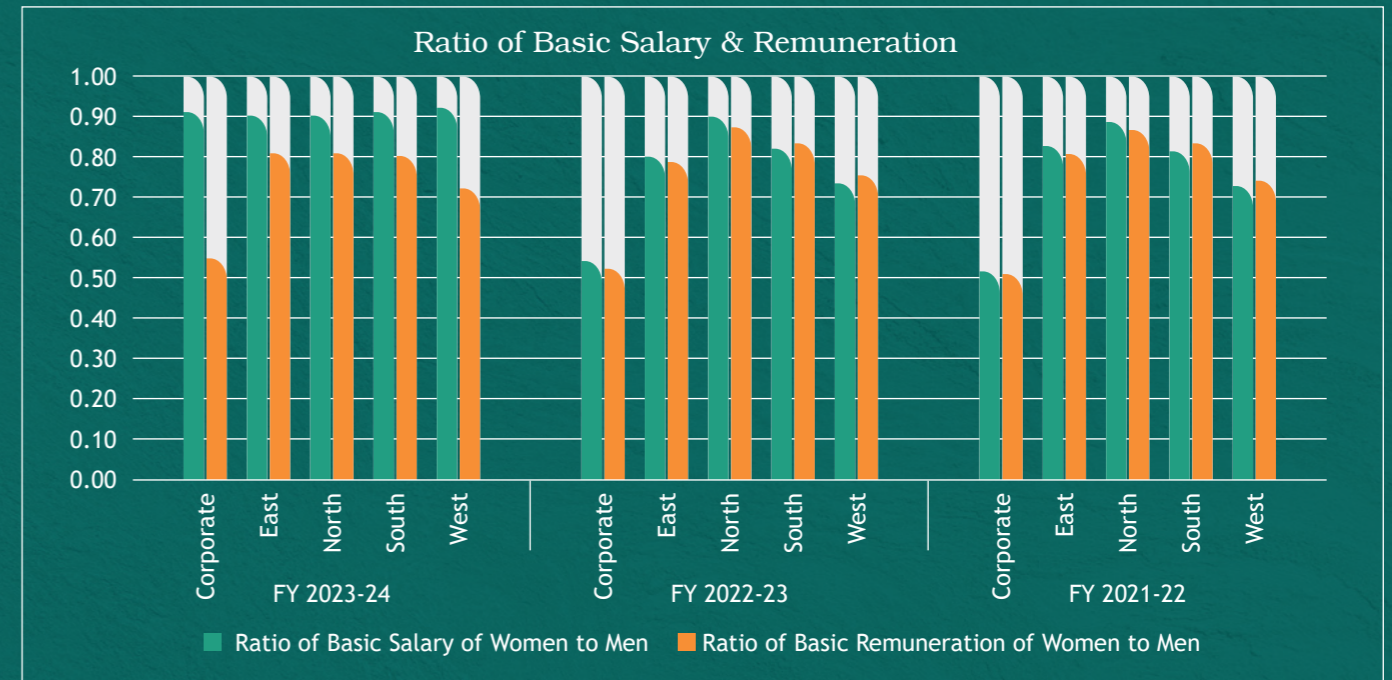
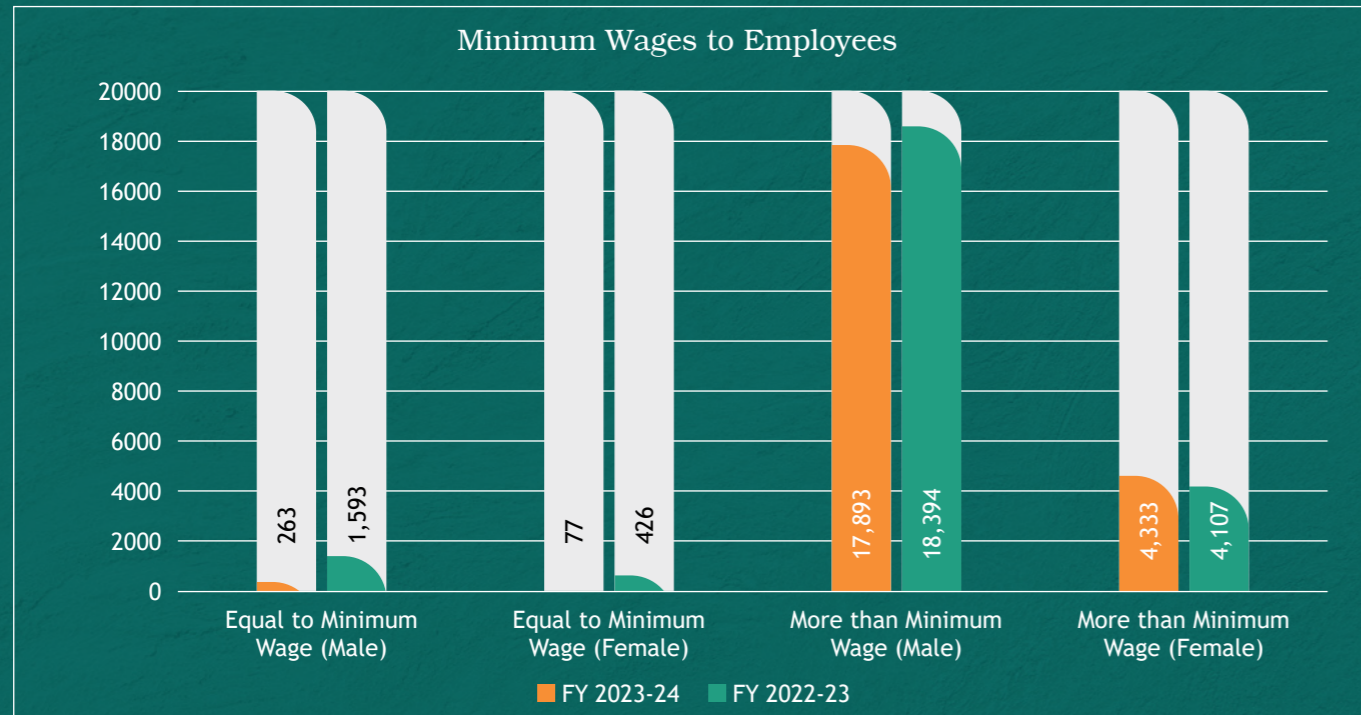
The Prevention of Sexual Harassment (POSH) is a pivotal element of HR policy. At Ujjivan SFB, the POSH framework is given special attention; all HR cases filed in FY 2024 were categorized under POSH and handled by a specialized team. Earlier corporate POSH complaints were handled by South regional Inquiry Committee (IC). However, based on the recent trend to address the concern on a faster pace, Inquiry Committee has been formed for corporate and also modified the existing composition of the Regional IC committees across Ujjivan SFB to showcase the rotations in the committee. This targeted approach has resulted in the effective resolution of 100% POSH-related cases within FY 2024, highlighting Ujjivan SFB's firm dedication to fostering a safe work environment.



## Wages and Compensation

The principle of equal pay for equal work seeks to eradicate salary differences that arise from gender, racial, or any other protected status discrimination. Ujjivan SFB's initiative to enforce uniform minimum wages irrespective of gender represents a significant move toward fostering a workplace that is both fair and inclusive.





## Diversity, Equity and Inclusion

Ujjivan SFB is actively advancing its diversity and inclusion efforts, with an unwavering commitment to reaching its 2030 target of 30% gender diversity. Through targeted recruitment strategies, including specialized campaigns and walk-in drives aimed at boosting female employment, Ujjivan SFB has made considerable progress. This financial year alone, these concerted efforts have resulted in

the successful onboarding of 2,507 women, marking a significant step towards enhancing gender representation within the Bank's workforce. The Bank strongly believes that promoting diversity in the workforce can significantly impact overall employee performance. All employees at Ujjivan SFB are Indian Nationals.

### Total Employees (as of FY 2024)



### Differently-abled Employees (as of FY 2024)



## Strategic Women-oriented Initiatives at Ujjivan SFB

- **WISE Initiative:** Launched on International Women’s Day 2024, the Women’s Initiative on Success and Empowerment (WISE) identifies high-performing women employees to partake in a comprehensive 2-3 month learning journey, combining classroom and virtual self-paced learning. Going forward, Ujjivan SFB plans to identify 200 participants for this program that would tentatively start by the end of 2024
- **Theatre-Based Programs:** A pilot program that offers theatre-based learning experiences for women employees, aimed at developing their soft skills in an interactive and creative setting. This program aims to cover all active women employees in FY 2025
- **UnPause Initiative:** Launched on Women’s Day 2023, this initiative has welcomed 349 women back into the workforce, enhancing the Bank’s gender diversity rate to 20%. Targeting full inclusion by FY 2025, the program will be complemented by infrastructural updates for accessibility and specialized orientation for the transgender individuals
- **Self-Paced Learning Program:** Currently in the discussion phase, this program is intended to be tailored specifically for women, focusing on their continuous personal and professional development



## No. of female employees at different positions at Ujjivan SFB

| Roles in the Organization  | Number of female employees (As of March 2024) |
|--|---|
| Junior Management Positions (Officer to Senior Vice President Level) | 4,408   |
| Top Management Positions (Executive Vice President)                  | 2   |
| Management Positions in revenue-generating functions                 | 4,410   |
| STEM-related positions   | 47* (IT department)                           |

\* This number is part of total 4410 female head count

## New-Employee Hires

### New employee hires (gender-wise)

| S. No. | Gender | FY 2021-22<br>Number | FY 2022-23<br>Number | FY 2023-24<br>Number |
|--------|--------|----------------------|----------------------|----------------------|
| 1      | Male   | 5,207                | 6,165                | 9,818                |
| 2      | Female | 1,178                | 1,460                | 2,507                |
| 3      | Total  | 6,385                | 7,625                | 12,325               |

### New employee hires (age-wise)

| S. No. | Age Category | FY 2021-22<br>Number | FY 2022-23<br>Number | FY 2023-24<br>Number |
|--------|--------------|----------------------|----------------------|----------------------|
| 1      | <30          | 4,319                | 5,266                | 8,129                |
| 2      | 30 - 50      | 2,058                | 2,351                | 4,192                |
| 3      | >50          | 8                    | 8                    | 4                    |

### New employee hires (management level)

| S. No. | Management Category | FY 2021-22<br>Number | FY 2022-23<br>Number | FY 2023-24<br>Number |
|--------|---------------------|----------------------|----------------------|----------------------|
| 1      | Junior Management   | 5,236                | 6,242                | 10,105               |
| 2      | Middle Management   | 1,142                | 1,381                | 2,219                |
| 3      | Senior Management   | 7                    | 2                    | 1                    |

### New employee hires across all zones

| S. No. | Region    | FY 2021-22<br>Number | FY 2022-23<br>Number | FY 2023-24<br>Number |
|--------|-----------|----------------------|----------------------|----------------------|
| 1      | Corporate | 272                  | 394                  | 429                  |
| 2      | East      | 1,428                | 1,637                | 2,635                |
| 3      | North     | 1,703                | 1,996                | 3,503                |
| 4      | South     | 1,832                | 2,340                | 3,566                |
| 5      | West      | 1,150                | 1,258                | 2,192                |



## Board Diversity

Ujjivan SFB has showcased a strong dedication to board diversity, particularly evident in the gender composition of its board members. As of FY 2024, women constitute half of the independent directors, with 3, out of 6 seats held by female leaders. Further, as on 31<sup>st</sup> December 2024 of the total 7 Independent directors, 4 are women. These women are deeply involved in the bank’s governance, taking on active roles in leadership and contributing to the decision-making processes across Board Committees, reinforcing the bank’s commitment to fostering diversity at the highest levels of its organization.



## Grievance Redressal

Ujjivan SFB has instituted a robust governance framework to ensure vigilant oversight of human rights management within the bank. Various committees—Regional, Central, and Appellate have been established to oversee the adherence to human rights standards and manage any deviations or disciplinary actions. Each committee operates on a set schedule, with regional committees meeting weekly or bi-weekly, and the Central Committee convening monthly to assess actions and extend support. These committees also regularly review and enhance processes and communication channels to incorporate new requirements seamlessly.

Employees are encouraged to report any issues directly to their supervisors for immediate attention, ensuring a responsive and transparent environment. The Bank also upholds a whistleblower policy, allowing employees to confidentially report any concerns or suspected violations. For further support, an HR helpdesk is operational to provide guidance on human rights matters.

Also, there exists an escalation path for unresolved issues. Employees who are not satisfied with the outcomes provided by the initial committees can escalate their grievances to the Appellate Committee for a more in-depth review. All communications regarding grievances are channelled discreetly through the HR department to maintain confidentiality and protect the integrity of the process. Following the resolution of grievances, the bank conducts a policy review to identify and implement necessary changes.



## Learning and Development

Ujjivan SFB’s commitment to employee development is evident in its extensive range of training programs, which include nearly 280 internal and external courses offered in FY 2024. These programs typically span a 2 to 3 month learning journey and feature a blended approach that incorporates masterclasses, online modules, and workshops. The online trainings are mostly conducted through Ujjivan SFB’s learning app ‘Swayam’. To support continuous learning, the Bank provides learning grants for employees to participate in external programs, including technical training with a focus on regulatory topics.



## Skill Enhancement Philosophy

At the core of the skill development strategy are three key areas: enhancing Functional Knowledge, cultivating Behavioural Skills, and advancing Technical Expertise in Technology & Systems. The strategy has led to the training of over 28,600 employees, with a focus on comprehensive induction and refresher programs, and external certifications for about one-fifth of the workforce. The bank has achieved an industry-leading average of 35.27 learning hours per employee. Training sessions have been specifically designed to strengthen the first line of defence, including refreshers for business, credit, compliance, Risk, and specialized audit teams, as well as programs to enhance customer-centricity, lateral thinking, and procedural understanding.



## Technical Training Environment

In FY 2024, the technical training framework at the bank saw a substantial revamp, with a total of 15,070 hours committed to technical skill development. Leadership and executive skill enhancement have been at the forefront, bolstered by strategic partnerships with elite institutions such as Harvard and IIMs. The bank has also dedicated 25,783 hours to supervisory skill development, placing a strong emphasis on behavioural growth across all management tiers. This comprehensive investment ensures that managers at every level are adept in people management. To maintain a competitive edge in technology, specialized programs in AI and Generative AI have been introduced for senior management within the same financial year.



## Learning Management System (LMS)

Ujjivan SFB has introduced a new Learning Management System (LMS) that promotes incentivized learning, rewarding employees for their engagement and achievements. This platform hosts all learning content and recognizes top performers with certificates. A dedicated team is responsible for assigning learning modules to employees, ensuring a personalized and strategic approach to professional development rather than an automated distribution. As of FY 2024, 19 unique courses have been launched on LMS with 99% active users on the system.

The onboarding of a new Learning Management System has transformed the way Learning & development initiatives are managed for the Bank. The LMS is integrated effortlessly with HRMS, allowing for automatic syncing of employee data. This ensures that employees are enrolled to relevant courses and training programs reducing manual efforts and enabling targeted learnings. The LMS has functionality to trigger automated notifications, including e-mail and WhatsApp updates to keep employees informed about course releases, deadlines, assessments and program schedules.

Advance features like Gamification, Leaderboard, badges and achievement levels have made learning more interactive and enjoyable. Employees can also be enrolled in multiple batches and the attendance is tracked digitally providing a real-time record of participation, eliminating manual paperwork and ensuring accuracy. Apart from this, the LMS also seamlessly integrates with external learning platforms thereby providing an opportunity for the employees to have access to multiple learning sources. To further strengthen the organization's commitment to the employee development, the next phase will focus on creating a holistic learning ecosystem through the integration of a LXP (Learning Experience Platform). This advanced digital ecosystem will be designed to personalize learning journeys, address skill gaps and drive career growth while aligning with organizational objectives.



## ESG Trainings

Ujjivan SFB has been proactive in fostering ESG awareness among its employees. During the Regional Ujjivan SFB Annual Awards Event, employees from all four regions of the Legal Team participated in ESG awareness training sessions. To further engage staff in sustainability efforts, Ujjivan SFB introduced the "Cool the Globe" app, enabling employees to actively input and monitor ESG-related data. Complementing this, the bank provides a self-paced ESG training module as part of a broader educational initiative aimed at equipping its workforce with essential skills for the modern business environment. By FY 2024, 19% of Ujjivan SFB employees had completed these ESG modules. Progress in these training programs is meticulously tracked via individual dashboards, offering a clear and accountable record of each employee's development in understanding and implementing ESG principles.

## The EDGE Program

The EDGE program at Ujjivan SFB is a specialized initiative aimed at identifying high performers and assessing their potential for future leadership roles through faster career progression. In FY 2024, a group of around 120 employees were selected from AVP and VP cohort to participate in this program, which focuses on individual development through multiple interventions tailored for leadership roles. Through EDGE, participants engage in a structured and customised learning journey that spans several months, receiving personalized training and development opportunities to prepare them for future leadership positions within the Bank. From the current select pool, 33 employees have already been promoted post joining the program. Going forward, the aim is to extend the program to the Senior Manager (SM) & Cluster Manager (CM) cohort by end of FY 2025.

## No. of training hours by employee category

| Description   | Unit       | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|------------|------------|------------|------------|
| <b>Employee Categories</b>                                      |            |            |            |            |
| <b>Hours of training by employee category</b>                   |            |            |            |            |
| Senior Management (General Manager & Above)                     | Number     | 12         | 89         | 111        |
|   | Avg. Hours | 18         | 14         | 49.03      |
| Middle Management (Senior Manager to Deputy General Manager)    | Number     | 180        | 372        | 1,231      |
|   | Avg. Hours | 16         | 18         | 38.17      |
| Junior Management (Assistant Manager, Deputy Manager & Manager) | Number     | 2,500      | 4,785      | 4,393      |
|   | Avg. Hours | 21         | 22         | 31.06      |
| Staff (All Executives, Assistants & Trainees)                   | Number     | 6,126      | 8,316      | 16,831     |
|   | Avg. Hours | 29         | 34.5       | 35.83      |
| <b>Gender</b>   |            |            |            |            |
| <b>Hours of training by gender</b>                              |            |            |            |            |
| Male  | Number     | 7,041      | 11,299     | 18,156     |
|   | Avg. Hours | 24.6       | 29.4       | 35.88      |
| Female  | Number     | 1,785      | 2,320      | 4,410      |
|   | Avg. Hours | 25.8       | 30         | 36.44      |



## Certifications

Ujjivan SFB encourages professional growth by offering certification opportunities to its employees, who can later receive reimbursement from the company for the costs incurred. Furthermore, the Bank has instituted a mandate requiring employees to complete certain external certifications from the Indian Institute of Banking & Finance (IIBF), emphasizing the importance of continuous learning and adherence to industry standards.



## Recent Advances in L&D

Ujjivan SFB has recently partnered with prestigious institutions like Indian Institute of Management (IIM) for flagship leadership programs, actively involving the leadership team. In terms of measuring the effectiveness of trainings provided, Ujjivan SFB conducts evaluations through satisfaction surveys and ROI assessments, with a comprehensive review planned for FY 2025. Additionally, learning resources by Harvard Business Publication (HBP), LinkedIn learning have also been onboarded, further enhancing the quality and breadth of its educational offerings.



## Talent Management

Ujjivan SFB has reinforced its talent management strategies by enhancing internal promotions, elevations, and Internal Job Posting mechanisms, resulting in 10% of employees experiencing significant professional growth and advancement throughout the year.



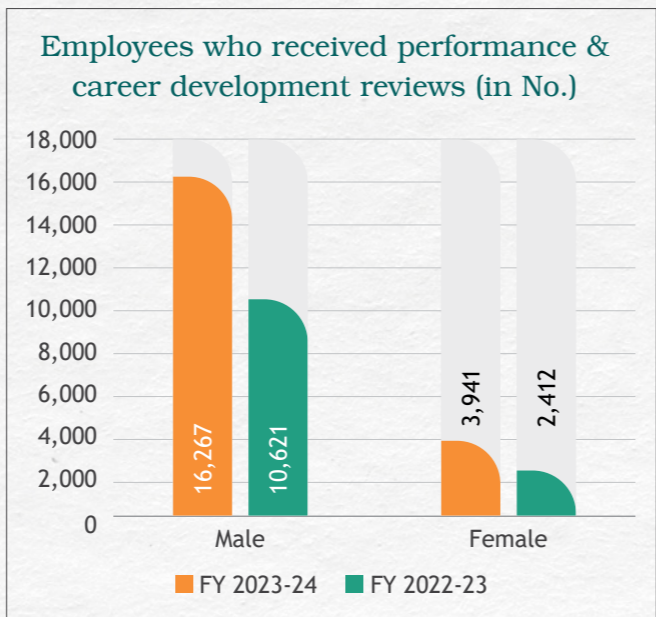
## Job Rotation & Performance Review

In compliance with the regulatory guidelines set forth by the Reserve Bank of India (RBI), Ujjivan SFB has implemented a job rotation policy in FY 2024, targeting critical and sensitive roles that have been occupied for more than five years. The Bank has proactively identified these key positions and has successfully achieved nearly 95% job rotation for the employees in question, ensuring adherence to the RBI's directives and promoting a dynamic and secure work environment.

On the other hand, 89.55% employees at Ujjivan SFB received performance and career development reviews as compared to 73% employees in FY 2023. Reviews were done online on HR Saathi (Darwin Box) using the Performance Management System (PMS) module.

The Performance Management or Appraisal Process at the Bank includes both Goal Setting and Mid-Year/Annual Appraisals for all active bank employees. For templated roles, goals from HODs are consolidated by the Talent Management team and uploaded to HRSaathi by HR Operation team. For Non-templated roles, employees set goals with their supervisors and upload them to HRSaathi for approval, ensuring alignment with departmental goals.

Employee performance is evaluated against goals, with feedback provided in one-on-one discussions, including input from skip-level supervisors. This is recorded in HRSaathi. Ratings are normalized to fit a bell curve for the fiscal year, with final ratings determining compensation benefits, influenced by various factors including the Bank's performance. HODs recommend promotions and compensation changes, which are reviewed by Head-HR. A grievance management process allows employees to raise concerns about their performance reviews.



## Sales variable pay program tied to Employee Performance

The Bank has established a Sales Variable pay program closely tied to the performance of the employees, designed to foster a culture of meritocracy within the organization. This program includes a Statutory Bonus, Performance Pay—which encompasses a Performance Bonus and Monthly Variable Pay—and a comprehensive Rewards & Recognition system. The structure and amounts of these Sales variable pay comply with applicable Income Tax statutes, Labour Laws, Regulatory Requirements, and any other relevant statutes, while aligning with prevalent market practices.



## Recruitment and Attrition

Ujjivan SFB has demonstrated remarkable efficiency in its recruitment process by directly onboarding 12,325 employees, thereby minimizing the need for vendor involvement and leveraging social media to recruit field staff. This strategic approach has led to considerable cost savings in recruitment. To further enhance productivity and reduce turnover, Ujjivan SFB has refined its recruitment framework, ensuring a precise match between job descriptions and candidate profiles. This meticulous alignment has contributed to a significant decrease in attrition rates, particularly noticeable within the first six months of employment across key branches such as Micro Banking, Housing, Branch Banking, and Housing Mortgage.

Recruitment for ancillary roles, including Security and Housekeeping, is handled by a specialized team, which operates separately from the core talent management functions.

In order to tackle attrition, Ujjivan SFB has implemented regular review meetings with business heads, to closely monitor and proactively address this concern. For FY 2025, the Bank has established explicit goals to further

diminish attrition rates, setting a voluntary attrition target of approximately 18%. To understand the root causes of turnover, Ujjivan SFB carries out exit surveys, exit interviews and monthly review of critical verticals, which are instrumental in comprehending the reason behind employee departures. These efforts are vital in formulating effective strategies to enhance job satisfaction and engagement, as evidenced by 7.2% reduction in attrition achieved during FY 2023-24.

## Turnover of the Permanent Employees

| S. No. | Gender | FY 2021-22 | FY 2022-23 | FY 2023-24* |
|--------|--------|------------|------------|-------------|
|        |        | Number     | Number     | Number      |
| 1      | Male   | 4,931      | 5,478      | 5,633       |
| 2      | Female | 1,130      | 1,172      | 1,354       |
| 3      | Total  | 6,061      | 6,650      | 6,987       |

\*Note: The data specified above for FY 2023-24, indicates only voluntary separations.



## Health & Safety

### Occupational Health & Safety:

Ujjivan SFB has demonstrated a strong commitment to Occupational Health and Safety (OHS) by approving an OHS policy and making it accessible on the sustainability webpage. The Bank provides quarterly reports on major accidents and has conducted health awareness sessions for 100% of its employees, ensuring comprehensive coverage of critical safety topics. Collaterals on traffic signals, overtaking, and other safety issues are circulated regularly, with a different topic highlighted each month to maintain high levels of awareness. Additionally, Ujjivan SFB has:

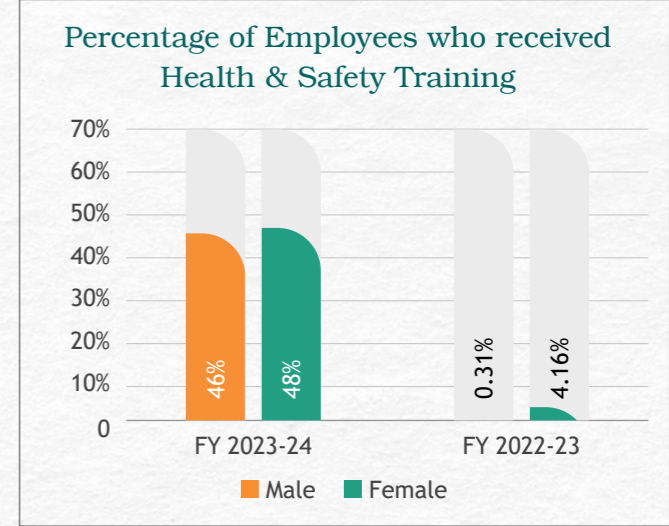
- Established an Emergency Response Team (ERT) on every floor of the corporate office to handle emergencies, such as fires, with fire drills conducted half-yearly in compliance with regulations

- Streamlined the categorization and reporting of accidents, ranging from minor to major, in accordance with established norms, improving the accuracy of accident data management

In terms of new developments in FY 2024, Ujjivan SFB has:

- Enhanced financial benefits for employees
- Introduced Outpatient Department (OPD) insurance coverage upto ₹10,000 for personal accidents
- Conducted road safety awareness sessions every quarter for all employees

- In FY 2024, 46% employees were covered under health and safety training as compared to 1.04% employees in FY 2023
- 2400+ employees and their families benefitted from the tele consultation facilities



Looking ahead, Ujjivan SFB plans to further enhance its OHS initiatives by:

- Developing training modules to spread safety awareness
- Implementing a more rigorous Accident Data Management System in FY 2025
- Identifying a Safety Officer or a dedicated employee responsible for reporting OHS incidents
- Planning to develop a digital process for recording incidents and accidents to streamline the process.



## Safety Audits

In response to incidents and feedback from regional branches, Ujjivan SFB conducted electrical safety audits in March 2024 for two branches in the North region. A strategic plan is in place to extend these audits to two branches per region to ensure ongoing electrical safety and efficiency.

| Safety-related Incidents  | No. of Incidents in FY 2023 | No. of Incidents in FY 2024 |
|---|-----------------------------|-----------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | 1.74                        | 0.93                        |
| Total recordable work-related injuries (road accidents)                       | 50                          | 60                          |
| No. of fatalities   | 1                           | 2                           |
| High consequence work-related injury or ill-health (excluding fatalities)     | 12                          | 10                          |

Currently, reported accidents (severe cases) are investigated thoroughly to determine their root causes. With road accidents constituting the majority, the Bank is actively promoting safety awareness through various channels such as Regional Teams, monthly sessions, Townhall meetings, and regular email communications. These initiatives emphasize critical safety practices like helmet usage, the dangers of using mobile phone while operating a vehicle, and the risks of driving under the influence.

In order to prevent such occurrences in future and achieve the set goal of 2030 of Zero accidents in the office premises, Ujjivan SFB conducts regular safety awareness trainings. Communication mailers are sent as part of conducting road safety campaigns across the organisation. Additionally, 100% employees are also covered as part of the Accident Insurance provided by the Bank.



## Employee Wellbeing

### Ujjivan Welfare Trust

The Ujjivan Welfare Trust (UWT) is an initiative by Ujjivan SFB with the aim of providing support to both active, inactive employees and Ujjivan SFB customers during times of rare distress, such as floods, house damage, or the death of a family member, through financial assistance or in-kind aid. Currently, UWT is sponsoring the education of 8 employees' children, with an annual commitment of 3.5 Lakh. Employees in need can reach out to their Regional HR, who, after conducting a thorough background check,



## Road Safety

In FY 2024, Ujjivan SFB recorded a few safety-related incidents, as listed below:

will assist them. Each region has a Regional Employee Committee Head (REC) Head responsible for recommending cases to UWT. The trust is funded by voluntary contributions from employees, starting as low as one rupee per month, and is supplemented by 1% of Ujjivan SFB's profits. Notably, these contributions are separate from the bank's CSR activities and are eligible for 80G tax exemption.



## Work Life Balance

Ujjivan SFB has implemented a work-life balance circular, establishing a 7pm cut-off time for women employees and requiring staff to seek permission to work beyond 8pm. This initiative is part of the bank's commitment to ensuring a healthy work-life balance for its team. The mandatory leave policy is structured into three distinct categories:

- **Sensitive Roles:** Employees in these positions are subject to surprise leave, where they are notified one day prior to the start of mandatory leave to ensure compliance with the policy, with a 100% fulfilment rate
- **Critical Roles:** A requirement is in place for these employees to take more than 7 days of leave, which has been accomplished for 33% of the employees, based on a total strength of approximately 3800
- **Other Roles:** Employees not falling under the above mandatory categories are encouraged to avail 10 days of leaves (continuous/tranches), allowing for flexibility and adherence to the work-life balance policy

In addition to this circular, Ujjivan SFB acknowledges the need for flexible working arrangements which are granted

to employees on a need-basis post discussion with the respective supervisor.

### Parental Leave

This leave is designed to support parents in balancing their work responsibilities with the demands of raising a child, particularly during the crucial early stages of the child's

#### Parental leave for employees

| Gender | No of Employees entitled to Parental Leave | Total Number of people who took parental leave in FY 2023-24 | Total number of people returned after parental leave in FY 2023-24 | Return to work rate | Total Number of people retained for 12 months after returning from parental leave | Total number of people returned from parental leave in FY 2022-23 | Retention Rate |
|--------|--|--|--|---------------------|---|---|----------------|
| Male   | 15827                                      | 615  | 604  | 98%                 | 405   | 484   | 84%            |
| Female | 4410                                       | 189  | 182  | 96%                 | 79  | 219   | 36%            |
| Total  | 20237                                      | 804  | 786  | 98%                 | 484   | 703   | 69%            |

### Wellness Counselling Sessions

A valuable service for employees and their families, allowing up to six family members (1+6) to access support by calling a dedicated board-line number. This service is designed with confidentiality in mind, ensuring that no records are maintained to preserve the privacy of those who utilize it.

### Future Service Gratuity

This benefit, which is paid to the family of an employee in the unfortunate event of their death. This provision ensures financial support for the bereaved family with gratuity coverage extending to employees up to the age of 60 years from the date of death.

### Insurance Benefits

Ujjivan SFB has made significant enhancements to its employee benefits, particularly in areas related to women's health, child and parental care, dental cases, and IVF treatments. These benefits cover 100% of the organization's employees. The bank offers a range of top-up plans from 1 Lakhs upto 12 Lakhs—that supplement the base plan, allowing employees to increase their total sum assured. Notable improvements include:

- **Maternity Benefits:** The limits for maternity claims have been raised to 75,000 - 80,000, with the base plan covering 50k for normal delivery and 75k for C-sections. Under the platinum top-up plan, this increases to 1.25 Lakh
- **Cataract Surgery:** The limit for cataract surgery for parents has been increased from ₹25,000 to ₹30,000 in the base plan
- **Pre and Post Natal Expenses:** Coverage for congenital diseases has doubled from ₹2,500 to ₹5,000

life. Ujjivan SFB allows parents to take the necessary time to bond with their child, attend to the child's needs, and adjust to their new role as caregivers without the immediate pressure of returning to work.

The bank has implemented substantial measures to assist its female staff members throughout the stages of pregnancy, delivery, and the upbringing of their children.

- **Term Life Insurance:** The minimum sum insured for term life policies has been raised from 10 Lakhs to 15 Lakhs
- **Dental Benefits:** Dental benefits have been extended to include family members in the top-up plan

#### Additional enhancements to the insurance benefits include:

- **Group Term Life (GTL) Insurance:** Coverage has been increased from 10 Lakhs to 15 Lakhs, providing greater financial security for employees' families
- **Personal Accident Coverage:** Previously, there was no coverage for Outpatient Department (OPD) expenses, but starting in FY 2024, OPD coverage has been initiated, with employees now eligible for reimbursement
- **Cashless Payments:** In FY 2024, the rate of cashless claims experienced a decline due to the limited number of network hospitals available through the private insurer. To address this, Ujjivan SFB has empanelled with the public insurer United India Insurance Company, a PSU, which boasts an extensive network of over 15,000 hospitals. This strategic partnership is expected to increase the cashless claim rate in the next financial year. The anticipated improvements in the healthcare insurance network are projected to lead to a better employee experience, with the cashless ratio expected to reach 60% by FY 2025

Furthermore, Ujjivan SFB has observed the needs and trends and accordingly increased the limits on top-up insurance plans. These plans have been categorized into Base plus, Bronze, Silver, Gold and Platinum. Notably, the Bank has also extended the period of premium deductions from the previous period of 3 months to an extended period of 6 months.

## Car Lease Benefit to Employees

In October 2023, Ujjivan SFB launched a pilot car lease program exclusively for employees at the VP level and above, in collaboration with Mahindra Finance, to provide a tax-advantaged benefit. The pilot program was successful, with 35 employees taking advantage of the offering. Building on this success, Ujjivan SFB is set to expand the program to all employees by April 2024, as part of its commitment to enhancing employee perks.



## Compensation Benchmarking

In its pursuit of fair and competitive compensation practices, Ujjivan SFB engaged with specialized consultants to obtain insights on aligning its compensation data with prevailing market trends. Upon receiving these expert recommendations, Ujjivan SFB conducted a thorough market analysis, comparing individual market values to ensure its compensation packages remain attractive and equitable. This benchmarking process has led to strategic compensation corrections and the implementation of increased merit increments.

## Retirement Benefits

Ujjivan SFB is committed to the financial security of its employees, offering substantial benefits through schemes like the Provident Fund (PF) and Gratuity. The PF is a joint savings mechanism where both employees and the employer contribute, building a fund that employees can access upon retirement, which includes their contributions plus interest. Gratuity is another key benefit, where employees receive an amount based on 15 days of their final salary for each year of completed service at the time of their departure or retirement. This combination of PF and Gratuity serves as a

solid foundation for retirement planning and acknowledges the loyalty and service of employees.

In FY 2024, Ujjivan SFB allocated ₹ 16.39 Crores towards Gratuity and ₹ 21.29 Crores for Leave encashment, benefiting the entire workforce. The employer's contribution to these benefits varied between 30% to 50%, influenced by various factors including the final headcount, salary growth, turnover rates, asset values, the discount rate applied, and specific salary information.

## Employee Interaction Programs

Ujjivan SFB has integrated AmberAI into its employee engagement strategy, a system designed to recognize and celebrate employee milestones by sending personalized messages and soliciting feedback on these achievements. Additionally, the Amber system serves as a platform for employees to voice grievances, concerns, or queries. In cases where personal interaction is required, known as "people to meet" cases, AmberAI categorizes it into Medium/High risk and escalates to the Chief Listening Officer.

Following results have been obtained as a result of different employee interaction programs:

**85/100**

Engagement Score



**42/100**

Net Promoter Score (NPS)



**4.2/5**

Mood Score



**40.7%**

Response Rate (by Chats)



Total PTM cases

**1,822**

for total 'People to Meet' cases



PTM Closure Rate

**96.4%**

for every 100 cases identified



# Building Sustainable Communities

In FY 2024, Ujjivan SFB embarked on a strategic evolution of its Corporate Social Responsibility (CSR) framework, reflecting a deeper commitment to sustainability and ethical practices. This aligns with Ujjivan SFB's updated Mission statement "To provide financial services to the unserved and underserved customers as responsible mass market bank, focused on building a sustainable tomorrow", which now encapsulates a broader, more holistic approach to responsible banking. To reinforce this commitment, Ujjivan SFB renamed the CSR committee as CSR and Sustainability Banking Committee w.e.f April 1,

2024. Previously, ESG matters were reported to the Risk Committee, but now the CSR and Sustainability Committee, Chaired by MD/CEO, supervises the ESG activities and implementation of sustainability strategy. The Committee also includes Chief Risk Officer (CRO) to monitor activities through a risk management lens, ensuring that Ujjivan SFB's growth is both sustainable and aligned with global best practices.

In the FY 2023-24, total three (3) CSR committee meetings were held, details of which are as below:

| S. No. | Name of the Director   | Designation/ Category              | No. of CSR meetings attended by the committee members during FY 2023-24 |
|--------|------------------------|------------------------------------|---|
| 1.     | Mr. Rajesh Jogi        | Independent Director - Chairperson | 3   |
| 2.     | Ms. Sudha Suresh       | Independent Director               | 3   |
| 3.     | Mr. Ittira Davis       | MD & CEO                           | 3   |
| 4.     | Ms. Rajni Mishra       | Independent Director               | 3   |
| 5.     | Ms. Anita Ramachandran | Independent Director               | 3   |

Note: Kindly refer the Annual Corporate Governance Report for FY 2023-24 available on the Bank's website at <https://www.ujjivansfb.in/annual-report> for further details on the Committee and Meetings



## Streamlining the CSR Ecosystem

### a. Standard Operating Procedure(SOP) for CSR Project Execution

The Sustainable Banking department has formulated the Corporate Social Responsibility (CSR) policy and a guiding Standard Operating Procedure to detail out the process of CSR project implementation and enhance the efficiency of projects. It includes the Committees involved, composition, frequency of committee meetings, guidelines on necessary approvals, mode of approvals, TAT, treatment of the financials, onboarding & management of the implementing agencies etc.

This also involves a uniform template that serves to standardize the structure and content of project proposals, thereby facilitating their assessment and comparison. The SOP aims to ensure that every proposal is presented in a consistent manner, which simplifies the evaluation process and supports the selection of projects that best aligns with the organization's CSR objectives and capacity for impact. Both the policy and SOP are reviewed annually to incorporate the recent changes in the structure, process / MCA guidelines.

### b. Procedure to Identify Potential CSR Projects

Ujjivan SFB has established a comprehensive approach to identify potential CSR projects, ensuring a diverse and impactful portfolio.

- The bank works in partnership with various Non-Governmental Organizations (NGOs) for effective execution of CSR programs. It strives to associate with the NGO partners for mid to long term to enhance the overall impact and provide enduring assistance to the implementing partner
- The flagship project, Chote Kadam, focuses on infrastructure development, where the community itself plays a crucial role in pinpointing areas in need of support and relaying this information to the branches
- Some projects are also initiated directly by the bank, stemming from discussions with the Ground team of the Bank, who are attuned to the specific needs of the communities they serve

The process of project identification is meticulous and community focused. For Chote Kadam, a branch-level committee is formed, which in collaboration with local authorities and customers assesses the community's needs to propose relevant projects. This committee conducts a thorough need assessment to ensure the proposed projects are both necessary and feasible.

Furthermore, committee meetings held within the branches play a vital role in the decision-making process for Chote Kadam Projects, with the Minutes of the Meetings (MoMs) being integral to the project proposals submitted to the Bank's CSR team. Branch Managers also engage directly with local authorities to gain a comprehensive understanding of community requirements, which informs the preparation of project proposals. These proposals undergo a rigorous review by the Regional Sustainable Banking Team, ensuring that each project is well-conceived and positioned for success. The regional level projects are presented to the National committee where they undergo an additional scrutiny regarding necessity, proposed budget, and anticipated impact before the proposals are ultimately approved.

For all other projects of CSR, the bank receives proposals either directly from NGOs requesting for CSR funds or through referrals from ground team of the Bank. Depending on its alignment to the bank's approved thematic areas, the proposals are scrutinised by the internal team of Sustainable banking team, hold discussions with the NGOs to ascertain their expertise in the domain, conduct thorough due-diligence on the NGOs by verifying their credentials through the Legal and F&A team. Grants are disbursed against grant letter drafted by the Legal team detailing the scope of work, timelines, and appropriate clauses for impact assessment, audit and financial utilisation.

Every onboarded NGO is closely monitored on their performance and fund utilisation through monthly meetings, quarterly reports etc. The bank insists audited Financial report from the implementing agency at the end of the project term.

### c. Data Management Tool

The Data management tool, aligned with the SOP for CSR Project execution, is being developed by Ujjivan SFB to integrate all the discrete data into a central repository and to track the flow against the defined TAT. The introduction of this specialized, comprehensive data management tool for CSR projects will mark a progressive step in enhancing the organization's ability to handle a growing repository of project-related documents and data. Scheduled for release in FY 2025, this innovative tool is tailored to streamline the management of an extensive portfolio of over 60 projects from the previous year. The tool's primary objective is to serve as a centralized hub for data, providing seamless access to information for both regulatory compliance and internal use at any given moment. Additionally, it aims to offer a dynamic platform for monitoring project milestones, thereby strengthening the supervision of process adherence, timelines and financial utilisation. By effectively organizing essential documents, including KYC documents of the NGOs, proposals, budgets, approvals, grant letters, tranche disbursements and committee meeting minutes, the tool promises to strengthen the governance of CSR initiatives, ensuring that all activities are conducted with the utmost efficiency and transparency.

### d. Impact Assessment

At the end of each financial year, Ujjivan SFB collects impact reports from the NGOs it collaborates with. The detail in these reports encompasses the beneficiary details, project implementation details, project outcome along with supporting case studies.



## CSR Thematic Areas

### Community Development (Infrastructure Development)

**38,691+**  
Beneficiaries in FY 2023-24

In partnership with Parinaam Foundation, Ujjivan SFB successfully completed 216+ infrastructure enhancement initiatives through its 'Chote Kadam' program by March 2024 since its inception. Around 25 Chote Kadam projects were carried out in FY 2024 across India, positively impacting over 38,691 beneficiaries. These projects focused on renovating schools, Anganwadis, orphanages, community playgrounds, and healthcare centres, as well as installing solar-powered lighting systems, aligning with 8 United Nations Sustainable Development Goals (UN SDGs).



## Livelihood Development

**911+**  
Beneficiaries in FY 2023-24

- **Supporting Differently-abled:** The Bank maintained collaborations with Cheshire Disability Trust (CDT) and ProVision Asia for livelihood development programs for the differently-abled from BPL/APL families. CDT trained 413 individuals in employability skills, with 71% securing jobs in Jamshedpur, Ranchi, Hazaribagh, and Varanasi's retail sectors. 60 differently abled were provided with wheelchairs through ProVision Asia. Additionally, in partnership with the Red Cross in Hissar, the Bank provided 15 motorized tricycles to orthopedically differently-abled individuals, enhancing their mobility and independence.
- **Empowering Youth of BPL/ APL Families:** Ujjivan SFB continued its partnership with the Divya Nur Foundation, training over 200 youths from BPL/ APL families, with 70% gaining employment at companies such as Flipkart, Burger King, D-Mart, and Easy Buy, earning an average salary of ₹9,000 per month. The Bank also renewed ties with the Calcutta Social Project to provide vocational training and career advice to over 200 school dropouts and academically challenged students, preparing them for roles like Operation Theatre Technician, Physician Assistant, Phlebotomy Associate, Tailoring, Cosmetology, and Lab Technician.
- **Women Empowerment:** In collaboration with the Association for Advocacy and Legal Initiatives in Lucknow, 22 women affected by domestic violence received Fall/Pico sewing machines to help them establish their own sources of income.



## Environmental Conservation & Animal Welfare

**46,743+**

Beneficiaries in FY 2023-24

**180+**

Cattle Benefitted

- **Water Conservation:** In FY 2024, the Bank collaborated with United Way of Bengaluru (UWB) to successfully set up 10 percolation pits, contributing to groundwater replenishment. Going forward, the Bank has plans to undertake a lake rejuvenation project at Kanekallu, near Hoskote, Bengaluru, in collaboration with UWB.
- **Solar Powered Lighting:** Collaborated with Dhyan Foundation to finance the installation of solar-powered lighting at a remote Cattle Rescue Centre at Bolagarh, Odisha, which provides shelter to over 300 cattle at risk from wild animals at night.
- **Plantation Drives:** The bank has been carrying out plantation activities as part of Project Swachh Neighbourhood. In the FY 2023-24, 2896 saplings were planted. Additionally, the Bank organizes exclusive plantation drives as part of its volunteering initiatives and ensures the upkeep of plantations around office spaces, which are invariably monitored by the office staff themselves. Going forward, Ujjivan SFB plans to enhance the green cover by focusing on mass tree plantation in FY 2025 through partnerships with NGOs, supplementing the efforts of Project Swachh Neighbourhood.



## Education

**34,442+**  
Beneficiaries in FY 2023-24

- **Educating Children with Intellectual Disabilities:** Collaborated with Maithree, Chennai to impart life skills training and foundational academic education to a group of 48 intellectually disabled children, resulting in 16 students completing the vocational stream and the rest advancing to the next stage of their education
- **Scholarship to Transgender Individuals:** Provided academic scholarships to transgender individuals as part of its inclusive education initiative, recognizing the importance of education in empowering all sections of society. Orientation programs were also conducted in this regard. This initiative was taken up in collaboration with Buddy4Study Foundation, through which 32+ school/ college students were benefited
- **Bridging the Digital Gap:** Collaborated with the Pi Jam Foundation to enhance digital literacy, focusing on training 1,000 government school teachers in Maharashtra's Satara and Sangli districts, with the goal of developing 100 model teachers. These educators are equipped to provide digital literacy and foster critical, analytical, and logical thinking skills among over 30,000 students studying in Government / Zilla panchayat schools
- **Support to Orphanages:** Children at Sanmathi Balanikethan orphanage, supported by Lotus Petal Foundation in Sohna, UP, were provided with sports equipment to foster their overall development and a wide-ranging sports competition was conducted with over 100 volunteers participating in activities such as chess, badminton, and cricket
- **Equal Education with ALSOC & Government Schools:** The Bank aided Alumnorum Societas (ALSOC) in Kolkata to educate 600 disadvantaged boys and provided educational materials such as boards, benches, tables, and projectors to government schools in Uyyamballi, Handiganur, Bholpur, Nagpur, and Nashik Anganwadi.



## Sports

**90+**  
Beneficiaries in FY 2023-24

Ujjivan SFB ventured into promoting sports for disadvantaged youth in FY 2023-24 by partnering with the Mary Kom Boxing Foundation, sponsoring 10 athletes and supporting their education and residential training requirements, including infrastructure, nutrition, and boxing gear. This initiative not only aided the selected athletes but also enhanced the training environment for over 90 students at the academy.



## Support to Old Age Homes

**200+**  
Beneficiaries in FY 2023-24

The Bank offered support in the form of groceries and kitchen aids to elderly care centres in Jaunpur and Coimbatore, aiding around 200 underprivileged senior citizens with nutritional needs.



## Disaster Relief

**37,280+**  
Beneficiaries in FY 2023-24

Ujjivan SFB has been proactive in providing aid during emergencies, offering essential kitchen and grocery kits to victims of natural disasters to sustain them until their situations stabilize. In FY 2023-24, the Bank's relief efforts included:

- **Mumbai's Appa Pada Fire Incident:** Supplied grocery and utensil kits to 200 impacted families
- **Madhya Pradesh Flood Relief:** Delivered grocery kits to 320 families in Nagda, Sanawad and Dhamnod
- **Gujarat Flood Relief:** Provided grocery kits to 600 families in Bharuch and Ankleshwar
- **Michaung Cyclone in Chennai:** Distributed grocery kits to 5,000 affected families
- **Floods in Tirunelveli, Tenkasi, and Ambasamudram:** Assisted 3,500 victim families with grocery kits

The Bank's primary objective is to aid disadvantaged communities in BIMARU states and aspirational districts throughout India, with a strategic focus on identifying projects in these regions. Around 20% of the projects span various thematic areas and have been implemented in aspirational districts such as Hazaribagh, Barwani, Khandwa, and Ranchi. Moreover, during FY 2023-24, the Bank broadened its impact to 23 out of 26 States/UTs.



# Financial Literacy Programs

Ujjivan SFB is dedicated to empowering its customers and the wider community through targeted educational initiatives that enhance financial literacy and business acumen. So far, over 14 Lakh beneficiaries have benefitted from the Bank's financial literacy programs since inception.

The following initiatives reflect the bank's commitment to fostering sustainable growth and informed financial decision-making across diverse sectors.

- a. **Diksha+ Pro Financial Literacy Programme (MicroBanking):** In FY 2024, Ujjivan SFB conducted 6,420 Diksha training programmes across 289 branches in 19 states. The initiative saw significant engagement, with more than 1,18,120 customers enrolling in the program and 1,06,326 customers certified. Out of these certified customers, over 38,776 (35%) availed themselves of banking products and services, and 21,825 customers (19%) opted to pay their loan instalments through digital platforms. To increase the impact and extend its outreach, the program was restructured from a four-slot to a two-slot format with an updated syllabus focused on critical financial subjects.
- b. **Chillar Bank Financial Literacy Programme (Children of MicroBanking Customers):** The programme, aimed at the 11-17 year old children of Ujjivan SFB's MicroBanking customers, focuses on imparting financial literacy and encouraging the development of saving habits from an early age. Additionally, the programme had a beneficial impact on the parents, educating them about the advantages of starting savings early and making long-term investments for their children's future. These digitally adept and quick-learning children also aid their parents in using various digital platforms, such as UPI apps and mobile banking applications, and inform them about potential digital frauds. In FY 2023-24, a total of 1,453 training programmes were conducted across 284 branches. A staggering 42,839 customers and children enrolled, out of which 40,037 were certified, boasting a certification rate of 98%. Furthermore, approximately 3,697 customers availed banking products, translating to a conversion rate of 17%. Moreover, 2,856 customers repaid loans through digital platforms, constituting 14% of all repayments.

- c. **Ujjivan Entrepreneurship Development Program (UEDP) for MSME Customers:** While Ujjivan SFB continues its Financial Literacy Program for MicroBanking customers, it is now extending the programme to MSME customers as per the directives of RBI. In partnership with Haqdarshak, the first Indian social enterprise to digitalise welfare programmes on a single platform, the Bank intends to cover wide range of topics through this programme that includes various options available for financing its customer's business needs, information on the central registrations & educating them on the availability of various Government welfare and financing schemes.  
  
These programmes are day-long activities in which a minimum of 20 - 30 customers are invited. Major topics covered include taxation, tax statements, GST products, impact of delayed repayment, importance of Udyam registration, to name a few. Trained by Haqdarshak, Ujjivan SFB's trainers pass on this valuable information to MSME clients, with the initiative attracting 183 participants, of which 8% are women.
- d. **Financial Literacy Camps for Rural Customers:** Training is provided to rural customers on a variety of topics such as including the use of UPI apps, ATM operations, financial do's and don'ts, and consumer protection, all based on the financial literacy booklet released by the RBI. When new Unbanked Rural Centres (URCs) are established, the branch team is promptly trained on the curriculum, and the training program for customers begins immediately, in compliance with RBI's mandate for financial literacy. However, the challenge remains in ensuring consistent attendance from the rural populace, as well as the variability of attendees in each session. In FY 2024, Ujjivan SFB conducted financial literacy camps at 174 URCs at which 22,693 people were trained, out of which 74% were women.

## Customer Testimonial on Financial Literacy Programme

"I am Muthukumar Samy from Salem in Tamil Nadu, where I own a poultry farm. Earlier, terms like Credit Score and CIBIL Score were foreign to me, and the thought of availing government loans seemed daunting. However, representatives from Ujjivan Small Finance Bank came to our area to conduct an awareness training, and it was incredibly helpful. They broke down complex financial concepts into language we could all grasp. I learned a lot about improving my creditworthiness and the steps to apply for government loans. This training has given me the knowledge and confidence to grow my business. I'm truly grateful to the Ujjivan SFB team for their guidance and support".

-Muthukumar Samy, Tamil Nadu



- e. **Pragati - Financial Literacy Programme for Individual Loan Borrowers:** The Bank decided to expand its financial education services to Assam by introducing an educational framework. Launched in July 2023, the objective of this program is to foster financial discipline among its customers. It is designed to be rolled out nationwide with a customized module for each customer, aiming to reduce risks and promote punctual loan repayments. In FY 2024, Ujjivan SFB held 276 training sessions across 8 branches, attracting 4043 participants. Of these, 1400 customers utilized banking services, with 19% of them making their loan payments via digital channels.
- f. **Financial Literacy to Non-Business Entities:** Ujjivan SFB's commitment to financial education extends to non-business entities. It provides free financial literacy training to NGOs, communities, groups, and associations, supporting them in building their financial knowledge and capabilities. This initiative, which began as a pilot with one or two NGOs in the previous year, is set to expand further in FY 2025, reinforcing the Bank's dedication to empowering society through education.

## Customer Testimonial: Pragati Financial Literacy Program

"I liked the Pragati training program very much which was held by Ujjivan SFB team. From this session, I gained financial knowledge that I did not have before. Earlier I only knew about loans. I also used to pay EMI of loans to Ujjivan SFB representatives who came to collect. But today, I can repay loans online by applying the methods I was taught in our trainings. I also came to know about Fixed Deposits which was my personal favourite learning."

-Rejina Tamuli, Assam



## Way Forward for Financial Literacy

- i. Develop & launch of financial literacy program for individual loan holders in FY 2025 in partnership with Parinaam Foundation
- ii. Develop a financial literacy program for senior citizens based on the topics of usage of digital platforms and data protection
- iii. Develop a financial literacy program for open market people (such as sweepers, security guards, other helping staff, etc.). Institutions such as housing societies are to be identified by Ujjivan SFB's Inclusion Officer and the plan is to pilot this program in Bangalore and Kolkata
- iv. Digitization of customer handouts (Financial Dairy)
- v. Making of financial awareness videos for the customers.

## Employee Volunteering

**Volunteering Process:** Ujjivan SFB has an Employee Volunteering Policy that was formulated in FY 2022. To streamline the volunteering process, the Bank integrated a webform with DarwinBox into its Human Resource Management System (HRMS) starting in FY 2022. This integration allows employees to easily register for volunteering opportunities communicated through mailers sent by the Sustainable Banking department. The employees participate in the event with their supervisor's consent. Following their involvement, participants receive e-certificates of participation. This process will eventually be incorporated into the data management tool for centralized tracking. Repeat volunteers are recognized for their dedication and are felicitated at both regional and corporate levels.

**Volunteering Activities:** Employees at Ujjivan SFB have the autonomy to select the non-profit organizations they want to collaborate with, aligning with their interests in various initiatives. These initiatives cover a broad spectrum of activities, including educating disadvantaged children, guiding infrastructure projects like Chote Kadam, engaging in NGO events and celebrations, providing technical assistance for digital literacy, and more. In FY 2024, a total of 25,684 volunteering hours were recorded. Out of the total volunteering hours, 12,076 hours were dedicated in the Project Swachh Bharat by 6,038 employees and 13,608 hours were dedicated by 456 Ujjivan SFB staff members to volunteer with different NGO partners. It's noteworthy that Ujjivan SFB's support extends beyond financial contributions; the Bank also plays a pivotal role in offering orientation sessions. These sessions are designed to educate the beneficiaries with various job opportunities available in the banking sector and the essential skills for employment in the banking sector. Notable efforts include conducting sessions for over 180 individuals from various NGOs, such as the Parinaam Foundation, the Cheshire Disability Trust for the visually impaired, the transgender community of the PeriFerry Foundation, and the jobless youth associated with the Calcutta Social Project.



**Ujjivan SFB Seva Mitras:** The Bank's employee volunteers are titled as "Ujjivan SFB Seva Mitras" and as of FY 2024, Seva Mitra volunteers were honoured with a digital certificate. In the reporting financial year, 6494 employees had volunteered across 18 states. Looking ahead to FY 2025, Ujjivan SFB is considering the introduction of a "Best Volunteer" award on a regional basis, to further acknowledge and incentivize the outstanding contributions of its employees to the community.

## Project Swachh Neighbourhood

**6,038**  
Employee Participants

**12,076+**  
Volunteering Hours

Ujjivan SFB continues to support the Swachh Bharat Abhiyan, with its employees actively cleaning areas within 100 metres of their office premises in 183 locations across the nation, fostering significant volunteer engagement. The initiative witnessed the participation of over 6,038 employees, who collectively contributed more than 12,076 hours to volunteering efforts. In FY 2024, employee volunteers collected 90.1 kg waste across 18 states. In the same financial year, volunteers planted 2,896 saplings as compared to the baseline of 635 saplings in FY 2023, accounting to significant increase in plantation.



# ESG Disclosures

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| 2-23                                       | Policy commitments   | Sustainability-linked Policies   | 36   |
| 2-24                                       | Embedding policy commitments   | Sustainability-linked Policies   | 36   |
| 2-25                                       | Processes to remediate negative impacts                                      | No negative impacts due to Ujjivan SFB operations. Also, internal & external grievance mechanism is in place to address any grievances of the stakeholders | –    |
| 2-26                                       | Mechanisms for seeking advice and raising concerns                           | Grievance Redressal Mechanism is in place within the organization which has been set forth in Grievance Redressal Policy                                   | 36   |
| 2-27                                       | Compliance with laws and regulations   | Ethics & Compliance  | 37   |
| 2-28                                       | Membership associations  | Collaborations and Associations  | 14   |
| <b>5. Stakeholder Engagement</b>           |  |  |      |
| 2-29                                       | Approach to stakeholder engagement   | Stakeholder Engagement   | 17   |
| <b>GRI 3: Material Topics</b>              |  |  |      |
| 3-1  | Process to determine material topics   | Materiality  | 17   |
| 3-2  | List of material topics  | Materiality  | 18   |
| 3-3  | Management of material topics  | Materiality Matrix   | 18   |
| <b>GRI 201: Economic Performance</b>       |  |  |      |
| 201-1                                      | Direct economic value generated and distributed                              | Highlights of Financial Performance > Economic Value Generated, Distributed and Retained   | 14   |
| 201-2                                      | Financial implications and other risks & opportunities due to climate change | Climate Risk Management  | 39   |
| 201-3                                      | Defined benefit plan obligations and other retirement plans                  | Empowering our Human Capital > Employee Wellbeing > Retirement Benefits  | 86   |
| 201-4                                      | Financial assistance received from government                                | No subsidies availed from Government, other than the subsidies availed for the customers under various loan schemes  | –    |
| <b>GRI 202: Market Presence</b>            |  |  |      |
| 202-1                                      | Ratios of standard entry level wage by gender compared to local minimum wage | Empowering our Human Capital > Human Rights > Wages and Compensation   | 77   |

| GRI Std Disclosure                         | Description  | Section   | Page |
|--|--|---|------|
| <b>GRI 203: Indirect Economic Impact</b>   |  |   |      |
| 203-1                                      | Infrastructure investments and services supported                                | Building Sustainable Communities > CSR Thematic Areas   | 92   |
| 203-2                                      | Significant indirect economic impacts  | Highlights of Financial Performance > Significant indirect economic impacts                   | 14   |
| <b>GRI 204: Procurement practices</b>      |  |   |      |
| 204-1                                      | Proportion of spending on local suppliers  | Annual Report > BRSR Principle 8 Essential Indicator 4  | 319  |
| <b>GRI 205: Anti-corruption</b>            |  |   |      |
| 205-1                                      | Operations assessed for risks related to corruption                              | Sustainability Report > Ethics and Compliance   | 37   |
| 205-2                                      | Communication and training about anti-corruption policies and procedures         | Annual Report > BRSR Principle 1, Essential Indicator 4 & 5                                   | 299  |
| 205-3                                      | Confirmed incidents of corruption & actions taken                                |   |      |
| <b>GRI 206: Anti-competitive Behaviour</b> |  |   |      |
| 206-1                                      | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Ethics & Compliance   | 37   |
| <b>GRI 207: Tax</b>                        |  |   |      |
| 207-1                                      | Approach to tax  | Annual Report   | -    |
| 207-2                                      | Tax governance, control, and risk management                                     |   |      |
| 207-3                                      | Stakeholder engagement and management of concerns related to tax                 |   |      |
| <b>GRI 302: Energy</b>                     |  |   |      |
| 302-1                                      | Energy consumption within the organization                                       | Sustainable Operations > Energy & Emission Management   | 58   |
| 302-3                                      | Energy intensity   | Sustainable Operations > Energy & Emission Management   | 60   |
| 302-4                                      | Reduction of energy consumption  | Sustainable Operations > Energy & Emission Management   | 57   |
| <b>GRI 303: Water and Effluents</b>        |  |   |      |
| 303-1                                      | Interactions with water as a shared resource                                     | Not applicable  | -    |
| 303-5                                      | Water consumption  | Sustainable Operations > Water Management   | 63   |
| <b>GRI 305: Emissions</b>                  |  |   |      |
| 305-1                                      | Direct (Scope 1) GHG emissions   | Sustainable Operations > Emission Management  | 59   |
| 305-2                                      | Energy indirect (Scope 2) GHG emissions  | Sustainable Operations > Emission Management  | 59   |
| 305-4                                      | GHG emissions intensity  | Sustainable Operations > Emission Management & BRSR FY24 - Principle 6: Essential Indicator 6 | 60   |

| GRI Std Disclosure                                | Description   | Section   | Page |
|---|---|---|------|
| 305-7   | Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions                              | Not applicable  | -    |
| <b>GRI 306: Effluents &amp; Waste</b>             |   |   |      |
| 306-3   | Waste generated   | Sustainable Operations > Circularity > Waste management   | 62   |
| 306-4   | Waste diverted from disposal  | Sustainable Operations > Circularity > E-waste  | 62   |
| 306-5   | Waste directed to disposal  | Sustainable Operations > Circularity  | 62   |
| <b>GRI 308: Supplier Environmental Assessment</b> |   |   |      |
| 308-1   | New suppliers that were screened using environmental criteria   | Annual Report > BRSR, Principle 6, Leadership Indicator 7   | 318  |
| 308-2   | Negative environmental impacts in the supply chain and actions taken  | Sustainable Operations > Sustainable Supply Chain >> Supplier Assessment<br>No supplier has been found to have potential negative environmental impact. | 65   |
| <b>GRI 401: Employment</b>                        |   |   |      |
| 401-1   | New employee hires and employee turnover  | Empowering Our Human Capital > New Employee Hires   | 80   |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | Empowering Our Human Capital > Employee Well-being  | 86   |
| 401-3   | Parental leave  | Empowering Our Human Capital > Parental Leave   | 87   |
| <b>GRI 403: Occupational Health and Safety</b>    |   |   |      |
| 403-1   | Occupational health and safety management system  | Empowering Our Human Capital > Health & Safety  | 85   |
| 403-2   | Hazard identification, risk assessment, and incident investigation  | Empowering Our Human Capital > Health & Safety  | 86   |
| 403-3   | Occupational health services  | Empowering Our Human Capital > Health & Safety  | 85   |
| 403-4   | Worker participation, consultation, and communication on occupational health and safety                       | Empowering Our Human Capital > Health & Safety  | 85   |
| 403-6   | Promotion of worker health  | Empowering Our Human Capital > Health & Safety  | 85   |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Empowering Our Human Capital > Health & Safety  | 86   |
| 403-8   | Workers covered by an occupational health and safety management system  | All permanent and contract employees of Ujjivan Small Finance Bank are covered by occupational health and safety management system                      | -    |

| GRI Std Disclosure                              | Description   | Section   | Page     |
|---|---|---|----------|
| 403-9   | Work-related injuries   | Empowering Our Human Capital > Health & Safety > Road Safety  | 86       |
| 403-10  | Work-related ill health   | Empowering Our Human Capital > Health & Safety > Road Safety  | 86       |
| <b>GRI 404: Training and Education</b>          |   |   |          |
| 404-1   | Average hours of training per year per employee   | Empowering Our Human Capital > Learning and Development   | 82       |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                 | Empowering Our Human Capital > Learning and Development > Skill Enhancement Philosophy  | 82       |
| 404-3   | Percentage of employees receiving regular performance and career development reviews      | Empowering Our Human Capital > Talent Management > Job rotation & Performance review  | 84       |
| <b>GRI 405: Diversity and Equal Opportunity</b> |   |   |          |
| 405-1   | Diversity of governance bodies and employees  | Governance > Board Composition and Diversity<br>Empowering Our Human Capital > Diversity, Equity & Inclusion  | 29<br>79 |
| 405-2   | Ratio of basic salary and remuneration of women to men                                    | Empowering Our Human Capital > Wages and Compensation   | 78       |
| <b>GRI 406: Non-discrimination</b>              |   |   |          |
| 406-1   | Incidents of discrimination and corrective actions taken                                  | Annual Report > BRSR Principle 5 Essential Indicator 6  | 310      |
| <b>GRI 408: Child labour</b>                    |   |   |          |
| 408-1   | Operations and suppliers at significant risk for incidents of child labour                | Human rights policy of Ujjivan SFB clearly states that the Bank prohibits all forms of child labour and modern slavery within business operations and value chain partners. | –        |
| <b>GRI 409: Forced or Compulsory Labour</b>     |   |   |          |
| 409-1   | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Human rights policy of Ujjivan SFB clearly states that the Bank prohibits all forms of child labour and modern slavery within business operations and value chain partners. | –        |
| <b>GRI 410: Security Practices</b>              |   |   |          |
| 410-1   | Security personnel trained in human rights policies or procedures                         | As of now no security personnel has been trained in human rights. However, plan is in progress to conduct the same going forward.   | –        |
| <b>GRI 411: Rights of Indigenous Peoples</b>    |   |   |          |
| 411-1   | Incidents of violations involving rights of indigenous people                             | Zero cases of incidents on discrimination and incidents of violations involving rights of indigenous people   | –        |

| GRI Std Disclosure                         | Description  | Section  | Page |
|--|--|--|------|
| <b>GRI 412: Human Rights Assessment</b>    |  |  |      |
| 412-2                                      | Employee training on human rights policies or procedures                                     | Empowering Our Human Capital > Human Rights  | 76   |
| <b>GRI 413: Local communities</b>          |  |  |      |
| 413-1                                      | Operations with local community engagement, impact assessments, and development programs     | Building Sustainable Communities   | 92   |
| 413-2                                      | Operations with significant actual and potential negative impacts on local communities       | There has been no negative impact on the communities. Ujjivan SFB's CSR activities have touched the lives of over 2.4 Lakh beneficiaries in FY 2023-24 | –    |
| <b>GRI 414: Supplier Social Assessment</b> |  |  |      |
| 414-1                                      | New suppliers that were screened using social criteria                                       | Sustainable Operations > Sustainable Supply Chain >> Supplier Assessment   | 64   |
| 414-2                                      | Negative social impacts in the supply chain and actions taken                                | No supplier has been found to have potential negative social impact.   | –    |
| <b>GRI 415: Public policy</b>              |  |  |      |
| 415-1                                      | Political contributions  | Ujjivan Small Finance Bank refrains from making political contributions to any candidates or parties   | –    |
| <b>GRI 417: Marketing and Labelling</b>    |  |  |      |
| 417-3                                      | Incidents of non-compliance concerning marketing communications                              | Ethics and Compliance  | 37   |
| <b>GRI 418: Customer Privacy</b>           |  |  |      |
| 418-1                                      | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Data Privacy   | 42   |

# SDG Alignment

Ujjivan SFB has made significant strides in aligning its sustainability initiatives with the United Nations Sustainable Development Goals (SDGs). While the Bank's efforts in FY 2022-23 were aligned with 8 SDGs, it has since expanded its focus and achieved alignment with 14 out of the 17 SDGs by the end of 31st March 2024. This achievement reflects the Bank's unwavering commitment to embedding sustainable practices across its operations and addressing global challenges. As Ujjivan SFB continues to advance on this journey, it remains dedicated to further aligning with the remaining SDGs, reinforcing its contribution to sustainable development.

## Ujjivan SFB Activities in FY 2023-24

### SDG 1: No Poverty



- The Bank's commitment to livelihood development is evident through its partnerships with organizations like CDT and ProVision Asia, which provide employability training and mobility aids to differently-abled individuals. It also empowers youth and women from low-income families through vocational training and income-generating tools, helping them secure jobs and establish independent livelihoods.
- CDT trained 413 individuals in employability skills, with 71% securing jobs in Jamshedpur, Ranchi, Hazaribagh, and Varanasi's retail sectors.
- Ujjivan SFB in partnership with the Divya Nur Foundation, trained over 200 youths from BPL/APL families, with 70% gaining employment at companies such as Flipkart, Burger King, D-Mart, and Easy Buy.

### SDG 2: Zero Hunger



- Ujjivan SFB provided essential aid to disaster-affected families across India in FY 2023-24, supplying kitchen and grocery kits to over 9,120 households in incidents like Mumbai's Appa Pada fire, floods in Madhya Pradesh, Gujarat, Chennai, and parts of Tamil Nadu.
- The Bank offered support in the form of groceries and kitchen aids to elderly care centres in Jaunpur and Coimbatore, aiding around 200 underprivileged senior citizens with nutritional needs.

### SDG 3: Good Health & Well-Being



- About 25 Chote Kadam projects were executed in FY 2023-24 across India. These were aimed towards the renovation of Anganwadis, Orphanages, Community Playgrounds, Community Healthcare Centres, and Installation of Solar-powered Lights, among others.
- Children at Sanmathi Balanikethan orphanage, supported by Lotus Petal Foundation in Sohna, UP, were provided with sports equipment to foster their overall development and took part in a wide-ranging sports competition with over 100 volunteers participating in activities such as chess, badminton, and cricket.

### SDG 4: Quality Education



- Ujjivan SFB collaborated with Maithree Society to impart life skills training and foundational academic education to a group of 48 intellectually disabled children, resulting in 16 students completing the vocational stream and the rest advancing to the next stage of their education.
- Ujjivan SFB provided academic scholarships to transgender individuals in collaboration with Buddy4Study Foundation through which 32 school/ college students were benefitted.
- The Bank collaborated with the Pi Jam Foundation to enhance digital literacy, focusing on training 1,000 government school teachers in Maharashtra's Satara and Sangli districts, with the goal of developing 100 model teachers.
- The Bank aided Alumnorum Societas (ALSOC) in Kolkata to educate 600 disadvantaged boys and provided educational materials such as boards, benches, tables, and projectors to government schools in Uyyamballi, Handiganur, Bholpur, Nagpur, and Nashik Anganwadi.
- Ujjivan SFB ventured into promoting sports for disadvantaged youth in FY 2023-24 by partnering with the Mary Kom Boxing Foundation, sponsoring 10 athletes and supporting their education and residential training requirements, including infrastructure, nutrition, and boxing gear.
- The bank has organized a series of financial literacy programs aimed at raising awareness and understanding of financial concepts among its customers and the wider community.

### SDG 5: Gender Equality



- As of FY 2023-24, women constitute half of the independent directors, with 3 out of 6 seats held by female leaders. Further, as on 31<sup>st</sup> December 2024, of the total 7 Independent directors, 4 are women.
- Ujjivan SFB launched the Women's Initiative on Success and Empowerment (WISE) initiative on International Women's Day 2024 to identify high-performing women employees to partake in a comprehensive 2-3 month learning journey, combining classroom and virtual self-paced learning.
- Launched on Women's Day 2023, the UnPause initiative has welcomed 349 women back into the workforce, enhancing the Bank's gender diversity rate to 20%.

### SDG 6: Clean Water & Sanitation



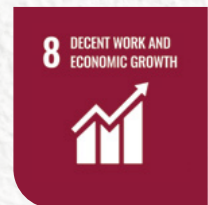
- Ujjivan Small Finance Bank's WASH loans, designed to improve access to water, sanitation, and hygiene, have reached a portfolio of ₹22 crores, benefiting 6458 customers, with a monthly social goal of disbursing ₹5 crores. A WASH loan is a specialized financial product to support individuals in funding water, sanitation, and hygiene-related expenses, enhancing their quality of life.

## SDG 7: Affordable & Clean Energy



- Ujjivan SFB has successfully installed a 3 KW rooftop solar panel at one of its branches under the Operational Expenditure (OPEX) model, which has contributed to total renewable energy consumption of 0.077 GJ in FY 2022-23 and 9.58 GJ in FY 2023-24.
- The transition to LED lighting has been completed across all Ujjivan SFB facilities, achieving 100% LED light implementation.
- The installation of Variable Refrigerant Volume (VRV) systems for air conditioning at renovated facilities has been a game-changer, offering high energy efficiency and reducing the overall energy footprint of the facilities.
- Sensor-based lighting systems have been installed at designated locations in the recently renovated facilities that ensure lights are only active when the space is occupied, thereby avoiding wasteful energy use.
- Ujjivan SFB has proudly reintroduced Sanchaya 2.0 program (Using Energy Wisely) for FY 2025. The bank has set an ambitious goal to reduce power consumption by 5% compared to the financial year 2023-24.

## SDG 8: Decent Work & Economic Growth



- Ujjivan SFB in collaboration with Cheshire Disability Trust (CDT) trained 413 individuals from BPL/APL families in employability skills, with 71% securing jobs in Jamshedpur, Ranchi, Hazaribagh, and Varanasi's retail sectors.
- Ujjivan SFB continued its partnership with the Divya Nur Foundation, training over 200 youths from BPL/APL families, with 70% gaining employment at companies such as Flipkart, Burger King, D-Mart, and Easy Buy, earning an average salary of ₹ 9,000 per month.
- The Bank renewed ties with the Calcutta Social Project to provide vocational training and career advice to over 200 school dropouts and academically challenged students, preparing them for roles like Operation Theatre Technician, Physician Assistant, Phlebotomy Associate, Tailoring, Cosmetology, and Lab Technician.
- In collaboration with the Association for Advocacy and Legal Initiatives in Lucknow, 22 women affected by domestic violence received Fall/Pico sewing machines to help them establish their own sources of income.

## SDG 9: Industry, Innovation and Infrastructure



- The Bank offers loans for affordable housing and provides financing to MSMEs, fostering sustainable industrial growth and resilient infrastructure.

## SDG 10: Reduced Inequalities



- Ujjivan SFB in collaboration with ProVision Asia worked to distribute wheelchairs to 60 orthopedically challenged persons from BPL/APL families.
- In partnership with the Red Cross in Hissar, Ujjivan SFB provided 15 motorized tricycles to orthopedically differently-abled individuals, enhancing their mobility and independence.
- In an effort to encourage sports among underprivileged students, the Bank partnered with the Mary Kom Boxing Foundation and sponsored 10 athletes to support their education and residential training requirements, including infrastructure, nutrition, and boxing gear.

## SDG 11: Sustainable Communities



- Through its 'Chote Kadam' program, the bank has made significant strides in community infrastructure development including renovation of Schools, Anganwadis, Orphanages, Community Playgrounds, Community Healthcare Centres, and Installation of Solar-powered Lights.

## SDG 13: Climate Action



- In FY 2024, the Bank collaborated with United Way of Bengaluru (UWB) to successfully set up 10 percolation pits, contributing to groundwater replenishment.
- Ujjivan SFB has successfully installed a 3 KW rooftop solar panel at one of its branches as pilot run and is exploring options to implement the same at other offices/branches.
- Despite the expansion of the Bank's network with 123 new branches, it has successfully maintained its energy intensity at 11.31 Gigajoules per crore of turnover, same as that of previous FY.
- A plantation drive was conducted in the reporting year, thereby encouraging Ujjivan SFB employees to actively participate in environmental conservation efforts. In FY 2024, volunteers planted 2,896 saplings as compared to the baseline of 635 saplings in FY 2023.
- Ujjivan SFB continues to support the Swachh Bharat Abhiyan, with its employees actively cleaning areas within 100 metres of their office premises in 183 locations across the nation, fostering significant volunteer engagement.

## SDG 15: Life on Land



- Ujjivan SFB collaborated with Dhyani Foundation to finance the installation of solar-powered lighting at a remote Cattle Rescue Centre at Bolagarh, Odisha, which provides shelter to over 300 cattle at risk from wild animals at night.

## SDG 16: Peace, Justice & Strong Institution



- The Bank's proactive approach to governance and ethical conduct, ensures that all members of the organization are not just aware of the standards expected of them but are also equipped to embody these standards in their daily professional lives. It integrates ethical principles such as anti-bribery, anti-corruption, and conflict of interest management into its core values.
- Ujjivan SFB offers tailored financial products such as microloans, agricultural loans, savings accounts etc. designed specifically for underserved segments of society, including low-income individuals and small businesses
- It seeks input from diverse range of stakeholders including employees, customers, shareholders and the broader community to foster transparency and build trust.
- The Bank upholds human rights and protect fundamental freedoms by ensuring that its practices do not contribute to violations of human rights laws
- Through responsible lending practices, Ujjivan SFB contributes to the development of peaceful societies.



## Ujjivan Small Finance Bank Limited

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