State Bank of India
Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY
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STATE BANK OF INDIA
CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble:

Corporate Social Responsibility aims to integrate economic, environmental and social objectives with organization's operations and growth. It is a social investment to help sustainability of society. Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by addressing their needs.

State Bank of India has been pioneer in Corporate Social Responsibility (henceforth referred to as CSR) in the Indian Banking Ecosystem. The concept of CSR was introduced in the Bank as early as 1973, under the name "Innovative Banking" with emphasis on assisting groups belonging to the weaker and downtrodden sections of the society by providing avenues for improvement of their economic condition. It involved participation in community activities such as blood donation camps, health camps, adult literacy and tree planting etc. As the scope of activities increased, the Bank classified these activities as Community Services Banking. CSR is now one of the activities through which the Bank plays the role of a responsible and responsive corporate citizen and discharges its social responsibility to the community.

The Companies Act, 2013 has brought the idea of Corporate Social Responsibility to the forefront by mandating Companies to set aside 2% of their net profits solely for social activities. They also framed the definition of CSR and guidelines of CSR spend. State Bank of India, however, is required to spend 1% of its profits on CSR as per RBI Regulations. Our Bank has been managing its CSR activities through the 1) Corporate Centre with the support of 16 Circles, Administrative Offices, Apex Training Institutes (ATIs) and Branches and (2) SBI Foundation.

2. Vision Statement:

To be a Bank known for bringing sustainable improvement in the lives of underprivileged.
3. Objective:

The Bank’s objective in CSR is to engage in activities which benefit the under-privileged and less fortunate sections of society. The areas are skill development, education, health, environment protection, disaster relief, cleanliness and other social obligations.

4. SBI Foundation:

In order to smoothly carry out large CSR projects/programmes which require substantial funding & investment of time, SBI Foundation was established as a section 8 Company under Companies Act, 2013. SBI Foundation has been envisioned to undertake innovative & socially oriented programmes directly through strategic alliances and in collaboration with third parties. These activities are expected to be generally in tune with the activities mentioned in schedule VII of the Companies Act, 2013.

The broad objective of SBI Foundation is as under:

“The policy intends to function as a self-regulating mechanism for the Foundation’s activities and enable adherence to laws, ethical standards and international practices and achieve high standards of corporate governance”.

SBI Foundation is subject to audit by the Comptroller and Auditor General (CAG). The SBI Foundation has its own independent Board which approves the Foundation’s policy and reviews it from time to time. It also ensures efficient execution of programmes, projects and activities and compliance with all applicable laws and regulations.

As a parent company, the Bank’s Corporate Social Responsibility Committee (CSRC) of the Board ensures a transparent monitoring mechanism for implementation of CSR projects/programmes/activities undertaken by the Foundation. The CSRC of the Board sets the directions of the activities of the SBI Foundation as per the CSR policy of the Bank and reviews the progress at a quarterly basis.

5. Ceiling & Allocation of Budget:

In terms of Reserve Bank of India instructions, the Bank can sanction donations up to 1% of the previous year’s profits. The Bank shall not carry forward the unutilised amount of the permissible limit of any year for use in subsequent years. As per existing policy, minimum 75 % of CSR Budget is to be allocated to Normal Donation (Donations granted to voluntary organizations / NGOs/ charitable institutions registered as Societies or Public Charitable Trusts for implementing socially oriented projects) and remaining 25% (maximum) is for National Donation (Donations granted to funds sponsored / recognized by Central or State Governments, like Prime Minister’s National Relief Fund, National Defence Fund, and Chief Minister’s Relief Fund etc. for relief / rehabilitation during natural calamities). With the inception of SBI Foundation, up to 65% of the CSR Budget will be allocated to the Foundation and the remaining budget will be used for
CSR activities for Normal & National Donations through Circles. If Bank fails to spend CSR budget of a year, the reasons for not spending the amount are to be specified in the Directors' Report.

All National Donations are included while computing the 1% annual ceiling applicable for overall donations in a year except for donations to Prime Minister's National Relief Fund which has been excluded by the Reserve Bank of India.

In addition to our donation, the Bank will also facilitate the collection of donations by the Public and other donors to the Prime Minister's National Relief Fund. All branches of the Bank will receive contributions to the Prime Minister's National Relief Fund and transfer the funds so collected to the Nodal branch, i.e. Institutional Division, New Delhi Main branch every day without fail.

Institutional Division, New Delhi Main branch is to deposit the funds so collected with Central Bank of India, 70, Janpath Branch, New Delhi.

Subscriptions / Contributions to professional bodies / institutions related to banking industry like Indian Banks' Association, National Institute of Bank Management, Indian Institute of Banking and Finance, Institute of Banking Personnel Selection and Foreign Exchange Dealers' Association of India may be excluded from the stipulated limit of 1% of profit.

6. Eligibility:
- Discretion to be exercised judiciously to ensure that assistance is extended for worthy causes to well established institutions / NGOs with proven track record, for socially oriented projects. It should be ensured that donations are invariably made directly to institutions / NGOs without any involvement of agents/middlemen/consultants.
- Donations should be routed through institutions having a long unblemished record of public service.
- Institution should preferably be registered as a Society or a Charitable Trust.
- Donations should be made only to institutions/NGOs eligible for tax exemption, i.e. institution/NGOs should have income-tax exemption certificate under Sec 80(G) / 35 of I.T. Act, so that Bank can claim tax exemption.
- Donations should be made only to institutions/NGOs having an account with State Bank of India.
- Request for donations from institutions having caste / religious / communal bias and/or political overtones should not be considered.
- Donations to Government Departments or Organisations / Institutions funded exclusively by the Government should not be given as these institutions are expected to meet their financial requirements through government budgetary grants. Donations given for promotion of Information Technology / computer education and for promotion of Sports are exceptions where proposals from Government aided Departments / Organisations / Institutions may also be considered.
Donations to institutions which are having their own funds and / or can raise, on their own, funds to meet costs of their project should be avoided.
Institutions with meagre resources should be given preference.
In respect of donations to multi-branch organizations, Circles should obtain in-principle approval from Deputy General Manager (CSR), Corporate Centre before considering donations to such institutions at Circle level.
Donations are not to be given to individuals.

7. Purpose:
- To have a lasting impact, donations are to be released for the purchase of some equipment for clearly identifiable projects, which seek to provide long term advantages to the target beneficiaries (preferably underprivileged / deprived sections of society) and are conducive to their sustained development.
- Donations for construction activities/acquiring of Real Estate should be discouraged. Only in very exceptional circumstances, donations may be considered for construction activities provided it directly benefits the target beneficiaries. However, in deserving cases, the MD (R & DB) may allow permission on the basis of recommendation from Circle Authorities.
- Donations should not be released as contribution towards corpus funds. In very exceptional and deserving cases, donations may also be considered for augmentation of corpus fund or creation of endowment funds for awarding scholarships to meritorious and economically weaker students pursuing higher / technical / management education at reputed institutions like IIMs, IITs, etc. Such donations may, however, be granted on extremely selective basis and only to highly reputed institutions.
- Donations should be given for a specific activity / purpose rather than a general donation to discourage utilisation of such funds at the discretion of the donee institution.
- Donations for meeting recurring expenses should be discouraged.
- Similarly donations for too many small value sundry items (like bed sheets, pillow-covers, utensils, carpets, chairs, fans, mattresses, etc.) should normally be avoided as it becomes difficult to monitor utilisation of such donations. Further, donations for such items do not yield desired publicity to the Bank.
- The Circle should make efforts to ensure that there is equitable distribution of donations. Donations are to be distributed among different institutions by Circles and not limited to a few donee institutions.

8. Areas of Focus:
The Bank has directed its CSR activities on following with the goal of improving the overall socio-economic status in its areas of operation.
   i) Focusing on preventive and primary health care programs.
ii) Promoting education for all, particularly girls’ education, supporting schools, digital education etc.
iii) Focusing on rural development through integrated development approach, digitalization.
iv) Promoting sports and games.
v) Supporting for the empowerment of Children, Youth, Women and Senior citizens.
vi) Welfare and rehabilitation of poor and handicapped, Armed Forces, War widows and others.
vii) Entrepreneur development programs and livelihood support
viii) Vocational guidance & thrust for assistance to IT education in Rural/Tribal/unreached areas as part of Skill Development.
ix) Environment protection like water conservation, rain harvesting, soil conservation, tree plantation and wildlife conservation.
x) Adoption, maintenance and restoration of historic / heritage monuments / buildings including activities such as audio visual and son et lumiere shows
xi) Assistance during natural calamities like floods/droughts/earth quake etc.
xii) Research & Development fund for supporting research work relevant to the Bank.
xiii) Sanitation, hygiene & provision of clean drinking water.
xiv) As part of community service, the Bank undertakes a number of welfare activities and programmes directly which have a high social content through its branches / offices by way of voluntary efforts of the staff members.

xiv) With a view to dissipating Information Technology education to the remotest areas of our country amongst the downtrodden classes, requests received for donations from NGOs / Institutions / schools, both government and private (whether aided or unaided) / reputed universities or technical institutes to acquire hardware (computers and other accessories) and/or software may be considered provided the Bank is satisfied that the purpose is to spread IT education amongst the needy.

9. RESEARCH & DEVELOPMENT FUND

CONSTITUTION

The Bank set up the Research & Development Fund in 1977 with the primary objective of supporting research work relevant broadly to the activities of the Bank.
ELIGIBILITY

- Under the Fund, Research grants are extended to Universities / reputed academic and Research institutions for undertaking research projects which are of direct relevance to the Bank / Banking industry or having indirect relevance to the Bank or which relate to the emerging scenario in the Banking industry / Economy.
- Research grants should be considered only to the Universities or highly reputed academic institutions.

PREFERENCE

- Preference should be given for appropriate and well-conceived projects / studies or action programmes which could be completed over a period of 2 years.
- Projects related to Credit, Particularly AGRI/ SME & also in the fields of RENEWABLE ENERGY and SUSTAINABILITY will be given thrust.
- The chair may be renewed for a further period of 2 years, subject to satisfactory performance. The maximum period for which assistance could be considered for any project would be about 4 years.
- The Research Projects / Studies should be utilized properly by the relevant user department(s) in the Bank who will review the performance annually.

R&D FUND STEERING COMMITTEE

- A Steering Committee will be formed to approve a project as under:
  - MD (R & DB)
  - MD (R, IT & S)
  - DMD & CDO
  - CGM, STU
  - CEA

10. SBI Children’s Welfare Fund:

- The Bank constituted an SBI Children’s welfare Fund as a Trust in 1983. The Corpus of the Fund is made up of contributions by staff members and matching contribution provided by the Bank. The Fund extends grants to institutions engaged in the welfare of underprivileged / downtrodden children like orphans, destitute, challenged and deprived, etc.
- The projects will be funded from the interest earned on the Corpus for providing shelter, food, medical relief, education including vocational training, etc.
Grants under the Fund are sanctioned only at Corporate Centre.

11. Implementation:

CSR activities will be undertaken by Corporate Centre Establishments, Circles, Administrative Offices, Apex Training Institutes (ATIs), RSETIs & SBI Foundation within the allocated Budget as per the approved policy. CSR Department at Corporate Centre will be the nodal point of monitoring the donations done.

12. CSR Committee of the Board:

The Bank has constituted Corporate Social Responsibility (CSR) Committee of the Board. The functions of the committee are:

- Providing directions towards effective implementation of CSR Policies of the Bank.
- Meets at quarterly intervals.
- Reviews the CSR activities undertaken in the previous quarter.
- Suggests ways and means to improve the functioning of CSR related activities.

13. Monitoring and Evaluation:

CSR Department at Corporate Centre should be in close touch with the Circles for ensuring end use of the funds. Circles are to report their spends on quarterly basis to CSR department at Corporate Centre.

Evaluation:

- Random checking of assets / scrutinising documents & assessment of impact by the Circle/ Corporate Centre functionaries.

14. Conclusion:

The Bank ensures full disclosure of its CSR policy, the composition of the CSR Committee of the Board and sectoral spend details.