



**UJJIVAN SMALL FINANCE BANK**  
Build a Better Life

# **ESG Databook**

## **FY 2024-25**

**Updated: September 2025**

## Introduction

Welcome to the ESG Databook of Ujjivan Small Finance Bank (Ujjivan SFB) for FY 2024-25, where we are committed to integrating Environmental, Social, and Governance (ESG) principles into our core operations and strategic decision-making. As a small finance bank, we recognize the importance of sustainable practices and responsible banking in fostering long-term value for our stakeholders and the communities we serve. This Databook provides a concise overview of our sustainability efforts, showcasing our initiatives, performance metrics, and future goals related to ESG factors. By transparently sharing our progress and challenges, we aim to inspire trust and collaboration among our clients, investors, and partners, while contributing to a more sustainable financial ecosystem.

## Performance Insights for Stakeholders

- A. Bank's Annual report for FY 2024-25 which can be accessed at <https://www.ujjivansfb.in/annual-report>
- B. Business Responsibility and Sustainability Report for FY 2024-25 which can be accessed at <https://www.ujjivansfb.in/business-responsibility-sustainability-report>
- C. Bank's Sustainability Report for FY 2023-24 that can be accessed at <https://www.ujjivansfb.in/ujjivan-sustainability-report>
- D. Bank's TCFD Disclosure Report can be accessed at <https://www.ujjivansfb.in/ujjivan-TCFD-disclosure>
- E. Ujjivan Small Finance Bank's sustainability webpage is accessible at <https://www.ujjivansfb.in/sustainability-initiatives>

## Highlights of Financial Performance FY 2024-25 (As on 31, Mar 2025)

- INR 7,201 Crores total income: 11% YoY growth
- INR 1,689 Crores Pre Provision Operating Profit
- INR 726 Crores PAT
- INR 3.75 Earnings per share

## ESG Credentials (FY 2025)

|                                                                                                      |                                                                                      |                                                                                                           |                                                                                                                          |                                                                                     |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>'Outstanding'</b><br>Rating by<br><b>ICRA ESG</b><br>Ratings Pvt.<br>Ltd<br>(Moody's)<br>(80/100) | <b>'Strong'</b><br>Rating from<br><b>CRISIL</b> on<br>ESG<br>performance<br>(66/100) | Scored 'B+'<br>ESG Grade by<br><b>Stakeholders</b><br><b>Empowerment</b><br><b>Services</b><br>(73.2/100) | <b>'Excellent'</b><br>rating by <b>ESG</b><br><b>Risk</b><br><b>Assessments &amp;</b><br><b>Insights Ltd</b><br>(73/100) | Rated <b>'Good'</b> by<br><b>LSEG (London</b><br><b>Stock exchange)</b><br>(71/100) |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

*Source: CRISIL, ESG Risk Assessments & Insights & LSEG -ERP's website; SES, ICRA ESG Ratings Ltd. – Rating Rationale shared by the ERP. ICRA's rating rationale can be accessed at [Show Rationale- ICRA ESG Ratings](#).*

## **ESG STRATEGY 2030**

Ujjivan Small Finance Bank has established a robust ESG Framework grounded in the insights gained from Materiality Assessment. This framework identifies six key pillars that form the foundation of our ESG initiatives and strategically guides our organizational focus. We have set ambitious goals across these pillars to achieve by FY 2030. We aim to achieve a 20% reduction in power consumption and certify 10% of our office spaces as 'Green Buildings' under Sustainable Operations. Our commitment to Human Capital initiatives includes providing 34 hours of training per employee, achieving 30% gender diversity, and ensuring zero accidents at our office locations.

We prioritize Effective Governance by striving for zero data security breaches and fines. Our Customer Centricity goal is to rank in the top quartile of Customer Satisfaction Survey Scores, while Responsible Finance will focus on exploring green finance opportunities for the MSME sector and Electric Vehicle financing. Lastly, our Digital Transformation efforts aim to transition to 100% digital invoices for suppliers with significant spending and bring 10 million customers into the digital banking space, achieving a transaction volume of 1 billion.

For a detailed understanding of our ESG strategy, including materiality assessment, identification of material issues, and the framework guiding our initiatives, kindly refer to our Sustainability Report for FY 2023-24. Additionally, the progress we have made towards achieving our established goals is documented in our latest Business Responsibility and Sustainability Report (BRSR) for FY 2024-2025.

## **ENVIRONMENT DATA DISCLOSURE**

Ujjivan SFB has proactively embraced a range of environmentally sustainable practices, reflecting our commitment to environmental responsibility. The organization has implemented a comprehensive series of energy-saving strategies across diverse operational facets, focusing on the adoption of cutting-edge energy-efficient technologies. The Bank has optimized resource management to minimize waste and enhance efficiency. A significant aspect of our sustainability efforts includes the transition towards a paperless environment, achieved by leveraging advanced digital banking services. Furthermore, we actively promote sustainable practices among our employees, fostering a culture of environmental awareness and responsibility within the organization.

In FY 2024–25, approximately INR 24,260,795 was invested as capital expenditure towards energy and water conservation initiatives, underscoring our commitment towards environmental sustainability.

### **Energy and GHG Emissions**

Ujjivan SFB has launched a series of impactful energy and emission management initiatives aimed at enhancing sustainability and reducing our carbon footprint. The installation of rooftop solar panels at four branches i.e. Krishnapura, Adanoor, Shyagale and Sudarshan Moore, boasting a total capacity of 24 kW, has significantly contributed to the organization's renewable energy efforts. In the fiscal year 2024-25, Ujjivan SFB utilized approximately 14,192 kWh (0.078%) of clean energy generated from

these solar panels. Additionally, the bank has successfully transitioned to LED lighting across all facilities, promoting energy efficiency and reducing electricity consumption. Complementing these efforts, we have also implemented sensor-based lighting systems and Variable Refrigerant Volume (VRV) systems for air conditioning in our recently renovated facilities, further optimizing energy use and enhancing overall operational efficiency.

Furthermore, we have been transparently disclosing our Scope 1 and Scope 2 greenhouse gas (GHG) emissions for the past three years, reinforcing our commitment to environmental accountability. This year, we have taken a significant step forward by initiating the tracking of Scope 3 emissions in alignment with the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF) standard. Our Scope 3 reporting currently covers key categories, including: Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 3 (Fuel- and Energy-Related Activities), Category 5 (Waste Generated in Operations), Category 6 (Business Travel – limited to air travel), and Category 15 (Investments – specifically Motor Vehicle Loans). Looking ahead, we plan to progressively expand our Scope 3 coverage by including additional relevant categories, as applicable, to ensure a more complete representation of our value chain emissions.

Table 1: Energy and Emissions

| Metric                                            | Units                                  | FY 2024-25     | FY 2023-24     | FY 2022-23     |
|---------------------------------------------------|----------------------------------------|----------------|----------------|----------------|
| <b>Energy Consumption</b>                         |                                        |                |                |                |
| Purchased Grid Electricity                        | KWh                                    | 1,82,53,424.88 | 1,69,23,506.88 | 1,26,90,151.27 |
| Renewable Electricity                             | KWh                                    | 14,192.00      | 2,660.00       | 21.39          |
| Total Electricity                                 | KWh                                    | 1,82,67,616.88 | 1,69,26,166.88 | 1,26,90,172.66 |
| % Renewable Electricity                           | %                                      | 0.078          | 0.015          | 0.00016        |
| Diesel Consumption                                | ltrs                                   | 2,25,626.00    | 3,33,733.89    | 2,18,945.7     |
| Diesel Consumption                                | GJ                                     | 8,063.25       | 12,181.29      | 8,407.51       |
| Renewable Energy                                  | GJ                                     | 51.09          | 9.58           | 0.077          |
| Non-Renewable Energy (purchased grid electricity) | GJ                                     | 65,712.33      | 60,924.62      | 45,684.54      |
| Total Energy                                      | GJ                                     | 73,826.67      | 73,105.91      | 54,092.05      |
| Energy Intensity                                  | GJ/ INR Cr. Turnover                   | 10.25          | 11.31          | 11.37          |
| <b>GHG Emissions (Scope 1 &amp; 2)</b>            |                                        |                |                |                |
| Scope 1                                           | MT CO <sub>2</sub> e                   | 600.52         | 887.73         | 591.15         |
| Scope 2                                           | MT CO <sub>2</sub> e                   | 13,270.24      | 13,995.74      | 10,279.02      |
| Total GHG Emissions (Scope 1 & 2)                 | MT CO <sub>2</sub> e                   | 13,870.76      | 14,883.47      | 10,870.17      |
| Emission Intensity / Cr. of turnover              | MT CO <sub>2</sub> e/ INR Cr. Turnover | 1.93           | 2.30           | 2.28           |



|                                      |                                        |           |       |       |
|--------------------------------------|----------------------------------------|-----------|-------|-------|
| Emission Intensity / employee        | MT CO <sub>2</sub> e/ Employee         | 0.494     | 0.574 | 0.608 |
| <b>GHG Emissions (Scope 3)</b>       |                                        |           |       |       |
| Scope 3                              | MT CO <sub>2</sub> e                   | 17,907.95 | -     | -     |
| Emission Intensity / Cr. of turnover | MT CO <sub>2</sub> e/ INR Cr. Turnover | 2.5       | -     | -     |

## Waste Management

Ujjivan SFB has made significant strides in waste management by implementing waste segregation and weighing of wet and dry waste at Corporate and Regional Offices, addressing the volume of waste generated. The company has eliminated the use of plastic cups, plates, and spoons. E-waste is the only hazardous waste generated which is collected separately and sent to the authorised recyclers.

Table 2: Waste Management Metrics

| Metric                                                               | Units                            | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|----------------------------------------------------------------------|----------------------------------|------------|------------|------------|
| E-Waste generated                                                    | MT                               | 10.13      | 17.85      | 3.7        |
| Other waste generated (wet & dry waste including paper & food waste) | MT                               | 51.80      | 9.1        | 0          |
| Total waste generated                                                | MT                               | 61.93      | 26.9       | 3.7        |
| Waste Recycled                                                       | MT                               | 10.13      | 16.69      | -          |
| Waste Reused*                                                        | MT                               | -          | 1.16       | 0.727      |
| Waste Intensity                                                      | (Total waste generated / INR Cr) | 0.00860    | 0.00417    | 0.00078    |

\*Donated reusable electronic devices to institutions for reuse through NGOs however due to security concerns, this practice is discontinued from the current reporting year.

The Ujjivan SFB branch in Tripurayar, Kerala, has been awarded a certificate for its exemplary waste management practices. The branch has demonstrated a strong commitment to diligently segregating waste into wet and dry categories, which is subsequently handed over to the Panchayat Waste Collection Team, 'Ritha Karma Sena.'

## Water Management

Freshwater is used only for domestic purposes such as drinking and other secondary needs at USFB. All recently renovated Bank facilities have been equipped with water aerators and sensor-based taps. We have also conducted water conservation campaigns to raise employee awareness and promote responsible usage.

Table 3: Water Management Metrics

| Metric                   | Units | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|--------------------------|-------|------------|------------|------------|
| Fresh water Consumption* | KL    | 155,682    | 166,060    | 102,818    |

|                 |                              |       |       |       |
|-----------------|------------------------------|-------|-------|-------|
| Water Intensity | (Total consumption / INR Cr) | 21.62 | 25.69 | 21.62 |
|-----------------|------------------------------|-------|-------|-------|

*\*Consumption quantity mentioned above is the water consumed for drinking and domestic purposes and calculated based on the amount spent towards purchase of drinking water and domestic consumption is calculated based on NBC norms i.e. 20 litres per employee per day.*

## **SOCIAL METRICS:**

Ujjivan Small Finance Bank demonstrates a strong commitment to social sustainability by strategically aligning its operations with broader societal objectives. The bank has launched various initiatives focused on enhancing employee welfare, health and safety, empowering communities and promoting financial inclusion.

### **Employee Development**

Ujjivan SFB has invested in workforce development by providing 38.91 avg. training hours per employee. Regular training programs focused on health and safety measures, skill enhancement, and awareness of human rights issues have been conducted to foster a culture of continuous learning, inclusivity, and responsibility across all levels of the organization.

As part of our commitment to information security, all employees are required to complete a mandatory cybersecurity and data privacy training. This 45-minute program, followed by an assessment, serves as an annual refresher to reinforce key practices. In FY 2024–25, 30 key internal stakeholders had undergone a comprehensive, in-person data privacy training conducted by an external expert to further strengthen our data protection efforts. Weekly awareness via email and HRMS portal is created by circulating infographics on trending cyber-attacks. Further quarterly phishing simulations are executed to assess the level of awareness to strengthen the First Line of Defence.

### **Diversity, Equity & Inclusion**

Ujjivan Small Finance Bank's diversity program focuses on creating an environment where employees from various backgrounds, cultures, and experiences can thrive. We are an equal opportunities employer and recognise everyone equally in areas of employment, including hiring, job assignment, compensation, promotion, discipline and access to benefits and training. We explicitly prohibit discrimination on grounds such as caste, religion, age, disability, gender identity, and more as provided in our Human Rights Policy.

Ujjivan SFB maintains a Sexual Harassment Policy and a circular on Work-life balance as a part of its inclusive initiatives. We also offer various Women-oriented programs such as WISE, Unpause etc. to help women develop and progress. Our objective is to create opportunities for women from all walks of life to join us at every level, in every city. We strongly believe that greater representation of women not only strengthens our talent pool but also makes our bank a more inclusive, dynamic and inspiring place to work. We have achieved a 19% representation of women in our workforce and implemented several initiatives to further enhance gender inclusivity.



We are also empowering the differently-abled by offering employment opportunities and arranging skill development trainings through our CSR initiatives. Our CSR measures include uplifting marginalized communities through livelihood, education, disability inclusion, and digital literacy.

Table 4: DEI & Employee Metrics

| Metric                                                                     | Units       | FY 2024-25    | FY 2023-24    | FY 2022-23    |
|----------------------------------------------------------------------------|-------------|---------------|---------------|---------------|
| <b>Employee Count</b>                                                      |             |               |               |               |
| Male                                                                       | Nos         | 22,786        | 21,109        | 14,506        |
| Female                                                                     | Nos         | 5,292         | 4,785         | 3,364         |
| <b>Total Employees (Including Differently Abled)</b>                       | <b>Nos.</b> | <b>28,078</b> | <b>25,894</b> | <b>17,870</b> |
| Differently Abled Employees (Male)                                         | Nos.        | 13            | 14            | 16            |
| Differently Abled Employees (Female)                                       | Nos.        | 6             | 6             | 6             |
| <b>Total Differently Abled Employees</b>                                   | <b>Nos.</b> | <b>19</b>     | <b>20</b>     | <b>22</b>     |
| <b>New Employee Hires (Gender-wise)</b>                                    |             |               |               |               |
| New Hire Employees (Male)                                                  | Nos.        | 7184          | 9,818         | 6,165         |
| New Hire Employees (Female)                                                | Nos.        | 1934          | 2,507         | 1,460         |
| Total new hire Employees                                                   | Nos.        | 9118          | 12,325        | 7,625         |
| <b>New Employee Hires (Age-wise)</b>                                       |             |               |               |               |
| <30                                                                        | Nos.        | 6056          | 8,129         | 5,266         |
| 30 - 50                                                                    | Nos.        | 3058          | 4,192         | 2,351         |
| >50                                                                        | Nos.        | 4             | 4             | 8             |
| <b>Employee Diversity</b>                                                  |             |               |               |               |
| Total Permanent Employees (Female)                                         | %           | 19            | 18            | 19            |
| Differently Abled Employees                                                | %           | 0.06          | 0.07          | 0.12          |
| <b>Training</b>                                                            |             |               |               |               |
| Average Training Hours per Employee                                        | Hrs.        | 38.91         | 35.27         | 29.5          |
| Employees Trained on Skill Upgradation                                     | %           | 97            | 90            | 72            |
| Employees Trained on Human Rights issues                                   | %           | 86            | 85.5          | 100           |
| Employees trained on Code of conduct, POSH, KYC, AML, Information security | %           | 99            | 97.2          | 87            |
| <b>Return to Work &amp; Retention Rate</b>                                 |             |               |               |               |
| Retention rates                                                            | %           | 79            | 68            | 93            |
| Return to work rate                                                        | %           | 97            | 95            | 96            |
| Turnover rate                                                              | %           | 31.15*        | 23.14         | 27.12         |
| <b>Amount spent towards Employee well-being</b>                            |             |               |               |               |
| Cost on wellbeing measures towards well-being of employees                 | ₹ INR Cr    | 86.99         | 71.04         | 50.70         |

\*The turnover data for FY 2024-25 includes both voluntary and involuntary separations, whereas previous years indicate only attrition rate of the organisation.

## Health and Safety

Ujjivan Small Finance Bank places a strong emphasis on the health and safety of its employees, implementing comprehensive measures to ensure a secure and supportive environment. All offices and branches across India are equipped with fire extinguishers, adhering to defined protocols. We conduct bi-annual health check-ups for all employees, followed by free consultations to address any

health concerns. A 24x7 "Doctor on Call" teleconsultation service is available for our employees and their dependents. We also conduct road safety awareness sessions every quarter for all employees.

Table 5: Health & Safety

| Metric                                              | Units | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|-----------------------------------------------------|-------|------------|------------|------------|
| <b>Health &amp; Safety</b>                          |       |            |            |            |
| Lost Time Injury Rate (LTIFR)                       |       | 2.00       | 0.93       | 1.74       |
| Fatalities (Employees)                              | Nos.  | 4          | 2          | 1          |
| *High consequence work related injury or ill-health | Nos.  | 51         | 10         | 12         |
| <b>Training</b>                                     |       |            |            |            |
| Employees Trained on Health & Safety Measures       | %     | 44         | 46         | 1          |

\*Represents number of incidents that required hospitalization.

## Community Welfare

The bank has executed Corporate Social Responsibility (CSR) projects, positively impacting more than 12 lakh beneficiaries. These initiatives are focused on education, healthcare, and livelihood development, with a significant emphasis on reaching underserved regions, including BIMARU states and aspirational districts identified by NITI Aayog.

In FY 2024-25, 16% of CSR projects were implemented in economically weaker geographies. A total of 7,280 employees participated in volunteering programmes, collectively contributing 14,560+ hours towards community development initiatives.

The Bank is set to initiate impact assessments of its Corporate Social Responsibility (CSR) activities from FY 2025–26, focusing on qualifying projects from FY 2024–25. This proactive approach aims to evaluate the effectiveness and social value of our CSR initiatives.

Table 6: CSR metrics

| Metric                                                   | Units    | FY 2024-25  | FY 2023-24 |
|----------------------------------------------------------|----------|-------------|------------|
| <b>Community Programs</b>                                |          |             |            |
| Amount spent towards CSR                                 | ₹ INR Cr | 17.56       | 6.34       |
| No. of Beneficiaries through Financial Literacy programs | Nos      | 1,69,704    | 1,75,465   |
| Total no. of CSR Beneficiaries                           | Nos      | 12.15+ Lakh | 2.4+ Lakh  |

In FY 2022 - 23, the CSR liability was nil however an unspent amount from the CSR obligation of the preceding financial year (2021–22) was utilized on the ongoing projects. Additionally, the Bank incurred an expenditure of ₹26,400 from its Profit and Loss account towards disaster relief activities.

## **GOVERNANCE:**

The Bank's governance framework is anchored by a Board of Directors comprising 70% independent directors, with an average tenure exceeding 40 years. This diverse board brings extensive expertise in banking, finance, law, risk management, and financial inclusion. Notably, 50% of the independent directors are women, reflecting the bank's dedication to gender diversity at the highest levels of governance. We have achieved 55.5% board gender diversity with 5 women representatives out of total 9 directors. The Bank has all the mandatory Board Committees as prescribed under the Companies Act 2013, SEBI LODR 2015, and RBI. The Board level CSR & Sustainability Committee oversees the ESG functions of the Bank.

The Bank has implemented all necessary and mandatory policies to ensure transparent and efficient operations. Policies such as code of conduct, insider trading, human rights, anti-harassment, and occupational health and safety are in place to uphold legal and ethical standards across its operations. All relevant policies are disclosed in the public domain at <https://www.ujjivansfb.in/corporate/corporate-governance-policies> and <https://www.ujjivansfb.in/sustainability-initiatives>. However, due to confidentiality considerations, only policy abstracts are available for certain documents such as the Talent Management Policy, ICAAP, POSH Policy, and Credit Policy.

We have been disclosing our ESG performance over the past two years through Business Responsibility and Sustainability Report (BRSR), Sustainability Report and Task Force on Climate-related Financial Disclosures (TCFD) report. Ujjivan SFB is the first Small Finance Bank to publicly disclose its Task Force on Climate-related Financial Disclosures (TCFD) report, demonstrating our commitment to climate risk management.

| Metric                 | Units | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|------------------------|-------|------------|------------|------------|
| <b>Board Diversity</b> |       |            |            |            |
| Female Board Members   | %     | 55.5%      | 38%        | 30%        |

## **Sustainable Supply Chain**

Ujjivan SFB follows a centralized procurement process and enforces a Vendor Code of Conduct (CoC) requiring compliance with environmental, labour, and ethical standards. ESG credentials of vendors especially large ones are assessed, with preference given to those demonstrating sustainable practices. All input materials are sourced locally within India, and major suppliers are vetted for sustainability.

As of FY 2024-25, 12.85% of Ujjivan SFB's procurement spend is directed toward MSMEs, supporting inclusive and responsible sourcing. Moreover, vendors undergo rigorous risk assessments, SLA-based performance reviews, and periodic audits to ensure alignment with Ujjivan SFB's sustainability goals.

Ujjivan SFB also includes audit rights in contracts and uses a supplier tracking system to strengthen governance. We have also established a comprehensive supplier assessment framework as a strategic initiative to enhance risk management and quality assurance across our operations. Human rights due diligence was initiated for 57% of the human resource contract vendors as part of the quarterly assessment for this reporting year.

Detailed information on sustainable supply chain practices can be referred from our Sustainability Report for FY 2023-24.

### **Responsible Finance**

Ujjivan SFB strives to promote financial inclusion and empowers individuals in economically disadvantaged segment by providing financial services for underserved communities. Ujjivan SFB is actively exploring green finance opportunities, particularly in the MSME sector and electric vehicle (EV) financing. As of FY 2024-25, electric vehicles (EVs) constitute approximately 0.79% of Ujjivan Small Finance Bank's (SFB) total loan portfolio.

### **Responsible Product Offering**

We at Ujjivan Small Finance Bank are deeply committed towards facilitating responsible lending as outlined in the guiding framework of the United Nations Environment Programme – Finance Initiative (UNEP-FI) and the United Nations Sustainable Development Goals (UNSDGs), while operating within the regulatory ambit defined by the Reserve Bank of India (RBI).

As a Small Finance Bank (SFB), we are rooted in a social mission to extend meaningful and need-based financial services to the underserved and vulnerable sections of the society. Our loan products are thoughtfully structured to enhance social equity, promote inclusive growth, and support environmentally sustainable livelihoods—while maintaining financial prudence and institutional resilience.

### **Guided by Global Best Practices in Sustainable Finance**

In developing our responsible lending approach, we draw inspiration from the principles and frameworks outlined by UNEP-FI, which emphasize the integration of environmental, social, and governance (ESG) considerations into core financial operations. Although we are not formal signatories, we believe in aligning our lending practices with these global standards for sustainable banking.

UNEP-FI highlights the need for financial institutions to play a central role in achieving inclusive, low-carbon, and resilient economies, and we strive to reflect this ethos across all our financial interventions. The Bank's loan structures reflect a values-driven approach, where social and environmental outcomes are embedded into financial design, delivery, and evaluation.

### **Aligning with United Nations Sustainable Development Goals (UNSDGs)**

Our lending portfolio is directly mapped to several of the United Nations Sustainable Development Goals, including:

- Goal 1: No Poverty
- Goal 2: Zero Hunger
- Goal 3: Good Health and Well-being
- Goal 5: Gender Equality
- Goal 6: Clean Water and Sanitation
- Goal 7: Affordable and Clean Energy
- Goal 8: Decent Work and Economic Growth
- Goal 10: Reduced Inequalities
- Goal 13: Climate Action

Every loan we offer is purpose-driven and structured to not just meet financial needs, but to support the socio-economic empowerment of communities and contribute to the planet's well-being.

#### **Group Microloans: Community-Based Lending for Shared Prosperity**

One of the foundational pillars of our lending strategy is our Group Microloan program, specifically designed for the unserved & underserved in rural and peri-urban areas. These loans include:

- **Business Loans:** Enabling local entrepreneurs to start or scale up businesses like tailoring units, petty shops, dairy farming, or trading.
- **Agriculture & Allied Loans:** Supporting smallholder farmers and allied workers with capital for seeds, fertilizers, livestock, irrigation tools, etc.
- **Family Loans:** Addressing critical household needs such as healthcare, education, or emergency expenses.
- **WATSAN Loans (Water and Sanitation):** Facilitating basic sanitation and clean water facilities by funding toilets, water filters, bore wells, etc.

These group-based loans are an important vehicle for financial inclusion, especially for women and low-income households who lack access to formal banking.

#### **UNSDG Impact of Group Loans**

- **Goal 1 & 2:** Livelihood creation and agricultural support directly contribute to poverty reduction and food security.
- **Goal 5 (Gender Equality):** A significant majority of our group loan beneficiaries are women, reinforcing their role in economic decision-making.
- **Goal 6 (Clean Water and Sanitation):** Our WATSAN loans improve health outcomes through better hygiene infrastructure.

- Goal 8 & 10: By financing microenterprises and collective community efforts, these loans foster decent work and help reduce social and income inequalities.

### **Individual Lending: Unlocking Potential of Small Entrepreneurs**

Recognizing that not all borrowers fit into group structures, our Individual Loans serve micro-entrepreneurs, street vendors, farmers, and daily wage earners with tailored financing for:

- Small-scale retail businesses
- Livestock and animal husbandry
- Rural trades (e.g., carpentry, tailoring, food stalls)
- Expansion of existing informal businesses

Our individual lending framework is supported by field-level relationship officers who offer doorstep services, flexible repayment schedules, and simplified documentation to make finance accessible to the excluded.

### **UNSDG Impact of Individual Loans**

- Goal 1 & 2: Direct income generation reduces hunger and extreme poverty.
- Goal 3: Improved financial stability enhances access to healthcare and nutrition.
- Goal 8 (Decent Work): We support entrepreneurship, self-employment, and resilience.
- Goal 13 (Climate Action): In agriculture and animal husbandry, many loans support climate-smart practices such as water conservation, organic inputs, and diversified cropping.
- Goal 10: We reach borrowers from backward and marginalized communities, including SC/STs, minorities, and tribal groups.

Anecdotal evidence and field data suggest that these loans not only improve economic conditions but enhance dignity, reduce dependence on exploitative moneylenders, and foster entrepreneurial thinking.

### **Home Improvement Loans and Top-Up Loans:**

Through Ujjivan SFB's Home Improvement Loan product, customers can avail financing for energy-efficiency upgrades and renewable energy installations, with the dual aim of improving housing quality and advancing climate-conscious practices among rural and urban low and middle-income communities. Ujjivan intends to extend this feature to the Top-Up loans as well going forward.

### **Proposed financing scope, we are looking at:**

- Rooftop solar panel and/or Solar water heater installation
- Procurement of energy-efficient appliances
- Rainwater harvesting systems and water-saving technologies

- Building sanitation facilities such as toilets, drinking water pipelines, etc

**Planned UNSDG Contributions:**

- **Goal 6 – Clean Water and Sanitation:** Ensure availability and sustainable management of water and sanitation for all.
- **Goal 7 – Affordable and Clean Energy:** Facilitating decentralized solar energy solutions.
- **Goal 11 – Sustainable Cities and Communities:** Enhancing the safety, resilience, and comfort of homes.
- **Goal 13 – Climate Action:** Encouraging low-carbon, energy-efficient home improvements.

This initiative is designed to help customers reduce carbon emissions, lower recurring energy costs, and foster a sustainable cycle of savings and environmental responsibility.

**Garima Savings Account – Promoting Women’s Financial Inclusion**

As part of its efforts to advance inclusive growth and women’s economic empowerment, Ujjivan offers the Garima Savings Account, a tailored savings product that encourages women to actively save and invest. By providing competitive interest rates and offering flexible balance requirements, the product lowers barriers to formal banking for women customers. Additional features—such as lifetime free debit cards, free online fund transfers via NEFT & RTGS, cost-free cheque books & cash deposits within prescribed limits—further enhance accessibility and affordability. Through this initiative, Ujjivan aims to strengthen women’s financial resilience, improve access to essential banking services, and contribute to broader goals of gender equality and economic participation.

**Minor Savings Account – Encouraging Financial Inclusion from an Early Age**

To promote inclusive growth and foster financial literacy among the next generation, Ujjivan offers the Minor Savings Account, designed for children from birth up to 18 years of age. Operated by a parent or guardian until the minor reaches adulthood, the account provides a safe and accessible way to build savings for a child’s future, with no minimum balance requirement. Upon turning 18, the account can be seamlessly converted into a regular savings account. By offering attractive interest rates and easy account operation, this product supports long-term financial security for children and encourages early participation in the formal banking system, thereby strengthening the foundation for lifelong financial inclusion.

**Outcomes**

The outcome of all our saving schemes and loan products are available in our latest [Annual Report | Ujjivan SFB](#). These outcomes underscore the multi-dimensional benefits of financial inclusion when combined with purposeful lending.

**Limiting Exposure: A Pillar of Financial Prudence**

As a Small Finance Bank, we understand that our primary obligation is to maintain portfolio quality, asset health, and capital adequacy, while delivering socio-economic impact. To this end, we follow a prudent exposure management strategy across all our loan products.

Key Practices Include:

- **Small Ticket Sizes:** Loans are sized to match the cash flow capacity of borrowers, keeping EMIs affordable and manageable.
- **Segmental Caps:** Exposure limits are maintained across sectors and geographies to prevent over-concentration of credit.
- **Risk Assessment & Monitoring:** In-built credit checks, household income verifications, and cash flow appraisals ensure that borrowers are not overleveraged.
- **Delinquency Controls:** We proactively track repayment behaviour, delinquency trends and offer early intervention support to stressed borrowers.

By adopting these practices, we ensure that social impact lending does not translate into credit risk vulnerability, preserving the financial integrity of the bank.

### **Governance, Accountability & Training**

Our responsible lending model is underpinned by:

- **Institutional ESG Governance:** A structured ESG oversight mechanism at senior management and board levels.
- **Staff Training:** Field officers and credit staff are trained on inclusive lending, and ethical customer engagement.
- **Customer Protection:** Transparent disclosures, grievance redressal channels, and financial literacy initiatives are provided to all borrowers.
- **Monitoring & Reporting:** Internal dashboards and periodic assessments track alignment with SDG goals and risk appetite.

### **Exclusion List: Defining Boundaries for Responsible Banking:**

As part of our commitment to responsible lending and environmental-social stewardship, Ujjivan Small Finance Bank (USFB) has adopted a stringent exclusion list that outlines activities and sectors we neither finance nor invest in. This proactive approach, inspired by International Finance Corporation (IFC) guidelines, ensures that our lending practices align with global standards of sustainability, ethical conduct, and risk mitigation.

Since inception, USFB's credit policy has overtly factored a risk avoidance strategy on select set of activities/customer types and refrain from engaging with sectors and enterprises that have a negative social or environmental impact. These exclusions are rooted in our Environmental, Social, and Governance (ESG) imperatives and contribute to broader goals of sustainable development and ethical banking.

### **Activities Excluded from Lending**

Ujjivan SFB does not provide financial support to activities involving:



- **Socially Harmful Businesses**
  - Gambling, casinos, and equivalent enterprises
  - Alcohol (excluding beer and wine) and tobacco production/trade
  - Businesses involved in illegal activities
  - Entities employing child labour or forced labour
  - Production or trade in weapons and munitions
  - Activities that infringe on Indigenous Peoples' rights without full, documented consent
- **Environmentally Destructive Activities**
  - Production or trade in hazardous chemicals (e.g., petroleum products, pesticides, ozone-depleting substances)
  - Production or trade in radioactive materials (except limited medical/industrial use)
  - Commercial logging in primary tropical forests
  - Drift net fishing using nets over 2.5 km
  - Production or trade in asbestos (unbonded fibres)
  - Trade in endangered wildlife or products under CITES
  - Forestry products not sourced from sustainably managed forests

Above extract can also be referred in [ESG-business-exclusion-list-final.pdf](#)

These exclusions are designed not just to prevent environmental degradation and social exploitation, but to support a more inclusive, equitable, and responsible financial ecosystem.

USFB's exclusion policy directly and indirectly supports several United Nations Sustainable Development Goals (UNSDGs). In line with the Principles for Responsible Banking and broader ESG values, Ujjivan SFB's exclusion list reinforces our identity as a socially responsible, ethically governed, and environmentally conscious bank—one that aligns growth with the well-being of people and the planet.

### **Finance as a Force for Good**

At Ujjivan Small Finance Bank, we envision a banking ecosystem where purpose meets performance, and every transaction becomes a lever for social justice, economic equity, and environmental regeneration.

Our work towards aligning our business practices in-line with UNEP-FI, UNSDGs, and IFC's ESG guidelines is not symbolic—it is operationalized across products, processes, and policies. From microloans that support first-generation entrepreneurs to EVs that reduce carbon footprints, we remain focused on the triple bottom line: people, planet, and prosperity.

As we move forward, we reaffirm our belief that small loans, rooted in trust and responsibility, can deliver large-scale transformation. We will continue to evolve as a bank for the people, by the people, with sustainability at the core of our progress.

## Customer Centricity

The bank's commitment to delivering superior customer experiences is operationalized through a dedicated Service Quality department that oversees customer experience management, quality assurance, grievance resolution, and service compliance. Ujjivan SFB has a PAN India presence, serving customers through 753 banking touchpoints spread across 326 districts in 26 states and Union Territories.

Detailed information on customer excellence practices can be referred from our Sustainability Report for FY 2023-24 and report on customer complaints can be accessed from BRSR of FY 2024-25.

The percentage distribution of customers across regions is depicted in the table below:

| Population Group - wise Classification | No. of branches | Customer reach (%) |
|----------------------------------------|-----------------|--------------------|
| Metropolitan                           | 147             | 24%                |
| Rural                                  | 187             | 10%                |
| Semi-Urban                             | 202             | 30%                |
| Urban                                  | 217             | 36%                |

## Customer Satisfaction Survey

| Particulars       | Units | FY 2024-25 | FY 2023-24 |
|-------------------|-------|------------|------------|
| Customer Coverage | %     | 6000       | 5000       |
| C-SAT Score       | %     | 83.87*     | 75         |

\*During the current financial year, the Customer Satisfaction Survey (C-SAT) was conducted internally to monitor service quality and drive continuous improvement in customer engagement.

## UN SDG ALIGNMENT\*

|                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>SDG 1: No Poverty</b><br>Partnering with organizations like CDT and ProVision Asia to provide employability training and mobility aids for differently abled individuals, as well as vocational training for youth and women from low-income families. |  <b>SDG 10: Reduced Inequalities</b><br>Distributed wheelchairs to orthopedically challenged individuals from BPL/APL families, provided motorized tricycles to differently abled individuals, supported underprivileged students in sports. |
|  <b>SDG 2: Zero Hunger</b><br>Providing essential aid to disaster-affected families across India and assisting underprivileged senior citizens with their nutritional needs through the provision of groceries and kitchen aids.                           |  <b>SDG 11: Sustainable Cities &amp; Communities</b><br>Infrastructure development including renovation of Schools, Anganwadis, Orphanages, Community                                                                                        |



|                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                      | Playgrounds, Community Healthcare Centres, and Installation of Solar-powered Lights.                                                                                                                                                                                                                                                                                                                         |
| <div><div>3</div><div>GOOD HEALTH AND WELL BEING</div><div></div></div> <div><b>SDG 3: Good Health &amp; Well-being</b><br/>Execution of projects with focus on the renovation of Anganwadis, orphanages, community playgrounds, and healthcare centres, as well as the installation of solar-powered lights.</div>                                 | <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><b>SDG 12: Responsible Consumption &amp; Production</b><br/>Not applicable due to the nature of the bank's operations, which primarily focus on financial services rather than direct production or consumption activities.</div> |
| <div><div>4</div><div>QUALITY EDUCATION</div><div></div></div> <div><b>SDG 4: Quality Education</b><br/>Provide life skills training and foundational education to intellectually disabled children, offers academic scholarships to transgender individuals, providing essential materials to government schools.</div>                            | <div><div>13</div><div>CLIMATE ACTION</div><div></div></div> <div><b>SDG 13: Climate Action</b><br/>Installation of rooftop solar panels at four branches, conducted a successful plantation drive with employees, supported the Swachh Bharat Abhiyan by organizing clean-up activities.</div>                             |
| <div><div>5</div><div>GENDER EQUALITY</div><div></div></div> <div><b>SDG 5: Gender Equality</b><br/>Employee gender diversity at 20% and Board gender diversity at 55.5%.</div>                                                                                                                                                                    | <div><div>14</div><div>LIFE BELOW WATER</div><div></div></div> <div><b>SDG 14: Life below Water</b><br/>No activities directly related to marine life or aquatic ecosystems due to the nature of bank operations.</div>                                                                                                    |
| <div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div> <div><b>SDG 6: Clean Water &amp; Sanitation</b><br/>Providing WASH loans, thereby improving access to water, sanitation, and hygiene.</div>                                                                                                                               | <div><div>15</div><div>LIFE ON LAND</div><div></div></div> <div><b>SDG 15: Life on Land</b><br/>Installation of solar-powered lighting at a remote Cattle Rescue Centre at Bolagarh, Odisha.</div>                                                                                                                        |
| <div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div> <div><b>SDG 7: Affordable &amp; Clean Energy</b><br/>Installation of rooftop solar panels at four branches, with total capacity of 24 kW, transition to 100% LED lighting across all facilities, installed sensor-based lighting systems to minimize energy waste.</div> | <div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div> <div><b>SDG 16: Peace, Justice &amp; Strong Institutions</b><br/>Embedding ethical governance and anti-corruption principles into its operations, ensuring all members uphold high standards of conduct.</div>                       |
| <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div><b>SDG 8: Decent Work &amp; Economic Growth</b><br/>Collaborating with organizations like to train individuals in employability skills, provide vocational training to school dropouts and empowering women affected by domestic violence.</div>                | <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div> <div><b>SDG 17: Partnerships for the Goals</b><br/>No collaborative or global partnerships with other organizations, governments, or stakeholders to achieve broader sustainable development goals.</div>                                        |
| <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div><b>SDG 9: Industry, Innovation &amp; Infrastructure</b><br/>Offers loans for affordable housing and provides financing to MSMEs, fostering sustainable industrial growth and resilient infrastructure.</div>                                            |                                                                                                                                                                                                                                                                                                                                                                                                              |



**UJJIVAN SMALL FINANCE BANK**  
Build a Better Life

*\*Disclaimer: The United Nations Sustainable Development Goals logo are reproduced herein for informational and non-commercial purposes only.*