

# Corporate Social Responsibility (CSR) Policy

**Owned by: Corporate Social Responsibility and Sustainability**

**Version no. 6.2**

**Release Date: 15<sup>th</sup> January 2019**

## 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
14/05/2015	3.0	Revised policy and projects for FY 2015-16	CSR Committee and Board
11/08/2015	3.1	No change	CSR Committee and Board
09/05/2016	4.0	Revised policy and projects for FY 2016-17	CSR Committee and Board
10/05/2017	5.0	Revised policy and projects for FY 2017-18	CSR Committee and Board
18/05/2018	6.0	Revised policy and projects for FY 2018-19	CSR Committee and Board
23/07/2018	6.1	Minor changes	CSR Committee and Board
15/01/2019	6.2	Minor changes with respect to addition of two new projects and expansion of focus areas of the policy	CSR Committee and Board

## **Corporate Social Responsibility (CSR) Policy**

### **Background**

On 27<sup>th</sup> 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 1<sup>st</sup> April 2014.

With effect from 1<sup>st</sup> 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 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**

This Policy provides guidance relating to Corporate Social Responsibility to ensure that the Company operates on a consistent and compliant basis.

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### **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 and have a positive effect on society by implementing projects as per its focus areas, in line with activities defined by the Act. The Company also seeks to further these objectives through trusts, societies and companies who embrace these objectives. It 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.

### **Focus areas and philosophy**

The Company will channel its CSR efforts towards **education, environment, sanitation, healthcare and care for senior citizens** 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
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- Promoting healthcare
- Setting up/providing of facilities for senior citizens

## **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) ensuring that activities are undertaken as per the CSR policy (iii) ensuring that Company spends the amounts mandated as per applicable law, , 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 and Expenditure**

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

The CSR budget for the financial year 2018-19 amounts to ₹ 2.74 crore, as per the requirements of applicable law.

As per provisions of sub-section (5) of Section 135 of the Act, the Company can undertake CSR activities itself or 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 members 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.

Contribution to any single trust, society or company shall not exceed ₹ 40 lakhs for a financial year and due diligence of the trust, society or company will be carried out by the Company.

The Company may build CSR capacity through its own employees or through any implementation agency. However, such expenditure, including expenditure on administrative overheads shall 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 will exclude those:

- i) incurred in the normal course of business, including regulatory obligations
- 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

As part of its voluntary CSR initiatives, the Company may also provide support for relief and rehabilitation during natural disasters. The support amount will be decided on a case to case basis and will be over and above the approved CSR budget.

Any contribution to bonafide 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. Community Investment/ CSR Initiatives - Request for Proposal, Due Diligence and Disbursement of funds**

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

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

#### **CSR Review Committee**

There is a management level CSR Review Committee comprising of four direct reports of the CEO (nominated by him), which meets as per requirement.

The key responsibilities of the CSR Review Committee include:

- review the projects and the CSR Policy for each financial year before they are presented to the CSR Committee and the Board
- provide regular guidance and support.

## **Approach and Process**

Decisions and approvals by the CSR Review Committee and the CSR Committee of the Board over disbursement of community investment funding/ support are subject to the following checks. All CSR projects\* should:

- Reflect the key themes of education, sanitation 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 (depending on the nature of the project, need assessment/ baseline studies may be carried out as and when required) 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 for direct implementation by the Company as per the procurement process or to the trust/ society/ company as agreed with them and as per the CSR spend authorization matrix (Annexure II).

\* Projects details mentioned in Annexure I

## **4. Monitoring**

The CSR Committee is responsible to monitor progress and 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, employees or by the CSR Team
- Employee volunteering initiatives; wherever possible.

## **5. 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 Annexure III.
- ii) The Board's Report of the Company shall include an annual report on CSR containing particulars specified in Annexure III.

## **6. CSR Team and Employee Engagement**

Corporate Social Responsibility and Sustainability team, will be responsible for CSR at the Company.

No employee will carry out any CSR 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.

**CSR Activities for FY 2018-19**

The Company proposes to implement the following projects under CSR for FY 2018-19:

S. No	Trust/Society / Company Name	Project Name	Location (District & State)	Project/ Activity Brief	Project Period	Total Expenditure (₹)	Deliverables/ Outcome/ Impact
1.	WWF-India (Trust)	Madhuvan	Sundarbans Biosphere Reserve, 24 Parganas (N & S) West Bengal	Securing the livelihood of honey collection for the traditional honey collectors through feasibility assessment of introducing apiary boxes in the Sundarbans for honey production instead of collecting wild honey from the forests and risking exposure to wild animals	1 August , 2018 – 31 July 2019	15,00,000	<p>1. Feasibility Assessment involving ecological, financial and economical components and business model towards honey extraction from Sundarbans</p> <p>2. Two new local institutions (Honey Collectors' Cooperative) formulated</p> <p>3. Placement of apiary boxes by cooperative members within fenced off forest area with approval from the Forest Department</p> <p>4. Facilitate establishing honey processing and packaging unit in the fringe villages of Sundarbans</p> <p>5. Create awareness to reduce human-tiger conflict for at least the targeted honey collectors</p>
2.	Nehru Foundation for Development – Centre for Environment Education (Society)	Jal Dhara Se Jeevan Dhara	Solapur Maharashtra	This year project will focus on providing education on water conservation, promotion of dry land horticulture, provision of drinking water units, establishment of jaggery production unit and support to pickle production.	15 April 2018 – 31 March 2019	17,00,000	<p>1. Conservation of water through education for sustainable use and through horticultural demonstration plots</p> <p>2. Installation of water</p>

								purification units in 3 villages (one each in each village)
								3. Shift in agriculture towards a sustainable mode - Through supporting the horticultural plots as well as provision of Solar Pumps in groups of farmers - Through improvement in processing of the raw farm based raw materials produced in the villages
								4. Guidance and support towards market linkages with an aim for registration for trademark
3.	Advit Foundation (Trust)	Project Jeevan-Aarohan	Jal	Jaipur (Phagi) Rajasthan	Continue to focus on environment preservation and livelihoods with more installations  Undertake more trainings in adjoining villages, that would encourage entrepreneurship promote and enhance both livelihood and environment	1 June 2018 – 31 March 2019	18,00,000	- Set up 15 solar street lights in the 3 identified villages  - Set up 3 mobile solar charging units in 3 villages  - Set up 6 biogas units in 3 villages  - Upgrade 3 potter kilns in 2 villages  - Undertake more trainings (covering at least 120 villagers) on solar and kilns
4.	Haritika (Society)	Utthan		Chattarpur Madhya Pradesh	The project focuses on environment and livelihood improvement of poor, small & marginal farmers via agro-forestry, agricultural interventions, through the establishment of their own business institution for continuous professional, backward & forward linkages support	10 May 2018 – 9 May 2019	15,00,000	- Agriculture interventions for environment sustainability and improved productivity and enhanced family incomes for 40-60% of participant

							farmers groups and enhanced food sufficiency through <ul style="list-style-type: none"> <li>- Crop intensification of soyabean, peas, groundnut, gram, jowar and diversification into pulses and commercial vegetable farming</li> <li>- Reduction in un-irrigated land through construction of 10 farm ponds and one big pond</li> <li>- Installation of 3 solar water pumps</li> <li>- Integrated nutrient management through introduction of vermi-composting</li> <li>- Multi-cropping and agro-horticulture / agro-forestry and afforestation activities including long-tenure plantation of fruit trees</li> </ul>
5.	Ashray (Society)	Jalashay	Patan (Santalpur), Gujarat	Conservation of water and community development through water security and income generation for salt-pan worker community of Antarnes village in Santalpur Taluka through watershed development and introduction of low water cropping in their farming systems better livelihood, sanitation and drinking water in the village	10 May 2018 – 31 March 2019	19,00,000	<p>1:To augment water harvesting structures and ground water recharging by repair and renovation of 3 water bodies + cleaning, desilting and treatment of 1 pond and its inlet</p> <p>2.To teach 150 farmers to make cost-free, nutrient rich fertilizer to improve soil health and productivity</p> <p>3.To generate awareness among farmers on low water</p>

							cropping and to stimulate income generation by linking low water cropping with enterprise activity via pilot for community training of 10 households
6.	Butterflies (Society)	Asha	Delhi (slum areas)	<p>Educating &amp; empowering vulnerable children through mobile schools</p> <p>Through this initiative, we intend to reach out to vulnerable children who are out of school /reduce drop outs in 5 slum areas of Delhi (Okhla Mandi, Kashmiri Gate, Sadar Bazar, Haathi Park and Chandni Chowk) and mainstream them in formal schools, enhance their life skills, build capacities of parents and community awareness for protecting and promoting children's rights through mobile schools</p>	<p>1 April 2018 - 31 March 2019</p>	9,70,000	<p>Provide education support to around 450 children through mobile school</p> <p>Impact: Target is to mainstream all children (beneficiaries) control drop outs from these locations</p> <p>Involvement of parents in SMCs (School Management Committees) to help children continue their education and bring improvement in overall functioning of the schools and help children to perform better in education. Life skills of children would improve and they would be able to handle the day to day situation of their lives</p>
7.	Amber Foundation (Society)	Ujjwal Bhawishya	East Delhi (Slum area)	<p>Education and vocational training for self reliance</p> <p>To provide Non Formal Education (NFE) and vocational training in computers and beauty parlour management to vulnerable children and youth / women from marginalized</p>	<p>1 April 2018 – 31 March 2019</p>	16,00,000	<p>Non formal education to 120 children</p> <p>Adult literacy to 15 women</p> <p>Vocational Training</p>

				sections of the society  Conduct adult literacy for women from the same community  Organise health and nutrition camps			(Computers) to 100 youth  Vocational Training (Beauty Parlour) - 60 youth  Support to 20 SHGs  Health Camp 1  Nutrition Camp1
8.	Aide et Action (Company)	Saakaar	Ganjam (Brahmapur) Odisha	Providing employability training to under privileged youth to lead them towards self reliance.	1 May 2018 – 10 March 2019	14,19,000	Completion of training of 150 youths in patient care assistance, automobile repairing and electrician trade in Brahmapur, Odisha  The project will try to ensure that 40% of the beneficiaries are women and priority would also be given to youth with disability  The project will promote placement / entrepreneurship in the trades
9.	Navjyoti India Foundation (Society)	Unnati	Gurgaon (Rural areas) Haryana	To promote employment oriented skills up-gradation training to adolescent girls and women from the rural community  To provide awareness on social issues to adolescent girls and women  To encourage self-employment by providing related training on entrepreneurship and exposure visits and liaison with the trained institutes, export houses and other avenues in order to strengthen placement opportunities for the trained girls and women	1 May 2018 – 15 March 2019	14,00,000	110-120 beneficiaries from rural areas will be imparted training in stitching, tailoring and related / other vocations  Website development for brand Unnati and move towards online sales
10.	Canara Bank Centenary Rural Development Trust ( Trust Promoted by Canara Bank)	Pragati	Chikkaballapur Karnataka  Bangalore Malleswaram Karnataka  Udupi (Karkala)	Provide vocational training (dress designing, computer hardware, artisan training) to approximately 266 beneficiaries from rural areas /economically weaker sections of the society	15 May 2018 – 15 April 2019 for Dress Designing and Computer Trainings  Artisan	32,65,000	1. 75 girls/women to be trained in dress designing in Chikkaballapur, Karnataka  2. 45 beneficiaries to receive

			Karnataka Alleppey Kerala Trivandrum Kerala Harohally Karnataka Sonnahallipura Karnataka	training to start by 1 June 2018 and continue for around 1.5 years till 31 December 2019 by which the reports will also be submitted		computer hardware training in Malleswaram, Bangalore, Karnataka  3. 6 beneficiaries to receive artisan training in Karkala in Karnataka  4. 40 beneficiaries to receive training in computers for business process outsourcing in Alleppey, Kerala  5. 40 beneficiaries to receive training in computers for desktop publishing in Trivandrum, Kerala  6. 30 beneficiaries to receive dress designing training in Harohally, Karnataka  7. 30 beneficiaries to receive dress designing training in Sonnahallipura, Karnataka
11.	Oriental Bank Rural Development Trust (OBC RDT)  (Trust promoted by Oriental Bank of Commerce)	Shakti	Chomu-Balekhan Near Jaipur  Rajasthan  Ratol Bet - Firozepur  Punjab	Provide vocational / skill training in eauty Parlour Management and iDress Designing to 250 girls/ women in rural areas or who are from economically weaker sections of the society	15 May 2018 –15 April 2019	33,00,000  Provide vocational training to 250 (approx) beneficiaries from rural areas /economically weaker sections of the society in Chomu-Balekhan near Jaipur in Rajasthan and Ratol Bet in Firozepur, Punjab
12.	Parampara  (Society)	Sanskriti	Puri  Odisha	Skill and vocational training in traditional art of Odisha	15 May 2018 - 15 March 2019	13,19,000  Vocational skill training in art will be provided to 30 beneficiaries in heritage village of

							Raghurajpur and/or neighboring villages like Batagaon  -15 beneficiaries will be trained in pattachitra  -15 beneficiaries will be trained in palm leaf engraving and painting  Provided guidance and training on marketing / creating market linkages including exposure visits etc
13.	Centum Foundation (Society)	Sapney	Delhi	The project is aimed at providing vocational skilling to deaf individuals of domains suitable to their education and aspiration	20 April 2018 – 28 February 2019	11,20,000	70 deaf individuals, who are college or school dropouts would be trained on domains like IT/Hospitality/etc . and made employable.
14.	Agewell Foundation (Trust)	Samaan	Gautam Buddha Nagar Uttar Pradesh	Provision of support and care equipment for the neglected senior citizens in metro slums; regular interaction to combat loneliness and creating awareness amongst teachers and in turn children and public at large on old age issues and its care and management	18 January 2019 – 31 May 2019	15,00,000	Provision of care equipment like wheelchairs (150 units), walkers (55 units) and adult diapers (275 packets) & food packets (275 packets) for the neglected senior citizens in metro slums; regular interaction to combat loneliness and creating awareness amongst teachers and in turn children and public at large on old age issues and its care and management via 4 workshops

15.	CanKids...KidsCan (Society)	Umeed	Ludhiana and Chandigarh Punjab	Setting up of palliative care/ medical support centres for children with cancer and their families and reach out to children from rural/economically backward communities; Training and capacity building medical staff	18 January 2019 – 31 May 2019	15,00,000	Setting up of 3 palliative care/ medical support centres for children with cancer and their families at CMC, Ludhiana, DMC, Ludhiana and PGI, Chandigarh to reach out to approx 50 children from rural/economically backward communities; Training of 5-8 medical staff
S. No	Project/Activity Name		Location	Project/Activity Brief	Project Period	Total Expenditure (₹)	Deliverables/ Outcome/ Impact
16.	Samarth – Vitya Vani		Areas/locations to be assessed at the time of implementation - may be launched at multiple locations in the country	Consumer education via print media, radio, social media, workshops/face-to-face interactions or any other suitable channel (one or more channels will be adopted for dissemination).  The objective of this project is to create awareness and educate consumers/public at large on one or more topics like finance, health, digital literacy, consumer protection laws etc in order to help them be savvy, take informed decisions as well as know their rights and responsibilities. The areas/ avenues/ locations will be assessed at the time of implementation; Procurement process will be followed and the project will be implemented with the help of empanelled vendors as required.	1 May 2018 to 31 March 2019	6,73,920	Consumer education through a appropriate channel/s (single/multi-channel) engagement
<b>C. Administrative expenditure/project overheads including capacity building (maximum 5% per project or as applicable - Will cover cost for travel, monitoring/engagement and other related activities as well as any training, workshops, courses as applicable for beneficiaries, implementation agency and the CSR team/department at HO)</b>						₹ 9,33,080	
					<b>Total (A + B + C)</b>	₹ 2,74,00,000	

\* A maximum of 10% re-appropriation may be allowed in the project heads by CSR department due to exigencies and also as it extremely difficult to predict the exact amount\*\* Mandatory taxes as applicable will be added as applicable and the actual expenditure on projects and overheads/admin expenditure in the financial year will be presented to the CSR Committee after closing  
\*\*\* Vocational/skill training and agreed locations may be changed by the CSR team due to any exigency or requirement and the same to be communicated to the CSR Review Committee and also to the CSR Committee of the Board in the next meeting\*\*\*\*  
Overhead amount i) can be given to beneficiaries for performing a service or producing a craft item related to their skill training or ii) can be used for capacity building and any training of beneficiaries by the Company or its vendors including financial education from

overheads under project Samarth for beneficiaries of other projects iii) training/ workshops/exposure and related capacity building overheads of CSR team and / or its implementation agency

**Delegated Authority Matrix for Board Approved CSR Budget**

<b>Value of contract</b>	<b>Authorised person</b>
Exceeding ₹ 20,000 but less than ₹ 5 lakhs	DR's DR of user function
Exceeding ₹ 5Lakhs but less than or equal to ₹ 15 Lakhs	DR's DR + DR of the user function
Exceeding ₹ 15Lakhs but less than ₹ 25 Lakhs	DR + CFO (in absence of CFO, the CFO may designate one of his DRs for the purpose)
Exceeding ₹ 25 Lakhs and above	DR+ CEO

Approve business and other applicable expenses within the delegated limit and in accordance with the various policies and processes of the Company

*Note: Payments for the CSR projects implemented by CSR partners may be released as advance, provided that the amount for the first installment is capped at 50% of the total project support budget except for those of shareholder trusts*

**ANNEXURE III**

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							
<b>TOTAL</b>							

\* 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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