



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

# Policy Note on Anti-Bribery and Anti-Corruption

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# Policy Note on Anti-Bribery and Anti-Corruption

## 1 Introduction

The Anti-bribery and Anti-Corruption Policy ("Policy") of Ujjivan Small Finance Bank ("USFB") has been developed in alignment with USFB's code of conduct for employees, Fraud Risk Management policies, rules and regulations adopted by USFB and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India.

The Policy reflects the commitment of USFB and its management for maintaining highest ethical standards while undertaking open and fair business and culture, following the best practices of corporate governance and enhancing the USFB's reputation at appropriate levels.

## 2 Objective of the Policy

- a. This Policy emphasizes USFB's zero tolerance towards bribery and corruption practices.
- b. The Policy provides necessary information and guidance on how to recognise and deal with bribery and corruption issues.
- c. The purpose of this Policy is to establish clear rules to ensure compliance with all applicable anti-bribery and anti-corruption laws.

## 3 Policy Owner

This document shall be under the ownership of the Vigilance Department. The department shall be responsible for the annual review and updation of the policy.

## 4 Need for Policy

The Policy Note on Anti-Bribery and Anti-Corruption is required to uphold ethical business practices, ensure compliance with applicable laws and regulations, and safeguard the bank's integrity and reputation. It provides a clear framework to prevent, detect, and address bribery and corrupt conduct across all operations and partnerships of the bank.

## 5 Policy Approval Committee

The Board of Directors of the Bank shall be responsible for the approval of any modifications to the policy and the final approval of the policy.

## 6 Version Control

| Version No. | Management Committee Approval/ Ratification date | Board Approval date        | Effective/ Implementation Date | Summary of major Changes (Addition/Deletion/Modification – in brief)                                                                 |
|-------------|--------------------------------------------------|----------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| V1.0        | 07th Nov 2022                                    | 07 <sup>th</sup> Nov 2022  | 07 <sup>th</sup> Nov 2022      |                                                                                                                                      |
| V1.1        | 25th July 2024                                   | 25 <sup>th</sup> July 2024 | 25 <sup>th</sup> July 2024     | IPC changed as The Bharatiya Nyaya Sanhita, 2023 {page No 5} Compliance to Prevention of Corruption act ( Amendment) 2018 { Para 5.1 |
| V1.2        | 24th July 2025                                   | 24th July 2025             | 24th July 2025                 | Nil                                                                                                                                  |

## 7 Definitions

### 7.1 Glossary:

| Abbreviation | Description                               |
|--------------|-------------------------------------------|
| BNS          | Bharatiya Nyaya Sanhita                   |
| NHRC         | National Human Rights Commission of India |
| USFB         | Ujjivan Small Finance Bank                |

### 7.2 Key Definitions:

- a. **Bribe/ Bribery:** Bribery means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function to obtain or retain a commercial advantage. Bribes are payments made in the form of money or anything of value in return for a business favour or advantage. For e.g. Gifts taken or received to unfairly influence a business outcome, facilitation payments made for facilitating the performance of a routine governmental action etc.
- b. **Facilitation Payments:** Facilitation payments are unofficial payments made to secure or expedite a routine government action by a Government Official. These include small payments made, directly or indirectly, to Government Officials for the purpose of expediting or securing routine, non-discretionary government action, such as securing a business permit or license, customs invoice or visa, or providing services like police protection.
- c. **Family Member:** A spouse, parent, sibling, grandparent, child, grandchild, mother or father-in-law, domestic partner (opposite sex or same sex), or other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.
- d. **Government Official:** Government Official refers to any 'public servant' as defined under the Indian Prevention of Corruption Act 1988, including inter alia the following:

- An officer, employee, agent, or other individual, regardless of rank or title, acting in an official capacity for or on behalf of central government, state government, local authority or establishments under the control of such government (including any official adviser to the government), its departments, agencies, or instrumentalities, including government- or state-owned or controlled entities (e.g., national oil company, state-run utility, public hospital, sovereign wealth fund);
  - Any judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions or any person authorized by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commission appointed by such court.
  - Any other person holding an office by virtue of which he is authorized or required to perform any public duty.
  - An officer, employee, agent or other individual, regardless of rank or title, acting in an official capacity for or on behalf of a public international organization (e.g., the World Bank or the United Nations).
  - Any political party, officer, employee, or agent of a political party, or party official; or any candidate for political office.
- e. **Stakeholders:** Shall mean to include but not limited to individuals, directors, employees working at all levels and grades (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers and agency staff, interns, agents, business partners, vendors, service providers, suppliers, contractual staff, apprentices, direct selling agents, and any other person / entity acting for and on behalf of USFB.

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

## 8 Applicability

- a. This Policy applies to all Stakeholders, or any other person associated with USFB and who may be acting on behalf of USFB.
- b. This Policy sets out the minimum standard that must be followed at all times.
- c. Where any local regulations are stricter than this Policy, they shall take precedence over this Policy.

**Note:** The policy shall be applicable to all activities undertaken by the Bank towards fulfilling the policy's objectives and obligations

## 9 Governance Structure

- a. The regulatory guidelines, Bank's ethical code of conduct and Fraud Risk policies provide the framework for the Anti Bribery and Anti-Corruption policy.
- b. The Chief Vigilance Officer (CVO) shall act as an advisor to the MD & CEO for implementing preventive and corrective measures, supporting investigations, and coordinating with law enforcement or regulatory bodies where required.

- c. The policy shall be under the purview of the Board of Directors of USFB who shall oversee the periodic review and approval of the Anti-Bribery and Anti-Corruption Policy.
- d. The violation of this policy shall be reported to the Management Committee (NHRC - National Human Rights Commission of India) which in turn shall be responsible for escalating material cases to the Audit Committee.
- e. All cases of undue advantage or suspected corruption reported in good faith are to be investigated and, if substantiated, acted upon with appropriate disciplinary or legal action.

## 10 Guiding Principles

This policy shall adhere to the:

- a. **USFB Code of Conduct:** The USFB Code of Conduct outlines the ethical standards and expected behaviors for all employees, emphasizing integrity, transparency, and accountability. It serves as the foundational guideline to prevent bribery, corruption, and other unethical practices in all business dealings.
- b. **Fraud Risk Management Policies:** Fraud Risk Management Policies establish the framework for identifying, preventing, detecting, and responding to fraudulent activities across the organization. They ensure a proactive approach to safeguarding assets, maintaining stakeholder trust, and complying with regulatory requirements.
- c. Other relevant Anti-Briber and Anti-Corruption laws including the Prevention of Corruption (Amendment) Act, 2018, as well as RBI circulars such as the one titled Internal Vigilance in Private Sector / Foreign Banks dated May 26, 2011.

## 11 Scope of Activities

### 11.1 Bribes

- i. USFB prohibits all forms of Bribery and corruption practices involving, but not limited to, Government Official or a private sector person or company.
- ii. USFB conducts its business lawfully and ethically and expects every Stakeholder to conduct its business with integrity.
- iii. USFB prohibits the making or accepting, including promising to make or accept Facilitation Payments of any kind for any favours to facilitate or expedite official business or work.
- iv. Compliance with the provisions of anti-bribery and anti-corruption policy are mandatory and accordingly Ujjivan SFB's Anti Bribery and Anti-Corruption Policy is based on the tenets of "Prevention of Corruption (Amendment) Act, 2018 (India)".

### 11.2 Gifts, Hospitality and Entertainment

- i. No gifts including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise of any favour) for or benefit to USFB under any circumstances to any Government Official or any private person.
- ii. However, USFB acknowledges that exchange of nominal gifts or souvenirs of a nominal value (e.g. bouquets, pens, calendars, diaries etc.) which are customarily given on special events/ occasions and are infrequent in nature.

- iii. In any case, such gifts shall not be lavish or in the form of cash or cash equivalents, and any such instances and offers or receipt (whether accepted or not by any person directly or indirectly) should be immediately reported to the Head-Human Resources/Chief Vigilance Officer on Email ID: report-to-vigilance( report-to-vigilance@ujjivan.com).
- iv. All persons need to exercise sound judgment in identifying inappropriate, frequent or material gifts and shall avoid the same to maintain integrity and independence.
- v. Reasonable and appropriate hospitality is not prohibited, if the person offering it is in attendance. However, it shall be strictly limited to meals as may be offered (to and/ or received) and only if it is reasonable and justifiable in all circumstances, considering reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing or to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
- vi. While conducting business abroad, employees are advised to seek legal advice or guidance of Head-Human Resources or Corporate Legal Department before giving or accepting gifts, as the giving or acceptance of gifts may be construed to be unlawful under the local laws.
- vii. Gifts are not promised/ offered to or accepted from politicians or political parties or Government Officials.

**The giving or receipt of gifts by a Person is not prohibited, if:**

- a. It complies with this Policy and all applicable anti-bribery and anticorruption laws.
- b. There is a legitimate business purpose to support gifts related expenses and are not given or received in return for a favour / favourable treatment or to refrain from doing something disadvantageous to USFB.
- c. Considering, the reason and nature of the gift, it is of an appropriate type and value and given at an appropriate time.

### 11.3 Stakeholders

**Selection and Appointment**

- i. As may be applicable, a Stakeholder appointed to act on behalf of USFB must be selected on the basis of their commercial and technical expertise and USFB's need for the products or services.
- ii. No person or entity may be appointed on the basis of a relationship with a Government Official, government department or business associate, or because of a family connection or friendship.

**Due Diligence and Reporting**

- i. Prior to entering into a relationship, USFB requires its employees to conduct appropriate due diligence in accordance with its procedures to ensure that such a stakeholder is a legitimate service provider and to identify circumstances suggesting that such stakeholder has not engaged or may not be engaging in illegal or unethical conduct.
- ii. Any red flags discovered prior to commencement or during the course of the business relationship must be reported to the Head-Human Resources/Chief Vigilance Officer on report-to-vigilance@ujjivan.com for further investigation, should any employee / Person discover any

illegal or unethical conduct by such stakeholder, he / she should report this to [report-to-vigilance@ujjivan.com](mailto:report-to-vigilance@ujjivan.com) at the earliest.

### **Compliance Obligations**

- i. USFB has zero tolerance for any conduct by any external entity in contravention of this Policy or any anti-bribery and anti-corruption law.
- ii. USFB and its employees may be subject to civil and / or criminal liability if such stakeholder, including contractors, suppliers, distributors, joint venture partners and other business partners, engage in any activity violating this Policy or any anti-bribery and anti-corruption law.
- iii. As may be applicable, a stakeholder, at the start of any relationship with USFB are required to follow the applicable anti-bribery and anti-corruption laws and shall comply with this Policy.

#### **11.4 Charitable Donations**

- i. USFB may make charitable donations that are legal and ethical under local laws and practices. It ensures that the charity or a support is for a legitimate cause, and that donations are not being used as a channel for Bribery.
- ii. Any Stakeholder may also, in their personal capacity, make donations that are legal and ethical under local laws and practices. However, it must be ensured that charitable contributions are not used as a scheme to conceal Bribery.

#### **11.5 Political Contributions**

- i. USFB does not make contributions to any political party or politicians.
- ii. Stakeholders must not use USFB's name or trademark for political activities of any kind or provide money or other forms of support to political parties on behalf of USFB.

## **12 Implementation of Policy**

### **12.1 Restrictive Practices**

Illustrative list of acts / practices that are restricted / prohibited under this Policy shall include but not be limited to:

- i. Dishonest misappropriation of property / money, criminal breach of trust and cheating, as defined under the Bharatiya Nyaya Sanhita, 2023 ("BNS").
- ii. Receiving or giving bribe (including attempting to receive or promising to give a bribe).
- iii. Acceptance / giving (including the attempt to receive or promise to give) of gifts over and above Rs. 5000/- and the manner as allowed in this Policy.
- iv. Gifts on behalf of USFB, its employees and other stakeholders in the form of cash or kind, in any currency.
- v. Charity or sponsorship in order to obtain commercial advantages.
- vi. Participation / contribution in / to political activities.
- vii. Payment of any costs for Government Officials and their relatives (or in their interests);
- viii. Any other unethical act or omission; and

- ix. To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-bribery and anti-corruption law.

## 13 Monitoring and Reporting Requirements

### 13.1 Record Keeping and Internal Controls

- i. USFB shall keep books, records and accounts in reasonable detail that accurately and fairly reflect all transactions and disposition of USFB's assets.
- ii. USFB shall maintain internal controls to prevent and detect potential violations of this Policy or of applicable laws. All Persons must completely and accurately document the amount of all transactions, including payments made on behalf of or expenses incurred by USFB.
- iii. Records and documents generated in connection with the principles set forth in this Policy, including, but not limited to, any diligence files and contracting documents, must be maintained and stored.
- iv. Violation of this Policy may result in legal action / disciplinary action.

### 13.2 Violations and Reporting

#### Reporting Channels and Guidance

- i. All Stakeholders are encouraged to raise concerns about any issue or suspicion of non-compliance with this Policy on [report-to-vigilance@ujjivan.com](mailto:report-to-vigilance@ujjivan.com).
- ii. If they are unsure whether a particular act constitutes Bribery or corruption, they should immediately contact the concerned Business Head / Regional Business Head of Functional Head or Head - Legal or Head Human Resources.

#### Protection for Whistleblowers

- i. USFB aims to encourage genuine reporting of non-compliance and shall support anyone who raises concerns in good faith under this Policy.
- ii. USFB endeavours that no one suffers any detrimental treatment as a result of refusing to take part in Bribery or corruption,
- iii. or because of reporting in good faith their suspicion of an actual or potential Bribery or other corruption related offence.

#### Investigation and Confidentiality

- i. USFB shall investigate all allegations relating to corruption and Bribery and take legal or disciplinary action as may be deemed appropriate.
- ii. All reports under this Policy would receive confidential treatment and USFB would protect the identity of any person who reports a suspected violation.
- iii. USFB shall prefer that persons identify themselves to facilitate investigation of any report. However, in case the concerned person wishes to report anonymously, he/she may do so.
- iv. USFB shall also use its best efforts to protect the identity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred.

### **Misuse and Accountability**

Any use of the reporting procedures in bad faith or in a false or frivolous manner shall be considered a violation of the code of conduct, and the reporter may be subject to disciplinary action, up to and including termination.

### **Regulatory and Legal Compliance**

- i. Cases related to Bribery and Corruption should be reported to NHRC (Management committee) and Audit committee of the Board.
- ii. If an employee is compelled to offer undue advantage to a public servant, the incident should be reported to law enforcement or investigative authorities within a period of seven days from such incident.
- iii. This policy also aligns with annexure paragraphs of 1, 2 and 4 of appropriate guidelines on Anti-corruption as applicable for Pvt Sector Banks is RBI Letter/Circular by title - Internal Vigilance in Private Sector / Foreign Banks dated May 26, 2011, as a measure of preventive control and on the handling of complaints on corruption within the Bank etc.
- iv. Any matters related to Anti-bribery & Anti-corruption, Chief Vigilance Officer would act as advisor to MD & CEO wherever necessary to place appropriate measures to prevent any corrupt practice or misconducts or malpractices etc.

#### **13.3 Communication:**

- a. USFB ensures that it has adequate procedures to combat threats relating to bribery and corruption.
- b. A copy of this Policy is available on USFB's website ([www.ujjivansfb.in/](http://www.ujjivansfb.in/)).

#### **13.4 Compliance and Disclosure**

The policy mandates disclosure and regulatory compliance in accordance with applicable anti-corruption laws and RBI guidelines and ensures that stakeholder engagements are subject to due diligence and board-approved procedures.

## **14 Review and Revision**

The Vigilance Department is responsible for the annual review and updation of the policy with the necessary revisions.

## **15 Regulatory Reference**

- a. Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions - RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25
- b. Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs (Updated as on July 03, 2017) - RBI/DBS/2016-17/28 DBS.CO.CFMC.BC.No.1/23.04.001/2016-17
- c. Internal Vigilance in Private Sector/foreign Banks - RBI/2010-11/554 DBS.CO.FrMC.BC.No. 9/23.04.001/2010-11