

Urban Company response to Context and Rest of World

1. **Workers have complained that they have to pay the equivalent of an average two months' earnings to Urban Company, or between 50,000 and 60,000 rupees, to begin working.**

Urban Company is a platform for semi-skilled workers. **We invest between INR 80,000 and INR 1 lac in onboarding each professional.** The onboarding process comprises background verification, training at UC centers, service kit and more.

At the time of onboarding, potential partners undergo an extensive training module depending on the trade chosen and their work experience. Post the training, once they have cleared the assessment, they are awarded the Skill India certificate provided in collaboration with the National Skill Development Council. For certain trades, such as salon, to commence work on the platform post the assessment, a service kit needs to be procured which comprises tools, products, and other items necessary to deliver a hygienic and great customer experience.

We want our partners to receive the best training and support for their career growth. Therefore to reduce barriers to entry, we not only invest approximately INR 50,000 per partner in initial training but also fund two to three re-trainings whenever required during the course of their association with the platform. **To date, we have invested close to INR 524 crores in training 1.5lac partners.** Furthermore, to ensure their start with UC is without any hiccups, we also offer kit loans through third-party NBFCs. Further, these kit loans are underwritten by us. **To date, we have disbursed approximately INR 33 crore as kit loans to partners.**

Below is the break down of the onboarding expenses incurred by a partner when joining Urban Company:

<i>Seria l no.</i>	<i>Details</i>	<i>Fee</i>	<i>Refundable status</i>
1.	Background verification fee	300	Non-refundable
2.	Skill India certification <i>This is a certification provided in collaboration with the National Skill Development Corporation ("NSDC") where in furtherance of the Skill India initiative by the Government of India, Urban Company in partnership with the NSDC provides several training and upskilling programs to the Partners who are registered with</i>	400	Non-refundable

	<i>our company, across several categories of professional services.</i>		
3.	Minimum wallet balance required to maintained <i>This is a minimum amount that has to be maintained by Partners in their wallet initially. This is not deducted by the Company, but only used by Partners for accepting new leads/jobs.</i>	1200 (Classic), 2000 (Prime) and 3500 (Luxe).	Used by Partner to accept new leads/jobs and is deducted from the wallet
4.	Kits (containing products that the Partners use on the jobs)	30,000 (Classic), 40,000-45,000 (Prime) and 55,000 (Luxe)	<ul style="list-style-type: none"> - Loans via third-party NBFCs are available for the entire kit amount - partially refundable
5.	Training fee	7,000 (Classic), 8,000 (Prime) and 5,000 (Luxe).	Deducted as EMI over time after partner approval.

2. They complain that they must sometimes travel long distances for jobs, beyond the usual radius of 6–7 kilometers.

Urban Company is a hyperlocal platform and typically the travel distance for partners is in the range of 5-8 kms. Of the total service requests, partners travel less than 5 kms for about 60% of them. In the cases where the service request is from out-of-hub areas, the partners are informed in advance and can choose to accept or decline those bookings. Currently, large cities such as Bengaluru, Delhi NCR and Mumbai have 176, 106 and 120 hubs, respectively. To meet the demand from customers, we have been making our hubs smaller.

3. Some have objected to the auto assign feature, saying it gives them no leeway to refuse particular assignments.

Prior to 2023, service partners indicated the times they were available for delivering services on the UC Partner Application. For indicated available time slots by partners, Urban Company would take orders on their behalf from customers and assign these orders to them. However, we also gave them the additional flexibility to accept or reject these orders, sent to them in their indicated available time slots. This model had two fundamental issues - a meaningful percentage of customer orders did not get accepted by any service partner, leading to a no-show. Additionally, service partners had to constantly check their partner application, even while on customer orders, so as not to “miss out” on any bookings, leading to some anxiety.

Starting 2023, we slowly rolled out a new order scheduling system, designed to enhance the customer experience and provide our service partners with greater control and predictability over their schedules, leading to a healthier work-life balance.

The new order scheduling system is straightforward — partners convey the time slots they are willing to work in, and we auto-assign customer bookings to them within those available time slots. By setting their available time slots, partners essentially convey their availability for service delivery, including short-term and long-term periods of absence.

The benefits of this process are:

- **Work Availability:** Service partners have the autonomy to convey their available time slots for delivering services on the platform as well as periods of non-availability (short term and long term). This system ensures they are not disturbed when offline and receive service requests only during their chosen availability.
- **Enhanced Work-Life Balance:** Partners can set their schedules and take days off from the platform as per their preferences, including long periods of absence, allowing them to balance their professional and personal lives effectively, boosting their morale and performance.
- **3 Emergency Passes for Last-Minute Availability Issues:** Service partners are provided with three emergency passes each month, allowing them to cancel bookings assigned in their indicated available time slots without any penalization. These emergency passes cater to unforeseen situations and can be utilized without explanation by service partners.
- **Earnings Promise:** For partners adhering to platform standards of quality and availability, Urban Company offers incentives to offset any downside risk of the platform not being able to send them adequate orders. This incentive program has been rolled out across several categories and offers income protection in line with platform earnings.
- **Additional Flexibility for Women Partners:** We recognize that our women partners have unique demands of balancing work while managing family responsibilities. Several of them are single mothers and/or sole breadwinners of their families. To support them better, we typically offer greater flexibility to them, including offering a “flexi-partner model” which allows a sizable percentage of our women partners to operate without the above restrictions. For example, **~40% of our women partner base (Salon category) are on a flexi-partner model.**

This model is not unique to Urban Company and is the model adopted globally by leading gig economy players in ride-hailing, food delivery, and e-commerce sectors. We have aligned our processes with the globally accepted practice of offering flexibility to choose service delivery hours while ensuring that customer experience does not suffer. We understand that a change in process may be accompanied by adoption challenges and require adjustment, which we are addressing by engaging in constant dialogue with our partner fleet across cities through in-person town halls, virtual meetings, and focus group discussions.

4. Some have claimed that they were unfairly blocked on the app because of refusing automatic assignments.

Given the amount of investments we make in onboarding and nurturing a UC partner, the last thing we would want is for them to leave the platform. However, in the scenario when partners fail to meet our quality standards despite repeated nudges and retrainings, we believe it's best to part ways.

The company not only invests approximately INR 50,000 per partner in initial training but also funds two to three re-trainings to ensure partners are apprised of platform norms, even when their ratings fall below prescribed thresholds. Given the significant investment in assisting partners to acquire requisite skills, it is neither beneficial nor desirable for the company to delist partners.

In our new system, as explained above, we rely on the calendars marked by partners informing us of their availability. Failure to do this effectively means we end up taking customers' requests on their behalf and fail to deliver them, thus leading to poor customer experience. Hence, it is important that partners correctly inform us of availability. Additionally, each partner is provided with at least three emergency passes, post which they have to undergo a re-training, which is completely funded by Urban Company, to help them rectify and remedy their performance.

Specifically on ratings, in CY23 and CY24 to date, the average rating for service partners on the UC platform has been 4.83/5.00. While these might appear to be very high, most customers give a 5 star rating for a job done satisfactorily. Depending upon the category, we have defined minimum ratings threshold between 4.5 to 4.7 out of 5.0, which are often well-below the averages. To the layperson, a rating of 4.5/5.0 might also appear very high. However, on our marketplace, a rating of 4.5-4.6/5.0 represents a negative [Net Promoter Score](#) (Experiences leading to more detractors than promoters).

We make considerable efforts to ensure partners do not fall below the minimum ratings threshold, providing adequate feedback through the partner application and re-training programs. However, despite our best efforts to re-train and support them, some partners occasionally fall below the ratings threshold more than two or three times. This may lead to the unfortunate decision to counsel them to leave the marketplace to maintain quality standards on the platform.

Given the earnings opportunities with Urban Company, which are often significantly higher than other offline opportunities, such decisions understandably lead to dissatisfaction among impacted partners. We are working hard to ensure that our re-trainings, support, and partner enablement efforts help all partners deliver high-quality service, minimizing the need to part ways with any service partner.

How do you respond to the above complaints?

- 1. We have spoken with researchers who say that the algorithm Urban Company uses to assign clients to workers is opaque and neither workers nor researchers can understand how it works. How do you respond to this?**

Algorithms are used to determine access to work or remuneration. These are transparent and do not result in inequitable outcomes for workers from historically or currently disadvantaged groups.

Matchmaking (or lead fan-out system) is a rule based system which decides which lead should be fanned out to which professional. Matchmaking involves finding the right professional for a customer request that has already been placed.

Key characteristics of our algorithm:

1. Our matchmaking algorithms are rule based and do not involve any element of AI or programs where opaqueness may creep in
2. Leads are fanned out based on: **a)** partner availability **b)** distance from customer residence, and **c)** time slot requested by customer.
3. None of the matchmaking rules take into account gender, religion, socio-economic status, or any other such factors, and are completely fair with the opportunities it fans out among the partner base.

The guiding logic for matchmaking is very simple:

1. UC provides partners the freedom to define when they want to work. Partners mark their calendars to indicate their availability
2. UC sends partners leads in the periods when they indicate themselves as available.
3. Once a customer booking comes in, the algorithm assigns the booking to the partner that meets the criterion of availability and hub (or distance). In the rare scenarios when a partner from that hub is not available, the booking is fanned to out-of-hub partners who can choose to accept or decline the booking.

Partners get equal opportunities to work on the platform for their committed time. The bookings fanned out to them are also visible on their app and they can track their key performance indicators as well. All of this is explained to partners at the time of onboarding, during training, via digital content, such as videos, and during in-person or virtual discussions or meetings.

2. Can you please clarify Urban Company's policies around partners' hub radiuses? Are Urban Company partners promised that they will not be assigned work outside of a hub radius of 6–7 kilometers?

Answered above

3. Can you please confirm the total number of cities in which Urban Company is operating?

Urban Company is currently operating in 60+ cities.

4. We interviewed one former Urban Company partner who participated in January 2024 protests of Urban Company in Hyderabad. She says that she was permanently blocked for "unprofessional behavior" after she refused to work according to the rules of the auto assign feature. Do you have any comments to add about this?

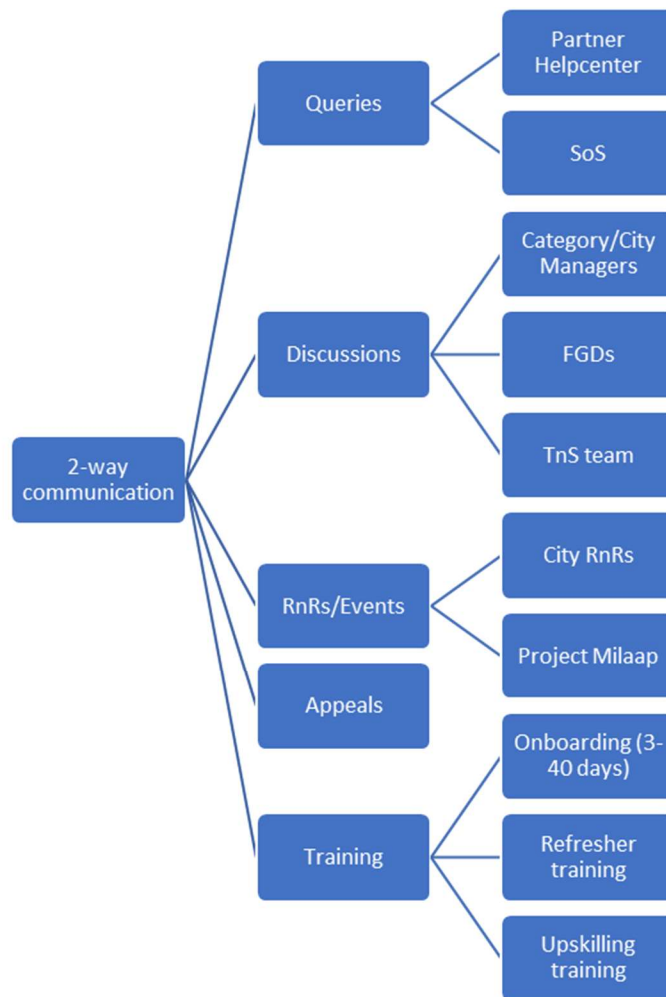
We have an open door policy at Urban Company and no one is penalised for voicing dissent or their concerns. This has never been the case. All partners, whether active or inactive, have access to numerous channels through which they can share their grievances with us.

5. Workers and their advocates complain that Urban Company partners don't have adequate channels to express their grievances. The same former Urban Company partner mentioned in the paragraph above said that at the January 2024 protests in Hyderabad, police threatened protestors that the company would file a complaint against them. One advocate asks how workers can go to the company with their issues if they are not even allowed on company premises. How do you respond to this?

We have a robust grievance redressal process for both active and inactive partners. As mentioned above, no retaliatory action is taken against partners who peacefully voice their concerns. Any legal action, if taken, would only be in situations when disgruntled partners take the law in their hand and resort to vandalism of UC property and manhandling of our employees.

- a. **Partner Help Center:** All partner queries, including those related to payments, service request acceptance, and lead management, are handled through the Partner Helpline. Partner support is operational from 6am to midnight. Any partner who raises any off-job ticket outside of this window is contacted in the morning.
- b. **Partner SOS helpline:** This is meant for immediate assistance when partners activate the SOS feature in the app regarding threat to their safety, connecting them directly to a dedicated SOS helpline.
- c. **Focus Group Discussions with Service Partners**
- d. **In-person or virtual meetings between category managers and partners**
- e. Partners maintain regular contact with the operations teams and are encouraged to reach out to Category Managers for grievances, often in person at city offices or via direct calls.

Urban Company ensures two-way communication between service partners and the UC platform in myriad ways, below is a glimpse of the same.



Urban Company - Service Partner Enablement

Urban Company's mission is to empower a million service professionals to deliver services at home like never experienced before. At the heart of our mission statement is service partner empowerment - Ensuring our service partners make **middle class living wages** (And not just minimum wages), have access to **free life, accidental and health insurance** coverage, are provided **free training, upskilling and certification**, are provided access to world-class tools and products at discounted prices, have access to **formal credit**, and are offered a career path which ensures a dignified, respectful living. We encapsulate these enablement efforts through our **Partner Success Program**.

Partner Success Program: Ensuring holistic service partner well-being

1. Middle-class earnings:

- According to Urban Company's latest [Earnings Index](#), **average monthly net earnings of service partners delivering >30 services in a month was INR 33,469**. Further, the average monthly earnings of the top 20% of Urban Company service partners is INR 42,792, net of all commissions, fees, travel, and product costs. This data was audited by an independent and reputed audit firm - JC Bhalla & Company.
- An analysis of the hourly earnings of the service partners for H2 CY23 showed that **female partners earn 23% per hour more than their male counterparts on the platform**. The average hourly earnings of female partners net of all commissions, fees, travel and product costs is INR 363, while the same for male partners is INR 294.
- As per a recent third party research [by PGA Labs](#), it was found that UC salon service partners earn hourly net average earnings of ~INR 320, which is 4 times the net hourly earnings (~INR 80) of offline beauticians (those working in a salon/parlor or providing at-home services).
- We have published six editions of our partner earnings index, the previous five editions can be accessed here - [Earnings Index H1 CY2023](#) | [Earnings Index H2 2022](#) | [Earnings Index H1 2022](#) | [Earnings Index Q2 FY22](#) | [Earnings Index Q3 FY22](#)
- To the best of our knowledge, we are the first, and likely amongst very few companies in the gig economy globally, to transparently publish the earnings of our gig workers.

As per the latest Partner Earnings Index⁴, our service partners' earnings continue to rise:

Urban Company Earnings Index H2 (July 2023 - December 2023)			
	All partners	All partners with >30 services in a month	Top 20% partners by services delivered
Active partners in India (%)	100%	54%	20%
Total Gross Earnings	42,397	56,555	72,041
UC Commission & fee (%)	25%	24%	23%
Travel Cost	1,732	2,371	2,934
Product cost	5,408	7,246	9,628
Net earnings per month	24,845	33,469	42,792
Total hours spent on the platform	79	108	129
Net earnings per hour	314	310	333
All figures in INR unless otherwise specified			

Urban Company does monthly checks to ensure all our service partners are earning at-least the living wage⁵ and wherever their earnings do not meet the required threshold, we reimburse them the differential amount.

2. Social protection benefits:

- **Insurance cover:** Urban Company **voluntarily provides life insurance cover worth INR 6 lacs**, disability cover worth INR 6 lacs, accidental hospitalization and more.
- All our service providers have a **health insurance plan** which provides a cover of INR 1 lac, with up to 12 free medical consultations per year for self, along with the existing benefits of the Group Life and Accidental Insurance cover. For top-performing partners, the policy also provides family medical insurance for spouse and two children and up to 12 free medical consultations per year.
 - In FY24, over 1800 service partners benefitted from these insurance covers
 - Claims disbursement of over INR 6.29 crores in FY24
 - Claims disbursement of close to INR 9.8 crores to date

Apart from this, if there is any emergency support needed that is not covered under the insurance program, we utilize Suraksha Fund, created in partnership with Srinidhi Trust, an NGO, through proceeds from UC employees, management, and other well-wishers.

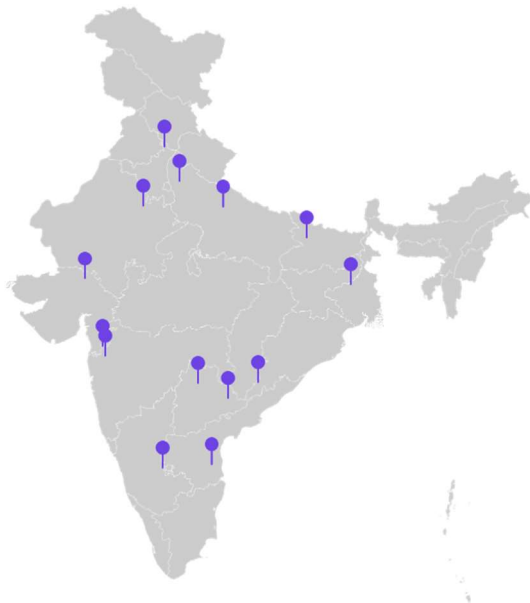
- **Access to formal credit:** We also disbursed INR 37.2 crores worth of loans, including personal loans and service kit loans, to Urban Company service partners via third-party non-banking financial corporations (NBFCs) in FY24. This is crucial as it allows our service partners to be part of a formal economic environment that protects them from getting into debt traps with third parties.
- **Covid-19 support:** For our partners, we had launched Project Kavach — a certification training programme to help them protect themselves and take necessary safety precautions as they resumed their daily lives, vocations and routines. Our Kavach certification program trained partners on personal safety and hygiene standards, PPE usage and service SOPs through a staggered 7-day virtual training program.
 - 100% vaccination for two doses for all partners and their families for free
 - **INR 60 Cr** invested in purchase of PPE kits
 - **INR 2 Cr** disbursed under Covid-19 insurance to partners
 - **1.8 Cr** face masks purchased and distributed
 - **INR 41 Lacs** disbursed as a part of sick leave package to partners who tested positive
 - **INR 32 Lac** disbursed as bereavement support to families of deceased partners
 - **INR 13 Lac** disbursed among partners who needed emergency medical treatment
 - Additional weekly income grant of INR 2,000 to partners who needed to self-quarantine. This was to ensure that our partners can get well without having to worry about loss of income.
 - We purchased insurance cover for any partner infected with the disease, covering any hospitalization expenses and a per-day allowance.

3. Training & Skilling: Our comprehensive training program equips our service partners with the skills and certifications they need to excel. Our service partners are Skill India-certified and

members of the Skill India portal under our MoU with the National Skill Development Council, affiliated with the Govt. of India.

Key stats about our training program:

- Permanent 321k sq ft of space for 175+ training rooms across 14 cities
- Over 280 trainers on board to impart training across all 17 categories
- In FY2024, we trained and upskilled 35,000 partners
- 150+ training centers and a 200+ training team
- Invested INR 138 Cr. in training over FY24 and overall investments of up to INR 524 Cr.



Images above show the Training Centre Footprint of Urban Company, and a sample certificate received at the end of the training in partnership with The National Skill Development Corporation and the Ministry of Skill Development and Entrepreneurship.

- 4. Partner Rewards Program:** As part of our wealth creation initiative for service partners, we launched Partner Rewards program under which, to date, over 513 Urban Company service partners have benefited.
- 5. Partner Safety:** Partners at Urban Company might come across a number of risks in the course of their work, including accidents and injuries, harmful materials, and crime and violence. Urban Company as a platform tries its best to first eliminate such risks through product innovation, SOP adherence checks etc. We invest heavily in educating our partners on how to safeguard themselves against such risks and take appropriate measures to mitigate these risks during onboarding and then reinforce the same regularly post going live on the platform. As part of our

SafeSteps initiative, we provide extensive safety-related support ranging from equipment to helplines:

- Dedicated training module on safety protocols while onboarding partners
- Category-specific risks: To ensure partners' safety, we have given free safety harnesses to our AC Service and Repair Professionals.
- Trust and Safety desk: New Policy to ensure Partners' safety on the Urban Company platform
- SOS button on the app for any emergency support
- 24x7 Partner Helpline
- Dedicated Women-only helpline for Safety, Powered by the SOS feature

6. Other Initiatives

- **Support for Service Professionals Facing Domestic Violence:** We have also introduced **Project Nidar** to support our service professionals facing domestic violence and abuse. This project encompasses all active service partners on the platform, providing them with awareness, assistance, and resources during challenging times. In collaboration with the Invisible Scars Foundation, an NGO dedicated to aiding survivors of gender-based violence, Urban Company will offer counseling, legal aid, and emergency lodging support to affected service partners. Additionally, the company will extend medical support beyond the existing insurance cover of Rs 1 lakh and provide financial assistance of up to Rs 50,000 to those seeking help. This policy applies to all active service partners across Urban Company's platform in India.
- Celebrating partners' success through **Project Milaap**: We host partners and their families in our city offices, acknowledging their hard work and contribution.
- **CDR Nishant Singh Scholarship Program:** To celebrate the outstanding academic achievements of the children of our partner fleet, Urban Company launched the Commander Nishant Singh Scholarship Program in 2023. Under this program, the company will recognise and provide financial assistance to those children who excel academically and/or secure admissions into prestigious educational institutes or military academies across the country.

At Urban Company, we believe that small steps can make a big difference. The Customer Service Guarantee and calendar marking are our steps towards a more efficient, balanced, and customer-centric service model. We look forward to seeing the positive impact of these initiatives and continuing to serve our customers with excellence.