



UJJIVAN
UJJIVAN SMALL FINANCE BANK
Build a Better Life

Management Committee Approval

Corporate Social Responsibility (CSR) Policy

Corporate office:

Ujjivan Small Finance Bank Ltd.

Grape Garden, No. 27, 3rd A Cross, 18th Main,
Koramangala 6th Block, Bengaluru 560 095.

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Introduction

The Bank's mission and objective is to provide full range of financial services to the rural and urban poor to enable them to lead a better life and to reach out unserved and underserved communities.

In furtherance to its commitment to inclusive and sustainable development, the Bank undertakes Corporate Social Responsibility (CSR) initiatives in accordance with the provisions of Sec 135 of Companies Act, 2013 and rules made thereunder.

CSR for the purpose of this Policy shall mean activities undertaken by the Bank in pursuance of its statutory obligations under Sec 135 of Companies Act 2013 in accordance with CSR Rules and shall exclude activities undertaken in the normal course of business and other activities specifically excluded under the CSR Rules.

This Policy sets out the broad framework guiding the Bank's CSR activities. The Policy also sets out the principles and the rules that need to be adhered to while taking up and implementing CSR activities to be undertaken in areas or subjects as specified in Schedule VII of the Act (excluding the activities pursued in the normal course of business).

Objective of the Policy

The following are the objectives of the Policy:

- To comply with the statutory and regulatory requirements pertaining to CSR under Section 135 of Act and rules made thereunder.
- To define what CSR means to the Bank and to articulate the approach towards undertaking CSR initiatives in a structured and project-based manner.
- To lay down the guidelines & mechanisms to carry out CSR program/project & to report the work in reporting format as prescribed by the Rules in the Act.
- To constitute a review mechanism for monitoring the progress of approved CSR projects/ programs and implementation of CSR policy by CSR Committee. The approval on the projects shall be obtained through in-person meetings and the approval shall be captured in the minutes of meeting signed by the chairperson/acting chairperson (in case of chairperson's absence).
- To ensure that the surplus arising out of CSR projects/ programs/ activities shall not form part of the business profit of the Bank.
- The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014. Section 198 of the Act specifies certain additions/deletions (adjustments) to be made while calculating the net profit of a company (mainly it excludes capital payments/receipts, income tax, set-off of past losses). **Profit Before Tax (PBT) is used for computation of net profit under section 135 of the Act.**

Document Reference

- All applicable laws, rules and regulations issued from time to time have been incorporated in this Policy.
- This document was approved in the CSR & Sustainability Committee of the Board held on 10th Dec 2025.
- This document shall be effective from 1st Jan 2026.
- This Policy is owned by Company Secretary of the Bank and shall be reviewed annually.

Version Control

Vers ion No.	Effec tive Date	Appr oved on	Summary of major Changes
V1.0	Feb 01, 2017	Jan 10, 2017	NA
V1.1	Jan 31, 2018	Jan 31, 2018	Annual Review and No major change
V1.2	Jan 22, 2019		Annual Review and included following provisions in line with regulatory requirements. Annexure-1: (x) rural development projects (xi) slum area development. Monitoring and reporting requirements: The Corporate Social Responsibility Committee shall, a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII. a. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and (c) monitor the Corporate Social Responsibility Policy of the company from time to time. The following shall not be treated as expenditure under CSR activities: • a. marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure. b. Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act Governance Structure The Board of every company referred to in subsection (1) shall.

			(a) after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
V1.3	July 30, 2019	July 30, 2019	Annexure-1 Included the following clause: Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force. (xii) disaster management, including relief, rehabilitation, and reconstruction activities.
V1.4	Nov 05, 2019	Nov 05, 2019	Annexure-1 Substituted the clause (ix) with the following: Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

V1.5	July 31, 2020	July 31, 2020	a. Annual Review and b. Following Major Changes: a. Inserted definition section b. Substitution of implementation of CSR Activities Section Substitution of Review and Revision Section
V1.6	Dec 9, 2023	Dec 8, 2023	a. Review the policy to be reviewed by the Committee as and when any changes are notified by the Regulators. b. Following Changes are inserted in the policy: Additions to the list of CSR activities permissible under Companies Act, 2013
V1.7			a. Included 'Transgenders' under Social Welfare, Vocational Trainings and Livelihood b. Development of point 9 CSR Activities of the bank c. Under point 10 CSR Funds, the definition of Corpus has been replaced as per Sec 135 of Act. d. Revised and included clauses related to spending excess CSR funds, set-off and capital assets. e. Under point 11, Implementation of CSR activities, the clause on salary paid to CSR staff has been removed. f. Replaced "as per the format given in Annexure 2 or 3, as the case may be" with "as per the format prescribed under CSR Rules" under point 12, Monitoring & reporting requirements g. Removed Annexures 2 & 3 as they are outdated. The revised ones shall be included in the CSRSOP. h. Removed Covid related activities (xiii) and (xiv) in Annexure 1.
V1.8			a. Change in the name of the CSR committee, Governance structure and ToR. b. Removal of the Covid related references c. Redefinition of Disaster Relief Activities
V1.9	11 th Dec 2025	10 th Dec 2025	a. Inclusion of Regional Legal Managers in the RSBC (Regional Sustainable Banking Committee) b. Annual review of the policy

Definitions

- a. **"Act"** means the Companies Act, 2013, as amended from time to time;
- b. **"Bank"** means Ujjivan Small Finance Bank Limited;

- c. **“Board”** means Board of Directors of the Bank;
- d. **“Boards or Directors’ Report”** means the Report referred under Section 134(3) of the Act;
- e. **“Corporate Social Responsibility Committee”** means a Committee of the Board constituted under Section 135 of the Act;
- f. **“CSR Rules/Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 made under the Act, as amended from time to time;
- g. **“Policy”** means Corporate Social Responsibility Policy framed and implemented by the Bank;

All other words and expressions used in this Policy but not defined herein, shall have the same meaning as ascribed to them under the Act.

Applicability

This policy shall apply to all activities undertaken by the Bank in pursuance of its CSR obligations under Sec 135 of the Act and rules made thereunder.

Governance Structure

With effect from April 01, 2024, the CSR Committee of the Board assumed additional responsibilities of overseeing the sustainability aspects of the Bank and hence has been renamed as the CSR & Sustainability Committee.

To this effect, the Chief Risk Officer (CRO) has been replaced with Head Retail Liabilities, TASC and TPP of the Bank and included in the CSR & Sustainability Management Committee.

The Bank has put in place a dedicated CSR Policy which inter alia includes the ToR (Terms of Reference) of the Board and CSR & Sustainability Committee related to CSR facets. The policy is available on the website of the Bank at <https://www.ujjivansfb.in/sustainability-initiatives>.



After rebranding the ‘Social Services’ Department to ‘Sustainable Banking’, the Bank has strengthened the governance structure to ensure that sustainability considerations are an integral part of our decision-making processes.

The Bank has adopted a multi-tier governance framework for planning, approval, implementation and monitoring of its CSR initiatives, in accordance with the provisions of the Act and rules framed thereunder.

The Board has constituted a CSR & Sustainability Committee of the Board in accordance with the provisions of the Act. The Committee shall help in developing an effective CSR framework that can assist the Board to ensure that

CSR issues and opportunities are well-managed and maximised.

The CSR & Sustainability Committee and the Board of Directors shall discharge their roles and responsibilities in relation to CSR as prescribed under the Act and the rules.

CSR & Sustainability Committee

The CSR Committee would comprise of three or more Directors including at least one Independent Director.

Please refer to the above picture for the composition.

The CSR & Sustainability Committee shall:

- a. formulate and recommend to the Board the CSR Policy and any amendments thereto;
- b. monitor the CSR Policy of the Bank from time to time;
- c. formulate and recommend to the Board an annual action plan in pursuance of this Policy which shall include the following, namely-
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act including the amount of expenditure thereof;
 - b. the manner of execution of such projects or programmes;
 - c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects undertaken by the Bank.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of CSR & Sustainability Committee of the board, based on the reasonable justification to that effect.

Board of Directors

The Board of Directors shall act as the ultimate authority for all the Bank level strategic objectives and public disclosures.

- a. The Board of the Bank has overall responsibility for governance and oversight of the Bank's CSR initiatives, including approval of CSR Policy and monitoring its implementation.
- b. The Board shall:
- c. after considering the recommendations made by the CSR & Sustainability Committee approve the Policy for the Bank, and disclose contents of such Policy in its report in a prescribed format and place it on the Bank's website;
- d. after considering the recommendations made by the CSR & Sustainability Committee approve the Annual Action Plan;
- e. ensure that the activities as are included in Policy and Annual Action Plan are undertaken by the Bank;
- f. ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years;
- g. satisfy itself regarding the utilization of the disbursed CSR funds;
- h. if the company fails to spend CSR funds, the Board shall, in its report, specify the reasons for not spending the amount and transfer the unspent CSR amount as prescribed under the Act;
- i. In case of ongoing CSR projects, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and suggest modifications for smooth implementation within the overall permissible time period;
- j. Ensure that the administrative overheads shall not exceed the limits prescribed under the Act;

- k. In case of any amount spent in excess of the CSR obligation of a particular financial year, approve the availment of set-off in subsequent years as permitted under the Act and rules thereunder; and
- l. Review and take on record submission of Impact Assessment Reports

CSR & Sustainability Management Committee

The Bank has constituted a CSR & Sustainability Management Committee comprising senior functionaries of the Bank, to provide management level oversight of CSR initiatives.

The Management Committee shall:

- a. Review and approve CSR proposals in accordance with internal delegation thresholds;
- b. Review and approve CSR proposals recommended by the Regional Sustainable Banking Committee;
- c. Provide strategic and operational guidance for implementation of CSR projects; and
- d. Periodically review progress and utilisation of CSR funds.

Regional Sustainability Banking Committee

The Bank has constituted Regional Sustainability Banking Committee to enable effective regional implementation of CSR and sustainability related activities.

The Regional Sustainability Banking Committee shall:

- a. Review, approve and recommend CSR proposals proposed at the regional level, in accordance with internal delegation thresholds;
- b. Oversee, guide and monitor regional CSR projects in alignment with Bank's CSR Policy and applicable laws;
- c. Engage and coordinate with local government agencies, community groups, NGOs, and other partners to maximize impact and ensure smooth project execution, including resolving any issues with local authorities; and
- d. Regularly review and report on project progress, conduct periodic evaluations, and make recommendations for improvement or expansion of CSR activities within the region.

Sustainable Banking Team:

The Sustainable Banking Team shall function as a nodal team for CSR and shall be responsible for

- a. Identification and development of CSR projects;
- b. Co-ordination with implementing agencies and internal stakeholders;
- c. Ensure due-diligence, documentation and compliance with CSR Rules;
- d. Monitor project implementation and outcomes; and
- e. Preparation of reports and disclosures for CSR & Sustainability Management Committee, CSR Committee and Board

The roles and responsibilities of CSR & Sustainability Management Committee and Regional Sustainable Banking Committee are operational and delegated in nature and shall be subject to the overall supervision and control of the CSR Committee of the Board and Board of Directors.

CSR Principles followed by the Bank

The Bank has adopted the following CSR principles which guide the identification and implementation of CSR activities and formulation of Annual Action Plan:

- **Sustainability:** The Bank shall prioritize CSR initiatives that create long term and sustainable social and environmental impact. CSR projects shall be designed to promote continuity of benefits beyond the period of financial support. The Bank shall provide preference to projects that are scalable, measurable and capable of delivering enduring outcomes for beneficiary communities.
- **Accountability and Ethical Conduct:** The Bank shall ensure that the CSR initiatives are undertaken in a transparent, ethical and accountable manner. The CSR projects shall have clearly defined objectives, budgets, timelines and responsibilities and shall be subject to appropriate monitoring, evaluation and reporting mechanisms. The Bank shall ensure fairness and integrity in selection of implementing agencies, partners and CSR projects, responsible utilisation of CSR funds and transparent disclosure of CSR activities and outcomes. The Bank shall not engage in practices that are abusive, corrupt or anti-competitive.
- **Promotion of human rights** and respect interests of all stakeholders, especially the disadvantaged, vulnerable and marginalized: The Bank shall ensure that the CSR activities promote equitable access to basic rights and opportunities. particularly for disadvantaged, vulnerable and marginalized communities. The Bank shall systematically identify their stakeholders particularly those who are disadvantaged or vulnerable, understand their concerns, define purpose and scope of engagement and commit to engaging with them. The contact point for reporting the grievances from the stakeholders of the CSR projects is provided in the CSR page of the Bank's website
- **Environment protection:** The Bank shall undertake CSR initiatives that promote environmental conservation, responsible use of natural resources and ensure recycling of resources, wherever applicable. It shall support efforts to prevent, mitigate and manage environmental risks and impacts, and encourage initiatives aligned with national priorities on cleanliness, sustainability and environmental protection.
- **Inclusive growth and equitable development:** The Bank shall support inclusive and equitable development by aligning its CSR initiatives with social and economic development priorities articulated by the Government and other relevant authorities. The Bank shall make efforts to complement and support the development priorities at local and national levels and support initiatives aimed at improving access to basic needs and infrastructure for underserved communities.

CSR activities of the Bank

The Bank shall constantly strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives.

The Bank shall undertake CSR activities in accordance with the CSR Policy, Annual Action Plan and the areas and subjects specified in Schedule VII of the Act, as amended from time to time.

The Bank's CSR activities shall be aimed at inclusive and sustainable development, poverty reduction and bettering quality of lives or underserved and marginalized communities.

The Bank's CSR activities may focus on one or more of the following broad thematic areas:

a. Community Infrastructure Development and Public Amenities

01. construction, reconstruction, renovation or improvement of schools, anganwadis, public toilets, water facilities, bus stands (waiting sheds), public parks, public library and similar public infrastructure; and
02. creation or upgradation of facilities that support community welfare, safety and accessibility.

b. Environmental Sustainability

- a. conservation of natural resources and maintaining quality of soil, air and water;

- b. waste management, water conservation, rejuvenation of lakes and ponds and sanitation projects;
- c. promotion of renewable energy and energy efficient solutions in community spaces; and
- d. environmental awareness and community based sustainability initiatives.

c. Health, Nutrition, Sanitation and Hygiene

- a. preventive healthcare, food, nutrition, health awareness and education including awareness on government programs/schemes available to communities, and disease prevention programmes;
- b. support to public health institutions, public health centres and maternity homes;
- c. provision of safe drinking water and sanitation facilities; and
- d. initiatives aimed at improving hygiene and public health conditions in communities.

d. Education, Social Welfare

- a. initiatives for promotion of education, including special education, girl child education support for infrastructure and facilities in schools & anganwadi;
- b. financial literacy and cyber/digital security awareness for general public
- c. scholarships and educational support for students from disadvantaged and marginalised communities;
- d. programs and facilities to orphanages, old age homes, women homes & hostels, institutions serving persons with disabilities, transgender persons and other vulnerable groups; and
- e. vocational training, livelihood promotion, employment generation activities and skill development programmes.

e. Livelihood Program

- a. initiatives to promote employment generation activities in the community serving the unserved and underserved
- b. vocational training, livelihood promotion, employment generation activities and skill development programmes.

e. Disaster Relief and Rehabilitation

- a. relief programs and contributions to any disaster relief efforts; and
- b. restoration or rehabilitation of community infrastructure impacted by disasters.

f. Other Eligible CSR Activities

Any other projects or programs that are relevant and qualify as CSR activities under the Act and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

CSR funds

The Board shall ensure that in a financial year, Bank spends at least 2% of average net profits made by the Bank during the immediately preceding three financial years, in accordance with Sec 135 of the Act.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Bank and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Bank or such surplus amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year, in accordance with the CSR Rules.

"Net Profit" shall be calculated in accordance with the provisions of the Act.

If the Bank spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to fulfilment of conditions specified under CSR Rules.

The CSR amount may be spent by the Bank for creation or acquisition of a capital asset, which shall be held by such entities/beneficiaries as specified under the CSR Rules and Schedule VII of the Companies Act.

Implementation of CSR activities

The Bank shall implement its CSR initiatives through a structured and project-based approach, in accordance with the CSR Policy, the Annual Action Plan and applicable statutory requirements. The Bank will have CSR SOPs which will elaborate implementation, monitoring and other procedures

The CSR & Sustainability Management Committee shall provide management-level oversight and guidance to the Sustainability Banking Team for execution of the CSR activities and plan as approved by the CSR & Sustainability Committee of the Board.

The Bank shall undertake its CSR Projects either by itself or, through:

- a. An entity established by the company, either singly or along with any other company which is either a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961; or
- b. An entity established by the Central Government or State Government which is either a company established under section 8 of the Act or a registered trust or a registered society; or
- c. An entity established under an Act of Parliament or a State legislature; or
- d. An entity which is either a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity (as specified in sub-clause (a) to (d) above), which intends to undertake CSR activity on behalf of the Bank, should have registered itself with the Central Government and provide its CSR registration number to the Bank as and when any activity is undertaken by such entity.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

In case of ongoing CSR project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The Bank may give preference to the local areas and the areas around where it operates for spending the amount earmarked for CSR activities.

Monitoring and Reporting Requirements

The monitoring and reporting of CSR activities shall be carried out in accordance with the governance framework and roles and responsibilities outlined under this Policy. The Bank shall also put in place appropriate systems and processes to monitor the progress of the CSR projects.

The Bank shall provide periodic progress reports to the CSR Committee of the Board, which shall inter alia include the following:

- a. progress against approved targets and timelines.
- b. year-to-date achievements and identified shortfalls if any along with corrective measures proposed.
- c. Utilization of CSR funds vis-a-vis approved budgets and reasons for variance, if any.
- d. implementation status and effectiveness of the CSR Policy.
- e. Area-wise expenditure on account of CSR Projects.
- f. Disclosures on CSR as required to be incorporated in the annual results and reports.
- g. Such other information as may be required by the CSR Committee of the Board/Board.

The CSR & Sustainability Committee of the Board shall place periodic updates before the Board on the status and performance of CSR initiatives.

The details related to significant CSR activities and achievements shall be disclosed in the Board's Report as part of the Bank's Annual Report.

The Board's Report of the Bank shall include disclosures relating to CSR, including composition of the CSR & Sustainability Committee, CSR expenditure, unspent amounts and a reference of the policy developed and implemented by the Bank on CSR initiatives as per the format prescribed under CSR Rules.

The Bank shall ensure timely filing of all statutory returns, forms, and disclosures relating to CSR, as prescribed under the Act and rules made thereunder, including disclosures in the Board Report and filings with the Ministry of Corporate Affairs.

Impact Assessment

Where applicable, the Bank shall undertake impact assessment of eligible CSR Projects through independent agencies, in accordance with statutory requirements. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The expenditure incurred towards impact assessment shall be treated as CSR expenditure for that financial year, subject to limits prescribed under the Act and rules framed thereunder.

The aggregate expenditure on CSR activities shall also be disclosed by way of notes to accounts.

Unspent CSR Amount

In the event of Unspent CSR amounts, the Board shall ensure appropriate disclosures and transfers, including to Unspent CSR Account or funds specified under Schedule VII, as applicable and in accordance with statutory timelines.

Website Disclosure

The Policy, composition of the CSR & Sustainability Committee and CSR Projects approved by the Board shall be available on the website of the Bank at <https://www.ujjivansfb.in/corporate-governance-policies> and reference thereof shall be given in Board's Report of the Bank.

Review and Revision

The CSR Policy shall be reviewed by the Board, based on the recommendations of the CSR & Sustainability Committee, annually or as and when deemed appropriate.

Regulatory References

- Companies Act, 2013.
- Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments made thereto.

Proposed By

Name	Proposed On
Mohamed Thoufiq K M Lead-Corporate Social Responsibility	04-02-2026 08:54

Recommended By

Name	Approved On
Sachin Jadhav National Manager-Sustainable Banking	04-02-2026 14:31

Reviewed By

Name	Approved On
Vamsi M National Manager-Compliance	04-02-2026 14:33

Approved By

Name	Approved On
Suresha C Head of Customer Experience	25-03-2026 05:24
Martin S Chief Operating Officer	07-02-2026 10:40
Premkumar G Business Head-Vehicle Finance	07-02-2026 10:21
Vibhas Chandra Head -Micro Banking and Gold Loans	10-02-2026 16:18
Srikumar Varieth Chief Legal Officer	09-02-2026 14:46

Hitendra Nath Jha Head Retail Liabilities TASC and TPP	04-02-2026 14:38
Barun Agarwal Deputy-Chief Financial Officer	27-03-2026 15:42
Sanjeev Nautiyal Managing Director and Chief Executive Officer	18-06-2026 09:13

