



**Utkarsh Small Finance Bank**

**BUSINESS RESPONSIBILITY POLICY**



## TABLE OF CONTENTS

1.	Background.....	1
2.	Applicability .....	1
	Policy I: Ethics, Transparency & Accountability.....	1
	Policy II: Business Lifecycle Sustainability .....	1
	Policy III: Wellbeing of all employees.....	2
	Policy IV: Stakeholder Engagement .....	3
	Policy V: Human Rights .....	3
	Policy VI: Protection of Environment.....	3
	Policy VII: Responsible Advocacy.....	4
	Policy VIII: Inclusive Growth and Equitable Development.....	4
	Policy IX: Customer Value .....	4
3.	Implementation .....	4

---



## 1. Background

This Business Responsibility Policy (“**Policy**”) has been drafted in accordance with the requirement of Regulation 34 of the Securities Exchange Board of India (Listing Regulations and Disclosure Requirement) Obligations, 2015, as amended, (“**Listing Regulations**”) to ensure that Utkarsh Small Finance Bank Limited (“**Bank**”) contributes towards sustainable development and fulfils its social, environmental and economical responsibilities.

This Policy endorses the Bank’s commitment to follow principles and core elements, in conducting its business, as laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business issued by Ministry of Corporate Affairs in July 2011.

## 2. Applicability

This Policy applies to all the directors and employees of the Bank.

### **Policy I: Ethics, Transparency & Accountability**

- i. The Bank shall develop necessary governance structures, procedures and practices to ensure ethical conduct at all levels and to promote the adoption of this principle across the Bank.
- ii. The Bank shall ensure that every employee of the Bank abides by the principles of the Bank and all policies framed by the Bank, to the extent applicable, at all times and lead, on behalf of the Bank, with professionalism, honesty and integrity.
- iii. The Bank shall ensure that all business decisions and transactions with the customers, depositors and other stakeholders, etc. are conducted in a fair, transparent and amenable manner.
- iv. The Bank shall not engage in practices that are abusive, corrupt, or anti-competition.
- v. The Bank shall truthfully discharge its responsibility on financial and other mandatory disclosures under all applicable laws in a timely manner.
- vi. The Bank shall ensure that transparent, correct and relevant information pertaining to itself, its products and services, is disseminated through its advertising material and information displayed on the digital platform.
- vii. The Bank shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its vigil mechanism.

### **Policy II: Business Lifecycle Sustainability**

- i. The Bank shall assure safety and optimal use of its resources over the business lifecycle and ensure that everyone connected with the Bank are aware of their responsibilities.



- ii. The Bank shall embed the principles of labour practices, human rights, ethics, occupational health, safety and environment in the conduct of its business.
- iii. The Bank shall continue to progressively factor in relevant social, ethical and environmental considerations during the process of its expansion and development of its products / services.
- iv. The Bank shall continue to recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property, wherever relevant.
- v. In designing the products, the Bank shall ensure that the processes and technologies required to produce it are resource efficient and sustainable.
- vi. The Bank shall aim to work with partners and agents that comply with applicable laws and regulations related to labour practices, human rights, bribery & corruption, occupational health, safety and environment.
- vii. The Bank shall encourage resource efficiency while conducting business with its partners and agents and encourage them to become more sustainable.
- viii. The Bank shall raise the consumer's awareness of their rights as borrowers through education, terms and conditions of loans, etc. per the regulatory norms and applicable laws.
- ix. The Bank shall regularly review and improve upon the technological advancement commercialization and take such initiatives that work towards the conservations of the surrounding environment.

### **Policy III: Wellbeing of all employees**

- i. The Bank shall provide & maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- ii. The Bank shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices or branches.
- iii. The Bank shall take cognizance of the work-life balance of its employees, especially that of women.
- iv. The Bank shall provide employee benefits, as feasible, and adopt a culture that facilitates a sense of belonging, loyalty and commitment amongst its employees and provides free access to the members of the employees and senior management for sharing ideas, suggestions and grievances.
- v. The Bank shall provide facilities for the wellbeing of the employees including those with special needs and ensure timely payment of salaries to meet needs and economic security of its employees.



- vi. The Bank shall comply with the statutory provisions with regard to health, safety and well-being of its employees and should also provide a workplace environment that is safe, hygienic, humane, and comfortable and which upholds the dignity of the employees. The Bank shall create awareness of these provisions to the employees.
- vii. The Bank should ensure continuous skill and competence up-gradation of all employees by providing, among other things, access to necessary learning opportunities, on-the-job training, job rotation or training through various programmes - internal, external or international, on an equal and non-discriminatory basis and promote employee morale and career development
- viii. The Bank shall implement necessary systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities. Any instance of harassment shall be dealt promptly and sensitively in a judicious and unbiased manner in accordance with applicable law and the policy on prevention of sexual harassment adopted by the Bank.

#### **Policy IV: Stakeholder Engagement**

- i. The Bank shall systematically identify stakeholders, understand their concerns, define the purpose and scope of engagement, and commitment to engage with them in order to assess their requirements and respond to their needs in an effective manner.
- ii. The Bank would resolve differences with stakeholders in a just, fair and equitable manner.

#### **Policy V: Human Rights**

- i. The Bank shall integrate respect for human rights in management systems, in particular through assessing the impact of its operations, and ensuring that all individuals impacted by the business have access to grievance mechanisms.
- ii. The Bank shall recognize and respect the human rights of all relevant stakeholders and groups, including that of communities, customers, depositors, shareholders, investors, public at large and vulnerable and marginalized sections of the society.
- iii. The Bank shall, within its sphere of influence, promote the awareness and realization of human rights across its branches and offices.
- iv. The Bank shall encourage its business partners and third parties with whom it conducts business to abide by this Policy and shall not be complicit with human rights abuses by a third party.

#### **Policy VI: Protection of Environment**

- i. The Bank shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.



- ii. The Bank shall promote ecological sustainability and green initiatives by adopting energy saving mechanisms, environment friendly technologies and sensitising employees to reduce carbon footprint.

#### **Policy VII: Responsible Advocacy**

- i. The Bank shall pursue policy advocacy in a transparent and responsible manner by taking into account the Bank's as well as the interest of public at large and shall ensure that our advocacy positions are consistent with this Policy.
- ii. The Bank shall, utilize, to the extent possible, trade and industry chambers and associations and other such collective platforms to undertake policy advocacy and make recommendations/representations before the regulators and associations for advancement and improvement of micro lending and small finance banks in India.

#### **Policy VIII: Inclusive Growth and Equitable Development**

- i. The Bank shall be sensitive to local concerns while operating in regions that are underdeveloped.
- ii. The Bank shall undertake corporate social responsibility activities in accordance with Schedule VII of the Companies Act, 2013, as amended, as per the recommendation of the corporate responsibility committee and as per the corporate social responsibility policy of the Bank.

#### **Policy IX: Customer Value**

- i. The Bank shall take into account the overall well-being of the customers and that of society.
- ii. The Bank shall ensure that promotion and advertisements of our products do not mislead or confuse the customers and other stakeholders or violate any of the principles in these policies.
- iii. The Bank shall provide adequate grievance handling mechanisms to customers to address their concerns and feedback including in accordance with applicable law.

#### **3. Implementation**

- The Policy shall be appropriately communicated within the Bank across all levels.
- The company secretary through the functional heads of the departments of the Bank shall be responsible for ensuring that the Policy is implemented across the Bank.
- Compliance with the Policy shall be monitored and evaluated by the company secretary on a regular basis.

Any grievances/ complaints with respect to violation of the Policy shall be reported to the company secretary.