



Corporate Social Responsibility (CSR) Policy

Owned by: Corporate Communications

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Version History

Release Date	Version	Revision Description	Approved By
04/12/2008	1.0	Initial version	Board
28/03/2011	1.1	Changes to align with changing practices	Board
25/08/2011	1.2	No change	Board
09/08/2012	1.3	No change	Board
29/07/2013	1.4	No change	Board
09/05/2014	2.0	Changes as mandated by Companies Act, 2013	CSR Committee and Board
13/08/2014	2.1	Minor change w.r.t. focus areas of the policy	CSR Committee and Board

Corporate Social Responsibility (CSR) Policy

Background

On 27 February 2014 the Ministry of Corporate Affairs notified Section 135 and Schedule VII of the Companies Act 2013 (hereby referred to as the “Act” as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from 1st April, 2014.

With effect from 1st April, 2014, any company, private limited or public limited, which either has a net worth of ` 500 crore or more; or a turnover of ` 1,000 crore or more; or net profit of ` 5 crore or more in any financial year, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities (for the purpose of calculating 2% of average net profits, net profits to exclude dividends received from other companies complying with provisions of section 135 of the Act).

The CSR activities must be with respect to any of the activities mentioned in Schedule VII of the Act. As per the Act and the Rules an eligible company is required to should formulate a CSR Policy and upload the same on the company's website.

To formulate and monitor the CSR policy of a company, a CSR Committee of the Board has been constituted. Section 135 of the Act requires the CSR Committee to consist of at least three directors, including an independent director.

Purpose

The Policy has been produced to provide guidance relating to Corporate Social Responsibility to ensure that the Company operates on a consistent and compliant basis.

CSR Policy

Canara HSBC Oriental Bank of Commerce Life Insurance Company, hereby referred to as the "Company", is committed to give back to the community it operates in, including caring for the environment. The Company aims to minimise the impact of its business on the environment, have a positive effect on society and seek to further these objectives through trusts, societies and companies who embrace these objectives. The Company aims to use natural resources responsibly, work with community projects and encourage and educate its employees in these goals. The Company will also continue to assess the environmental and ethical impact of the business and work towards formalising guidelines to reduce any undesirable effects.

1. Constitution and functioning of CSR Committee

The Board of the Company will be responsible for (i) approving CSR policy and disclose its contents in Directors' Report and on the company's website, (ii) ensure that activities are undertaken as per the CSR policy (iii) ensure that company spends at least 2% of the average net profit during the three immediately preceding financial years on CSR activities.

The responsibilities of the CSR Committee include:

- i) To formulate and recommend the CSR policy to the Board which shall indicate the activities to be undertaken by the Company as specified in Schedule VII
- ii) To recommend the amount of expenditure to be incurred
- iii) To execute the CSR Policy that recommends CSR activities, the amount of expenditure to be incurred on the activities referred to and monitor CSR spends
- iv) To monitor CSR activities through a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.
- v) To periodically monitor the implementation of the CSR policy

2. Budget & Expenditure

The Company shall spend a minimum 2% of the average net profit during the three immediately preceding financial years on CSR activities.

Subject to the approval of the Board, based on recommendation of CSR Committee, the Company shall spend an amount of ` 50 lacs in FY 2014-15 for CSR activities of the Company.

Subject to provisions of sub-section (5) of Section 135 of the Act, the Company can undertake CSR activities through outside trusts, societies or companies only in India, provided that these have at least 3 years of track record of undertaking such activities. It will be ensured that the Board of Directors and the CSR Committee will not have any direct interest in the said entity. The Company may also collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spends provided that the CSR Committees of

the respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

The Company post deliberation has decided that contribution to any single trust, society or company shall not exceed ` 10 lacs for a financial year and a due diligence of the trust, society or company as approved by the Board will be carried out by the Company.

Although, there is a cap of ` 10 lacs in terms of contribution to a single trust, society or company, in a financial year, the Board is authorized to assess projects/initiatives (on a case to case basis) and approve expenditure above ` 10 lacs for a single trust, society or company in a financial year, with a cap of ` 15 lacs.

The Company may build CSR capacity through its own employees or through any implementation agency. However, the total expenditure should not exceed 5% of the total CSR expenditure in that year.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility; This will include locations where the Company has its Head Office, hubs and bank branches of the distributors.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee which fall within the purview of Schedule VII of the Act.

CSR expenditure will exclude those:

- i) incurred in the normal course of business
- ii) incurred for benefit of employees or their families
- iii) direct or indirect contribution to political party/group or person
- iv) direct or indirect contribution to religious association/organisation/outfit or person

Any contribution to bona fide charitable and other funds will be outside the purview of CSR Policy and will be governed by the provisions of the Companies Act 2013.

In case any amount is left unspent, the Director's Report will specify the reasons for the same.

3. **Focus Areas**

After due deliberations of the Committee, it is proposed to channel the CSR efforts towards **education** and **environment** as mentioned in Schedule VII of the Act:

- Promoting education, including special education, consumer education and awareness, employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water

4. **Community Investment/CSR Activities - Request for Proposal, Due Diligence and Disbursement of Funds**

The CSR activities/community investment shall be undertaken by the Company as per its stated CSR Policy, as projects or programmes or activities (either new or ongoing).

Community investments should bring a lasting benefit to local communities, motivate staff through opportunities for direct involvement, and as per the focus areas, promote education and/or environmental sustainability.

Decisions and approvals by the CSR Committee over disbursement of community investment funding are subject to the following checks. All CSR projects should:

- Reflect the key themes of educational and environmental support
- Ensure due diligence is completed for the trust/society/company including a field visit by the Company staff wherever possible
- Be based on an evaluation of the proposal which should have clear objectives and some measurable impact
- Allow for staff engagement through volunteering where possible or appropriate

Once approved, the CSR Committee will submit the recommendations to the Board of Directors for approval.

On approval by the Board, the amount will be disbursed to the trust/society/company.

5. CSR Activities for FY 2014-15

S. No	Trust/Society/ Company Name	Project/Activity Name	Location	Project/ Activity Brief	Period	Total Expenditure (`)	Deliverables/ Outcome/ Impact	Reporting frequency (to be captured in the MoU)	
								Project Progress	Financial
1.	WWF-India (Trust)	Project Madhuvan	3 villages in Dindori & Mandla districts of Madhya Pradesh (Satpura Maikal Landscape)	Working with tribal communities for sustainable management of forest resources At the start of the project, a detailed monthly work plan with sub activity level details will be submitted by WWF India	9 months (1 July 2014 – 31 March 2015)	` 9,98,000	1. Sustainable harvesting protocols developed for 2-3 forest products (Chiraunji, Amla) 2. Adoption of improved harvesting techniques for Honey and Mahua by selected households in 3 project villages 3. Adoption of value addition techniques for various forest products by selected households in 3 project villages 4. Larger customer base and improved quality of packaging for forest products 5. Enhanced income levels for beneficiary individuals/groups selected under the project	3 quarterly progress reports (October 2014, January 2015, April 2015) Final impact report (April 2015)	1 financial report at the end of the project (April 2015)
2.	Aide et Action India (Company)	Project Saakaar	Patna, Bihar	A project to provide employment enhancing employability training/ vocational skills to youth especially women from underprivileged and economically backward communities	1 June 2014 to 28 February 2015 – 2 batches of 4 months each (3 month class room training + 1 month of on-the-job training)	` 5,98,000	92 youth from under-privileged and economically backward communities will be trained in bedside patients care and automobile repairing (two wheelers) courses and would be placed at dignified workplaces	1. Batch initiation report will be shared within 15 days after initiation of the batch 2. Monthly progress report will be shared at the end of every month for 3 months (Batch I - July, August, September, 2014 and Batch II – December 2014, January and February 2015)	1 fund utilisation report will be shared on completion of each batch (October 2014, March 2015)

S. No	Trust/Society/ Company Name	Project/Activity Name	Location	Project/ Activity Brief	Period	Total Expenditure (`)	Deliverables/ Outcome/ Impact	Reporting frequency (to be captured in the MoU)	
								Project Progress	Financial
								3. Batch completion report will be shared on completion of the course and placement of the youth (Batch I – November 2014 and Batch II - April 2015)	
								4. Quarterly follow up reports -3 (Batch I – February, May & August 2015 and Batch II – July & August 2015 and January 2016)	
3.	Ambar Foundation (Society)	Project Ujjwal Bhawishya	East Delhi	To provide non formal education (NFE) and skill training to children and youth respectively from marginalised sections of the society; Conduct adult literacy for women from the same community	1 October 2014 to 31 March 2015	` 4,00,000	Non formal education to 100 children Skill training to 60 youth Adult literacy to 15 women with formation of 2 self help groups 1 health camp & 1 nutrition camp	Activity report - Quarterly (January and April 2015) and Annual (April 2015)	Financial statement of expenses - Quarterly (January and April 2015) and Annual (April 2015)
4.	Navjyoti India Foundation (Society)	Project Unnati	Sohna, Rural Gurgaon	To empower the women/girls from rural Gurgaon and equip them with tools to become self-reliant through vocational training in stitching and tailoring	20 July 2014 to 31 March 2015	` 8,60,200	Provide stitching and tailoring vocational training to 110 – 120 women/girls from rural Gurgaon through need based intervention and curriculum to enhance their skills Enhanced awareness on social issues through charcha mandal/ seminars etc Exposure visits to broaden beneficiaries' horizon and awareness about the latest trends in the market	Quarterly progress reports (October 2014, January & April 2015) and annual report - summary of the project impact (April 2015)	Quarterly financial reports (October 2014, January & April 2015) and annual financial report - (April 2015)

S. No	Trust/Society/ Company Name	Project/Activity Name	Location	Project/ Activity Brief	Period	Total Expenditure (`)	Deliverables/ Outcome/ Impact	Reporting frequency (to be captured in the MoU)	
								Project Progress	Project Progress
							Regular follow-ups during and post completion of course to assess their social and economical impact.		
5	Smile Foundation (Trust)	Project Saksham	Bangalore in Karnataka and Mumbai in Maharashtra	Training urban youth especially women from economically backward sections of the society through Smile Foundation's Twin e-Learning Programme (STeP), a national level livelihood programme with market-oriented job skills such as English, basic computer, personality development, retail management, relevant soft skills etc; More than 14221 youth have been trained by Smile Foundation and 10207 have been placed in over 140 companies	1 May 2014 – 31 March 2015 In Bangalore, the entire duration is divided into 2 batches of 6 months each, with 45-60 students per batch, Similarly, in Mumbai, the course duration is for 4 months with 3 batches with 30-35 students per batch	₹ 8,00,000	Qualitative Output - Identifying the right set of candidates, imparting skills for better employability and self reliance for the beneficiaries to become contributing members of their families and have a better standard of living and become role models for the youth in the community Quantitative Output: 190-200 youth from economically backward sections of the society trained in employability skill; At least 50-55% of the beneficiaries placed in right kind of jobs	Bi-annual reports (November 2014 & April 2015) 1 summarized impact report (April 2015)	1 Fund Utilization Report (April 2015)
6.	Krishi Avam Paristhitiki Vikas Sansthan (KRAPAVIS) (Society)	Project Mahila Ajivika	Bhurasidh, Alwar District of Rajasthan	Empowering women from socially/ economically backward and rural communities through vocational skills, - tailoring & embroidery Imparting self - employment skills for self-reliance among these women	1 July 2014 to 28 February 2015 – 2 batches of 4 months each	₹ 5,63,800	Empowering 40 women from socially/ economically backward and rural communities through vocational skills – tailoring & embroidery The beneficiaries would be placed with different tailoring shops and/or encouraged to start their own tailoring shop individually or in group for earning their livelihood/ supplement family income and lead a better life	Four monthly reports for each batch (Batch I – August, September, October & November 2014 and Batch II – December 2014, January, February and March 2015) & 1 narrative report at the end of the project (March 2015)	1 financial report at the end of the project (March 2015)

S. No	Trust/Society/ Company Name	Project/Activity Name	Location	Project/ Activity Brief	Period	Total Expenditure (`)	Deliverables/ Outcome/ Impact	Reporting frequency (to be captured in the MoU)	
								Project Progress	Financial
7.	SOS Children's Villages of India (Society)	Project Utkarsh	Hyderabad in Andhra Pradesh and Chennai in Tamil Nadu	<p>The project will support the education of 50 children residing in SOS Villages</p> <p>The project will focus on child development including individual child's growth, learning and development from early years to adulthood in a caring family environment.</p> <p>Education will be provided in the following manner:</p> <p>Formal education: the child has access to pre-primary, primary, secondary and vocational education</p> <p>Non-formal education: the child has access to educational activities outside the formal education system which support her/his holistic development</p> <p>Informal education: the child has access to play, social networks and stimulating situations which enable her/him to build her/his values, beliefs, attitudes, everyday skills and knowledge</p>	1 April 2014 – 31 March 2015	` 7,80,000	<ol style="list-style-type: none"> 100% enrolment of the supported children in age appropriate education 90-100% school attendance 90-100% children promoted to the next class every year Improved academic performance of the children All-round development of the children including builds their self-esteem by honing talent Children understand their strengths & weaknesses and evaluate their future options 	Progress Report - Six-monthly & Annual (October 2014 and April 2015)	Fund Utilization Certificate – Six-monthly & Annual (October 2014 and April 2015)
						` 50,00,000			

(Detailed project proposals are available for reference as Annexure II)

6. Monitoring

The CSR Committee is responsible to monitor impact of CSR activities, projects and programmes undertaken. It will ensure a transparent monitoring process. Projects will be monitored through:

- Quarterly/half yearly/annual progress report (whichever are applicable as per the MoU)
- Fund utilization/expense report/certificate (as per the MoU)
- Field visits by members of the CSR Committee – at least once for every project in the financial year and by the CSR Team at the Company – at least once for every project in the financial year
- Employee volunteering initiatives wherever possible

7. Reporting

- i) The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report and the same shall be displayed on the Company's website as per the particulars specified in the Annexure I
- ii) The Board's Report of the Company shall include an annual report on CSR containing particulars specified in Annexure I

8. Declaration

The Company confirms that any profit arising out of CSR projects or programmes or activities shall not be included in business profits.

9. CSR Team and Employee Engagement

Head HR and Corporate Communications will be responsible for CSR at the Company.

No employee will carry out any activity in the name of the Company.

As much as possible, volunteering will be an important component of all CSR initiatives. Volunteering will be encouraged under the theme 'Partners in Progress' for all CSR activities of the Company as engaging employees in community investment programmes is an opportunity to sensitize them and increase camaraderie and bonding among them. Volunteering also ensures that the investments are maximized as colleagues are present to monitor progress and can check that funds are used for the purpose for which they have been given.

ANNEXURE I

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programmes
2. The Composition of the CSR Committee
3. Average net profit of the Company for last three financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and District where projects or programmes was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1							
2							
3							
TOTAL							

* Give details of the implementing agency

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause (d) of sub-section (1) of Section 380 of the Act) (wherever applicable)
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