UJJIVAN SMALL FINANCE BANK
Build a Better Life

Policies

Green Deposits Policy & Financing Framework

Corporate office:
Ujjivan Small Finance Bank Ltd.
Grape Garden, No. 27, 3rd A Cross, 18th Main,
Koramangala 6th Block, Bengaluru 560 095.

Introduction

Ujjivan Small Finance Bank Limited ("Ujjivan SFB" or "the Bank"), headquartered in Bengaluru and regulated by the Reserve Bank of India ("RBI"), commenced banking operations on February 1, 2017, after converting from an NBFC-MFI, and today serves over 100 Lakhs customers through 776 banking outlets across 26 States and Union Territories. Ujjivan SFB's ESG strategy is anchored on six pillars, Sustainable Operations, Responsible Finance, Human Capital, Effective Governance, Customer Centricity, and Empowering Communities, supported by strong governance, digital innovation, stakeholder engagement, and transparent disclosures. Through its focus on financial inclusion, climate resilience, responsible finance, workforce development, and community impact, the Bank continues to integrate sustainability into its business strategy and long-term value creation agenda.

Objective of the Policy

This Green Deposit Policy & Financing Framework is framed in line with the Reserve Bank of India (Climate Finance and Management of Climate Change Risks) Directions, 2025, formalising a Board-approved framework for the issuance, allocation, monitoring and disclosure of Green Deposits. This Policy seeks to enable Ujjivan SFB to mobilise dedicated, traceable deposits towards eligible green activities and projects, while strengthening the Bank's climate risk assessment and management capabilities in line with RBI's regulatory mandate. It aims to optimise the flow of credit to genuine green finance, guard against greenwashing, and protect depositor interest through robust project evaluation, third-party verification, and impact disclosure. In doing so, the Policy advances Ujjivan SFB's Responsible Finance pillar and its 2030 sustainability goals, while enabling customers to align their savings with their own sustainability objectives.

Policy Owner

The Sustainable Banking Department shall be the Policy Owner for this Green Deposit Policy. Its role and responsibilities, along with those of other supporting functions, are defined in Section 9. Governance Structure under this Policy.

Need for Policy

The Green Deposit Policy sets out the principles and governance framework for the mobilisation, allocation, management, and reporting of Green Deposit proceeds. The Policy seeks to ensure that funds raised through Green Deposits are deployed towards eligible environmentally sustainable activities in a transparent and accountable manner, in line with regulatory requirements, sustainable finance objectives, and the Bank's commitment to responsible banking practices.

Policy Approval Committee

The Green Deposit Policy shall be approved by the Board of Directors, based on recommendation/endorsement from the relevant Board-level and Management-level committees.

The Sustainable Banking Department shall act as the Policy Owner and shall coordinate implementation, periodic review, and recommend amendments to the Policy for approval in accordance with the Bank's policy governance framework. The Policy shall be reviewed at least annually, or earlier if required due to regulatory updates, business requirements, or material changes in the Green Deposit framework.

Policy Approval Committee	
Approving Committee	Board of Directors
Endorsing Committee (Board level)	Strategy Management Committee
Endorsing Committee (Management Level)	Business Strategy Committee
Policy Owner	Sustainable Banking
Frequency	Annually

Definitions

For the purposes of this Policy, unless the context requires otherwise, the following terms shall have the meanings assigned to them below.

a. **The Bank / Ujjivan SFB** - Ujjivan Small Finance Bank Limited, a Small Finance Bank regulated by the Reserve Bank of India.
b. **The Directions** - The Reserve Bank of India (Small Finance Banks - Climate Finance and Management of Climate Change Risks) Directions, 2025 [RBI/DOR/2025-26/203, dated November 28, 2025], including any amendment, modification, replacement, supersession, or subsequent version thereof issued by the RBI from time to time.
c. **Green Deposit** - An interest-bearing deposit, denominated in Indian Rupees, raised by the Bank from depositors for the specific purpose of financing or investing in eligible green activities or projects as specified in the Directions.
d. **Green Finance / Green Financing** - Lending to, and/or investing in, eligible green activities or projects that contribute to climate risk mitigation, climate change adaptation and resilience, or other environmental objectives as specified in Section 11 of this Policy.
e. **Eligible Green Activities / Projects** - Activities and projects falling within the nine eligible categories specified in Section 3.1 of this Policy, and as provided under the Directions. (Section D.14. Chapter III – Framework for Acceptance of Green Deposits)
f. **Financing Framework (FF)** – The framework as laid out in Sections 11, 14 and 15 of this Policy, which specify the eligible categories for the use of green deposit proceeds; the process for project evaluation,

appraisal, and selection; the management of proceeds; and the reporting, disclosure, third-party verification, and impact assessment arrangements, in accordance with the requirements of the Financing Framework as defined by RBI.

g. **Green Finance Working Group (GFWG)** - The internal cross-functional committee established by Ujjivan SFB comprising representatives from the Sustainable Banking, Credit, Risk Management, Financial Planning & Analysis, Treasury, Business teams – Asset & Liabilities, Legal, Compliance, IT and Business Solutions Group as updated from time to time with the responsibilities as laid out in Section 9.
h. **Third-Party Verification / Assurance** - An independent annual verification/assurance conducted by an appropriate and reputed domestic or international agency with regard to allocation of funds raised through green deposits by the Bank during a financial year, reported through third-party verification / assurance report, as required under Paragraph 15 and 16 of the Directions.
i. **Impact Assessment** - An annual evaluation, conducted with the assistance of external firms, of the quantifiable environmental and social outcomes attributable to the Bank's green finance activities and investments during a financial year, reported through an Impact Assessment Report as required under Paragraph 17 of the Directions.
j. **Greenwashing** - Misleading or unsupported environmental claims.
k. **Green portfolio-** The total pool of eligible green loans, investments, or assets financed through Green Deposit proceeds.

For additional terms and definitions, please refer to **Annexure 1**.

Scope, Validity & Applicability

This Policy applies to Ujjivan SFB across all its branches and offices, governing the acceptance, allocation, and end-use monitoring of green deposits issued in Indian Rupees as cumulative or non-cumulative deposits, in accordance with the tenor, size, interest rate, and other terms specified under the RBI's Directions. It recognises that the Bank may finance eligible green activities independent of raising green deposits, though not in reverse sequence.

Guiding Principles

The Green Deposit Policy & Financing Framework is guided by the principles of Environmental Integrity, Transparency, Traceability, Accountability, Prevention of Greenwashing, Regulatory Compliance, Independent Verification, Impact Measurement, and Responsible Stewardship of Depositor Funds. These principles underpin the mobilization, allocation, monitoring, reporting, and governance of Green Deposit proceeds, ensuring that funds are deployed towards genuine green activities in a credible, transparent, and accountable manner

Governance Structure

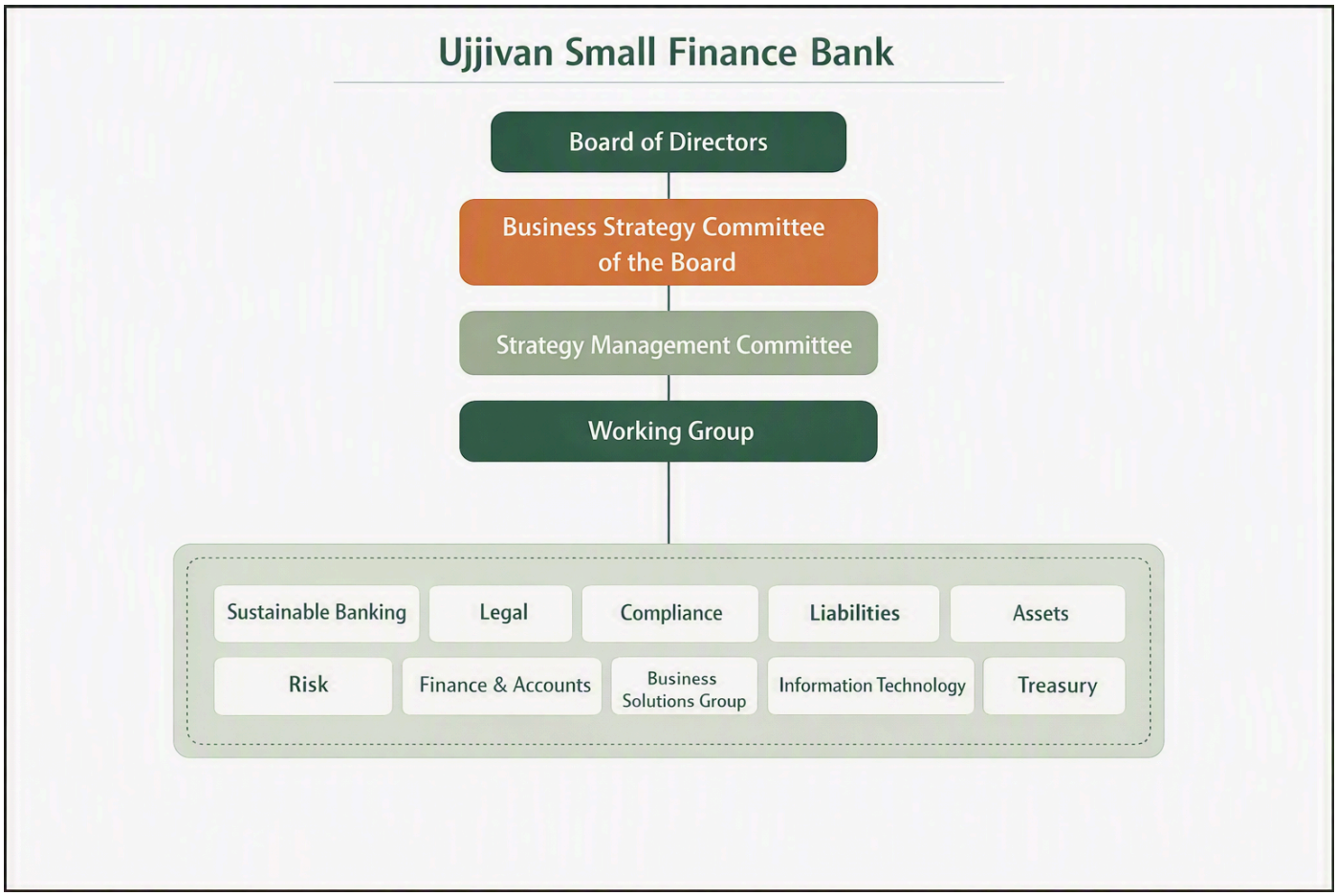
Ujjivan SFB has established a robust governance framework to ensure that Green Deposit funds are managed transparently and utilized for eligible green projects. The Board of Directors provides overall oversight by approving the Green Deposit Policy and Financing Framework, reviews the annual performance report detailing funds raised, allocations, verification outcomes, and environmental impact achieved.

The Green Deposit Policy and Financing Framework shall be reviewed by the Management Business Strategy Committee followed by the Business Strategy Committee of the Board and thereafter recommended to the Board

of Directors for approval. The end-to-end process shall be facilitated by the Sustainable Banking Department in line with the governance structure defined under this Policy.

Reporting to the Business Strategy committee at the Board and the Management level, the Sustainable Banking department is responsible for implementation with the support of the Working Group while the Risk Management Committee monitor risks associated with the framework . To maintain credibility and accountability, the Board approved Green Deposit Policy & Financing framework undergoes an independent external review before implementation & shall be uploaded to the Bank's Website.,

Please find the roles and responsibilities of the above governance structure below:



Roles	Responsibilities
Board of Directors (Apex)	• Approve the Green Deposit Policy & financing Framework and any amendments thereto. • Provide strategic oversight on the mobilization, allocation, and utilization of funds raised through Green Deposits. • Review the overall performance and effectiveness of Green Financing and ensure alignment with the Bank's sustainability objectives and regulatory requirements. • Review and approve the Annual Review Report and other material disclosures relating to Green

	Deposit Policy and Financing Framework, as applicable
Business Strategy Committee of the Board (Level 2)	• Review the Green Deposit Policy and Financing Framework and recommend the same, including amendments thereto, to the Board of Directors for approval. • Review and recommend green finance strategy, eligible assets categories, portfolio targets and key amendments to the Green Financing Framework. • Provide strategic oversight on green deposit mobilization, deployment, and the performance of the green asset portfolios covered under the Framework. • Review regulatory alignment, disclosures and progress against green finance objectives. • Review the Annual Review Report & recommend the same to the Board of Directors for approval.
Strategy Management Committee (Level 1)	• Act as management-level steeringcommittee for the formulation, implementation, and periodic review of policies, frameworks, and SOPs related to Green Deposits and Green Financing framework. • Review proposed amendments to the Green Deposit Policy and Financing Framework and recommend the same to the Business Strategy Committee of the Board, as applicable. • Review cross-functional progress and resolve implementation bottlenecks. • Monitor and report on green portfolio development, allocation, utilization, and program performance to the Business Strategy Committee of the Board • Present operational changes and escalate material matters, risk, and policy exceptions to the Business Strategy Committee of the Board for guidance or approval. • Monitor the asset-liability balance of the Green deposits & Green assets, provide appropriate recommendations to ensure effective deployment of proceeds.

Working Group	
Sustainable Banking (Owner)	• Act as primary owner of Green Deposit and Financing Framework • Formulation of the Green Deposit & financing framework • Facilitate external review & necessary third-party assessment of the Green Deposit Policy, financing framework & impact report, as applicable • Define Eligible green assets under the applicable portfolios and prepare standard checklists and templates for reporting • Liaise with cross-functional departments for effective implementation/monitoring & reporting of the program performance • Track green deposit proceeds, allocation and utilization • Monitor unallocated balances and temporary parking of funds • Reconcile deposits raised with eligible green asset deployment • Facilitate training and capacity building on Green Financing to the core business teams
Legal	• Review legal clauses, documentation and define the applicable covenants in the loan agreements & Green deposit receipts • Review framework language, regulatory references and legal enforceability • Support SPO / assurance engagements with relevant vendors through service agreements
Compliance	• Monitor & notify the changes in applicable regulatory expectations • Ensure alignment with RBI Green Deposit and Financing Framework requirements with extant Regulations • Review & recommend any regulatory references of the green financing program into the existing policies • Review annual disclosure and verification requirements for its adherence to the regulatory

	norms
Asset Team	• Identify eligible products in the portfolio • Formulate Individual product Programs & SOPs for the identified Green Product with relevant approvals • Develop the Business plan for the green product & declare Business targets • Formal roll-out of the product, marketing, promotion, incentivization etc. • Modify relevant IT configuration changes in the application • Drive customer acquisition through sourcing and onboarding Conduct due diligence for checking 'Green' eligibility • Tag the disbursement 'Green' in the relevant IT application & maintain evidence • Ensure Green Loan disbursement in line with Use of Proceeds section of the Framework • Provide consolidated report & support in third party Impact Assessment of all Green loans • Monitor the portfolio level performance against the targets • Lead customer education and awareness campaigns
Liability Team	• Implement the Green Deposits (covering aspects like - offerings, rate of interest, tenure of maturity, raising funds appetite, raising modes) & other green based retail products as per the regulatory guidelines • Formulate Individual product Programs & SOPs for the identified Green Product with relevant approvals • Develop the Business plan for the green product & declare Business targets • Formal roll-out of the product, Marketing, promotion, incentivization etc. • Modify relevant IT configuration changes in the application • Drive customer acquisition through sourcing and onboarding Create of the product code • Ensure that green deposits are in line with the Green Deposit Policy

	• Provide consolidated report on deposits to the Sustainable Banking • Monitor the portfolio level performance against the targets • Lead customer education and awareness campaigns
Risk Management	• Monitor risk implications arising from the Green Deposit portfolio, including liquidity and concentration risks, this will be part of overall liquidity and interest rate risk monitoring • Review the quantum and details of Green Deposit proceeds temporarily allocated in liquid instruments/HQLA, the unutilized portion shall be maintained in HQLA or in accordance with regulatory guidelines. Risk shall notify ALCO/FLMC on the same periodically • Risk will apprise RMCB on green deposits along with other key liquidity risk, interest rate risk KRIs on periodic basis.
ALCO (Asset Liability Management Committee)	• ALCO shall approve the interest rate on Green deposits, this will be in line with the extant RBI guidelines on approving interest rate on deposits • The balance in green deposits and its deployment in mandated assets will be monitored in ALCO/FLMC
Finance & Accounts	• Prepare the annual financial disclosure pertaining to the total green deposits raised (during the current & previous years), allocation across green assets and the outstanding balance as at year-end in line with the regulatory requirements (Annex 2) • Support assurance and verification processes by providing the required data • Monitor & report the unallocated Green Deposits parked in HQLA

Information Technology (IT)	• Enable system-level green tagging • Maintain access controls and audit trails
Treasury	• Report on the HQLA status
Business Solutions Group	• Ensure the system level configurations are set up for effective logging, monitoring & reporting in line with the regulatory requirements
DSDM (Data Science and Decision Management)	• Support data extraction, dashboards, and automated reporting

Framework for Acceptance of Green Deposits

Operational Modalities

Green Deposits issued by Ujjivan SFB shall be denominated exclusively in Indian Rupees and shall not be issued in any foreign currency. The tenor, size, interest rate, and all other terms and conditions applicable to Green Deposits shall be aligned with the applicable RBI directions on deposits for Small Finance Banks, as amended from time to time, and the Bank shall continue to follow such regulatory requirements on an ongoing basis. The Bank shall not offer any differential rate of interest on Green Deposits, and interest shall be paid to depositors as per agreed terms irrespective of the status of allocation or utilization of the underlying proceeds.

Product Features

The green deposits shall only be denominated in Indian Rupees and not in any foreign currency. The tenor, size, interest rate, premature withdrawal, transferability and other terms and conditions as defined in the Reserve Bank of India (Small Finance Banks - Interest Rate on Deposits) Directions, 2025, as amended from time to time, shall also be applicable to green deposits mutatis mutandis.

Statement on coverage by Deposit Insurance and Credit Guarantee Corporation (DICGC)

Green Deposits accepted by Ujjivan SFB are covered by deposit insurance under the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961, up to the prescribed limit per depositor, on par with all other eligible deposits held with the Bank.

Guidelines on Overdraft Facility

The Bank shall offer an Overdraft (OD) facility to customers against Green Deposits, subject to the instructions contained in the Reserve Bank of India (Small Finance Banks – Credit Risk Management) Directions, 2025.

Statement on retrospective financing

Ujjivan SFB affirms that it shall not finance any green activity or project first and subsequently raise green deposits to retroactively fund the same, in strict adherence to the RBI directions. Proceeds raised through green deposits

shall be allocated only to eligible green activities or projects identified and evaluated after the deposit has been raised, ensuring a clear, forward-looking link between depositor funds and their intended green end-use, and pending such allocation, unutilised proceeds shall be temporarily parked only in Level 1 High Quality Liquid Assets(HQLA) with a maximum original tenure of one year.

Green Financing Framework & Use of proceeds

Eligible Sectors & Categories

Aligned with Reserve Bank of India (Small Finance Banks – Climate Finance and Management of Climate Change Risks) Directions, 2025(Section D.14 Chapter III – Framework for Acceptance of Green Deposits).

Pending finalization of the official Indian Green Taxonomy, as an interim measure, the allocation of proceeds raised through Ujjivan SFB's Green Deposits shall be directed, towards the eligible green activities and projects specified under the Reserve Bank of India (Small Finance Banks – Climate Finance and Management of Climate Change Risks) Directions, 2025, adopted from the Government of India's Framework for Sovereign Green Bonds (November 2022). The eligible categories are as provided in **Annexure 2.** The Bank shall onboard eligible green products under the respective portfolios as operationally feasible and may, in line with its risk appetite and strategy, focus on selected or all eligible categories.

Exclusions List (Prohibited Projects e.g., Fossil Fuels, Nuclear, Waste Incineration)

The following categories are expressly excluded from financing under this Framework in line with the Directions and no green deposit proceeds shall be allocated to them under any circumstance:

- New or existing extraction, production, and distribution of fossil fuels, including improvements or upgrades, or projects where the core energy source is fossil-fuel based
- Nuclear power generation
- Direct waste incineration
- Industries engaged in alcohol, weapons, tobacco, gaming, or palm oil
- Renewable energy projects generating energy from biomass using feedstock originating from protected areas (including sewage, manure, wastewater, bagasse, biomass, and wood pellets)
- Landfill projects
- Hydropower plants with installed capacity exceeding 25 MW

The Bank shall maintain and periodically update an internal negative screening list consistent with the above and also aligned with the IFC Environmental and Social Exclusion List referenced in the Bank's existing Credit Policy. Any project appearing on the exclusion list shall be ineligible regardless of how it is framed or structured by the borrower.

Budgeting and Expenditure Management/Fund Allocation and Utilization

The Bank shall manage Green Deposit proceeds through a traceable and approval-based fund allocation process, aligned with the eligible green categories, exclusion criteria, credit appraisal, risk review and green tagging requirements defined in this Policy. Business teams shall identify eligible assets, ensure eligibility screening is

conducted in line with the defined checklist, enable system tagging, conduct periodic loan utilization checks and record the same in the relevant applications, Eligible asset identification, screening, tagging, data submission and related responsibilities shall be undertaken by the relevant functions in accordance with the Governance Structure under Section 9 and the Monitoring and Reporting Requirements under Section 14.

Proceeds raised through Green Deposits will be credited to a dedicated Green Deposit account and tracked through Ujjivan Small Finance Bank's internal monitoring mechanisms. The Bank aims to allocate the proceeds to eligible green assets in line with the Directions. Distribution of Green Deposits across the identified Green Assets shall be aligned with the Bank's strategic priorities & business objectives from time to time.

However, pending allocation to eligible green activities / projects, unallocated Green Deposit proceeds shall be monitored separately and temporarily parked only in Level 1 High Quality Liquid Assets as defined in Reserve Bank of India (Small Finance Banks - Asset Liability Management) Directions, 2025, with a maximum original tenure of one year. Tracking of unallocated balances, temporary parking, allocation reporting, third-party verification, impact assessment and disclosures shall be undertaken in accordance with the responsibilities defined in Section 9 and reporting requirements under Sections 14 and 15.

Implementation of Policy

The Policy shall be implemented through a coordinated operating model led by the Sustainable Banking Department, ensuring that roles, systems, timelines and controls are embedded across relevant functions to support effective execution and ongoing compliance.

Monitoring and Reporting Requirements

Mechanism for Project Evaluation, Appraisal, and Selection

Project evaluation, appraisal, and selection shall be carried out through the governance structure defined in this policy. The Sustainable Banking Department shall act as the policy owner and coordinate the overall evaluation process, supported by the Working Group.

The monitoring process shall be carried out in accordance with the roles and responsibilities defined in Section 9 Governance Structure. Monitoring activities shall be performed following the governance structure and hierarchy established under this Policy

Selection of the loans, Green Tagging and Monitoring - Proposals assessed as eligible shall be recommended by respective business verticals for green classification and allocation of Green Deposit proceeds. Approved assets shall be tagged as “green” in the Bank’s relevant IT applications Ongoing monitoring shall be undertaken in line with the Green Finance Due Diligence Process set out below.

Green Finance Due Diligence Process

Credit facilities identified for green financing shall undergo green finance appraisal, in accordance with applicable internal processes and controls Existing credit appraisal requirements shall continue to be governed by the Bank’s applicable credit policies and shall not be duplicated under this Policy.

Based on the checklist outcome, proposals shall be classified as low, medium or high green finance risk, depending on the level of eligibility clarity, documentation completeness, exclusion exposure, environmental and

social sensitivity, and availability of impact data. Low-risk proposals may proceed for green tagging and allocation, medium-risk proposals shall require clarification, additional documentation or conditional approval, and high-risk proposals shall require review by relevant functions such as Risk, Compliance, Legal and Sustainable Banking before being considered for green classification. Proposals that are ineligible, fall under the exclusion list, or fail to provide required supporting evidence shall not be tagged as green or allocated Green Deposit proceeds.

Post-disbursement monitoring shall be undertaken in line with the Bank's existing credit monitoring framework. Loan Utilisation Check (LUC) shall be conducted as defined in the Credit Policy. Category-wise impact data shall be captured for eligible green loans, wherever applicable, and consolidated at portfolio level for reporting and impact assessment purposes. Any material deviation affecting green eligibility or use of proceeds shall be escalated and addressed in accordance with the Bank's internal policies, governance framework, and disclosure requirements.

Greenwashing Prevention and Controls

The Bank shall establish and maintain adequate controls to prevent, identify, monitor and address instances of greenwashing in connection with green deposits and the financing of eligible green activities/projects. No activity, project, loan, investment, product or service shall be represented or marketed as "green" unless it meets the eligibility criteria prescribed under this Policy and the Directions. Any environmental or sustainability related claims made in relation to Green Deposits or Green Finance shall be appropriately substantiated and shall be subject to Bank's applicable internal review and approval processes. Any identified instance of potential greenwashing shall be appropriately escalated and addressed in accordance with the Bank's applicable internal processes.

Independent Assurances and Third-Party Verification

Scope of Third-Party Assurance

Ujjivan SFB shall subject all allocations made from green deposit proceeds during a financial year to an annual independent third-party verification and assurance, conducted by an appropriate and reputed domestic or international agency engaged by the Bank. The scope of such verification shall, at a minimum, cover

a. Confirmation that proceeds have been deployed in accordance with the eligible green categories specified in Section 11, with end-use monitored against the quantum of deposits raised, and
b. Adequacy of the Bank's policies and internal controls, including project evaluation and selection, management of proceeds, validation of borrower-provided information, and reporting and disclosure practices. Prior to commencement of green deposit issuance, and implementation of Financing Framework, the Bank shall obtain an external review of the Financing Framework from an independent external reviewer and publish the framework along with such review opinion on its website, Thereafter, an annual post-issuance third-party verification reports shall be similarly published.

The third-party verification shall not, in any manner, absolve Ujjivan SFB of its primary responsibility for the end-use of funds, for which the Bank's internal checks and borrower covenants, as specified in Section 14, Monitoring and Reporting Requirements shall remain fully operative.

Impact Assessment Methodology

Ujjivan SFB shall, with the assistance of external firms, undertake a mandatory annual Impact Assessment covering all funds lent or invested in eligible green activities and projects during a financial year, and shall publish the resulting Impact Assessment Report on its website. The assessment shall seek to quantify, at minimum, the

relevant environmental and/or social impact indicators for each eligible category financed, as specified in Ujjivan SFB's Green Deposits Policy & Financing Framework.

Where Ujjivan SFB is unable to quantify impact against any indicator in a given year, the Bank shall disclose, at minimum, the reasons, the data or methodological constraints encountered, and a time-bound plan to address the same. Carbon and GHG metrics shall be computed in alignment with the GHG Protocol methodology.

Reporting, Disclosures, and Compliance

Annual Review Report to the Board of Directors

The Board of Directors of Ujjivan SFB shall review the Bank's green deposit and green activities/projects through a formal Annual Review Report placed before it within three months of the close of each financial year. The Report shall be routed through the Strategy Management Committee and the Business Strategy Committee of the Board before Board presentation, and shall contain, at minimum, the following:

#	Required Content	Disclosure Detail to Capture
1	Total amount raised under Green Deposits during the financial year	Absolute INR amount raised during FY and cumulative amount outstanding under Green Deposits
2	List of green activities/projects to which proceeds have been allocated, with brief description	Category-wise allocation (Renewable Energy, Clean Transportation, Green Buildings, Water & Waste Management, etc.), project description, borrower segment, geography, tenor
3	Amount allocated to each eligible green activities/Projects	INR-wise allocation by category and sub-category (e.g., Solar, Wind, EV, EV Charging Infrastructure, Green Buildings, Water Management, Biodiversity)
4	Third-Party Verification / Assurance Report	Name of external verifier, assurance scope, opinion, and link/reference to assurance report
5	Impact Assessment Report	Quantified annual environmental impact, including relevant category-wise indicators

The Board shall note and record its review through the Annual Report, including the Third-Party Verification / Assurance Report on fund allocation and the Impact Assessment Report on environmental outcomes. Any material observations, exceptions or corrective actions arising from the Annual Review Report, the assurance findings or the impact assessment shall be tracked through the defined governance process.

Mandatory Financial Statement Disclosures (RBI Formats)

For the purpose of audited annual financial statement disclosures relating to Green Deposits, Ujjivan SFB shall comply with the applicable requirements prescribed under the Reserve Bank of India (Small Finance Banks – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. Such disclosures shall include portfolio-level information on the use of Green Deposit proceeds in the prescribed Notes to Accounts / Annexure format, including:

- Total green deposits raised during the year and outstanding balance as at year-end
- Eligible category-wise allocation of proceeds (with sub-category breakdowns where applicable — e.g., solar energy, wind energy within Renewable Energy, EV two-wheelers within Clean Transportation)
- Amount temporarily parked in L1 HQLA pending allocation, as at year-end
- Cumulative disclosures since the Bank commenced offering green deposits

*[*Note: For the first year of issuance, cumulative figures shall be identical to current-year figures, comparative prior-year figures shall be introduced from the second year of reporting onwards*]*

- A cross-reference to the Third-Party Verification Report and Impact Assessment Report published on the Bank's website

All financial statement disclosures shall be subject to statutory audit and shall be consistent with the data reported in the Annual Board Review Report under Section 15.1. Any restatement or reclassification shall be disclosed with reasons.

Exceptions, Deviations and Remedial Measures

Any exception or deviation identified under this Policy shall be appropriately reviewed, documented and addressed in accordance with the Bank’s applicable internal processes and governance framework. The Bank shall take necessary corrective and remedial measures to ensure continued compliance with this Policy and applicable regulatory requirements. Material issues shall be reported to the relevant governance forum(s), as applicable.

Review and Revision

The Green Deposit Policy and Financing Framework shall be reviewed at least annually and updated, where required, to accommodate regulatory amendments, supervisory expectations, business changes, and market practices or other material developments through version-controlled revisions published on the Bank's website. Any material amendment to the Financing Framework shall be subject to applicable approval and external review requirements prior to implementation, wherever required under applicable regulatory requirements. The Bank shall publish the updated Financing Framework and the opinion of the external reviewer on its website, where such external review is undertaken or required

Record Retention

The Bank shall maintain adequate records and supporting documentation evidencing the identification, evaluation, approval, allocation, monitoring and reporting of Green Deposit proceeds and eligible green activities/projects. All records relating to Green Deposits and green activities/projects financed shall be retained in accordance with applicable laws, regulatory requirements, and the Bank's Record Retention Policy.

Regulatory Reference

This Policy is aligned with the Reserve Bank of India (Climate Finance and Management of Climate Change Risks) Directions, 2025, and shall continue to be reviewed and updated, as required, to remain aligned with any subsequent amendments, clarifications, or regulatory changes issued by the RBI. Pending finalization of the official Indian Green Taxonomy, the Policy also draws on the Government of India's Framework for Sovereign Green Bonds for defining eligible green activities and related guiding principles.

Annexure 1: Glossary

a. **Board** - The Board of Directors of Ujjivan Small Finance Bank Limited.
b. **Depositor** - Any individual or entity placing funds with the Bank under the Green Deposit product.
c. **Cumulative Green Deposit** - A Green Deposit where interest is accumulated and paid along with principal at maturity.
d. **Non-Cumulative Green Deposit** - A Green Deposit where interest is paid periodically as per the agreed deposit terms.
e. **Eligible Borrower** - A borrower whose project or activity qualifies under the eligible green categories defined in this Policy.
f. **Green Loan** - A loan provided by the Bank for financing an eligible green activity or project.
g. **Green Asset** - A loan, investment, or exposure classified as green based on the eligibility criteria under this Policy.
h. **Project Appraisal** - Detailed assessment of a project’s credit, environmental, social, regulatory, and technical aspects before approval.
i. **Green Tagging** - Marking eligible loans or investments as green in the Bank’s systems for tracking and reporting.
j. **Environmental and Social Risk** - Risk arising from environmental or social impacts associated with borrowers, projects, or financed activities.
k. **Exclusion List** - A list of activities or sectors that are not permitted to be financed through Green Deposit proceeds.
l. **Negative Screening** - The process of checking that a project does not fall under the exclusion list or prohibited activities.
m. **Borrower Covenant** - A condition included in loan documents requiring the borrower to use funds only for approved eligible purposes.
n. **Material Deviation** - Any significant change, misuse, non-compliance, or variance from the approved use of Green Deposit proceeds.
o. **Corrective Action** - Steps taken by the Bank to address non-compliance, allocation gaps, or deviations from the Policy.
p. **Temporary Parking** - Placement of unallocated Green Deposit proceeds in permitted instruments until allocation to eligible green activities.
q. **Reporting Period** - The financial year or defined period for which Green Deposit allocation, utilization, verification, and impact are reported.
r. **Disclosure** - Public reporting of Green Deposit mobilization, allocation, utilization, third-party verification, and impact assessment information.
s. **Impact Indicator** - A measurable parameter used to assess environmental outcomes, such as GHG emissions avoided, energy saved, water conserved, or waste diverted.

t. **GHG Emissions** - Greenhouse gas emissions expressed in tonnes of carbon dioxide equivalent.
u. **tCO_2e** - Tonnes of carbon dioxide equivalent, used to measure greenhouse gas emissions in a common unit.
v. **Carbon Emissions Avoided** - Estimated emissions reduced or prevented due to financing of eligible green activities.
w. **Renewable Energy** - Energy generated from renewable sources such as solar, wind, small hydro, biomass, or other approved non-fossil sources.
x. **Energy Efficiency** - Reduction in energy use through improved technology, systems, equipment, or processes.
y. **Clean Transportation** - Transport solutions that reduce emissions, including electric vehicles and related charging infrastructure.
z. **Green Building** - A building meeting recognised environmental performance standards or certifications.
aa. **Water Conservation** - Activities that reduce water consumption, improve water efficiency, or support sustainable water management.
ab. **Waste Diversion** - Prevention of waste from being sent to landfill through recycling, reuse, recovery, or other approved methods.
ac. **Sustainable Agriculture** - Farming practices that improve resource efficiency, soil health, water use, and environmental sustainability.
ad. **Biodiversity Conservation** - Activities that protect, restore, or conserve species, habitats, ecosystems, or natural resources.
ae. **Regulatory Compliance** - Adherence to applicable RBI directions, laws, regulations, and internal policy requirements.
af. **Internal Controls** - Processes, systems, and checks used by the Bank to ensure proper allocation, monitoring, reporting, and compliance.
ag. **MIS** - Management Information System used for recording, tracking, monitoring, and reporting Green Deposit-related information.
ah. **Level 1 HQLA (L1 HQLA)** - Level 1 High Quality Liquid Assets as defined in the Reserve Bank of India (Small Finance Banks - Asset Liability Management) Directions, 2025, in which unutilized green deposit proceeds may be temporarily parked with a maximum original tenure of one year.
ai. **Sovereign Green Bonds (SGrBs)** - Green bonds issued by the Government of India under the Govt. of India's Sovereign Green Bond Framework, investment in which by Ujjivan SFB is covered as eligible deployment of green deposit proceeds under this Policy.
aj. **Indian Green Taxonomy** - The official taxonomy being developed by the Government of India to classify economic activities as environmentally sustainable; pending its finalization, the eligible categories under this Policy are determined by reference to the GoI's Framework for Sovereign Green Bonds (November 2022).
ak. **Priority Sector Lending (PSL)** - Credit extended by the Bank to sectors designated under the Reserve Bank of India (Priority Sector Lending - Targets and Classification) Directions, 2025, towards which eligible green activities may also be classified if they satisfy the requisite PSL criteria.
al. **Climate Finance** - Financing that supports climate change mitigation, climate change adaptation, transition to low-carbon activities, or management of climate-related risks, including lending or investments aligned with eligible green activities under this Policy.
am. **Climate Change Risk** - The potential financial, operational, strategic, or reputational risk arising from physical climate impacts, transition to a low-carbon economy, policy changes, technology shifts, or changing stakeholder expectations.
an. **Physical Risk** - Risk arising from acute or chronic climate-related events such as floods, droughts, heatwaves, cyclones, water stress, or long-term changes in temperature and rainfall patterns that may affect borrowers, assets, operations, or collateral.

ao. **Transition Risk** - Risk arising from the shift towards a low-carbon economy, including changes in regulation, market demand, technology, carbon pricing, customer preferences, or reputational expectations.

ap. **Climate Change Mitigation** - Activities that reduce, avoid, or sequester greenhouse gas emissions, including renewable energy, energy efficiency, clean transportation, and pollution prevention projects.

aq. **Climate Change Adaptation** - Activities that improve resilience of people, assets, infrastructure, ecosystems, or business operations to actual or expected climate impacts.

ar. **Use of Proceeds** - Allocation of Green Deposit funds towards eligible green activities.

as. **Management of Proceeds** - Tracking, monitoring and reporting the allocation and utilization of such funds.

at. **Unallocated Proceeds** - Green Deposit funds pending allocation.

au. **End-Use Monitoring** - Verifying that proceeds are used only for eligible activities.

av. **Ring-Fencing** - Internal tracking of proceeds to maintain traceability.

Annexure 2: Eligible green activities / projects

#	Eligible Category	Eligible Activities	Impact Indicators
1	Renewable Energy	• Solar / wind / biomass / hydropower energy projects that integrate energy generation and storage. • Incentivizing adoption of renewable energy.	• Total renewable capacity (in MWh) • Energy generated per year (MWh) • GHG emissions avoided per year (measured in tonnes CO2 equivalent, tCO2e)
2	Energy Efficiency	• Design and construction of energy-efficient and energy-saving systems and installations in buildings and properties. • Supporting lighting improvements (e.g., replacement with LEDs). • Supporting construction of new low-carbon buildings as well as energy-efficiency retrofits to existing buildings. • Projects to reduce electricity grid losses.	• Energy savings per year (MWh) • GHG emissions avoided per year (tCO2e)

3	Clean Transportation	• Projects promoting electrification of transportation. • Adoption of clean fuels like electric vehicles including building charging infrastructure.	• GHG emissions avoided per year (tCO2e) • New clean transportation infrastructure built (km) • Number of electric or low emission vehicles produced
4	Climate Change Adaptation	• Projects aimed at making infrastructure more resilient to impacts of climate change.	• Number of assets or infrastructure covered by climate-resilience measures • Estimated beneficiaries or communities supported through adaptation measures
5	Sustainable Water & Waste Management	• Promoting water efficient irrigation systems. • Installation / upgradation of wastewater infrastructure including transport, treatment, and disposal systems. • Water resources conservation. • Flood defence systems.	• Water saved or treated per year (kilolitres) • Wastewater treated or reused per year (kilolitres) • Area protected through flood defence or water conservation measures
6	Pollution Prevention & Control	• Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy / emission-efficient waste-to-energy.	• Waste reduced, recycled, or diverted from landfill per year (tonnes) • Air emissions or pollutants reduced per year • GHG emissions avoided per year (tCO2e)

7	Green Buildings	• Projects related to buildings that meet regional, national, or internationally recognized standards or certifications for environmental performance.	• Certified green building area financed (sq. ft.) • Energy savings achieved per year (MWh) • GHG emissions avoided per year (tCO2e)
8	Sustainable Management of Natural Resources	• Environmentally sustainable management of agriculture, animal husbandry, fishery, and aquaculture. • Sustainable forestry management including afforestation / reforestation. • Support to certified organic farming. • Research on living resources and biodiversity protection.	• Area under sustainable agriculture, forestry, or natural resource management • Number of farmers, enterprises, or projects supported • Water, soil, or resource-efficiency improvements achieved
9	Terrestrial & Aquatic Biodiversity Conservation	• Projects relating to coastal and marine environments. • Projects related to biodiversity preservation, including conservation of endangered species, habitats, and ecosystems.	• Area of habitat or ecosystem protected, restored, or conserved • Number of biodiversity conservation projects supported • Species, habitats, or ecosystems covered under conservation measures

Version Control

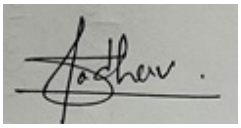
Version No	Effective Date	Approved On	Summary of Major Changes
1.0	05-09-2026	23-08-2026	New Policy

Proposed By

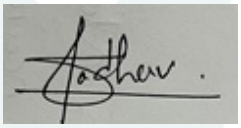
Name	Signature

Srividhya Durairajan Lead-Environment, Social and Governance	

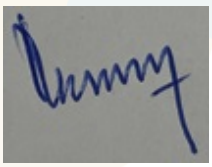
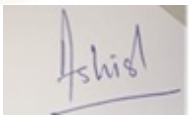
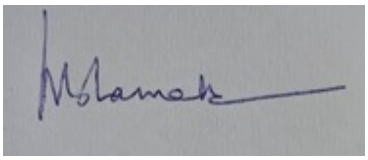
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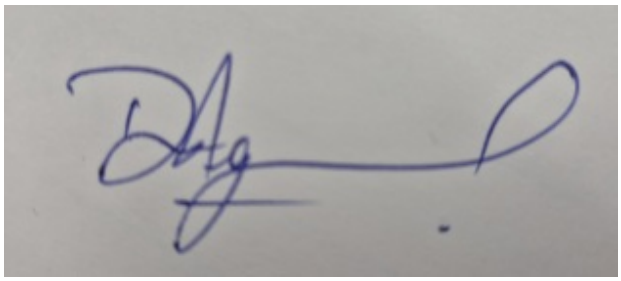
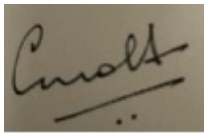
Name	Signature
Sachin Jadhav National Manager-Sustainable Banking	

Compliance Team

Name	Signature
Sachin Jadhav National Manager-Sustainable Banking	

Management Committee

Name	Signature
Martin S Chief Operating Officer	
Ashish Goel Chief Credit Officer	
Brajesh Cherian Chief Risk Officer	
Sadananda Balakrishna Kamath Chief Financial Officer	

DEEPAK AGARWAL Head of Strategy and Transformation	
Carol Furtado Interim CEO and WTD	

Secreatriate Team

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