



# Transforming Together

Environmental, Social and Governance Report 2021-22

# **ESG Report of Union Bank of India**

**FY 2021-22**



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# Transforming Together.

## Environmental, Social and Governance Report 2021-22

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Union Bank of India

## About this Report

The report covers the period of Financial Year 2021-2022 unless otherwise noted. The Environmental Social Governance (ESG) Report provides additional information on key ESG topics and forms part of the Union Bank of India’s overall corporate reporting framework, which includes the Annual Report, among other disclosures.

Union Bank of India’s FY2022 ESG report aims to provide transparency into how we activate our purpose: **to improve the lives of our customers and the well-being of our communities**. The ESG report for FY2022 is our first ESG report, and we have produced it in accordance with the SASB Standards sustainable industry classification system for Commercial Banks, Customer Finance and Mortgage Finance. In addition, we have attempted to comply with the Global Reporting Initiative Standards’ core option, which includes general disclosures as well as topic-specific disclosures relevant to Union Bank of India.

We recognise that markets and stakeholders need clear, relevant and consistent information. We will continue to focus on enhancing disclosures, particularly on climate change, and across broader ESG factors, including the TCFD framework. In future, we intend to publish our TCFD Report to continue disclosing our progress in our climate journey.

The Bank also intends to become signatory to International Coalitions such as the PRB (United Nations - Principles for Responsible Banking), PRI (United Nations - Principles of Responsible Investment), NZBA (United Nations - Net-Zero Banking Alliance) or any other alliance of relevance. We also plan to benchmark our strategy against the United Nation’s Sustainable Development Goals. In FY2024, Union Bank of India intends to sign on to the UN Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and take steps to support UN goals.



Union Bank of India is committed to accuracy and transparency in this report. The report is reviewed and overseen by governance committees, including the ESG Steering Committee, the ESG Cell and the Board of Directors. Data in this report covers the period FY2022 unless otherwise noted.

The goals discussed in this report are aspirational. While we are committed to achieving them, we cannot guarantee or promise that these goals will be met. Statistics and metrics in these disclosures include estimates and may be based on assumptions. Further, some of the figures in this report may be unaudited. This report uses certain terms, including “material” topics, to reflect the issues of greatest importance to Union Bank of India and our stakeholders. Used in this context, these terms are distinct from and should not be confused with the terms “material” and “materiality” as defined by or construed in accordance with the securities laws or as used in the context of financial statements and reporting.

This report is for general informational purposes only and does not constitute an offer or sale of any securities issued by Union Bank of India. All information in this report is current as of the date of publication. We undertake no obligation to update the information in this report or otherwise notify you if any views, opinions, or facts stated in this report change or subsequently become inaccurate. This report is not comprehensive and contains only voluntary disclosures on important ESG topics. For that reason, this report should be read in conjunction with our FY2022 Annual Report (particularly the “Forward-Looking Statements” and “Risk Factors” sections of both filings), all of which can be found on the Investor Relations pages of our website - [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in)

## Forward-looking statement

This report contains certain forward-looking statements with respect to the Group. Union Bank of India cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as ‘may’, ‘will’, ‘seek’, ‘continue’, ‘aim’, ‘anticipate’, ‘target’, ‘projected’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’, ‘achieve’ or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by: changes in legislation; the development of standards and interpretations including evolving practices in ESG reporting with regard to the interpretation and application of accounting, industry and regulatory standards; the Group’s ability along with government and other stakeholders to manage and mitigate the impacts of climate change effectively; and environmental, social and geopolitical risks. A number of these influences and factors are beyond the Group’s control. These statements are based on the current beliefs and expectations of Union Bank of India’s management and are subject to significant risks and uncertainties. Actual outcomes may differ materially from those expressed in the forward-looking statements. Factors that could impact Union Bank of India’s future financial condition and performance are identified in the Union Bank of India Annual Report FY2022, which is available on [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in). Subject to our obligations under the applicable laws and regulations of any relevant jurisdiction. In relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Find out more at: [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in)



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Annual Report 2022

# FY2021-22 Highlights

**Rs. 28.32 cr**  
 contributed under Corporate Social Responsibility (CSR) initiatives

**Rs. 264.46 cr**  
 Union Green Deposit mobilised in FY2022

**Rs. 7,164 cr**  
 Credit facility extended to Renewable Energy Sector In FY2022

**28.60%**  
 Of our workforce are women

**75%**  
 colleagues believe their line manager supports their wellbeing

**4,89,033**  
 hours of training for colleagues

**Rs. 33.95 cr**  
 Union Green Miles sanctioned in FY2022

**Rs. 36,238 cr**  
 5.61 lakh loans sanctioned to women Self Help Groups (SHGs)

**Rs. 547 lacs**  
 CSR spend by Union Bank Social Foundation Trust (UBSFT) in FY2022 on 28 projects under Education, Healthcare, Community Development, and Skill Development

**Rs. 1,33,092 cr**  
 Loans disbursed to Agricultural Sector in FY2022, up by 10.79% YoY

**Rs. 1,14,975 cr**  
 Loans disbursed to Micro, Small & Medium Enterprises (MSME) in FY2022, up by 8.56% YoY

**Rs. 2,78,586 cr**  
 Advances made to the priority sectors, up by 2.63% after excluding the PSLC sales and including the investments in RIDF/SIDBI/MUDRA/NHB.



## Message from the Managing Director & CEO



Dear Stakeholders,

Economic, Social and Governance (ESG) are the critical determinant of the sustainability of any nation. India has been at the forefront of appreciating and adopting climate-friendly policies. Nevertheless, the sustainability goals' newer version has entered India's public policy sphere. The country has now made firm commitments to achieve its net zero emissions target by the year 2070.

Banking institutions have been in the vanguard in meeting Government's policy priorities. The banks need to align their business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals.

We at Union Bank of India have always emphasised sustainable policies. Our business ethics are well aligned with our sustainable goals and continue to ensure transparency and an ethical attitude. The Bank has become the founding member of the Indian Green Building Council (IGBC), a premier green rating organisation promoted by the Confederation of Indian Industry (CII).

We recognise the need for financial service providers to support the transition toward a more sustainable future. We have designed products and services to support renewable energy, including green hydrogen, solar energy finances, bio-gas plants etc. We plan to develop specific credit models for e-vehicle, e-mobility and battery manufacturing infrastructure. As on 31st March 2022, the Bank has extended credit facilities amounting

to ₹ 7164 Crore to Renewable Energy Sector. The Bank has also mobilised Union Green Deposits and sanctioned loans under Union Green Miles. We would continue to finance the sectors with low-carbon footprints and aim to meet our climate goals.

For us, social inclusion has two main dimensions, one is empowering our staff, and the second is the inclusive customers. From a customer and client point of view, we support our customers and clients in executing their sustainability strategies, including de-carbonising their business models. We have continued to emphasise helping employees feel a greater sense of belonging and providing them with more forums to connect, share insights and feedback and improve their awareness. Learning opportunities and updated HR tools have essentially served the goal of social inclusion, which began with employee engagement. We at Union Bank strongly believe that skilled and informed employees are more empowered to serve the customers.

The Bank remains committed to extending support to the needy segments. Accordingly, the Bank extended credit facilities to various weak and unserved sections of society, specifically women, minority communities and self-help groups (SHGs). Additionally, we have a fully dedicated arm of our organisation, Union Bank Social Foundation Trust (UBSFT), meeting the CSR goals. The Bank has established 30 RSETI Centres, which train people intending to provide self-employment training programmes.

On the business front, we are focusing on digitisation in a big way, which will help in better compliance, efficient systems, transparency and sustainability. The Bank envisions being a next-generation digitally enabled universal bank known for inclusive, responsive and responsible banking through customer-centric business models and significant investment in employee development.

This report on ESG is the first of its kind from the Bank to deliberate upon its sustainability responsibilities. Our policy priorities are clear, and we aim at growth which is sustainable, inclusive and governed by ethical policies. We intend to identify, accelerate and promote the development of climate and sustainable financial growth opportunities for our customers and clients across all our businesses, products and services.

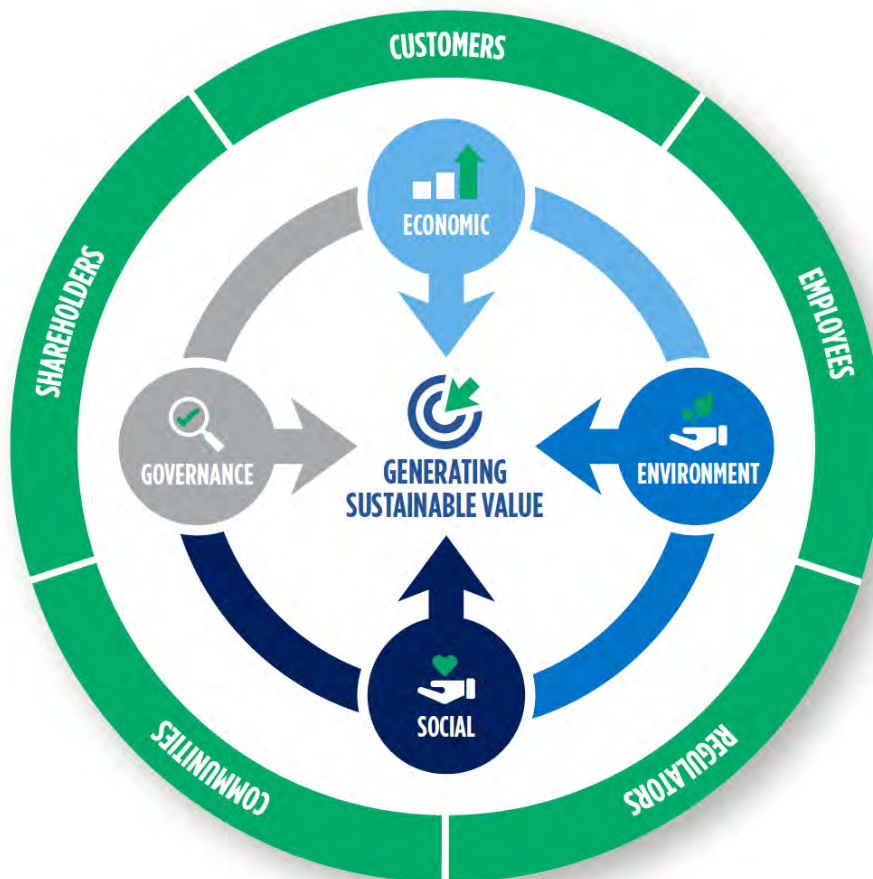
Thank You,

**A Manimekhalai**

# Our Approach to Sustainability

## Transforming Together.

Our purpose is simple: make a difference in people’s lives and uplift the communities we serve. At Union Bank of India, we are proud of the transformation we are helping bring about and optimistic about the work we will do together to uplift all our stakeholders. We focus on **generating long-term sustainable value** for our stakeholders, including shareholders, customers, employees, communities, and regulators. This focus is aligned with our Vision and guided by our Core Values and Strategic Actions. Our commitment to sustainability is integrated across our Bank and aligned with our strategic priorities.



## Our value proposition.

If India is to become a strong economy, it will need strong banks. At Union Bank of India, we are transforming into one of India's foremost banks. With strength comes the ability to do strategic good. Therefore, our approach to corporate sustainability and ESG is focused on doing well by doing good. We believe that how we can facilitate finance can have positive effects on society too. Together, we can deliver for all our stakeholders.

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability for the common good and the long term.

We can do so because of our diversification. As a universal Indian bank, we have diversity in the types of customers and clients we serve – from individuals and small businesses to global corporations to governments – as well as the geographies we operate in and the types of income we generate. This diversity gives us resilience through economic cycles and the platform to deliver consistent financial performance.

That, in turn, means we can better serve our stakeholders. We aim to deliver for our customers and clients, create a wonderful place to work for colleagues, support society and provide consistent returns to shareholders. As we target sustainable growth for our Bank, our stakeholders will be able to grow with us.

- **Together for our customers and clients**

We help those who use our products, services, and expertise realise their aspirations. See our chapter on Responsible Banking on page 24.

- **Together for our employees**

We support their health and well-being, enable them to build their career, and empower and motivate them to be able to provide excellent service. See our chapter on **Employees** on page 57.

- **Together for society and the environment**

Our success over the long term is tied inextricably to the progress of our communities, and the preservation of our environment. See our chapter on **Communities** on page 67. See our chapter on **Environment** on page 38.

- **Together for our stakeholders**

We continue to build a robust and diversified business that can deliver attractive and sustainable returns. See our section on. Materiality Assessment & Stakeholder Engagement on page 13.

## Oversight

The Bank's ESG oversight is carried out by the Stakeholders Relationship Committee (SRCB). The objective of the Corporate Social Responsibility Committee shall be to assist the Board and the Bank in fulfilling its Corporate Social Responsibility and ESG objectives.

The Committee comprises the Managing Director & CEO, Executive Director, and Part-Time Non-Official Directors. During FY2022, Shri Rajkiran Rai G., Managing Director & CEO of the Bank, chaired the Committee. As from 04.02.2021, Dr. Jayadev Madugula, Shareholder Director, was appointed as the Chairman of the Committee.

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee of the Board (SRCB) has been constituted with Executive Directors and Three Non-Executive Directors. The Committee has held 4 meetings during the year FY2022.

The critical functions of the committee include the following:

- Monitoring and resolving the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, nonreceipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- With effect from 30.03.2022, the scope of SRCB has been enhanced by mandating it with the functions related to Customer Service, Corporate Social Responsibility and Environment, Social and Governance (ESG) functions. Under this additional responsibility, the critical functions of the committee also include the following:
  - Formulating and recommending the CSR Policy to the Board of Directors and indicating activities to be undertaken.
  - Approval of projects to be undertaken either through Union Bank Social Foundation Trust or such other entity/organisation as approved by the Committee in terms of CSR Policy.
  - Reviewing usage of delegated authority by GM/ED/MD & CEO every quarter.
  - Reviewing the performance of Union Bank Social Foundation Trust every quarter.

# Materiality Assessment & Stakeholder Engagement

In early 2022, Union Bank of India undertook an informal internal stakeholder material assessment to determine which ESG topics are most material to our Bank. Based on the feedback we received from a survey and through discussions with executive leaders, we evaluated and prioritized the ESG topics below according to their relative degree of importance. To evaluate what issues are important to external stakeholders, the Bank also conducted an informal industry and peer review to determine this. We used the results of this materiality research to guide our ESG disclosures and reporting.



The Bank intends to conduct its first formal materiality assessment survey on external and internal stakeholders using a third-party consultant in CY2023. We intend to interview internal and external stakeholders, including several Union Bank of India leaders and subject matter experts from across the Bank. We also plan to include input from stakeholders representing our customers and employees, ESG investors, Government, media, NGOs, and financial peers. We will continue to develop new ESG goals and frameworks to address the themes and topics generated by these ESG materiality assessments.

For this ESG report, the Bank has identified the following topics as being the most significant to our internal and external stakeholders in our internal and informal materiality assessment:

- Corporate governance

- Corporate risk management and compliance
- Business ethics
- Business policies and practices
- Climate risk management
- Community development
- Compensation and benefits
- Customer privacy and data security
- Diversity, equity, and inclusion
- Employee incentives and risk-taking
- Environmental and social due diligence
- Fair and responsible lending and pricing
- Stakeholder engagement
- Transparent information and fair advice for customers

## SDG Mapping to Important Issues Stakeholders (in order of importance to Union Bank of India)



- Decent work and economic growth (SDG 8)
- Climate action (SDG 13)
- Gender equality (SDG 5)
- Industry, innovation and infrastructure (SDG 9)
- Affordable and clean energy (SDG 7)
- Sustainable cities and communities (SDG 11)
- Quality education (SDG 4)
- Reduced inequalities (SDG 10)
- Responsible consumption and production (SDG 12)
- Partnerships for the goals (SDG 17)
- No poverty (SDG 1)
- Peace, justice and strong institutions (SDG 16)
- Good health and well-being (SDG 3)
- Clean water and sanitation (SDG 6)
- Life below water (SDG 14)
- Life on land (SDG 15)
- Zero hunger (SDG 2)



# Methods of Stakeholder Engagement

Stakeholders	Methods of Engagement
 <p><b>Shareholders</b></p>	Annual shareholder meetings, quarterly earnings calls, investor conferences and presentations, meetings with the investor relations team and executive management, regulatory filings, and dedicated investor relations website.
 <p><b>Customers</b></p>	Focus groups, conversations through branch interactions and phone calls, satisfaction surveys, social media interactions, customer helplines and corporate website.
 <p><b>Employees</b></p>	Engagement survey, executive leadership communications, learning programmes, business resource groups and inclusion councils, performance and development initiatives and corporate landing page.
 <p><b>Communities</b></p>	Community needs surveys and assessments, financial education and outreach programmes, philanthropic investments, civic memberships, volunteerism and non-profit board engagement, and corporate website.
 <p><b>Regulators</b></p>	Exams, continuous monitoring and other meetings with senior management, interactions through regulatory affairs and government affairs teams, and regulator-sponsored events and initiatives.

# ECONOMIC

Union Bank of India ESG Report FY2022

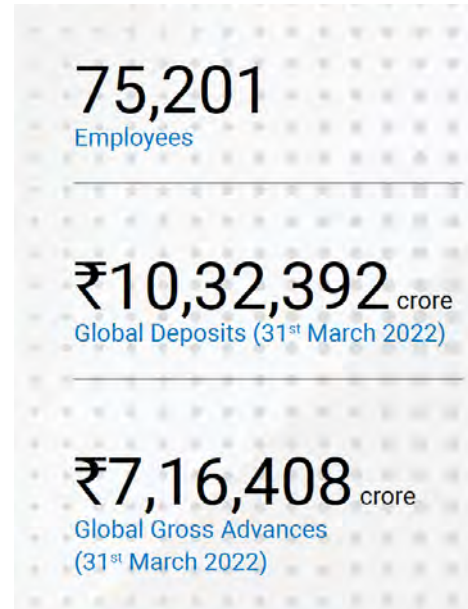


# Corporate and Economic Profile

## About the Bank

We are the country's first large public sector bank to have implemented a 100% core banking solution. The Bank has received several awards and recognition for its prowess in technology, digital banking, financial inclusion, MSME and human resources development.

Today, Union Bank of India is India's one of the leading public sector banks listed on the Indian stock exchanges (NSE & BSE), with the Government of India holding 83.49% of the Bank's total share capital. Founded in 1919, we have had a long legacy of serving our stakeholders. It is headquartered out of the Bank's Head Office located in Nariman Point, Mumbai.

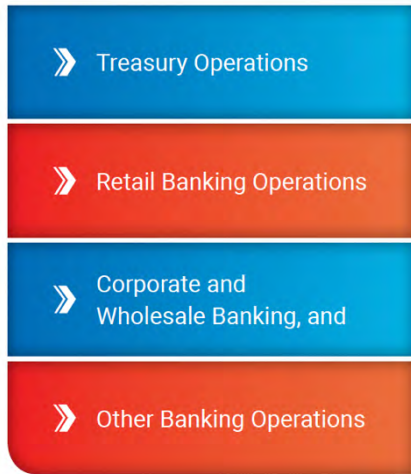


## Our Genesis

Union Bank of India was established on 11th November 1919, with its headquarters in Mumbai. It was promoted by Seth Sitaram Poddar. The old Head Office building of the Bank in Mumbai was inaugurated by Mahatma Gandhi, the Father of the Nation, in 1921. His prescient words predicted the growth of the Bank that took place in the decades that followed.

“We should have the ability to carry on a big bank, to manage crores of rupees efficiently in the course of our national activities. Though we have not many banks amongst us, it does not follow that we are not capable of efficiently managing crores and tens of crores of rupees.” – Mahatma Gandhi (1921)

## Services & Solutions



We provide various banking products and services. The Bank operates through four segments:

The Bank offers savings and current accounts; term and recurring deposits; and demat and online trading accounts. It also provides retail loans, including home, vehicle, education, and personal loans; loans against property; and loans for pensioners, as well as products and loans for micro, small, and medium enterprises. In addition, the Bank offers mutual funds, life, non-life, health, and general insurance products, and tax saving deposits; government saving schemes, tax collection services, pension products, and departmentalized ministries

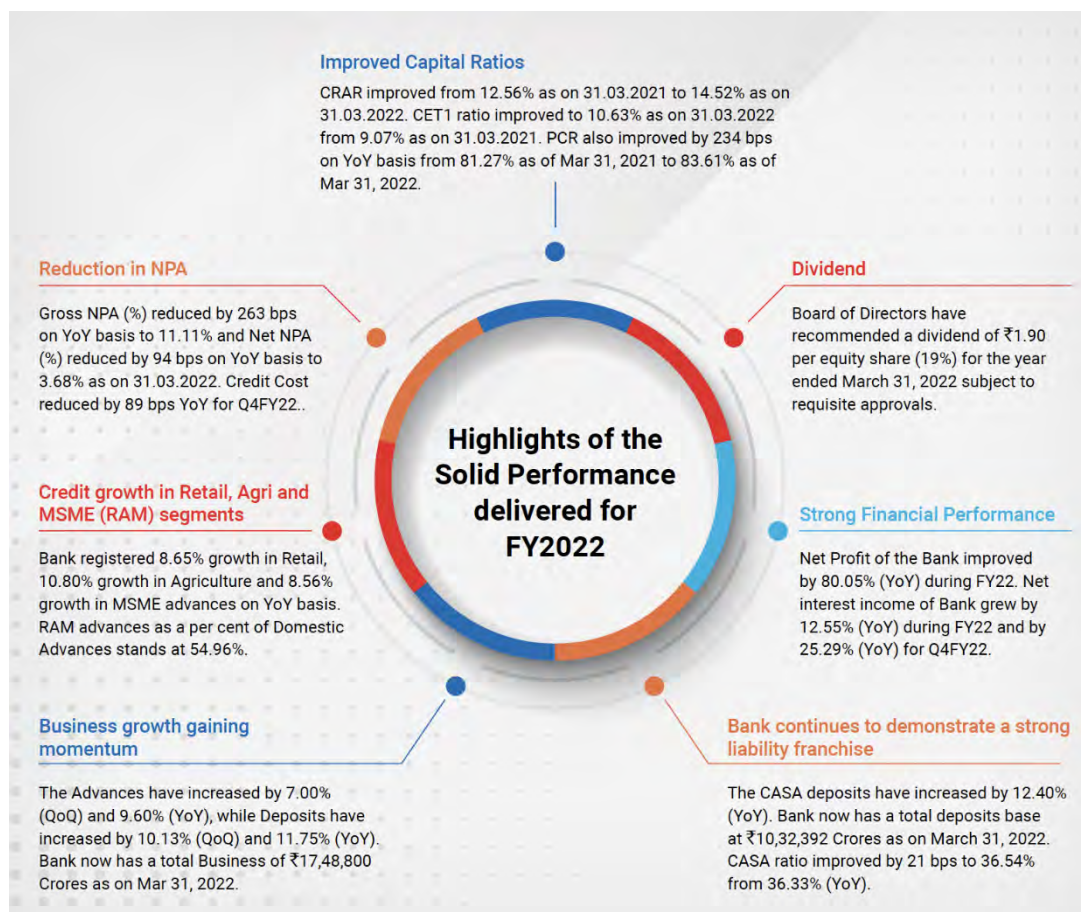
accounts; short-term, long-term and other credit for agricultural/SSI/ tertiary sectors; and safe deposit locker and cheque collection services. Furthermore, the Bank provides corporate loans comprising Covid emergency line of credit, trade finance, working capital, lines of credit, project financing, and channel finance; debt structuring/ restructuring, loan syndication, structured finance, mergers and acquisition advisory, and private equity services; cash management, ECGC cover, and foreign exchange services, as well as derivatives; export and import finance services; NRI banking services; and treasury and other products, and remittance services. Additionally, the Bank offers an app, internet, self-service, ATM, and SMS banking services; point of sale terminals and immediate payment services; and combo, debit, credit, gift, prepaid, and payroll cards.

## Sustainable Financial Performance and Business Strategy

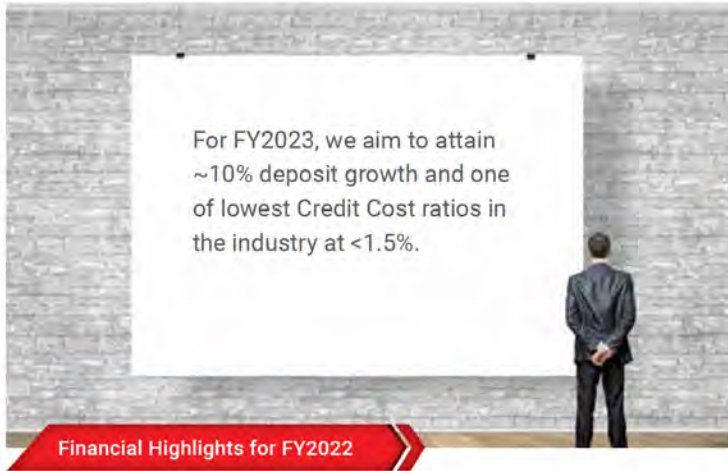
Strategic planning is critical to Union Bank's ability to generate sustainable value. The outcomes of the planning process guide the Bank's long-term priorities and investment focus. Strategic planning delivers a shared understanding of our vision, objectives, tactics, and target outcomes while maintaining risk management excellence and robust governance mechanisms. That shared understanding spans our Board of Directors, management, and front-line staff, enabling effective governance and clarity of purpose on our strategic priorities. Clearly defined strategic priorities, proactive balance-sheet management, and ongoing discipline position us well for the future.

### Transforming to deliver optimal returns

Throughout FY2022, Union Bank has demonstrated a clear and sustainable path to growth, delivering a Return on Average Assets (ROAA) of 0.47, a marked improvement over an ROAA of 0.27 in FY2021. We will continue to develop the diversified business model we have established, investing in advanced technology and digital capabilities in our customer-centric businesses and delivering sustainable growth across our domestic and global operations, playing a meaningful part in aiding the transition to a low-carbon economy.



## Building on resilience, consistency, and growth



**14.52%**

**CRAR under Basel III**

as on 31.03.2022 as against 12.56% as on 31.03.2021 and as compared to the minimum regulatory requirement of 11.50%

**83.61%**

**Provision Coverage Ratio**

as on 31.03.2022 as against 81.27% as on 31.03.2021

**₹17,48,800 crore**

**Global Business**

as on 31.03.2022, up by 10.86% from ₹1577490.00 crore as on 31.03.2021

**2.94%**

**Global NIM**

for the FY2022

**45.74%**

**Cost to Income Ratio**

for FY2022

**₹10,32,392 crore**

**Total Global Deposits**

as on 31.03.2022

**2.97%**

**Domestic NIM**

for the FY2022

**11.11%**

**GNPA**

as on 31.03.2022 as against 13.74% as on 31.03.2021

**₹7,16,408 crore**

**Global Gross Advances**

as on 31.03.2022

**₹12,525 crore**

**Other Income**

as on 31.03.2022

**3.68%**

**Net NPA Ratio**

as on 31.03.2022 as against 4.62% as on 31.03.2021

**₹3,77,193 crore**

**CASA Deposit**

as on 31.03.2022

**₹21,873 crore**

**Operating Profit**

for FY2022, up by 11.22% from ₹19667 crore for the FY2021

**12.20%**

**Tier 1 Capital**

as on 31.03.2022

**₹27,786 crore**

**Net Interest Income**

for the FY2022

**7.14%**

**Yield on Advances**

for FY2022 as against 7.21% in FY2021

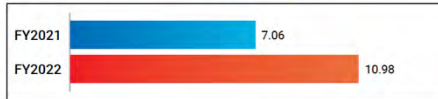
**10.63%**

**CET 1 Capital**

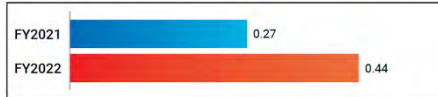
as on 31.03.2022

## Sustainable Financial Performance

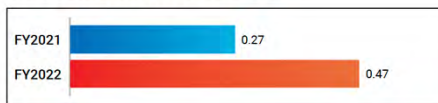
### Return on Average Net Worth (IN %)



### Return on Terminal Assets (IN %)



### Return on Average Assets (IN %)



### Earnings per Share (IN ₹)



### Capital Adequacy Ratio (Basel III) (IN %)



### Tier I Capital (IN %)



### Tier II Capital (IN %)



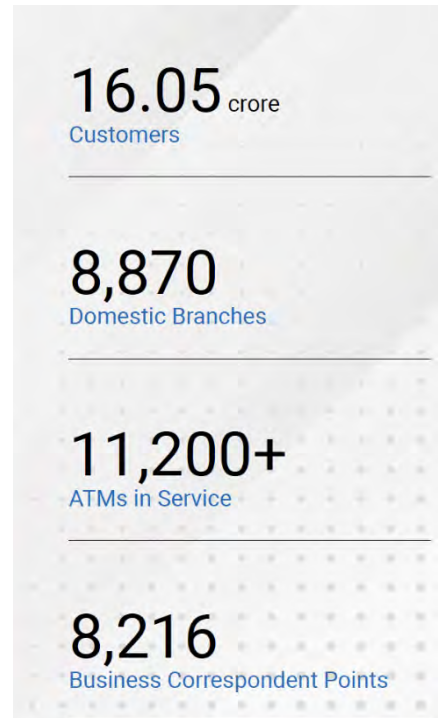
### Dividend Payout Ratio to Net Profit (IN %)



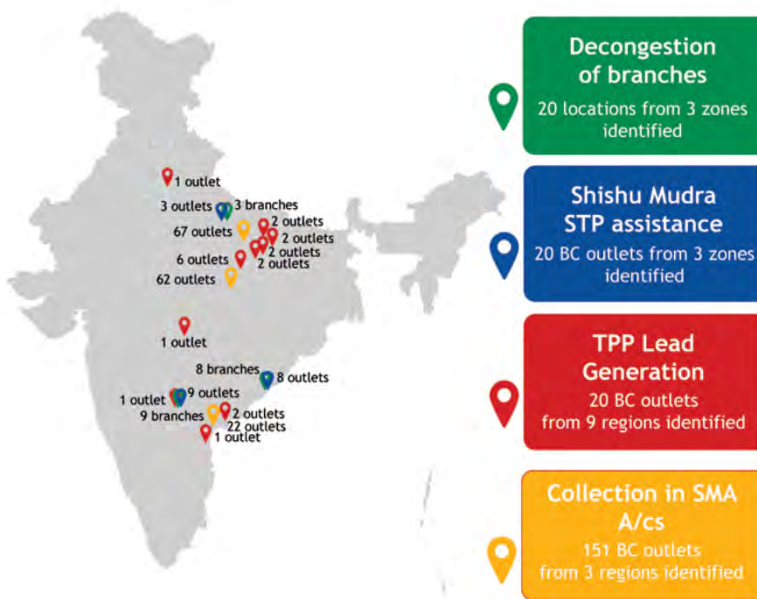
## Markets Served



Recently, Andhra Bank and Corporation Bank were amalgamated into our fold on 1st April, 2020. Looking beyond India, we also have 3 branches overseas in Hong Kong, Dubai International Financial Centre (UAE) & Sydney (Australia); 1 representative office in Abu Dhabi (UAE); 1 banking subsidiary in London (UK); 4 para banking subsidiaries (domestic); 2 other joint ventures (including in life insurance business) and 1 associate - Chaitanya Godavari Gramin Bank.



As of 31<sup>st</sup> March 2022, Union Bank of India operated 11,200+ full-service banking centres and 8.870 domestic branches in our retail footprint.





## Responsible Banking

At Union Bank of India, we are focused on delivering best-in-class financial products and services and providing access to those services whenever and wherever customers want them. We ensure that our products and services are accessible to all customers in all markets and that suitable responsible products and services are offered. We strive to act in the best interest of customers by providing reasonably priced products, defining clear terms and disclosures, and offering fair and consistent service. By doing so, we can build lasting customer relationships and meet our responsibility to help them prosper.

**Caption:**

**We strive to act in the best interest of our customers to build lasting relationships and to help them prosper.**

### Honest Business Practices

Union Bank of India strives to act in our customers' best interest. Fair and honest business practices are essential to keeping our customers at the centre of everything we do. Unethical business practices are strictly prohibited and inconsistent with our core values. We are fully committed to maintaining non-abusive and anti-predatory lending practices. Credit decisions are made without regard to caste, ethnicity, colour, religion, sex, age, marital status, sexual orientation, gender identification or assignment, military status, disability, receipt of public assistance, familial status or a customer's exercise of credit protection rights.

The Bank's Board and its committees are responsible for guiding enterprise-wide strategies and policies. The committees facilitate high-level direction to customer and commercial lines of business consistent with such strategies and policies. The committees also seek to promote a corporate culture that supports Union Bank's commitment to laws and regulations that prohibit behaviour and practices that could be deemed unethical, discriminatory, or predatory in nature, as well as unfair, deceptive, or abusive acts or practices.

In addition, the Bank requires employees and contractors to complete compliance training annually, including complaint management, financial crimes compliance training, financial abuse, preventing fraud and 'Doing the Right Thing'. In FY2022, Leadership Development Programmes for 75 Top executives of the Bank partnered with ISB Hyderabad were conducted during the FY2021-22. One thousand three hundred fifty-six long-duration programs (including 658 Job Family-based programs) and 889 small duration programmes covering 69408 employees were conducted.

The mission of the Bank's Sales & Marketing functions is to support customer-centric growth by fully activating the Bank's brand. Marketing professionals are motivated by doing what is suitable for customers and keeping them at the centre of all decisions.

## How our financing supports the Sustainable Development Goals

Union Bank of India is in the process of recognising the Sustainable Development Goals (SDGs) as a set of shared global priorities to be achieved by 2030. These relate to positive human, societal and environmental factors, and are to be reached through committed engagement and multilateral collaboration. We believe businesses, governments, society and other stakeholders must work together to make the 2030 Agenda a reality. The Bank is committed to playing its part, and working in partnership with our stakeholders to support the delivery of the goals.

Our social and environmental financing covers businesses from all sectors. It generates positive social and environmental contributions through financing healthcare systems, educational institutions, affordable housing projects, and green infrastructure projects. Financing these activities, in turn, supports progress on the SDGs.



As part of a more comprehensive update of our Sustainable Finance Framework, we are in the process of updating our Framework and process to capture information more accurately on the SDGs, supported through an analysis of the underlying SDG targets. We will refine our methodologies as better information becomes available to provide more granular insights.

# Recognition and Awards

## Recognition and Awards



EASE 4.0: Your Bank secured **3<sup>rd</sup> position under the Theme-Tech Enabled Ease of Banking** for the December 21 Quarter in EASE 4.0.

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Union Bank of India was awarded the **Best Cloud Adoption in Large Category bank** as Bank has recognised the significant potential of the cloud technology in providing modern infrastructure for Banking at a very early stage and implemented on-premises private Cloud in 2017.

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Union Bank of India was awarded **Runner Up in Infosys Finacle Innovation Award 2021 under the Process Innovation Category** for the Bank's innovation strategy, which is centred around customers to provide a superior experience at all stages of the customer journey in every sphere of Banking through exceptional touchpoint experience and agile services.

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Union Bank of India was awarded **IDC industry Innovation Awards 2021 under Innovation in Operations** as Bank is architecting the future by driving business growth and creating competitive advantages through emerging technologies and continuous innovations.

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As per the rank list released by IBA, Union Bank of India is ranked **3<sup>rd</sup> among 12 PSBs in the EASE 4.0 Reforms Index for Q1 FY22**. The Bank has been actively adopting the reforms initiatives recommended under the EASE Agenda, enabling it to retain the overall position of the second runner up for the last three consecutive quarters since December 2020. The Bank has also recorded stellar performance under four out of six themes on the agenda. The Bank was adjudged the winner in the themes 'Collaborating for synergistic outcomes' & 'Governance & outcome-centric HR' and bagged the runner-up positions in 'New age 24x7 Banking' & 'Tech-enabled ease of banking' themes.

# Responsible Products

## Retail:



The COVID-19 pandemic inevitably brought challenges for our customer-facing businesses. It also accelerated several existing customer and client behaviour trends that we have seen continue during 2021 and well into 2022 in terms of our clients not requiring a physical branch visit or in-person engagement. A continued significant shift toward digital adoption and demand for digital financial services to meet day-to-day needs has accelerated our digital agenda and focused on creating new business models built around digital customer and client engagement.

### Progress on Digital Channels

Growth in Digital Channels (figures in crore)

Channels	31.03.2021	31.03.2022	Annual Growth	
			Absolute	(%)
Mobile Banking Users (in crore)	1.22	1.65	0.43	35
Internet Banking Users (in crore)	0.68	0.73	0.05	7

One of our core priorities is to deliver next-generation, digitised customer financial services to ensure we remain competitive and continue to meet the needs of our customers and clients while maintaining our societal obligations to provide access to banking. Union Bank of India is offering its customers a “Digital Experience” by leveraging and implementing the latest innovations in technology, like cloud computing and digital lending, amongst other capabilities. The Bank is transforming the current IT architecture to ensure high-performance access to business systems and cloud-based applications, complying with regulatory norms without compromising security. At the same time, Union Bank is fostering Enterprise Solution Architecture Practices for new applications to support innovations in diverse, dynamic and complex environments.

Caption:

**Delivering the next-generation, digitised customer financial services. During FY2021-22, Bank decided to invest more than Rs.1,500 crore on digitisation initiatives for bringing next-generation digitised customer financial services.**

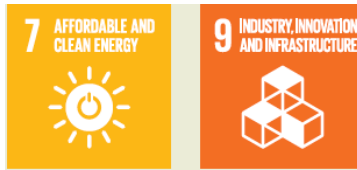
Delivering the next-generation, digitised customer financial services



### Major Strides in Digital Adoption

- › First public sector bank (PSB) to go live on the account aggregator ecosystem
- › First PSB to achieve triple ISO for its IT Systems
- › First PSB to implement End to End auto-renewals of MSME loans up to 10 lacs
- › First PSB to implement multi-language in Finacle, Mobile Banking application and SMS
- › Your Bank is 3<sup>rd</sup> in UPI transactions among all Public Sector Banks in the country,
- with monthly transactions of 76+ crore and a technical decline of less than 1%.
- › Your Bank was awarded the IBA award for Best Cloud Adoption in Large Category Bank, IDC Industry Innovation Awards 2021, and Runner Up in Infosys Finacle Innovation Award 2021.
- › Your Bank became part of "Indian Banks Blockchain Infrastructure Company (IBBIC)" to implement Banking related Services in Blockchain Technology to take a new leap in Digitization soon.
- › Your Bank has initiated the setting up of the Analytics Center of Excellence and eyeing complete business modelling through AI/ML in the next three years.
- › Your Bank is partnering with leading RPA based Fintech firms to use RPA to automate processes such as daily report generation, ATM reconciliation, and payment settlement, among others.

## Enterprises:



Our approach to environmental and social issues is becoming increasingly integrated into the work we do across our business and is subject to the governance and oversight of our management and Board structures. From a customer and client point of view, we support our customers and clients in executing their sustainability strategies, including de-carbonising their business models. For Union Bank of India, support for customers and clients will include advising clients as they adapt their business models to make them more sustainable; and using our expertise to help build low-carbon energy capacity through facilitating green finance. Progress will continue to be made in the coming months and beyond. We intend to identify, accelerate and promote the development of climate and sustainable finance growth opportunities for the benefit of our customers and clients across all our businesses, products and services.

Union Green Deposit

**Rs. 264.46** Crore

mobilized as on  
31.03.2022

**Rs. 7,164** Crore

Credit facility extended to  
Renewable Energy Sector  
as on 31.03.2022

Union Green Miles

**Rs. 33.95** Crore

sanctioned as on 31.03.2022

Your Bank is also leveraging other schemes under renewable energy like Compressed biogas schemes, solar power plants, and solarization of pump sets under the PM KUSUM Scheme to help in achieving sustainable development goals and improving Green Financing.

Your Bank has also started capitalizing on considerable investments in Agri Infra Structure, Animal Husbandry and Food Processing through various Atmanirbhar Bharat Schemes like the Agri Infrastructure Fund, Animal Husbandry Infrastructure Development Fund and Pradhan Mantri Formalization of Micro Food Processing.

## Agriculture:



Agriculture lending has always been the priority area for Union Bank of India. Agriculture advances constituted 19.03% of the Gross advances of the bank as of 31.03.2022. Against the statutory target of 18% under Agriculture Priority as on March 31, 2022, Bank’s performance is 19.71%, and the Bank could sell a surplus of ₹ 3,700 crore under PSLC Agriculture. The Bank registered a YOY growth of 10.79% in Agriculture for FY2022 with an outstanding of Rs.1,33,092 crore as of 31.03.2022. Outstanding credit to small and marginal farmers as of March 31, 2022, stood at ₹ 88,194 crore, constituted 13.65% of ANBC against the benchmark of 9.0 per cent of ANBC. During FY2022, 2.84 lakh fresh Kisan Credit Cards were issued.

**19.03%**

Share of Agriculture within Gross Advances as of 31.03.2022

**10.79%**

YoY growth in Agriculture Lending

**2.84 lakh**

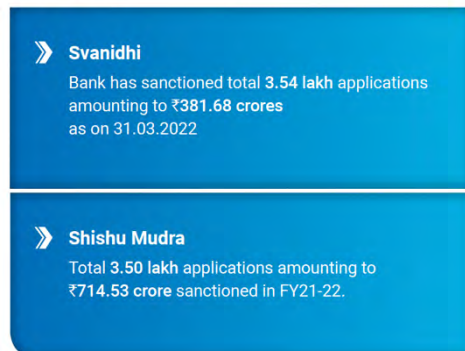
Fresh Kisan Credit Cards were issued during FY2022

## Micro, Small & Medium Enterprises (MSME):



Union Bank of India has traditionally been focussing on delivering credit to the Micro, Small & Medium Enterprises (MSME) sector. Lending to MSMEs stood at ₹ 1,14,975 crore as on March 31, 2022, registering an annual growth of 8.56% per cent. Within MSME, MSE lending stood at ₹ 90,562 crore as on March 31, 2022, registering an annual increase of 7.50% per cent.

### Micro Loans



The Bank successfully achieved the set target under Mudra for FY2022. During the year, 6,43,943 new loans were sanctioned under Pradhan Mantri MUDRA Yojana (PMMY), amounting to ₹ 6,625.28 crore. The outstanding position under PMMY as of 31.03.2022 is at ₹ 20,069.89 crore.

Union Bank took some new Initiatives to enhance its footprint in its MSME portfolio. These included:

- **MSME Credit Card:** Bank, in association with NPCI & Ministry of MSME, has launched the Union MSME Credit Card – a first-of-its-kind product in the industry. The product was launched on 25.02.2022 by the Hon'ble Minister for MSME, GOI, at Sindhudurg, Maharashtra. Union MSME Credit Card provides a digital delivery tool for extending need-based finance to MSMEs with an interest-free credit period of up to 50 days.
- **Launch of UMFBS:** To have an exclusive focus on MSME loans, Union MSME First Branch (UMFB) has been launched on a pilot basis in Dec 2021, and as of 31.03.2022, 50 MSME First Branches have been established.
- **MSME Auto-Renewal STP up to ₹ 10 lakh:** As a step forward in improving the TAT while serving the MSME clientele, Bank has launched MSME Auto-Renewal STP (Straight Through Processing) for loans up to ₹ 10 lakh with end-to-end digitisation which automates the Review/Renewal process with Nil/minimal manual intervention.



- **Cluster Schemes:** 13 new cluster schemes for 38 ROs with an outlay of ₹ 12,520 crore were approved in FY 2021-22.
- **Union GST Gain:** The scheme is modified and made more competitive with reduced collateral coverage starting from 50% based on CMR. The same is aimed at increasing Cash Flow based lending under the scheme.

**Priority Sector Advances:**



Your Bank remains committed to extending credit facilities to the needy segments Specific Lending for Social Upliftment Your Bank has continued to focus on social development and equal opportunities for all parts of society. Accordingly, the Bank extended credit facilities to various weak and unserved sections of society, specifically women, minority communities and self-help groups.

**Women Beneficiaries:**



To promote entrepreneurs among women and make them self-reliant, your Bank encourages credit to women entrepreneurs. During FY2022, Total outstanding loans to women beneficiaries have increased from ₹ 73,307 crore in March 2021 (Priority ₹ 55,636 crore and Non-Priority ₹ 17,671 crore) to ₹ 89,110 crore in March 2022 (Priority ₹ 70,251 crore and Non-priority ₹ 18,859 crore), recording growth of 21.56 %.

**Women Empowerment**

- » **Women SHGs**  
 Total 6.42 lakh loans amounting ₹41,059.92 Crores sanctioned to SHGs out of which 5.61 lakh loans amounting ₹36,237.73 crores sanctioned to women SHGs
- » **Union Nari Shakti Scheme**  
 Scheme exclusively for women e.ntrepreneurs:  
 Total 1,113 applications amounting to ₹149.92 crore have been sanctioned in FY21-22.

### Minority Communities:



Your Bank is extending finance to the minority communities viz. Muslims, Christians, Sikhs, Buddhists, Zoroastrians, and Jains, in line with the Government of India directives on the welfare of minority communities. As on March 31, 2022, the outstanding credit to the minority stood at ₹ 26,956 crore, which constitutes 9.71 per cent of Priority sector advances. **Weaker Section:** Your Bank has been actively participating in financing for more vulnerable sections of society. Finances to weaker section net sale of PSLC-SF/MF have increased from ₹ 88,170 crore to ₹ 1,04,698 crore as on March 31, 2022, registering a growth of 18.74 per cent. Outstanding credit stood at 16.20 per cent of ANBC against the benchmark of 11%.

### Rural Self Employment Training Institute (RSETI):



To mitigate the employment problem among the rural youth, the Bank has established 30 RSETIs in districts where the bank has “Lead Bank Responsibility”. As of March 31, 2022, the total number of candidates trained in our RSETIs is 256255, out of which 190842 candidates have been settled. Bank has provided finance to 73065 candidates to start their businesses through credit linkage. Thus, your Bank has 30 RSETIs across the country, creating employment opportunities for Unemployed Rural youth.

## Regional Rural Banks (RRBs):



Your Bank sponsors Chaitanya Godavari Grameen Bank (CGGB), Guntur, Andhra Pradesh state. It has a network of 230 CBS Branches spread over 3 districts of Andhra Pradesh, namely, East Godavari, West Godavari & Guntur. The business of CGGB has increased to ₹ 14,680.20 crore with a growth of 14.54 per cent during FY2022. Total Deposits stood at ₹ 7,286.86 crore and Advances at ₹ 7,393.34 crore with a Net profit of ₹ 162.34 crore. The Gross NPA is 0.91%, and the Net NPA is 0% as of 31.03.2022.

## Key Initiatives to strengthen the Priority sector:

### Union Samridhi Kendra (USK):

Union Samridhi Kendra (USK) is a specialized processing hub established by the Bank for processing and sanctioning RAM proposals sent from RUSU Branches. Its main objective is to strengthen the RAM portfolio of the RUSU Branches and to improve the quality, appraisal, and turnaround time of loan proposals. The model was initially piloted in selected Branches of the Nasik and Karnal Regions in Nov 2017. As the overall result of the pilot implementation was encouraging, Department has scaled the number of USKs in a phased manner. There are 101 USKs across 90 regions & 16 FGMOs covering 1,481 branches. These branches cover 28% of RUSU Branches. During FY2022, USKs have sanctioned 124,109 proposals to the tune of ₹ 5,408 crore.

### Union Sampurna:

To provide financial literacy, credit counselling and information/knowledge dissemination and credit process delivery mechanism under one rooftop to provide single-point solutions for all kinds of financial assistance to rural people concept of Union Sampurna is being designed. It is an extended arm of USK. Presently Union Sampurna is functioning on a pilot basis in Rajatalab, Varanasi Region, Uttar Pradesh.

### Pradhan Mantri FasalBima Yojana (PMFBY):

Your Bank is implementing PMFBY to benefit farmers who often face climatic adversities and suffer a lot. All farmers, including sharecroppers and tenant farmers, grow the notified crops in the areas covered under PMFBY.

### Area-Specific Schemes:

Bank has formulated 32 Area Specific Schemes based on the available potential for the benefit of the farmers in the respective areas to augment lending under agriculture.

## Financial Inclusion Participation for FY2022:

S. No.	Parameters	March 2021	March 2022	% Growth over Mar 21
1	No. of PMJDY A/cs	216.73	244.78	12.94
2	Balances in PMJDY A/cs (crs)	6465	7780	20.34
2	RuPay Cards issued A/cs	115.51	118.41	2.51
3	RuPay Cards in Operative A/cs	79.08	68.65	-13.19
4	Aadhaar Seeded A/cs	175.04	203.85	16.46
5	Zero Balance A/cs	36.39	41.67	14.51
6	Overdraft Sanctioned	6.22	2.44	-60.72
7	APY (cumulative)	20.30	25.01	23.20

### The Union BPL Scheme:

The Bank offers these special friendly facilities for KYC complied Accounts with mandatory BPL Certificate:

- “Flexi Savings Bank Account” with Min Balance of ₹ 250/-
- Term Deposit Interest on a Balance above 1000/-
- Life insurance under PMSBY, First-year premium (Rs 20) to be borne by Bank
- QR Codes for small business customers, such as hawkers, among others.
- Overdraft facility up to ₹ 5000/-, or Coverage in PMSvaidhi / Union General Credit Card scheme as per eligibility
- Pre-filled debit card with ₹ 250/- reimbursed for satisfactory operation for three months, the basis for meeting medical expenses
- Free medical check-ups for women & children under corporate tie-up with hospitals for severe ailments
- Arranging entrepreneurial training for men & women for self-employment based on economic eligibility and criteria

### New initiatives during FY2022:

- MoU entered with NBCFDC to avail the refinance facility and extend the credit facilities to Other Backward Classes (OBCs) at a Concessional Interest Rate.
- MoU entered with NHFDC to avail the refinance facility and to extend the credit facilities to Persons with Disabilities (PwDs) at a Concessional Rate of Interest.
- Department has established 39 New USKs in the untapped regions all over India, based on the potentiality of the area.
- Established 250 new Union Gold Loan Points (UGLPs) in this FY 2021-22 taking the total to 270 UGLPS which serve as exclusive delivery.

### **Awards Received during the year:**

Your bank has received the Best bank award among PSBs during the current year under SHG Bank Linkage Programme for the period FY2021. Other awards received include:

- APY: We have received an award and recognition certificate from PFRDA in the various campaigns organized by PFRDA.
- FINANCIAL FREEDOM FIGHTERS” (FFF)–Our Bank is qualified for One Award and One Certificate of Excellence in the FFF Campaign from 16<sup>th</sup> Aug – 30<sup>th</sup> September 2021.
- Winning Wednesday: Our Bank was qualified for the AWARD ‘Warriors of Winning Wednesday’ for July 2021& August 2021 and a total of 104 certificates of Appreciation for the FY2022.

# ENVIRONMENT

Union Bank of India ESG Report FY2022





## Climate Strategy



As the impacts of climate change continue to be felt around the world, we are observing significant changes emerge in the way many of our customers do business. These changes are driving a larger economic shift as the push towards decarbonization accelerates. For many, it is no longer about whether this change will happen but how quickly it will transpire.

The Board directly supervises social and environmental matters, including climate change. The Board recognised that Union Bank can, and should, make a real contribution to tackling climate change and help to accelerate the transition to a low-carbon economy.

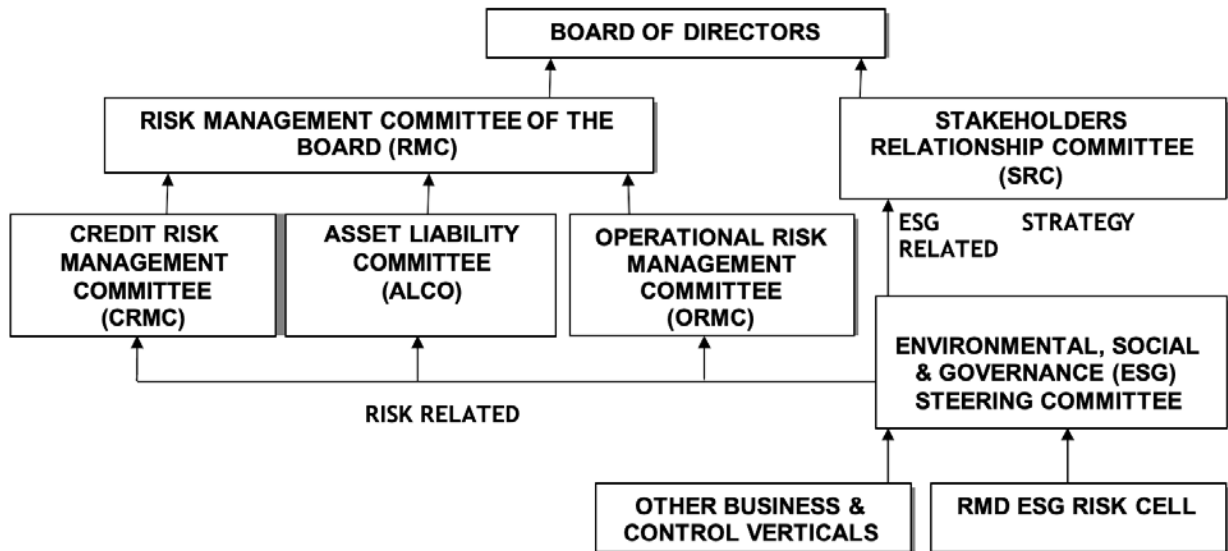
 <p style="text-align: center;"><b>Supporting a sustainable transition</b></p> <p style="text-align: center; font-size: small;">by helping our customers and communities prepare for climate related risks and opportunities.</p>	 <p style="text-align: center;"><b>Managing climate-related risks</b></p> <p style="text-align: center; font-size: small;">facing our Company, including those related to physical and transition risks.</p>	 <p style="text-align: center;"><b>Reducing our environmental footprint</b></p> <p style="text-align: center; font-size: small;">through renewable energy, energy efficiency and other operational improvements across our enterprise.</p>
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We maintain a steadfast ambition to be net zero by 2070, and our commitment to align our financing portfolio to the goals of the Paris Climate Agreement. We aim to align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.

During FY2022, the Board of the Bank decided to entrust the Stakeholders Relationship Committee of the Board to be responsible for overseeing the ESG commitments and implementations of the Ban through the formation of a dedicated ESG Steering Committee at the Executive Management Level, constituting of members from the Board and the Senior Executive Management team. The ESG Steering Committee will, in turn, form an ESG Cell at the Bank’s Operational Level, with members within the Bank with domain expertise and departmental responsibilities for research, goal setting and implementation of various ESG aspects.



## ESG Governance Structure in the Bank



Union Bank of India has historically committed to environmental leadership in the financial services sector. That commitment is rooted in our desire to build strong communities, serve our customers well and achieve our vision to be the bank people most value and trust. We are driven by our understanding that integrating environmental sustainability into all aspects of our business creates long-term value and strengthens the communities we serve. We recognize the need for financial service providers to support the transition toward a more sustainable future. Banking is key to supporting the development of new technologies, financing new infrastructure and helping customers transition their operations.

## Transition to a Sustainable Future



Our business strategy embraces an inclusive, sustainable path forward. We believe that capital can be a force for positive change. Our Bank's purpose drives our approach to sustainability: to improve our customers' lives and our community's well-being. We intend to identify, accelerate, and promote the development of Union Bank's climate and sustainable finance growth opportunities for our customers and clients across all our businesses, products, and services.

### Financing the Transition

The transition to a low-carbon economy is today's defining opportunity for innovation and growth. There is a significant opportunity for Union Bank to play a leading role in helping to meet the demand for climate change-related financing to support the transition. We are directing investment into new green technologies and infrastructure projects to build up low-carbon capacity and capability.

Union Bank is committed to helping our customers and communities move to a low-carbon, sustainable future and achieve positive social outcomes. We seek to provide our customers with products and services to help them meet their evolving needs. We hope to inspire and support our communities to drive toward more sustainable and inclusive solutions. We recognize the financial sector plays a crucial role in making the changes necessary to adapt to a changing planet and create more resilient communities.

In 2022, we achieved sustainable finance target focused on renewable energy lending and financing. These included:

- Sustainability Linked Loan through International Banking Division amounting to ₹ 307.20 crore.
- Credit facility of amount ₹ 7,164 crore extended to Renewable Energy Sector.

Union Bank is providing the green and sustainable finance required to transform the economies we serve. Our strategy is underpinned by how we assess and manage our exposure to climate-related risk. From 2022, climate risk will be treated as a Principal Risk under Union Bank's Enterprise Risk Management Framework.

## Climate Risk



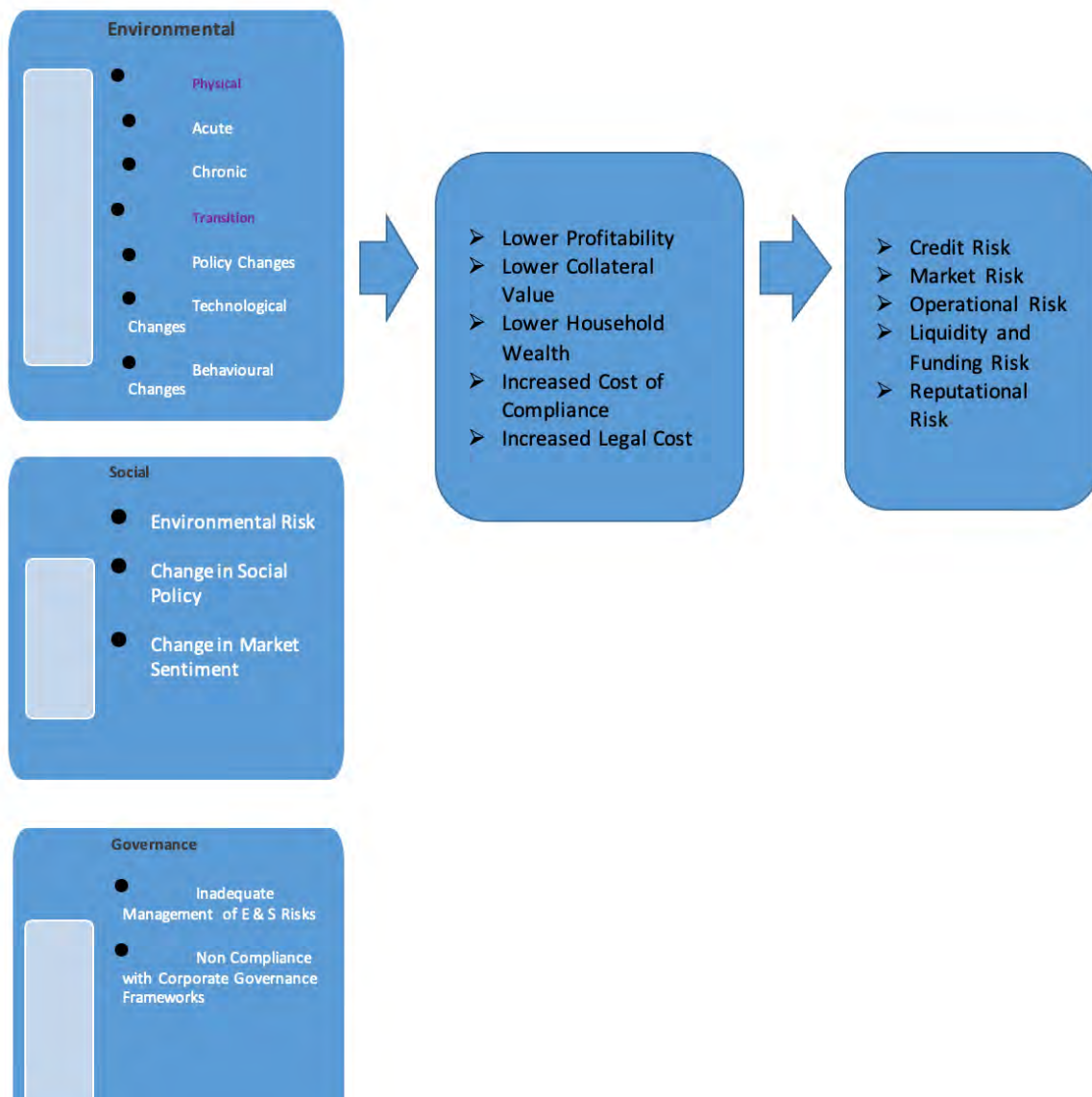
Union Bank of India is one of the premier institutions in the Indian Financial sector and is committed to building a sustainable and climate-risk-resilient organization. The smooth integration of ESG factors in Business Strategy, Business Processes, Internal Governance (Business Verticals, Risk Management & Compliance, and Independent Audit), Policies, Credit Rating/Assessment, Disclosure framework, Data Management and Risk culture of the Bank is of prime importance.

The Bank is committed to reducing the carbon footprint of its operations. The Bank shall endeavour to achieve carbon-neutral status by 2030 and is focusing on aligning its products and services with the United Nations Sustainable Development Goals (SDGs). Apart from that, the Bank is committed to identifying and mitigating climate-related risks and opportunities across all aspects of the Bank's lending, investments and operations. The primary aim of the Climate Risk Management Policy of the Bank is to work towards embedding sustainability into business and ensuring a smooth transition towards low carbon and climate-resilient operations and investments. To achieve this objective, the Bank is committed to the following:

- i. Taking system-wide action to ensure both – the resilience of the financial system to Climate risk and support of the financial system in a Climate Risk-sensitive manner by integrating climate-related risk (and opportunity) considerations within day-to-day operations, lending portfolios and overall decision-making.
- ii. Assessing climate-related risk drivers that might lead to increasing strategic, reputational, and regulatory compliance risk, as well as liability costs associated with climate-sensitive investments and businesses.
- iii. Identify, monitor and manage all climate-related financial risks that could materially impair the financial condition, including the capital resources and liquidity positions and incorporate climate-related financial risks into the overall business strategies and risk management frameworks.
- iv. Identifying and quantifying climate-related financial risks and incorporating them into the internal capital and liquidity adequacy assessment processes.
- v. Appropriate policies, procedures and controls are to be implemented across the organization to ensure effective management of climate-related financial risks.
- vi. Identify responsibilities for climate-related risk management throughout the organizational structure and clearly assign climate-related responsibilities to members and committees and exercise effective oversight of climate-related financial risks.
- vii. Incorporating applicable India's national, state and local regulatory requirements and: relevant environmental, social, labour and biodiversity conventions ratified by India.

- viii. Implementing climate risk assessment approach following internationally accepted guidelines such as Taskforce on Climate-related Financial Disclosures (TCFD), Climate Risk.

The proactive approach towards Climate risk management under this Policy necessitates the understanding of multi-point impacts of climate risk vis-à-vis ensuring the resilience of the financial system to Climate risk and support of the financial system in Climate Risk in a sensitive manner by integrating climate-related risk (and opportunity) considerations within day-to-day operations, lending and investment portfolios and overall decision-making.



# Climate Change Risk Management

## Risk Governance

Bank is adopting a solid system of Governance, with effective and robust controls for climate risk mainstreaming. The system of Governance is proportionate to the nature, scale and complexity of the operations across the Bank's businesses.

The Board of Directors, the Risk Management Committee (RMC), the Stakeholders Relationship Committee (SRC) and senior management shall be the senior most decision-making authorities on climate risk-related matters.

The board of Directors and senior management shall clearly assign climate-related responsibilities to members and committees and effectively oversee climate-related financial risks.

The Bank's well-established, existing risk governance structure shall be utilized for assessing and managing climate-related risks, wherein assessment and monitoring of climate risks and opportunities shall take place through each level of the existing governance structure.

## Climate-related Opportunities

While Climate change poses a significant risk for the Bank but at the same time, it also offers several business opportunities. The low-carbon transition creates opportunities for efficiency, innovation and growth for the Bank. There is increasing demand for capital to finance long-term projects in emerging markets where economic growth and lower carbon intensity policies are intertwined with the urgent need to strengthen climate resilience. Adjustment to climate change and shifting climate zones creates demand for new and different products and services. That will require investment in measures to enhance the resilience of infrastructure, water-intensive industries, and agriculture. Climate, resilient technologies and practices in agriculture and food security include drought-tolerant seeds, improved irrigation systems, and more sustainable land management practices. Water management to address higher rainfall variability ranges from harvesting rainwater by households to ecosystem-based adaptation of entire watersheds. Disaster risk reduction entails deploying tools such as risk and vulnerability assessments, climate information and early warning systems. There is an increase in demand for low-carbon investment that Bank can support. There are multiple opportunities banks can explore, including:

- Energy Efficiency, which has a positive impact on profitability and competitiveness while at the same time reducing or deferring the pressure of putting additional power generation capacity on the grid.
- Renewable Energy Renewable energy, and solar photovoltaic generation in particular, is poised to disrupt conventional electricity systems worldwide. Many

opportunities for the Bank to develop innovative financing schemes to either support direct investments by households or businesses or to provide loans to energy service providers. Rooftop solar systems offer millions of households and companies the potential to produce electricity. Financing opportunity exists in combining home mortgage loans with solar home systems loans, which has the potential to make solar financing easier while also allowing financial institutions to benefit from mortgage securitization.

## Risk Management Measures and Strategies

**Risk Appetite:** The direction and effectiveness of Climate Risk Management are closely linked to the Bank's corporate goals, risk appetite and risk culture. The Climate risk management framework consists of five distinct building blocks, i.e., a) Risk measurement, b) Internal control, c) Risk reporting and monitoring, d) Metrics & Targets, and e) Disclosures.

**Risk Measurement:** The TCFD has provided a valuable lexicon of climate-related risks and opportunities, outlining the transition (Policy, market, technology, and reputation) and physical (chronic and acute) risks that can impact an organization's long-term sustainability and financial performance. These risks and opportunities can be broken down further and put into the context of the business being assessed. The Bank will be using different metrics to assess the impact of (transition and physical) climate-related risks on the lending and other financial intermediary business activities in the short, medium and long term. Metrics may relate to credit exposure, equity and debt holdings, or trading positions, broken down by Industry, Geography, Credit quality (e.g., investment grade or non-investment grade, internal rating system), Average Tenor, among others.

Financial Type	Category gets Impacted	Impacts
Balance Sheet	<ul style="list-style-type: none"> <li>• Assets</li> <li>• Liabilities</li> <li>• Capital and Financing</li> </ul>	<p><b>Impacts on Assets</b></p> <ul style="list-style-type: none"> <li>➤ Increase in earnings from giving loans to companies which follow proper Climate Risk Management in their business operation</li> <li>➤ Increase in earnings due to funding Projects which have potential for sustainable finance like Renewable Energy, Clean Transportation, Green buildings, Sustainable Agriculture, Waste management etc.</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Loss of earnings due to various disruptions caused by acute Physical Risks.</li> </ul> <p><b>Impacts on Liabilities</b></p> <ul style="list-style-type: none"> <li>➤ There may be an increase in liabilities related to legal recourse caused due to Climate Change litigations</li> <li>➤ The liquidity may get impacted due to the sudden mass withdrawal of deposits by depositors due to Climate-Related Hazards.</li> </ul> <p><b>Impacts on Capital and Financing</b></p> <ul style="list-style-type: none"> <li>➤ The Bank's Capital reserve may get affected due to loss caused by Climate-related Risk or an increase in the expenditure of the Bank.</li> </ul>
<p><b>Income Statement</b></p>	<ul style="list-style-type: none"> <li>• Revenues</li> <li>• Expenditures</li> </ul>	<p><b>Impacts on Revenues</b> <b>Impacts on Expenditure</b></p>

## Operational Sustainability at Union Bank

In addressing our own environmental impact, we better prepare our organization for future changes by reducing our exposure and risk to decarbonization, energy market volatility and potential carbon pricing scenarios. Operational sustainability, the reduction of our own environmental and carbon footprint, has been key to our environmental sustainability program over the few years.

### Operational Sustainability Goals

In FY2021, Union Bank of India is in the process of setting bold sustainability goals to help prioritise our environmental sustainability efforts. This includes targeted goals to reduce our energy use and location based GHG emissions, reduce water consumption and waste sent to a landfill, and purchase renewable power.

We are focusing on reducing our waste and conserving water significantly in the coming years. Further, we are committed to continuing our work in this area, increasingly reducing the material we use and recycling as much as possible.

Until now, the Bank has already taken certain steps towards water conservation. Our efforts, such as providing waterless urinals, among others, in our corporate office, have resulted in a 3% reduction in water consumption in our Central Office Building at Nariman Point.

### Committed Towards Environment

Union Bank of India has become the founding member of the Indian Green Building Council (IGBC), a premier green rating organisation promoted by the Confederation of Indian Industry (CII).



### Reducing our operational emissions to net zero

Union Bank remains committed to managing its operational footprint and transitioning to a low-carbon economy. In FY2022, we began to define our Scope 1 and 2 emission reduction targets against an established baseline. We aim to continue offsetting residual



emissions from our operations and business travel. This reduction will be achieved through expanding our renewable electricity purchasing programme across our operations in India and our overseas offices.

### Renewable Energy Adoption

We recognise that for renewable energy to support the decarbonisation of the wider economy, there is also a pressing need to reduce the energy intensity of our operations. We are in the process of setting targets for reducing our energy intensity by 2030.

Since the Bank has an extensive network of more than 8,200 branches, it aims to focus on using solar energy to meet the energy requirements of its branches. This will enable the Bank to achieve its environmental goals and contribute to the Government's objective of fulfilling at least 50% of energy requirements through renewable energy by 2030.

The Bank has installed on-grid rooftop solar panels on the terrace of the corporate office in Mumbai and one of its facilities at Vijayawada, with a net installed capacity of 72 KWp, and a potential of generating around 300 units of daily power consumption. This move is a modest step towards our ambition to transition to cleaner and alternate sources of energy in future.



Field General Manager's Office, Vijayawada



Central Office Mumbai

### **Encouraging the adoption of non-polluting vehicles**

During FY2022, the Bank initiated a programme to encourage its employees to adopt the use non-polluting vehicles. These include vehicles that are CNG, electric or hybrid fuels that do not emit any pollution. To motivate its employees, the Bank has offered to re-imburse its employees for their conveyance expenses, making the running cost of such vehicles even more attractive.

### **Reducing waste & Supply Chain**

For a long period, we have directed our procurement teams to increase the coverage of sustainably sourced paper. At the beginning of FY2022, we explored opportunities to continue the removal of single-use plastics. Unfortunately, due to the COVID-19 pandemic, we have had to introduce more single-use items into our cafes and restaurants as a temporary measure to support the safety of our colleagues. Going forward, our focus is on transitioning our waste management approach and material use to circular economy principles, recognising the importance of reducing the volume of waste we produce and maximising the use of materials in our buildings.

To support our new strategic direction, we are setting a new target to divert all waste from landfills and incineration across all our branches by 2035, with 100% of waste in our facilities being reused, repurposed, or recycled. This will be achieved through the roll-out of our Zero Waste Strategy, which will commence in FY2023. As part of this initiative, we are also working with our procurement teams to engage with our supply chain partners to understand their capabilities to reduce the volume of packaging being sent to our offices and request suppliers to sign up for our Zero Waste Supply Chain Charter. The Charter encourages suppliers to eliminate transit packing, supply goods in reusable containers and investigate opportunities for packaging waste to be backhauled in the next delivery.

### **Reducing the use of paper**

At UBI, we have migrated a large number of transactions (Bulk Collections / Payments / MIS / Channel Finance) from paper-based services to digital services through our online

platform, whereby paper usage has been dramatically reduced. The volume of digital transactions undertaken by the Bank during the FY2022 are as follows:

Year	No of Transactions	Amount (in crore)
FY2022	8,01,53,057	35,926.11

### Enhance our Digital Network for Operational Efficiencies

The Bank has created a dedicated Digitization Vertical to drive the digital transformation journey of the Bank by reorienting Bank’s digital vision. The vertical comprises of Digital Journeys, Digital Banking Department and Digital Interactions & Partnerships.

#### 3. Progress on Digital Channels

Growth in Digital Channels (Figures in Crs)				
Channels	31.03.2021	31.03.2022	Annual Growth	
			Absolute	(%)
Mobile Banking Users (in Crs)	1.22	1.65	0.43	35
Internet Banking Users (in Crs)	0.68	0.73	0.05	7

Some key Digital Journeys carried out during FY2022 is showcased here below:

#### MSME Auto-Renewal upto 10 lakhs:

It is a fully automated scheme devised for the Review/Renewal of MSME credit facilities (Working Capital & Term Loan) upto Rs.10.00 Lacs with minimal manual intervention, without seeking financial & other documents from the borrower and any data input from the branch at any stage. The renewal process of working capital is a Cash Flow-based analysis with a two-click journey, one at the customer end and the other at the Branch end. Whereas the review of Term Loan involves a single click at the branch. The standardized system generated, duly filled in digital executive summary will improve the data quality of the Bank. It will save substantial manpower required to carry out this functionality which will result in huge opportunity cost savings. 80% of our total MSME portfolio account wise comprises of loan accounts with outstanding less than ₹ 10.00 lakhs.

#### KCC Auto-Renewal:

Scheme for Renewal of KCC loans upto ₹ 1.60 lakhs designed to run in self as well as in assisted mode with features for extracting the details about the location, ownership & charge detail of farmland without submission of a physical document by the farmer. It helps in reduced TAT and objective analysis by providing enriched information on crop & soil health, groundwater level, and past cropping history, along with digitally benefits farmers with Agri advisory information on market & Mandis. 90% of our total KCC portfolio account wise comprises of loan accounts with outstanding less than ₹ 1.60

lakhs.

**PAPL:**

Pre-approved Personal Loan (PAPL) was launched in 2020-21 for salaried customers and later on scaled up to non-salaried customers with revised BRE and better UI through the UMobile platform. Pre-approved Personal Loan up to `50 lakhs have been introduced with a targeted customer of 1.15 lakh with a value of Rs 3,000 crore.

**Union Cash:**

It is a web-based end-to-end digitized journey designed on an analytics-based approach for offering credit facilities to pensioners.

**National Portal for Credit Linked Government Schemes:**

In line with the DFS guideline to implement a unified portal with a single point for customers to enrol for various Central/State Government sponsored schemes, National Portal for credit-linked govt schemes has been designed. We are among the few banks to make all the schemes duly integrated and running live.

**CRM Solutions:**

CRM system is a tool aimed at helping the bank with sales, marketing and service management. CRM gathers customer data from multiple channels and holds detailed information on overall banking history, personal info, and even purchasing behaviour patterns. Interim Lead Management solution has been launched on a pilot basis for all Marketing Officers of Mumbai Zone and 50 MSME First Branches. The CRM solutions has been extended to UBI Services Ltd also.

**Digitization of Insurance Business:**

To scale up fee-based income through the sale of third-party products, the vertical has initiated steps for implementing digital enablement of Insurance sales, Mutual Funds and other Investment products. Currently, Bank is selling the insurance product of channel partners only through the Branch network. By enabling the Insurance product on the digital platform, our customers will be able to buy insurance online, thereby increasing the business. The Bank has onboarded the vendor for the supply, installation, integration, maintenance, and support of digital solutions for the insurance business.

**Digitization of Mutual Fund Business**

The Bank has an onboarded vendor for the supply, installation, integration, maintenance, and support of digital solutions for the Mutual fund business.

**Fintech absorption:**

Rising customer expectations and changing customer behaviours have compelled banks to consider partnering with FinTech companies warranting Banks to deliver seamless, world-class services to the customers so that they can be benefitted by the evolution in FinTech Segment. Fintech policy of the Bank provides for empanelment of Fintechs to create a pool of companies having developed unique financial services. A readily available pool of FinTechs helps the Bank in the adoption of the required solution within the shortest possible time. Based on the market study and expected requirements of the Bank, 24 fintechs were empanelled under the following segments. The validity of such empanelment is for a period of three years.

- Development & Integration of Digital Journeys
- Wealth Management, including Insurance
- Agricultural Lending

- UI / UX Development & Customization.
- Analytics using Artificial / Machine / Deep Learning
- Intelligent Virtual Assistant (Chatbot)
- Digital Marketing
- Cash Management, Trade and Supply chain financing

## Taking Information Technology Farther



Offering the “Digital Experience” to its customers is essential for both their convenience and our own operational efficiencies and consumptions. At Union Bank, we are leveraging and implementing the latest innovations in technology such as cloud computing and digital lending, among others. The Bank is transforming the current IT architecture to ensure high performance access to business systems and cloud-based applications complying regulatory norms without compromising security. At the same time we are fostering Enterprise Solution Architecture Practices for new applications to support new innovations in diverse, dynamic, and complex environments.

**Account Aggregator:** Union Bank of India became the first public sector lender to go live on the account aggregator ecosystem, a part of the Government's digital initiatives to improve credit delivery. The account aggregator ecosystem helps lenders leverage digital data acquired with the customer's consent to provide seamless service without physical documentation. Any financial information user (FIU) can request data based on a consent given by the customer on their account aggregator handle. Bank has implemented the technology stack as per the Reserve Bank Information Technology (ReBIT) guidelines.

**Blockchain Technology:** Union Bank of India, along with 18 other banks, have formed an organization known as “Indian Banks Blockchain Infrastructure Company (IBBIC)” to implement Banking related Services in Blockchain Technology. With this, the Banking System in India is going to take a new leap in Digitization in the near future.

**AI/ML:** The Bank has initiated setting up of Analytics Center of Excellence and eyeing upon complete business modelling through AI/ML in next 3 years. Various use cases like AI based IVR System, U-Mobile Adoption Analysis, Cross Selling/Upselling of Credit Cards, Voice Bot, etc. are in implementation stage whereas Early Warning Signal (EWS) in Retail/Agri/MSME sectors is already implemented.

**Robotic Process Automation (RPA):** Bank is partnering with leading Fintech firms in RPA and initially identified few processes for automation like daily report generation, ATM reconciliation, payment settlement, etc. Using RPA technology.

### Key Highlights for FY2022 include:

- First public sector bank to go live on the account aggregator ecosystem.
- First PSB to achieve triple ISO for its IT Systems.
- First among all the PSBs & First organization in the world, to have largest sites on SDWAN

- First PSB to implement End to End Shishu Mudra STP implementation.
- First PSB to implement End to End auto renewals of MSME loans up to 10 lacs.
- First PSB to implement multi language in Finacle, Mobile Banking application and SMS.
- Stood 2nd in ATM transactions among all banks across the country.
- Second PSB to achieve PCI DSS compliance for ATM operations.
- 3rd in UPI transactions among all Banks in the country with monthly transactions of 76+ crores and technical decline of less than 1%.

## Key Awards & Accolades recognising our IT Adoption:

**IBA award for Best Cloud Adoption in Large Category Bank:** Union Bank of India is awarded with the **Best Cloud Adoption in Large Category bank** as Bank has recognized the significant potential of the cloud technology in providing modern infrastructure for Banking at a very early stage and implemented on premises private cloud in 2017. It is extremely cost effective and scalable over traditional data centres and helped the Bank to roll out many projects in a short span. The Bank has well-established on premises private cloud and exploring future possibilities to adopt Public, Hybrid and Multi Cloud solutions for Bank's forthcoming projects by duly considering the requirement and security.

**Infosys Finacle Innovation Award 2021:** Union Bank of India was awarded with **Runner Up in Infosys Finacle Innovation Award 2021 under Process Innovation Category** for the Bank's innovation strategy, which is cantered around customers to provide superior experience at all stages of customer journey in every sphere of Banking through superior touch point experience and agile services. The Bank's IT architecture enables seamless integration with ecosystem and ensures continuous delivery of responsive, resilient and secure IT Systems/Services using latest technologies and continuous innovations. APIM uses Finacle Integrator (FI) that enables seamless integration of Finacle Core Banking Solution, for real time communication with Finacle for all APIs that are hosted at Finacle.

**IDC Industry Innovation Awards 2021:** Union Bank of India was awarded with **IDC industry Innovation Awards 2021 under Innovation in Operations** as the Bank is architecting the future by driving business growth and creating competitive advantages through emerging technologies and continuous innovations.

# SOCIAL

Union Bank of India ESG Report FY2022



## Inclusion and Diversity



A vibrant, skilled workforce ensures that businesses can thrive and that individuals and their families and wider communities can achieve financial independence and security. Union Bank of India prioritises and supports the well-being of its employees, communities, and customers. When we take care of our employees, we know that they will, in turn, take care of our customers and support our efforts to keep our communities thriving.

Our Bank and culture are grounded in our core values. These values drive us to connect people to the resources they need to lead healthy, fulfilling lives and pursue their career and financial goals. In 2021, we strengthened our commitments in the social space as we continued to confront ongoing challenges.

Union Bank believes that inclusion and diversity are essential to living our core values; serving our customers; delivering financial performance; and being recognised as a leader in building an engaging workplace, a strong supplier base and vibrant communities.

### Advancing Inclusion and Diversity Begins with Our Employees

The Bank is committed to reflecting the diversity of our customers and communities by developing a diverse, equitable and inclusive workforce. We strive to create a workplace where employees and customers feel valued, respected and understood. We celebrate and embrace each employee's individuality and our collective diversity by encouraging employees to bring their authentic selves and best thinking into the workplace.

From investing in our employees to supporting our customers to giving back to the communities we serve, we are committed to working toward being a more diverse and inclusive Bank and creating a world where equal access and the opportunity to thrive are available to all.

### Making Progress on Our Bold Goals

In FY2022, we focused on helping employees feel a greater sense of belonging and on providing them with more forums to connect, share insights and feedback, and improve their awareness of unconscious bias and how to mitigate it. This strategic approach included continuous listening and learning opportunities, updated tools and resources, and



improved recruiting practices. Additionally, we developed a dashboard that enables us to measure our progress continuously.

### **Employee Demographics**

Talent diversity is of utmost importance at every level of our Bank, from our Board of Directors to our executive team to our 18,655 full-time and 849 part-time employees as of Dec. 31, 2021. Publishing demographic diversity data is part of our commitment. It's a practice we started in 2017 with the publication of our 2016 Corporate Social Responsibility Report.

### **FY2022 Workforce Diversity**

As part of our policy to support inclusion and diversity within our workforce, we strive to grow leadership positions for women in the Exec/Senior Managers and First/Mid-level Managers categories.

## Employees



Employees are the heart of Union Bank of India. Our employees enable us to advance sustainability among our customers and communities; they make us the one bank people most value and trust. Union Bank’s success is a direct result of their individual and collective contributions, strong relationships, innovative ideas, collaboration, commitment and diversity.

### Investing Wisely In Employees

Our employees deserve a world-class work environment, competitive pay and comprehensive benefits in exchange for their talents, skills and commitment. This relationship between what we offer employees and what they contribute is how we build and earn trust and grow as one bank. Keeping our employees’ development and overall experience at the centre of our decisions and actions enables us to deliver sustainable, long-term value to all we serve.

#### Human Capital’s Four Strategic Priorities in FY2022

##### Inclusion and Diversity

Union Bank accelerated the development of an inclusive workplace and diverse workforce strategy, most notably in employee education and training, listening sessions and recruiting practices.

##### Develop Great Leaders

Accelerating our leaders’ capabilities to drive success and empowerment in an increasingly diverse and technologically changing environment is imperative. In FY2022, we continued to focus on leadership capabilities.

##### Evolving Employee Experience

Our continuous listening strategy (see pages 27 and 62) played a pivotal role in our efforts to research, analyze and advance the employee experience, as did enhancing our benefits offerings. That strategy informs the evolution of the way we work, and it ensures our employee value proposition clearly articulates who we are, what we believe and what employees receive.

In 2021, we conducted additional listening sessions and surveys with diverse groups of employees at all levels.

##### Future of Work

We continued to invest in our workforce and adapt our workplace model for the future. We aligned our talent acquisition strategy with the Bank’s strategic priorities, growth plans and our goal to diversify our talent pipeline. We identified new ways to attract talent and accelerated building and expanding our workers’ skills.

Additionally, we worked to balance our employees’ desire for greater control over how, where and when work is done with our belief that our culture thrives when we work together in person.

## Employee engagement, retention, and talent attraction

"What gets measured gets managed", said Peter Drucker. Employee retention and engagement levels are vital factors employers often strive to influence. By introducing strategies to improve engagement and retention, companies set themselves a strong foundation for success. Utilising talent management to realise these targets is an essential step to achieving this.

Implementing employee engagement and retention strategies through improved talent management is a tried and tested way to build a committed and engaged workforce. This is why leading companies factor talent management and employee engagement into their central strategic plans.

### Defining employee engagement and retention

Employee engagement creates a positive working environment in which employees feel willing and able to perform their best. Employee engagement is more than just a happy or satisfied workforce. Whilst happiness is essential in employee engagement, to create a truly engaged team, elements such as communication, collaboration and well-being must be addressed to realise one's ambitions.

An employee engagement strategy works with employee retention plans to improve engagement. Employee retention refers to a Bank's ability to keep existing employees by using employee engagement as a retention tool. A Bank often introduces employee retention initiatives to develop and maintain an environment where existing employees feel supported and want to remain within the Bank. Retaining existing employees reduces recruitment costs and the time and effort it takes to train new starters.

## The importance of talent management

Talent management seeks to attract, identify, develop, engage, retain and deploy individuals considered particularly valuable to an organisation. Talent management initiatives are critical drivers of employee engagement and staff retention, which is why getting them right is essential to the continued success of any organisation. Without a robust talent management system, you risk creating a disengaged and uncommitted workforce that is less likely to perform to a high standard and more likely to leave the Bank.

The need to engage employees through powerful strategies has never been more critical – and talent management is the vehicle that allows companies to achieve this. An influential talent management initiative relies upon employee engagement theory and actively creates the environment to properly engage and retain new and existing employees. Without this type of joined-up approach to engagement, our Bank will suffer.

Talent management can positively impact our engagement and retention efforts by creating a culture conducive to producing a committed workforce. Three key areas where exponential change can be seen by implementing talent management strategies are onboarding, performance and retention.

### Better onboarding

Implementing talent management strategies to support our onboarding process better enables us to engage with our employees from day one actively. Providing new starters with the opportunity to immerse themselves in our culture, rather than being stuck behind a desk with countless training documents, will establish a stronger relationship between employees and Bank. Using employee engagement as a retention tool will increase retention and lower employee churn.

## Improved performance

Utilising talent management strategies to engage employees consistently will ensure a downturn in absenteeism and an increase in productivity. Employees who feel engaged with their work will naturally strive to help their organisations realise their strategic goals, often going above and beyond the remit of their role to achieve this. Effectively implementing strategies that foster high levels of engagement will nurture a high-performing culture where employees feel engaged with Bank operations and committed to producing high-quality work.

## Reduced staff churn

It is a fact that employees stay working at companies where they feel that their input is both valued and appreciated and where they are nurtured and encouraged to grow. Investing in talent management solutions to effectively manage existing staff and to identify complementarily and culture-matched recruits will result in lower staff turnover. Providing a Bank with a uniquely committed and qualified talent base. The ability to recognise and nurture existing talent, and identify exceptional new recruits, put our employees at the forefront and shows them that they are a vital part of the Bank's future. We are creating an environment where employees feel valued and are therefore committed to our Bank's long-term success.

## Identifying our employee engagement retention plan

Creating a robust talent management plan to underpin employee engagement and retention goals is critical to success. We can create a fully engaged team who are actively striving to reach their full potential within the organisation and are committed to our Bank goals. Solutions, such as an employee engagement app, have become an increasingly popular investment for industry leaders, with the software providing employers with the functionality to monitor employee engagement whilst also providing employees with a space to build relationships, read essential Bank updates and identify training needs.

Implementing talent management strategies to increase employee engagement and retention is essential to the Bank's success. By fostering an environment where employees are encouraged to actively engage with our Bank from day one, you create a workforce that is both engaged and unlikely to leave, positively impacting our employee engagement and retention levels.

## Talent attraction

Employer brand is a significant factor in attracting the best talent. Prospective candidates always look out for the reputation of the organisation they want to work in and compare it with peers in the same field. Hence, the value proposition must be unique, relevant and compelling, as it is a crucial driver of talent attraction, engagement and retention. The primary reasons people will choose to commit themselves to an organisation are contained within the value proposition.

Personal job satisfaction is driven by far more than financial factors such as salary and benefits. Other key factors influencing how an individual may choose to balance their career path in an organisation are relocation services, salary, perquisites, career development, location, work-life balance, work culture of the organisation and so on. So, we believe it should be communicated actively in all recruitment efforts.

Earlier, when the Bank conducted campus placements, the value proposition was communicated to the candidates. Pre-placement talks were held to give them an overview of their career path, growth opportunities, rewards and recognition programme, work-life balance and other benefits they are entitled to. New recruits are being conveyed the value described above during their induction training.

## Training (Compliance and Leadership) of the Employees and development of their skills

Leadership development is the process which helps expand the capacity of individuals to perform in leadership roles within organisations. Leadership roles facilitate the execution of an organisation's strategy through building alignment, winning mindshare and growing the capabilities of others. In this regard, our Bank has recently done several flagship Leadership development programmes for Senior and Top Management.

The Individual Development Plans (IDPs) for AGMs and above were created as a part of the "Union Prerna" HR-Transformation project. To pioneer a robust assessment process for a top leadership position, there is a platform-led competency assessment and 360-degree feedback for 780 plus executives (AGMs to CGMs) of the Bank available who were assessed across potential and perceptions.

The Executives were assessed under various competency parameters: Customer Focus, Collaboration, Communication, Change Management, Compliance and Risk Discipline, Digital Mindset, Emotional Intelligence and Ownership and Accountability.

During scrutiny and review of the outcome of the assessment, it has been observed that among the competencies mentioned above, "Digital Mindset", "Customer Focus", "Change Management", and "Emotional Intelligence" were in the bottom line.

Since each of these competencies plays a vital role in everyday banking, a need was felt for a focused training programme to cover above mentioned bottom competencies for our Top Executives (CGMs and GMs). To impart this training, **ISB Hyderabad**, with a wealth of experience in a range of businesses and in-depth knowledge in the specific area with professional and technical skills, was assigned to train our Top executives (CGM and GM). A total of **75 participants** took part in the coveted programme.

Also, to foster business and growth in the Bank and to empower and groom the top leaders, the Bank conducted a "2 days Business Conference for Field General Managers and Vertical Heads" on 3<sup>rd</sup> and 4<sup>th</sup> September 2022 at Udaipur, Rajasthan.

The said Business Conference was scheduled to refine the skills of Filed General Managers and Vertical Heads in vital areas of their roles and responsibility and, more importantly, their leadership skills. The conference will be addressed by renowned speakers, will have team building sessions, group discussions etc. and will facilitate FGMs and Vertical Heads in enhancing their leadership, business and interpersonal skills, and managerial effectiveness, and will help them to win the "**RACE**" towards excellence. The conference also helped to sharpen their business acumen and strategic skills.

The two days of the conference were addressed by renowned Guest speakers, namely DevduttPattnaik, Arundhati Bhattacharya, VivekBindraetc. to name a few. The conference also had team-building activities undertaken by **Focus U**, a corporate learning firm that specialises in experimental learning through group activities.

Moreover, in line with the business goal of our Bank, a Business Conference for all 44 First Time Regional Heads with the following Objectives was organised at Amritsar:

- Increasing Customer Centricity through enhanced customer service.
- Increasing Managerial effectiveness.
- Developing people as Change managers.
- Creating Winning Regions for tomorrow.
- Taking up several assignments in tune with the corporate goals and objectives.

Our Bank has imparted various Internal as well as External training to our staff as follows:

### Internal Training

Training	FY 2021-22		April - August 2022	
	No. of Programmes	No. Trained	No. of Programmes	No. Trained
Training (Compliance and Leadership) of the Employee and development of their skills	304	9,828	37	1,679

### External Training

Training	FY 2021-22		April - August 2022	
	No. of Programmes	No. Trained	No. of Programmes	No. Trained
Training (Compliance and Leadership) of the Employee and development of their skills	16	135	7	15



## Caring for Employee health, safety and wellbeing:

Human Resources are one of the most crucial assets for any organisation. Employee performance is critical to the overall success of any organisation. In an organisation, when needs, preferences, safety, health and general well-being of staff are taken care of, they "re able to develop their potential, become more productive and creative, build positive relationships with others, can effectively cope with stress and make meaningful contributions for self as well as organisational development. In this direction Bank has introduced below mentioned Schemes:

### **Annual Health check-up/ Tie-up Schemes for 35+ Employees:**

Under this Scheme, Employees (35+) are eligible for reimbursement of Annual Health check-ups up to the limit from ₹ 2200/- to ₹ 5000/- or can avail of the benefit of Annual Health Check tie-ups within the overall entitlements of an employee.

The mandatory tests (for 40+ and all Executives) under the Scheme includes a Complete CBC Profile, Diabetic Profile Test, Lipid Profile Test, Urine Analysis, Chest X-ray, and ECG (2D or TMT). Other indicative tests are also mentioned under the Scheme, which include the Liver Function Test, Kidney Profile Test, Thyroid Profile Test, Mammography, Pap Smear, Ultrasound of – Whole abdomen, Sonography, and 2 D Echo / Stress Test.

### **Antenatal Check-up for Female Employees:**

Under the Scheme, Antenatal Checkup (4 months old) up to Rs.5000/- is provided to female employees. The reimbursement can be claimed only two times during the tenure of service of the female employee.

**Child Care facilities for Women Employees and Single Male Employees (Parent):**

A child's development is linked with the overall development of a country/ nation. With the change in working lifestyle and emphasis on the empowerment of women, the facilities of Childcare are utilised by many females/ single males (Parent). In such scenarios providing a childcare facility is one of the most crucial tasks for any organisation. Further, single male parents also find it challenging to raise their children.

Under the Scheme, reimbursement of Rs.3000/- per child (up to 2 dependent children till completion of 5 years of age) is provided on a declaration basis.

### **Group Accidental Insurance Scheme:**

Under the Scheme, accidental coverage is provided depending upon the scale/cadre of the staff. The coverage, ranging from ₹ 6 lakhs to Rs.45 lakhs, is provided to all staff members, including the Board members of the Bank. The Bank bears the insurance premium amount.

### **Group Insurance Scheme for all Employees:**

Under the Scheme, the outstanding loan limits of the Staff Housing Loan and Staff Conveyance Loan are covered, whereas for Staff Overdraft sanctioned limit is covered.

The employees bear the premium. During FY2020-21, the Bank subsidized 15% of the insurance premium paid by the employees from the Staff Welfare Fund.

## Empowering Women



To empower women at all levels, irrespective of cadre Bank has introduced several initiatives. These areas are as follows:

**The Bank has firmly in place its Policy on POSH:** Bank follows a zero-tolerance policy in this regard, and any complaint under the purview of POSH is acted upon promptly, in an unbiased manner, while maintaining utmost confidentiality. SHRCs are at each administrative level in the Bank, that is, at Regional and Zonal offices, with the Apex Committee at Central Office.

**SHRC at all levels:** These committees, created at each administrative level, ensure that POSH complaints are acted upon immediately, sensitively and confidentially.

**Positive Discrimination:** In the form of relaxation in the promotion and imparted pre-promotion training for SC/ST/OBC; and relaxation in transfer/posting cycles for women and PWD, to keep them at locations where they are most comfortable.

**COVID Response:** SOPs and guidelines have been issued to ensure the safety of all stakeholders, including staggered timings and WFH for employees with special needs such as PWD, pregnant women and persons with co-morbidities. Online COVID Tracker for prompt decision-making and CATs at local levels for rapid assistance and vaccination drives for its employees and their families.

### Leave Benefits

**Sabbatical Leave:** There are two separate sabbatical leave policies- one for all employees for higher studies and one especially for women – to enable them to succeed in their dual roles of career women and primary caregivers for their families.

**Maternity and Paternity Leave:** maternity leave has always been six months, even when the statutory requirement was three months.

## Wellness

The Bank's well-being and Engagement Strategy addresses a spectrum of holistic enablers across physical, mental, emotional and spiritual well-being.

*'Being a Role Model':* As part of its wellness program, the Bank has designed a unique "*Being a Role Model*" programme. This programme aims to equip employees with the means to manage themselves better, lead fuller lives, become more efficient in their daily living, and eliminate self-damaging habits. Eventually, they should be able to manage others and improve their personal and professional relationships by cultivating empathy and understanding.

## Communities



Union Bank of India is proud to be an active member of the communities we serve. As such, we have a personal stake in helping our neighbours achieve their best lives.

The decisions we make and actions we take as a Bank can improve lives and make generational, transformative changes in the neighbourhoods, towns and cities within our footprint. We see this as both a responsibility and a privilege.

Union Bank of India has been at the forefront of meeting its CSR commitments. Towards this, the Bank established Union Bank Social Foundation Trust (UBSFT) in the year 2006 as an extended arm for carrying out the CSR activities of the Bank. UBSFT has been incorporated to support initiatives towards social upliftment and improving the lives of underprivileged segments. The major CSR activities of the Bank are now being carried out through the UBSFT. Its Board is headed by the Bank's Managing Director & CEO, with Executive Directors as Vice Chairman Trustees, other trustees include the Bank's General Managers and one independent trustee. The UBSFT Board provides directions following the Bank's thrust areas and undertakes quarterly reviews. The Chief Executive of UBSFT executes the directions of the Board. While the Registered office of UBSFT is in Bengaluru, the administrative office is in Mumbai.

The CSR activities undertaken by the Bank/UBSFT in 2021-22 UBSFT has approved 28 projects involving an amount of Rs.547.36 lacs during the year 2021-22 under various sectors like Education, Health care, Community Development, Skill Development etc., details of some major projects undertaken by Bank/UBSFT are given below:

- Bankers Institute for Rural & Entrepreneurship Development, Hyderabad, have been approved an amount of Rs.26.80 lacs towards sharing revenue expenses.
- Swarna Bharat – Soma Institute of Technical training, Venkatachalam, have been approved an amount of Rs.39.73 lacs towards sharing of revenue expenses
- SBT-MRGI – Skill Development Institute, Muchintal, have been approved an amount of Rs.9.75 lacs towards sharing revenue expenses. Corporation Bank Centenary Public Library, Mangalore, has been approved an amount of Rs.25.00 lacs towards meeting the revenue expenses of the library.

- Corporation Bank Heritage Museum, Udupi, has been approved an amount of Rs.17.00 lacs towards meeting the revenue expenses of the Museum
- Supported District administration Udupi in setting up an Oxygen plant at the district hospital at the cost of ₹ 46.25 lacs for treating COVID-19 patients.
- Supported National Health Mission Ranchi in purchasing one Ambulance at the cost of Rs.19.21 lacs for the transportation of patients.
- Supported Mangalore Jesuit Education Society in procuring educational research equipment for St. Aloysius College, Mangaluru, at Rs.25.00 lacs.
- Supported King George Hospital, Visakhapatnam, for procuring one Doppler machine at the cost of ₹ 29.50 lacs.
- Supported Akshaya Patra Foundation, Bangalore, for purchase of two food distribution vehicles (custom built) for supporting food distribution (mid-day meal scheme) to schools at Mangalagiri, Vijayawada, at the cost of ₹ 23,36,320/-.
- Saraswati Education & Welfare Trust, Meghalaya, have approved a donation of Rs.24.00 lacs for constructing three classrooms in Saraswati Vidya Mandir, Kongong.
- Supported Shraddha Foundation Mumbai in purchasing a minibus to transport cancer patients from the shelter to AIIMS Bhubaneswar at Rs.20.90 lacs.
- Devbhumi Siksha Prasar Samiti, Rudrapur, and Udham Singh Nagar have approved a donation of Rs.20.00 lacs towards constructing a multi-purpose hall in their college of pharmacy.

### The CSR activities undertaken during FY2021-22

Union Bank Social Foundation Trust has approved 28 projects involving an amount of Rs.5.47 crore during the year 2021-22 under various sectors such as Education, Health care, Community Development, and Sanitation, among others.

The sector-wise approvals and disbursements during 2021-22 are as under:

#### Sector-wise approvals:

Health care	Rs.186.91 lacs
Community Development	Rs.107.16 lacs
Education	Rs.101.03 lacs
Skill Development	Rs.152.25 lacs
<b>Total</b>	<b>Rs.547.35 lacs</b>

#### Sector-wise disbursements:

Health care	Rs.130.61 lacs
Community Development	Rs.14.75 lacs
Education	Rs.22.60 lacs
Skill Development	Rs.38.20 lacs
Sanitation	Rs.10.32 lacs
<b>Total</b>	<b>Rs.216.48 lacs</b>

## Our CSR Focus Areas During the FY2022

The objectives of CSR have been achieved by creating a positive impact on a targeted social group. Our approach to delivering a positive impact on the lives of the target beneficiaries:

- The projects focused on creating critical infrastructure, which enabled the target beneficiary to leverage upon the strength and build their life prospects giving positive results.
- The products and services provided the needed coping mechanism easing the target beneficiary from the hardships of life, as many of these beneficiaries belong to a particular category who need special care.
- The projects ensured inclusive development by increasing the access of excluded communities to realise entitlements and accessing services.
- The health services offered by different projects have a precise bearing on the lives of the beneficiary, where they can access timely and precise help.

### Health care

- Supported for setting up of an Oxygen plant at District Hospital Udipi at the cost of Rs.46.25 lacs
- Supported District Hospital, Machilipatnam, to purchase a basic life support system ambulance at Rs.20.00 lacs.
- The supported district administration in setting up an Oxygen plant at Mulki at the cost of Rs.21.83 lacs.
- Supported vaccination drive in Mumbai & Jaipur to provide free covid 19 vaccination to poor people at the cost of Rs.0.81 lacs.
- Supported National Health Mission, Ranchi, for purchasing an Ambulance at Rs.19.21 lacs.

- Supported Shraddha Foundation, Mumbai, in purchasing a minibus for transporting cancer patients from the shelter to the Hospital at Bhubaneshwar.
- Supported King George Hospital, Visakhapatnam, in purchasing one ultrasound Doppler machine at Rs.29.50 lacs.
- Supported Shanmughananda Fine Arts & Sangeetha Sabha, Mumbai, in procuring medical equipment for their hospital at Rs.11.96 lacs.



Oxygen Generator Plant donated to District Hospital, Udupi



Ultrasound Doppler Machine donated to King George Hospital, Visakhapatnam



Oxygen Generator Plant donated to Community Health centre, Mulki



High-end research equipment to St. Aloysius College, Mangalore

## Education

- Supported Jesuit Educational Society, Mangalore, purchasing research equipment for St. Aloysius College at Rs.25.00 lacs.
- Supported Satavahana University, Karimnagar, purchase of a Diesel generator set for installation at the university building at Rs.4.98 lacs.
- Supported Devbhumi Siksha Prasar Samiti, Rudraprayag, for constructing a multipurpose hall at Devasthali Vidyapeeth at Rs.20.00 lacs.



- Supported Bharathi Sewa Samiti Karkala in constructing a new school building at Sandeepani Vidya Kendra at Rs.10.00 lacs.
- Supported Saraswati Education & Welfare Trust, Meghalaya, in constructing three classrooms in a school at the cost of Rs.24.00 lacs.
- Supported Govt College, Hebri, Karnataka, for providing infrastructure to their newly built conference hall at Rs.13.04 lacs.
- Supported St. Gregorius Charitable Trust in providing infrastructure to their school at Mysore at Rs.9.00 lacs.



The Bank has Construction of 250 toilet blocks for schools (especially for girl children), and 100 toilet blocks for House Holds in Rural/Semi-Urban areas across India.

Picture: Toilets were constructed in 3 schools in Palghar district, Maharashtra, in July 2021 under the Swatcch Bharat programme

## Community Development

- Supported Akshaya Patra Foundation, Bengaluru, in purchasing two food distribution vehicles for the Mid-day meal scheme at Mangalgi, Vijayawada.
- Supported Corporation Bank Centenary Library, Mangalore, for meeting running expenses amounting to Rs.25.00 lacs.
- Supported Corporation Bank Heritage Museum in meeting running expenses amounting to Rs.17.00 lacs.

## Skill development

- Supported Skill development centres to meet training expenses at Rs.112.52 lacs.
- Supported skill development centre at Venkatachalam for meeting 50% of training expenses of the Institute amounting to Rs.39.73 lacs.

# GOVERNANCE

Union Bank of India ESG Report FY2022



# Corporate Governance



One of our most valuable assets at Union Bank is our reputation for integrity. Our conduct judges us, and we must act in a manner that merits public trust and confidence. We believe a strong governance program is a foundation for a sustainable and well-governed Bank. Accordingly, we continuously evaluate our structures, processes, and controls to ensure they support and promote accountability, effectiveness, transparency, and ethical behaviour.

## Board of Directors

Our Board of Directors provides oversight of and guidance to our executive management team in developing corporate strategy risk management, corporate culture and other important aspects of our business, including ESG topics. To provide such oversight and guidance, we believe it is important that the Board include a substantial majority of independent directors, strong independent committee chairs and a diverse range of backgrounds and experiences calibrated to the evolving needs of our business and stakeholders. Our directors' average tenure is 3 years.

# 55%

Of our Directors on the Board that are non-Executive  
(Including Independent and Nominated Directors)

## Board Committees Oversight

The Board of Directors of the Bank has constituted various committees of Directors and/or executives to investigate different areas of strategic importance in terms of Reserve Bank of India / SEBI / Govt. of India guidelines on Corporate Governance and Risk Management. The important Committees are as under:

1. Management Committee of the Board (MCB)
2. Audit Committee of the Board (ACB)
3. Risk Management Committee (RMC)
4. Special Committee on monitoring of Frauds of Rs.1.00 crore and above (SCMF)
5. Recovery Management Committee of the Board (ReMC)
6. Customer Service Committee of the Board (CSCB)\*
7. HR Sub-Committee of the Board (HRSCB)
8. Stakeholders Relationship Committee of the Board (SRCB)\*
9. IT Strategy Committee (ITSC)

10. Nomination & Remuneration Committee (NRC)
11. Disciplinary Proceedings & Promotion Committee (DPPC)
12. Share Transfer Committee of the Board (STCB)
13. Review Committee for Non-Cooperative Borrowers & Wilful Defaulters of the Bank (RCNCB & WD)
14. Corporate Social Responsibility Committee (CSRC)\*
15. Credit Approval Committee-I (CAC - I)
16. Committee of Directors for Raising of Capital Funds (CDRCF)
17. Board Committee for Performance Evaluation (BCPE)

\*Note 1: The Board of Directors of the Bank, at its meeting dated 30.03.2022 expanded the scope of SRCB by mandating it with the functions related to Customer Service and Corporate Social Responsibility, and as a consequence, CSCB and CSRC have been merged into SRCB, without diluting the scope and composition of SRCB as enunciated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SRCB also has been mandated with Environment, Social and Governance (ESG) functions.

Note 2: The Board of Directors of the Bank, at its meeting dated 30.03.2022, discontinued the “Election Disputes Committee” and “Committee to decide on election of Shareholders Directors – Voting by PSBs”, as these committees were issue specific and such issues did not crop up in the recent past. The Board also decided in this regard that the said committees can be re-formed with the same terms and conditions as and when required for a specific period.

## Board’s Committee Composition

	ACB	RMC	SRCB	NRC	MCB	ReMC	HRSCB	ITSC	DPPC	RCNCBWD	CDRCF	BCPE	SCMF	STCB	CAC-1
Shri Rajkiran Rai G.		Chair	*		Chair	Chair	Chair	*	Chair	Chair	Chair		Chair	Chair	Chair
Shri Manas Ranjan Biswal		*	*		*	*	*	*			*		*		*
Shri Nitesh Ranjan		*	*		*	*	*	*			*				*
Shri Rajneesh Karnatak		*	*		*	*	*	*			*				*
Shri Nidhu Saxena	*	*	*		*	*	*	*			*		*		*
Shri Sameer Shukla	*		*		*	*	*	*	*			*	*		
Shri Arun Kumar Singh	*				*				*						
Shri Suraj Srivastava	*	*	*	*											
Shri Laxman S Uppar															
Dr. Jayadev Madugula	Chair	*	Chair				*	*		*		Chair	*	*	
Smt. Priti Jay Rao		*	*		*		*	Chair				*		*	

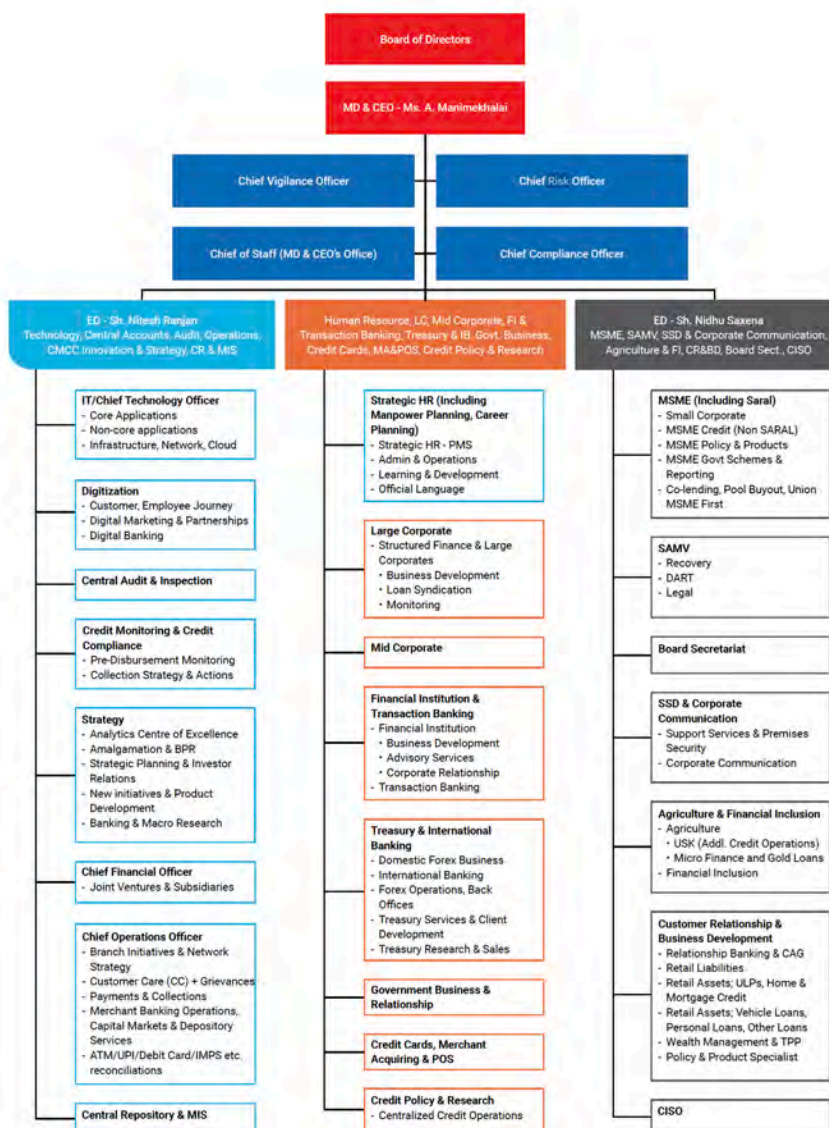
## ESG Steering Committee

During FY2022, the Board of the Bank decided to entrust the Stakeholders Relationship Committee of the Board to be responsible for overseeing the ESG commitments and implementations of the Bank through the formation of a dedicated ESG Steering Committee at the Executive Management Level, constituting of members from the Board and the Senior Executive Management team. The ESG Steering Committee will, in turn, form an ESG Cell at the Bank’s Operational Level, with members within the Bank with domain expertise and departmental responsibilities for research, goal setting and implementation of various ESG aspects.

## Members of the ESG Steering Committee

- All Executive Directors
- Chief General Manager (Large Corporate)
- Chief General Manager (Treasury)
- Chief Financial Officer
- Chief Risk Officer
- General Manager (Board secretariat)
- General Manager Strategy
- And all vertical heads of the Bank are invitees

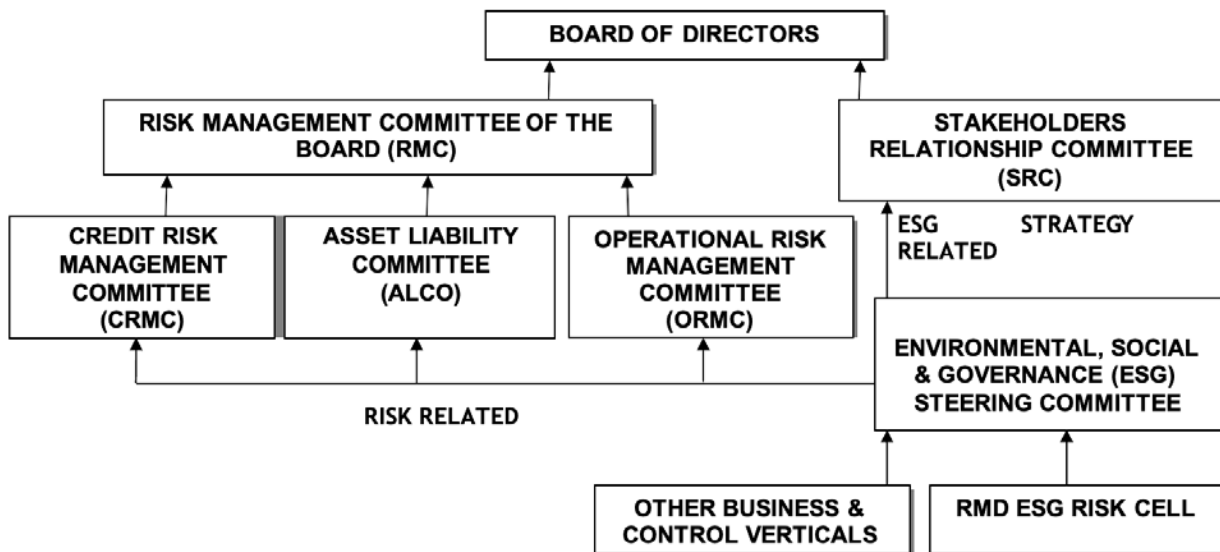
## Organisation Structure



# Climate Risk Management

The unprecedented pace of change and a high degree of global uncertainty today severely challenge more formulaic and stationary approaches to risk management. For banks, significant threats have emerged from inside, outside and in the world at large. These range from inappropriate or illegal employee behaviours to sophisticated cybercrime, trade wars and climate change. There is no reason to believe that these trends will abate.

## ESG Governance Structure in Bank



Economies and societies are increasingly facing complex and severe consequences of climate change which leads to biodiversity loss, resource depletion, income inequality, migration, and other environmental and social concerns. Against this background, legislators worldwide are taking action to change economic activities that have significant adverse impacts on ESG factors and alleviate the worst consequences.

Given the above, the Bank considers climate risk and sustainability in its decision-making process. The Bank is in the process of putting policies and procedures in place and identifying different stakeholders for managing ESG risk.

## Risk Governance

The Bank is adopting a robust system of governance with practical and strong controls for climate risk mainstreaming. The system of governance is proportionate to the nature, scale and complexity of the operations across the Bank’s businesses.

The Board of Directors, the Risk Management Committee (RMC), the Stakeholders Relationship Committee (SRC) and senior management shall be the senior most decision-making authorities on climate risk-related matters.

The board of Directors and senior management shall assign climate-related responsibilities to members and committees and exercise effective oversight of climate-related financial risks.

The Bank’s well-established, existing risk governance structure shall be utilized for assessing and managing climate-related risks, wherein assessment and monitoring of climate risks and opportunities shall take place through each level of the existing governance structure.

The following table shows the metrics to be used by the Bank for climate-related disclosures:

Category	Example of Metrics	Purpose
Governance	<ul style="list-style-type: none"> <li>• The Climate Risk related Governance in the Bank</li> <li>• The direction of the business by climate-related risks and opportunities on the Bank</li> <li>• Conduction of meetings of ESG Steering committee, RMC, Board</li> <li>• Discussion of Climate-Related issues and their impact</li> <li>• Information flows and feedbacks governing the Bank’s processes and operations</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating climate risks into the governance framework of the Bank and accountability at the board level</li> <li>• Proper feedback and information flow</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>• Memberships with external bodies or organizations carrying out climate-related policy and consultancy initiatives</li> <li>• Adopting Climate-related metrics and targets that are critical for measuring Climate-related risks</li> <li>• Describing the impact of climate-related risks and opportunities on the Bank’s businesses and Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Proper engagement with the policymakers and industry stakeholders for assessing climate risks and exploring new opportunities</li> </ul>

	<ul style="list-style-type: none"> <li>• Financial Planning to have a Climate-risk resilient business</li> <li>• Bank’s strategic resilience in different climate-related scenarios</li> </ul>	<ul style="list-style-type: none"> <li>• Building strong resilience against the Climate-related risks</li> <li>• Strategic preparation to capture opportunities formed due to Climate-related changes</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Climate Risk Management process of the Bank</li> <li>• Climate-related metrics that support the measurement of risk exposures and levels in relation to the Risk Management Policy of the Bank</li> <li>• Risk tolerances, risk appetites, and risk thresholds, climate-related metrics inform the degree of risk that the Bank is prepared to accept in relation to the risk management targets</li> <li>• Integration of climate risk in the ERM framework</li> </ul>	<ul style="list-style-type: none"> <li>• Providing details of processes used by the Bank in identifying, assessing, and managing climate risks</li> <li>• Progress in Climate Risk management and incorporation in the overall Enterprise Risk Management</li> </ul>

## Business Ethics



Doing the right thing is central to achieving our vision to be the one bank people most value and trust. Our vision is a commitment that inspires our employees to create a great customer experience, an engaging workforce, and vibrant communities. It is the foundation of



Union Bank of India’s reputation as a respected corporate citizen, and this commitment begins with each Union bank employee doing the right thing.

### Employee Code of Conduct and Whistle Blower Mechanism

**Employees' Code of Conduct:** In exercise of the powers conferred by section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) act, 1970 (5 of 1970), the Board of Directors of Union Bank of India, in consultation with the Reserve Bank and with the previous sanction of the Central Government, is responsible for forming the Conduct regulations.

**Whistle-Blower Mechanism:** The Bank has framed and adopted the Whistle Blower Policy to provide an avenue for Employees of the Bank and Directors on the Board to raise concerns regarding any misconduct with an assurance of confidentiality and protection to the Whistle Blower.

### Ethics Training



Ethics training programmes are designed to promote ethical behaviour. An ethics training programme provides employees with instructions on how to deal with ethical dilemmas when they occur and improve their overall ethical conduct. Details of training conducted by our Bank on ethics were as follows:

### Internal Training



Training	FY 2021-22		April - August 2022	
	No. of Programmes	Nos. Trained	No. of Programmes	Nos. Trained
Ethics training, employee communications on ethics matters and ethics programme assessment	7	210	64	2526

## External Training

Training	FY 2021-22		April - August 2022	
	No. of Programmes	Nos. Trained	No. of Programmes	Nos. Trained
Ethics training, employee communications on ethics matters and ethics programme assessment	3	9	0	0

## Anti-Competitive Activities

The Code of Business Conduct and Ethics outlines Union Bank's position on anticompetitive activities. Anti-trust laws, also called "competition laws," are rules developed by the Indian Government to protect customers from predatory business practices. Their goal is to ensure that fair competition exists in the marketplace. We ensure that business activities that involve any of our competitors are conducted with great care to ensure compliance with all laws and regulations.

## Discrimination and Harassment

Discrimination, harassment, or intimidation are not tolerated for any reason. This includes discrimination based on an individual's race, colour, national origin or ancestry, citizenship status, creed, religion, sexual orientation, transgender status, marital status, civil partnership, pregnancy, parental status or caregiving responsibilities, genetic information, physical or intellectual disability or protected condition, military or veteran status, an individual has been a victim of domestic violence, sexual assault or abuse, or any other status protected under applicable laws. Union Bank does not require employees to sign mandatory arbitration agreements as a condition of employment or continued employment.

## Human Rights

Striving to be the bank that people most value and trust requires operating at the highest ethical standards and upholding the dignity of the individual through every interaction, including with our customers, employees, communities, and shareholders. We support fundamental human rights principles outlined in the United Nations Universal Declaration of Human Rights. The Bank also intends to become signatory to International Coalition like PRB (United Nations - Principles for Responsible Banking), PRI (United Nations - Principles of Responsible Investment), NZBA (United Nations - Net-Zero Banking Alliance) or any other alliance of relevance.

## Customer Privacy and Information Security

Privacy continues to be a high priority for customers. Union bank of India understands this because we understand the value of the data we collect. We are determined to protect this data to maintain our customers' confidence and financial futures. This requires a partnership among the various teams at Union Bank. Information Security, Data Privacy and Fraud Management are some key areas of interest in protecting data. More important are the approximate 75,201 employees and contractors who work diligently to protect data every day by using special tools when sharing data, restricting access to data, and identifying and reporting potential phishing attacks targeted at stealing data. Protecting customer data is a team effort focused on mitigating the many evolving threats within the cyber landscape.

## ADDITIONAL DISCLOSURES

Union Bank of India ESG Report FY2022

Our governance, our ESG ratings, and more information about our business under the Global Reporting Initiative (GRI) Standards and Task Force on Climate-Related Financial Disclosures (TCFD), are cross referenced in the following Indexes.

- Task Force on Climate-Related Financial Disclosures (TCFD) Index
- Global Reporting Initiative (GRI) Index

# Task Force on Climate-related Financial Disclosures Index

## Key areas of progress made in response to TCFD recommendations

Disclosure	Report Page	
<b>Governance</b>	1) Describe the Board’s oversight of climate-related risks and opportunities	74
	2) Describe management’s role in assessing and managing climate-related risks and opportunities	45
<b>Strategy</b>	1) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	44
	2) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning	45
	3) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	47
<b>Risk Management</b>	1) Describe the organization’s processes for identifying and assessing climate-related risks	78
	2) Describe the organization’s processes for managing climate-related risks	74
	3) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management	47
<b>Metrics and Targets</b>	1) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	44
	2) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks	47
	3) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	47

## Global Reporting Initiative (GRI) Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 101</b>		
<b>General Disclosures</b>		
<b>GRI 102: General Disclosure</b>	<b>Organisational profile</b>	
	102-1 Name of the organization	Union Bank of India, Page 18
	102-2 Activities, brands, products, and services	Pages 18, 23, 27-37, Annual Report FY2022 For more information, please refer to Products and Services section on <a href="https://www.unionbankofindia.co.in">https://www.unionbankofindia.co.in</a>
	102-3 Location of headquarters	Page 18
	102-4 Location of operations	Page 23
	102-5 Ownership and legal form	Page 23 & Annual Report FY2022
	102-6 Markets served	Page 23 & Annual Report FY2022
	102-7 Scale of the organization	Page 23 & Annual Report FY2022
	102-8 Information on employees and other workers	Page 55, 57 & Annual Report FY2022
	102-9 Supply chain	Page 49 & Annual Report FY2022
	102-10 Significant changes to the organization and its supply chain	NA
	102-11 Precautionary Principle or approach	Chapter on Our Approach to Sustainability, Page 10
	102-12 External initiatives	Chapter on Economic Impact, Page 17
	102-13 Membership of associations	About this Report, Page 5
	<b>Strategy</b>	
	102-14 Statement from senior decision-maker	Message from the MD and CEO, Page 8
	102-15 Key impacts, risks, and opportunities	Chapter on Climate Change Risk Management, Page 44
	<b>Ethics and integrity</b>	
	102-16 Values, principles, standards, and norms of behavior	Chapter on Risk Governance and Business Ethics, Page 77-78
	102-17 Mechanisms for advice and concerns about ethics	Chapter on Risk Governance and Business Ethics, Page 78
	<b>Governance</b>	
	102-18 Governance structure	Page 75
	102-19 Delegating authority	ESG Governance Structure, Page 76
	102-20 Executive-level responsibility for economic, environmental, and social topics	Members of ESG Steering Committee, Page 75
	102-21 Consulting stakeholders on economic, environmental, and social topics	Chapter on Materiality Assessment & Stakeholder Engagement, Page 13

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
<b>GRI 102: General Disclosures</b>	102-22 Composition of the highest governance body and its committees	<a href="#">Board Committees Oversight, Page 73</a>	
	102-23 Chair of the highest governance body	<a href="#">Board Committees Oversight, Page 73</a>	
	102-24 Nominating and selecting the highest governance body	<a href="#">Board Committees Oversight, Page 73</a>	
	102-25 Conflicts of interest	<a href="#">Chapter on Corporate Governance, Page 73</a>	
	102-26 Role of highest governance body in setting purpose, values, and strategy	<a href="#">Board Committees Oversight, Page 73</a>	
	102-27 Collective knowledge of highest governance body	<a href="#">Board Committees Composition, Page 74</a>	
	102-28 Evaluating the highest governance body's performance	<a href="#">Board Committees Oversight, Page 73</a>	
	102-29 Identifying and managing economic, environmental, and social impacts	<a href="#">Chapter on Materiality Assessment &amp; Stakeholder Engagement, Page 13</a>	
	102-30 Effectiveness of risk management processes	<a href="#">Risk Management Measures and Strategies, Page 45</a>	
	102-31 Review of economic, environmental, and social topics	<a href="#">Chapter on Climate Strategy, Page 39</a>	
	102-32 Highest governance body's role in sustainability reporting	<a href="#">Board Committees Oversight, Page 73</a>	
	102-33 Communicating critical concerns	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-34 Nature and total number of critical concerns	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-35 Remuneration policies	<a href="#">See Annual Report FY2022 – Corporate Governance Report</a>	
	102-36 Process for determining remuneration	<a href="#">See Annual Report FY2022 – Corporate Governance Report</a>	
	102-37 Stakeholders involvement in remuneration	<a href="#">See Annual Report FY2022 – Corporate Governance Report</a>	
	102-38 Annual total compensation ratio	<a href="#">See Annual Report FY2022 – Corporate Governance Report</a>	
	102-39 Percentage increase in annual total compensation ratio	<a href="#">See Annual Report FY2022 – Corporate Governance Report</a>	
	<b>Stakeholder engagement</b>		
	102-40 List of stakeholder groups	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-41 Collective bargaining agreements	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-42 Identifying and selecting stakeholders	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-43 Approach to stakeholder engagement	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	102-44 Key topics and concerns raised	<a href="#">Methods of Stakeholder Engagement, Page 16</a>	
	<b>Reporting practice</b>		
102-45 Entities included in the consolidated financial statements	<a href="#">See Annual Report FY2022 – Financials</a>		



GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 102: General Disclosures</b>	102-46 Defining report content and topic Boundaries	About this Report, Page 5
	102-47 List of material topics	Materiality Assessment & Stakeholder Engagement, Page 13
	102-48 Restatements of information	None
	102-49 Changes in reporting	None
	102-50 Reporting period	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022
	102-51 Date of most recent report	Annual Report FY 2022
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	Mr. Santanu Kumar Dash: skdash@unionbankofindia.bank
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report, Page 5
	102-55 GRI content index	Additional Disclosures, Page 82
102-56 External assurance	None	
<b>MATERIAL TOPICS</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
<b>GRI 103: Management Approach</b>	103-3 Evaluation of the management approach	Risk Management Measures and Strategies, Page 45-51
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	Corporate and Economic Profile, Page 18
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Risk Management, Page 44
	201-3 Defined benefit plan obligations and other retirement plans	Chapter on Social, Page 53
	201-4 Financial assistance received from government	No such financial assistance has been received
<b>Market Presence</b>		
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Our Approach to Sustainability, Page 10
<b>GRI 202: Market Presence</b>	103-3 Evaluation of the management approach	How our Financing Supports the SDGs, Page 25
	202-1 Ratios of standard entry level wage by gender compared to local minimum wages	Chapter on Social, Page 53
	202-2 Proportion of senior management hired from the local community	Chapter on Social, Page 53

## GRI Content Index – Page 4

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Our Approach to Sustainability, Page 10
	103-3 Evaluation of the management approach	How our Financing Supports the SDGs, Page 25
<b>GRI 204: Procurement Practices</b>	204-1 Proportion of spending on local suppliers	Chapter on Social, Page 53
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Our Approach to Sustainability, Page 10
	103-3 Evaluation of the management approach	How our Financing Supports the SDGs, Page 25
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	Chapter on Operational Sustainability, Page 46
	302-2 Energy consumption outside of the organization	Chapter on Operational Sustainability, Page 46
	302-3 Energy intensity	Chapter on Operational Sustainability, Page 46
	302-4 Reduction of energy consumption	Chapter on Operational Sustainability, Page 46
	302-5 Reductions in energy requirements of products and services	Chapter on Operational Sustainability, Page 46
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Our Approach to Sustainability, Page 10
	103-3 Evaluation of the management approach	How our Financing Supports the SDGs, Page 25
<b>GRI 305: Emissions.</b>	305-1 Direct (Scope 1) GHG emissions	To be reported from FY2023 onwards
	305-2 Energy indirect (Scope 2) GHG emissions	To be reported from FY2023 onwards
	305-3 Other indirect (Scope 3) GHG emissions	To be reported from FY2023 onwards
	305-4 GHG emissions intensity	To be reported from FY2023 onwards
	305-5 Reduction of GHG emissions	To be reported from FY2023 onwards
	305-6 Emissions of ozone-depleting substances (ODS)	To be reported from FY2023 onwards
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	To be reported from FY2023 onwards

## GRI Content Index – Page 5

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<a href="#">Materiality Assessment and Stakeholder Engagement, Page 13</a>
	103-2 The management approach and its components	<a href="#">Our Approach to Sustainability, Page 10</a>
	103-3 Evaluation of the management approach	<a href="#">How our Financing Supports the SDGs, Page 25</a>
<b>GRI 306: Waste</b>	306-1 Waste generation and significant waste-related impacts	<a href="#">Chapter on Reducing Waste, Page 48-49</a>
	306-2 Management of significant waste-related impacts	<a href="#">Chapter on Reducing Waste, Page 48-49</a>
	306-3 Waste generated	<a href="#">Chapter on Reducing Waste, Page 48-49</a>
	306-4 Waste diverted from disposal	<a href="#">Chapter on Reducing Waste, Page 48-49</a>
	306-5 Waste directed to disposal	<a href="#">Chapter on Reducing Waste, Page 48-49</a>
<b>Environmental Compliance</b>		
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<a href="#">Materiality Assessment and Stakeholder Engagement, Page 13</a>
	103-2 The management approach and its components	<a href="#">Our Approach to Sustainability, Page 10</a>
	103-3 Evaluation of the management approach	<a href="#">How our Financing Supports the SDGs, Page 25</a>
<b>GRI 307: Environmental Compliance</b>	307-1 Non-compliance with environmental laws and regulations	<a href="#">The bank is compliant with all environmental regulations.</a>
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<a href="#">Materiality Assessment and Stakeholder Engagement, Page 13</a>
	103-2 The management approach and its components	<a href="#">Our Approach to Sustainability, Page 10</a>
	103-3 Evaluation of the management approach	<a href="#">How our Financing Supports the SDGs, Page 25</a>
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	<a href="#">See Annual Report FY 2022</a>
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">See Annual Report FY 2022</a>

GRI Standard	Disclosure	Page number(s) and/or URL(s)
<b>Occupational Health &amp; Safety</b>		
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<a href="#">Materiality Assessment and Stakeholder Engagement, Page 13</a>
	103-2 The management approach and its components	Chapter on Employees, Page 54-56
	103-3 Evaluation of the management approach	Chapter on Employees, Page 54-56
<b>GRI 403: Occupational Health &amp; Safety 2018</b>	403-1 Occupational health and safety management system	Chapter on Employees, Page 54-56
	403-2 Hazard identification, risk assessment, and incident Investigation	Chapter on Employees, Page 54-56
	403-3 Occupational health services	Chapter on Employees, Page 54-56
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter on Employees, Page 54-56
	403-5 Worker training on occupational health and safety	Chapter on Employees, Page 54-56
	403-6 Promotion of worker health	Chapter on Employees, Page 54-56
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter on Employees, Page 54-56
	403-8 Workers covered by an occupational health and safety management system	Chapter on Employees, Page 54-56
	403-9 Work-related injuries	No Material Injuries Reported, Number of hours worked by an employee is around 8 hours on a working day
	403-10 Work-related ill health	No Material Work-Related ill health reported
<b>Training and Education</b>		
<b>GRI 103: Management Approach</b>	103-2 Explanation of the material topic and its Boundary	<a href="#">Materiality Assessment and Stakeholder Engagement, Page 13</a>
	103-3 The management approach and its components	Chapter on Employees, Page 54-56
	103-4 Evaluation of the management approach	Chapter on Employees, Page 54-56
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	Chapter on Employees, Page 54-56
103-1	Programs for upgrading employee skills and transition assistance programs	Chapter on Employees, Page 54-56
404-2	404-3 Percentage of employees receiving regular performance and career development reviews	100% (For all employees eligible for the Annual Performance Review Programme)

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Chapter on Employees, Page 54-56
	103-3 Evaluation of the management approach	Chapter on Employees, Page 54-56
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Chapter on Employees, Page 54-56
	405-2 Ratio of basic salary and remuneration of women to men	Chapter on Employees, Page 54-56
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Materiality Assessment and Stakeholder Engagement, Page 13
	103-2 The management approach and its components	Chapter on Employees, Page 54-56
	103-3 Evaluation of the management approach	Chapter on Employees, Page 54-56
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	Chapter on Employees, Page 54-56
<b>Marketing and Labeling</b>		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	Chapter on Responsible Banking, Page 24
	103-2 The management approach and its components	Chapter on Responsible Banking, Page 24
	103-3 Evaluation of the management approach	Chapter on Responsible Banking, Page 24
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Chapter on Responsible Banking, Page
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Bank operates in a highly-regulated sector with strong systems, and no such incidents were reported.
	417-3 Incidents of non-compliance concerning marketing communications	The Bank operates in a highly regulated sector with strong systems, and no such incidents were reported.

Customer Privacy

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<u>Chapter on Responsible Banking, Page 24</u>
	103-2 The management approach and its components	<u>Chapter on Responsible Banking, Page 24</u>
	103-3 Evaluation of the management approach	<u>Chapter on Responsible Banking, Page 24</u>
<b>GRI 418: Customer Privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>Chapter on Responsible Banking, Page 24</u> No Material Customer Complaints on breach of customer data loss was received

Socioeconomic Compliance

<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	<u>Chapter on Social, Page 53</u>
	103-2 The management approach and its components	<u>Chapter on Social, Page 53</u>
	103-3 Evaluation of the management approach	<u>Chapter on Social, Page 53</u>
<b>GRI 419: Socioeconomic Compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	<u>Chapter on Social, Page 53</u>

# **ESG Report of Union Bank of India**

**FY 2021-22**

