

Dear Stakeholders,

I am pleased to present Ujjivan Small Finance Bank Limited's journey towards sustainability in our first ever Sustainability Report in alignment to the internationally accepted GRI standards. This report and its contents demonstrate our dedication towards furthering the United Nations Sustainable Development Goals (UN-SDGs) through adoption of Environmental, Social, and Governance (ESG) principles in a bid to constantly achieve more as a responsible business.

As we embark on this journey, we take cognizance that business growth must be evaluated on the principles of triple bottom line, in that economic profits shall not come at the cost of the planet, the well-being of its communities, or the welfare of our employees. Sustainability must go hand in hand with business growth, and it is our commitment to strike this balance.

The BFSI sector, particularly banks, play a crucial role of a torchbearer in promoting and furthering the cause of sustainability through its core operations. We at Ujjivan Small Finance Bank recognize this role and embrace it in letter and spirit.

As an aspiring mass-market bank, we offer a wide range of inclusive financial services to our diverse customer base particularly focused on the unserved and underserved. We understand that sustainability goes beyond business; it is about creating a sustainable environment, making a positive social impact, and upholding strong governance principles. Our strategic focus will continue to pivot around promoting financial inclusion, empowering communities, conserving the environment, and implementing strong governance for a sustainable growth.

Stakeholder Engagement and Materiality

Engaging with our stakeholders is crucial to our holistic approach to ESG integration. We actively collaborate with clients, employees, investors, regulators, and local communities to understand their expectations, preferences, and concerns. We have also undertaken a materiality assessment to understand key topics of material concern within our SBUs and for our stakeholders. These insights guide in driving our strategy, shape our products and services, and expand on the scope of our Corporate Social Responsibility initiatives.

Driving Positive Environmental and Social Impact

Considering recent developments that highlight the need for sustainable business practices, we are now actively reviewing and integrating UN SDGs and ESG principles into our business operations to drive positive environmental and social change in society. As one of India's newest entrants to the Banking industry, the Bank has since inception integrated Responsible Banking as one of its key differentiators. This Credo has already seen considerable traction in the space of financial inclusion and economic justice. While much of the Bank's core business operations (i.e., lending) is skewed towards meeting and enhancing social goals and justice today, it is imperative that we also make our small contribution in the areas of environment management and climate change adaptation/mitigation. To that effect, the Bank welcomes India's commitment to *Panchamrit*¹ for climate action and also adopts the mantra of LIFE- Lifestyle for Environment to combat climate change. We have analyzed climate change and its associated risks on our portfolio performance and business operations (outside in) and are actively working and deliberating on ways to reduce our carbon footprint, as well as ensuring responsible and efficient resource

¹ [India's commitment to 'Panchamrit'](#)

utilization and management (inside out). This includes adopting renewable energy, energy-efficient operations, responsible water use, and responsible waste management.

Sustainable Banking Practices

Our sustainability framework is structured around six major pillars, each with ambitious goals that will guide our efforts over the next decade. These pillars encompass sustainable operations, empowering communities, human capital development, effective governance, customer centricity, and responsible finance. These pillars collectively reflect our commitment to responsible banking practices that contribute to a more resilient financial system and support the transition to a sustainable and inclusive economy.

Community Development and CSR

In our ongoing commitment to community development and corporate social responsibility (CSR), we are expanding our efforts to make an even greater impact on the communities we serve. Besides our focus on the infrastructure projects executed through our flagship community development program, "*Chote Kadam*," we are focusing on, livelihood enhancement, and disaster relief but also working on enhancing the quality of service delivery in educational institutions, healthcare facilities, and in providing safe drinking water and sanitation solutions. We are proud to have positively impacted the lives of over 4.9 Mn beneficiaries till date from vulnerable and marginalized groups, and we will continue to strive for even more significant contributions.

Transparency and Accountability

This report, our first ever dedicated to our sustainability values, goals, and initiatives stands testament to our commitment to transparency and accountability. By openly sharing our sustainability initiatives and progress, we invite scrutiny and feedback from our stakeholders. This report serves as a means to motivate us to do more in the future and continuously improve our practices.

In conclusion, sustainability is not just a goal for us; it is an ongoing journey that we are fully committed to. While we acknowledge that we are at a nascent stage in this journey, we emphasize that this will be a constant and continued effort that the Bank is well-equipped for and eagerly anticipates. By integrating ESG principles into our financial operations, we aim to contribute in our humble and small way, in furthering the global efforts on meeting the UN SDG goals, while also creating long-term value for our business.

Thank you for your continued support and trust in Ujjivan Small Finance Bank Limited.

Sincerely,

Ittira Davis (MD & CEO)

Ujjivan Small Finance Bank