

Annexure V

ANNUAL REPORT ON BUSINESS RESPONSIBILITY

(Pursuant to regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

Brief Background

AU Small Finance Bank as the largest Small Finance Bank (SFB), is responsibly ushering financial services to the unserved and underserved customers. With the right values, ethical business practices, Bank is making positive value addition for its stakeholders. The Bank's sustainability imperatives are also aligned to the principles of Business Responsibility prescribed by the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by the Ministry of Corporate Affairs, Government of India. This BRR is in line with requirements of regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular on Business Responsibility Report and subsequent relevant notifications issued by the Ministry of Corporate Affairs from time to time.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L36911RJ1996PLC011381			
2.	Name of the Company	AU SMALL FINANCE BANK LIMITED			
3.	Registered address	19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001 (Rajasthan)			
4.	Website	www.aubank.in			
5.	E-mail id	investorrelations@aubank.in			
6.	Financial Year reported	1 st April 2020 to 31 st March 2021			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 Section K: Financial and Insurance Activities Code: 64191			
8.	List of three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> • Deposits and Other products • Wheels and Secured Business Loans • Business Banking and Treasury Operations 			
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of international locations- None (b) Number of national locations – 744 as on 31 st March 2021			
10.	Markets served by the Company	Local	State	National	International
		✓	✓	✓	x

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON 31ST MARCH 2021

1.	Paid-up Capital	₹3,12,21,33,900 (₹312.21 crore)
2.	Total Turnover (₹ in crore)	6,401.60
3.	Total Profit after Taxes (₹ in crore)	1,170.68
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	1.07%
5.	List of activities in which expenditure in 4 above has been incurred:	
	<ul style="list-style-type: none"> • COVID-19 Relief Measures – FY 2020-21 was marred by the COVID-19 pandemic, which impacted several sectors and hampered both social and economic progress in India and globally. The Bank stood tall and contributed generously for COVID-19 related relief measures. The Bank's CSR efforts included several relief measures, including the installation of sanitiser dispensers, distribution of masks, PPE kits, medical equipment, medicine, food distribution, awareness programmes, and AU Humsafar Project, i.e. COVID - Transportation Assistance and others in multiple states. • Sustainable Livelihood Programmes – The Bank strives to promote sustainable livelihoods and works with the community to make a positive impact on society. Its exclusively designed engagement programmes are directed at training programmes of youths organised to become self-reliant and promoting women entrepreneurs through vocational and interpersonal relationship training by the AU Skills Academy and AU Udyogini respectively. • Financial and Digital Literacy – The Bank conducted 2,900+ financial literacy camps in the rural and semi-urban geographies and in urban slums in FY 2020-21 to promote financial and digital literacy by educating people on saving habits and other measures. • Water Coolers (Water ATMs) – The Bank installed 43 new water coolers in FY 2020-21 and served safe drinking water to ~13 lakh people through 180+ water coolers during the year. 	

Note: Details of CSR initiatives form part of the CSR Report in Annexure - II of the Board's Report.

SECTION C: OTHER DETAILS (As on 31st March 2021)

1. Does the Company have any Subsidiary Company/Companies?	No
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for Business Responsibility (BR)

(a) Details of Director/Directors responsible for the implementation of the BR policy/policies

DIN	00009526
Name	Mr. Sanjay Agarwal
Designation	Managing Director & CEO

(b) Details of BR Head

DIN	NA
Name	Mr. Prince Tiwari
Designation	Chief of Financial Institutions Group (FIG) & Investor Relations (IR)
Telephone number	022-62490600
E-mail id	prince.tiwari@aubank.in

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	*Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4.	**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link(s) for the policy to be viewed online?	https://www.aubank.in/notice-board https://www.aubank.in/investors/secretarial-policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policies/code that are internal documents of the Bank are accessed by employees through BIMS (an internal portal for policies and procedures) and other relevant Board approved policies have been hosted on the website of the Bank and can be accessed at the above links.								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

*Policies of the Bank have been formulated for business requirements and for compliance of applicable regulatory requirements prescribed by MCA, RBI, SEBI & other regulators and these policies are in line with the industry best practices.

**The policies are being put up to the Board for approval after signature of respective process owner(s).

(b) If answer to the question at serial number 1 against any principle, is 'No', explain why: (Tick up to 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or human resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)							@refer below		

@The Bank works closely with collective trade and industry associations and is also a member of Indian Banks' Association (IBA), Confederation of Indian Industry, Association of Small Finance Banks of India (ASFB) and the Indian Institute of Banking & Finance. The Bank does not take part in any lobbying or policy advocacy.

Principle wise policies

P. No.	Relevant Policies/Code
P1	Fraud Risk Management Policy, Compliance Policy, Risk Based Internal Audit Policy, Anti-Bribery and Anti-Corruption Policy, Code of Conduct for Employees, Code of Conduct for Directors and Senior Management Personnel, Code of Conduct – Prohibition of Insider Trading Policy, Policy on Related Party Transactions & Materiality, Code of Fair Disclosure and Conduct and Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market.
P2	Fair Practice Code for Lenders, MSME Policy, Policy on Business Correspondents, Social Environment and Management System, Policy for Soliciting and Servicing Insurance Products and Code of Conduct for Direct Selling Agents.
P3	Learning & Development Policy, Code of Conduct for Employees, Capacity Building Policy, Compensation Policy, Whistle-blower Policy & Vigil Mechanism, Employee Leave Policy, Prevention & Redressal Against Sexual Harassment Policy and Job Rotation Policy.
P4	Investor Grievance Redressal Policy, Communications Policy, CSR Policy, Customer Service Policy, Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market, Policy for Determination of Materiality of Events/Information, Code of Conduct – Prohibition of Insider Trading Policy, Whistle-blower Policy & Vigil Mechanism and Prevention & Redressal Against Sexual Harassment Policy.
P5	Customer Compensation Policy, Customer Grievance Redressal Policy, Customer Service Policy, Citizen's Charter, Charter on Customer Rights, Anti-Bribery and Anti-Corruption Policy, Prevention & Redressal Against Sexual Harassment Policy and Fair Practices Code for Lenders.
P6	Social Environment and Management System.
P7	Bank does not have any policy/code for this principle.
P8	CSR Policy and Social Environment and Management System.
P9	Customer Service Policy, Customer Grievance Redressal Policy, Customer Compensation Policy, Citizen's Charter, Collection of Dues & Repossession of Security, Charter on Customer Rights and Fair Practice Code for Lenders.

3. Governance related to BR**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company? Within 3 months, 3-6 months, annually or more than 1 year?**

The impact of the BR initiatives is monitored by the BR Head and it is reported at regular intervals to the management. The BR performance of the Bank is assessed annually by the Board of Directors.

The Bank's CSR activities are reviewed by the CSR Committee of the Board; the CSR Committee meets four times in a year. The Bank also onboarded an external consultant to assess its CSR strategy and identify avenues to strengthen the impact of CSR initiatives.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Yes, the Bank publishes its BR Report annually.

Hyperlink: <https://www.aubank.in/reports>

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No, the policy for this principle extends to all stakeholders including vendors, service providers of the Bank. The Bank has 'zero-tolerance' approach towards bribery and corruption and has put in place an Anti-Bribery and Anti-Corruption Policy, which sets forth obligations on part of every employee and Director(s) for the prevention, detection and reporting of any act of bribery or corruption and for upholding the Bank's values. The Bank is cognisant of its responsibility to ensure the protection of all its stakeholders' interests and has adopted the highest governance standards to develop a culture of self-regulation and accountability at all levels in the Bank.

Under the Bank's Anti-Bribery and Anti-Corruption Policy for vendor mechanism and outsourcing mechanism, the Bank ensures that a culture of transparency and the highest ethical standards are followed while transacting and dealing with all external stakeholders, including vendors and suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting period, the Bank has not received any complaints from shareholders through SCORES or through other modes and queries; requests of the shareholders have been satisfactorily resolved in time.

The Bank is committed to treat its customers fairly; details of customer complaints have been disclosed in Schedule no. 18 (12) of the notes to accounts of the Audited Financial Statements for FY 2020-21.

PRINCIPLE 2: GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Bank duly acknowledges that it has a vital role to play in furthering India's socio-economic and developmental agenda towards achieving financial inclusion and sustainable development.

Our wide range of products supports the financial aspirations of our customers, delivering services to the unbanked and covering credit, savings, payments, insurance and investment needs among others.

The following products of the Bank incorporate social and environmental concerns:

- Lending Products: Financing to MSMEs, vehicle finance, Agri – SME Loans, healthcare and other sectors.
- Inclusive Banking: Offering world-class banking experience and banking the unbanked with a special focus on banking for millennials. The Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana (PMMY) ensure that the under-banked section of the population is brought into formal financial service channels.
- Digital Banking: The Bank has strengthened the foundation to build a 'tech-led' Bank by introducing multiple user interfaces for its customers such as Internet Banking, Mobile Banking, Video Banking, Missed Call Banking, Whatsapp Banking, Chatbot 'auro', AU Abhi, Tab Banking, AU Positive Pay, UPI and QR code etc.

The Bank takes into consideration environmental and social (E&S) risks and, as part of its credit assessment framework, ensures that lending activities are carried out responsibly.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Bank promotes sustainability and 'go green' philosophy and has set up and implemented the required systems and processes to conserve energy aligned to its nature of business. The Bank is using energy efficient cooling systems for its operations and has also implemented IT architecture for paperless transactions so as to achieve internal natural resource consumption efficiencies and while simultaneously minimising its carbon footprint.

The Bank has adopted various measures by integration of revolutionary technology to digitise its services with several unique propositions for Savings and Current Account, paperless and digital customer acquisitions, no 'home branch' concept, no slips for cash deposits or withdrawal and no form for Real Time Gross Settlement (RTGS) transactions, Internet Banking, Mobile Banking, WhatsApp Banking, Banking through Missed Call, Chatbot and Video Banking, thereby reducing paper consumption, customer time as well as fuel consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Given the nature of the Bank's business activities, sustainable sourcing of inputs is not significant in the Bank's operations.

However, the Bank attempts to reduce the environmental impact of its operations through digitisation, tech-led innovations and recycling to the extent possible.

The Bank does not utilise raw materials/resources directly, yet ESP star ratings are taken into consideration while procuring equipment and products for its branches/offices to save electricity. In bigger offices, the Bank has invested in making its office buildings more energy and resource efficient, focusing on improved lighting, efficient use of water and better waste management.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, being a service-oriented entity, the Bank does not procure goods for further processing but for consumption. Further, the Bank avails outsourcing services, and the procurement procedures cover quality assurance review of the vendors while procuring/ordering goods and services, wherein small and local vendors are given preference in the procurement of daily use items and services such as stationary, food and beverages, consumables etc.

The Bank also endeavours for the upliftment of local and small vendors by providing them easy access to loans including working capital loans for their businesses.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Given the nature of the Bank's business activities, our products are intangible in nature and cannot be recycled. Hence, Bank has limited scope for using recycled material as processed inputs. The Bank follows e-waste disposal guidelines through eligible vendors for the disposal of fairly old systems and equipments in an environment-friendly manner.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. Please indicate the total number of employees.

22,484

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

744

3. Please indicate the number of permanent women employees.

1,242

4. Please indicate the number of permanent employees with disabilities.

5

5. Do you have an employee association that is recognised by the management?

No

6. What percentage of your permanent employees are members of this recognised employee association?

Not Applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the Financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	7	1*
3.	Discriminatory employment	0	0

*The complaint was resolved on 8th April, 2021

8. What percentage of your undermentioned employees were given safety and skill up- gradation training in the last year?

a. Permanent Employees: **88%**

b. Permanent Women Employees: **94%**

c. Casual/ Temporary/ Contractual Employees: **55%**

d. Employees with Disabilities: **100%**

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

As a Small Finance Bank, our commitment to financial inclusion remains unwavering, and goes beyond regulatory requirements. We continue to focus on the priority sector by lending to small and marginal farmers, to the weaker sections and supporting them with government-led initiatives to improve access to financial services; we provide insurance and pension plans to the disadvantaged, vulnerable and marginalised stakeholders.

Internally, the Bank carries out data mining for analysing its existing customers and classifying them under suitable categories.

Further, our commitment is supported by imparting financial literacy and digital education to drive financial inclusion in its true sense in the country.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, the Bank's business model is aimed at promoting inclusive banking by engaging with the under-banked and unbanked populations in rural and urban India, and supporting the marginalised sections of society, who are still not entirely integrated into India's mainstream economy, by offering them simplified banking solutions.

Further, through its CSR programmes, the Bank focuses on financial literacy, skill development of women and students in rural, semi-urban and urban slums to help them become self-reliant.

Your Bank is leading key government financial inclusion initiatives such as, Pradhan Mantri Jan Dhan Yojana, and various other insurance and pension schemes as part of its efforts to support the disadvantaged, vulnerable and marginalised populations of India.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers / Contractors /NGOs/Others?

The Bank recognises that human rights are inherent to all human beings and upholds the dignity of each and every individual engaged or associated with it. The Bank's policies and conduct with customers and other stakeholders outline the Bank's philosophy of upholding human rights first.

- The Bank's Code of Conduct lays down acceptable employee behaviour on various professional and ethical aspects and its Whistle-blower Policy helps in maintaining the highest standards of ethics, integrity, accountability, transparency by providing safeguards to various stakeholders, including shareholders, depositors and employees.
- The Bank offers doorstep banking and support to senior citizen customers; its branches have a ramp for giving easy access to physically challenged customers.
- The banking outlets and business correspondents of the Bank in rural and other areas offer doorstep banking services and enhance these services further by reaching out and offering remittance, transfer and deposit-withdrawal services to customers.
- In view of the lock down, rural customers, borrowers and marginal savers were the worst affected; the Bank supported them well by taking banking services to their doorstep.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints with respect to human rights violations were reported during the period under review.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others?

Yes, the Bank strives to constantly preserve the environment by investing in energy efficient equipment, focusing on improved lighting, efficient water usage and better waste management.

The Bank complies with applicable environmental guidelines in its operations to the extent applicable and understands its role in creating awareness among its vendors and suppliers about the policies that govern the Bank. The Bank also focuses on ensuring that its supplier base operates in complete compliance with all environmental regulatory requirements.

The Bank has a Social Environment Management System (SEMS) in place that includes environment and social risk considerations into its lending decisions. Further, the Bank's CSR focus, as communicated in its CSR Policy, also includes environmental sustainability, wherein the Bank, directly or through its implementation partners, works on several initiatives to create positive impact on the environment.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for web page etc.

No

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, in addressing the environmental issues, the Bank ensures that it complies with the applicable environmental regulations for its operations. Further, the Bank's SEMS sets guidelines to refrain from financing any activity that does not comply with social and environment regulations applicable in India.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not applicable

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc?

The Bank is adopting various strategies to enhance its positive impact through its lending activities, internal operations, and CSR activities.

The digitisation of the Bank's products and services has helped to make it more convenient for customers and also helped to reduce the amount of resources consumed in banking operations. Further, through CSR activities, the Bank is running several environmental sustainability initiatives, such as tree plantation, that have a positive environmental impact.

Further, the Bank has designed energy efficient infrastructure to save energy and makes optimal utilisation of resources at its branches and other offices. Also, the Bank has installed solar rooftop system in its offices to make clean energy and to reduce its carbon footprint.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Bank's emissions and waste are within permissible limits of the laws as applicable.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

The Bank is a member of various trade bodies and associations such as the Indian Banks' Association, Confederation of Indian Industry, Association of Small Finance Banks of India (ASFBI) and the Indian Institute of Banking & Finance among others.

The Senior Management of the Bank participates in the programmes organised by the above and other institutions to present views and highlight issues that are relevant for the banking sector and that are of common interests.

2. Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Not applicable

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof?**

Yes, the Bank offers a wide range of services to promote inclusive and equitable growth by contributing to the upliftment of marginalised communities, youths, women, partially disabled and others. Your Bank has taken several initiatives to redefine the boundaries of social good through inclusive banking in areas where it operates, by empowering people and making them aware of their financial rights and duties. The Bank is a firm believer that every individual deserves equal opportunities irrespective of their socio-economic background, geography and the Bank is dedicated to empowering people by making them realise their true potential and helping them to become self-reliant by banking with us.

 - The Bank's finance for revenue generating activities is aimed at helping people realise their dreams of a better livelihood.
 - The Bank through its CSR arm, AU Foundation, continues to work towards providing sustainable livelihoods and creating value through its varied, integrated programmes such as AU Udyogini and AU Skills Academy.
- 2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organisation?**

The Bank undertakes several projects/programmes through in-house teams, AU Foundation and with the assistance of implementation partners, as part of its overall strategy.
- 3. Have you done any impact assessment of your initiative?**

The Bank's initiatives cover comprehensive programmes for inclusive growth and evaluation with regard to the progress made in providing skills training, financial and digital literacy, women entrepreneurship programmes and access to banking and financial services to the underprivileged and the impact of the same is assessed at regular intervals by the Bank's CSR Team.
- 4. What is your Company's direct contribution to community development projects amount in INR and the details of the projects undertaken?**

The details of the Bank's contribution to community development projects are covered in the CSR Report as Annexure - II of the Board's Report.
- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

The Bank through AU Foundation encourages active engagement of key stakeholders such as government, NGOs, and other local institutions to develop and build community ownership, to ensure successful adoption and sustainability of the social development programmes.

All projects and programmes developed under the CSR initiatives are largely focused on maximum community participation and capacity building in rural and semi-urban, urban slums and other areas. Further, while designing the products and financial services delivery model, and the priority sector lending guidelines, the unbanked and under-banked population in rural and urban are considered as key constituents for achieving financial inclusion meaningfully in the country.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

- 1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**

1.71% of total customer complaints received by the Bank during the year were pending as on 31st March 2021.
- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. Remarks (additional information)**

The Bank's products are intangible in nature and thus, product labelling is not applicable. However, the Bank complies with the disclosure requirements relevant for its products and services in all its communication. Additionally, details of the Bank's products, services offered are disclosed through various modes viz. brochures, website, print media and social media etc. for information of the customers and other stakeholders.
- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

In the ordinary course of business, some customers and borrowers have had differences with the Bank, which could result in their filing of suits in courts alleging deficiencies of service(s). In order to reduce such instances, the Bank's customer experience team has taken several initiatives for engagement with customers for the timely resolution of their issues.
- 4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes, the Bank believes that the culture of best-in-class customer experience can be achieved by listening to the customer's voice, acting and closing the loop with resolution, which leaves a smile on the customer's face.

The Bank is using customer experience measurement tools for conducting customer surveys through AU Mobile App, Phone Banking, Branch Servicing, Service Request Resolution Feedback, and ATM Services etc. The feedback received from customers through different surveys is analysed, collated and shared with respective teams for incorporation of suggestions to improve our products and services.

Note: Details about our commitment towards environmental, social and governance (ESG) aspects is covered in the ESG and other sections of the Annual Report.