

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Preamble:

As a responsible corporate citizen, it is felt desirable that Bank should actively contribute to the social well being of the society. Bank has large resources in the form of over 4200 branches and over 37000 employees, even in the remote rural areas, which can be leveraged for enhancing the development of the well-being of less fortunate/under-privileged members of the society. Besides, helping in social uplift, it will also help the bank to enhance its image as a brand that believes in inclusive growth. In view of the above, the Bank proposes to formulate and put in place its CSR Policy. The policy will provide a structured framework for the CSR activities to be conducted by the Bank. The Policy shall be reviewed and updated on an annual basis.

It may also be stated that the directives of RBI vide its communication No. 237/2205-06 DBOD. No.Dir.BC 50/13.01.01/2005-06 dated 21st December, 2005 are voluntary in nature. Also, since the Public Sector Banks are not registered under the Companies Act, the provisions of Sec. 135 of Companies Act, 2013 are not applicable on our Bank.

The CSR activity is proposed to be undertaken by the Bank as a pro-active and voluntary step for development of the well-being of less fortunate/under-privileged members of the society, keeping in view the philosophy of giving back to the society.

2. Policy Statement :

Making seamless efforts to maximize the social outreach through both financial and non-financial resources to less fortunate/under-privileged members of the society to enhance their standard of living.



3. Objectives :

- i. Strive for economic development that positively impacts the society at large with minimal resource footprint.
- ii. Embrace responsibility for sustainable growth and integrate CSR in its business development strategies with values & Bank's commitment to society.
- iii. CSR shall be used as a tool to invoke participation in the social causes for addressing larger issues viz. poverty, hunger, healthcare, skill updation, community development.
- iv. Involve its staff members as well in discharging its social responsibility to make a greater sustainable impact.

4. Undertaking CSR Activity :

- i. Bank will engage directly or through Union Bank Social Foundation (UBSF) or any reputed Government as well as non-Government Organizations, voluntary agencies, civil society organizations, not for profit companies, community based organizations, Trusts/Missions, Self Help Groups, Academic Institutes for furthering the cause within the domain of CSR activities. Union Bank Social Foundation is a Trust founded by the Bank which is Registered under Indian Trust Act, 1882 and having approval under Section 80G(5)(vi) of the Income Tax Act, 1961.
- ii. Donations should be made only to Institutions/NGOs qualifying under tax exemption having requisite certificate under Section 80 (G) /Section 35 AC of Income Tax Act.
- iii. Donations to Institutions having distinct Caste/ religious/ communal bias and or political overtones should not be considered. However, donations to reputed Institutions/organizations etc. engaged in community development programs and conducting activities in larger interest of general public e.g. Hospital, Health care, Education etc. can be considered on case to case basis.
- iv. Donations as contribution towards corpus funds should be granted in very exceptional and deserving cases like for augmentation funds to Government Developmental/ Agencies for carrying out social welfare programs.
- v. Donations normally should not be given to individuals except for creation of endowment funds for awarding scholarships to meritorious and economically weaker students pursuing higher/ technical/ management education at reputed institutions like IIMs, IITs, NIBM etc. and for nurturing talents in excelling in Sports activities at National level. Such donations should be granted on extremely selective basis.



5. Focus Areas :

Historically, efforts undertaken in our country for the benefit of disadvantaged, marginalized and excluded sectors of the society have succeeded in only partially addressing the problems in isolated areas. The glaring imbalances still remain requiring urgent attention. As a result, the need for adopting a comprehensive outlook has arisen. Taking into consideration the complexities, divergence of areas, literacy, financial status, patterns both geographical and societal, inter-alia, the following broad sectors have been identified by the Bank as focus areas within India under Bank's CSR activities :

- Swatch Bharat
- Health Care
- Education and skill development (the bank shall endeavor to offer financial assistance for beneficiaries of its skill development programmes for setting up their own business).
- Girl Child & Women empowerment
- Development of Adarsh Grams/DigiGaon by strengthening infrastructure, sanitation, basic amenities, conveniences, towards community development, financial literacy etc. (the bank shall provide all banking services in the identified village and also use this as an opportunity to fulfill its obligations under various RBI guidelines /Govt. sponsored schemes)
- Natural calamities, disasters.
- Environment Protection
- Protection of national heritage, monuments at historic places, centers of art and culture.

Exclusions :

Following activities will not be undertaken as part of CSR of the Bank :

- Bank will not advocate or support any single religion, caste, creed etc. and shall maintain secular business relationship with all.
- Bank will not support political party sponsored projects for CSR development.
- Bank will not consider any proposal which seeks to benefit only the employees of the Bank and their family members.
- No donations shall be made to benefit any official of the Bank or relative of the official of the Bank. The definition of relative shall be as prescribed under SEBI guidelines (list annexed as per Annexure 'A')



6. Board Level Committee for CSR :

6.1 Composition, Quorum and frequency of meeting

6.1.1. Bank has constituted a Corporate Social Responsibility Committee. The composition of the Committee is as follows:

a. Managing Director & CEO

b. Executive Directors

c. One Part-Time Non-Official Director nominated under Section 9(3)(h) of the Act*.

d. One Shareholder Director elected under Section 9(3)(i) of the Act*

*The Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

6.1.2. Members of CSR Committee under Part-Time Non-Official Director and Shareholders Directors category shall be rotated on a yearly basis.

6.1.3. Quorum of meeting shall be three members.

6.1.4. The meeting should be held at least once in a quarter.

6.1.5. Convener of the meeting will be Corporate Communications Department (CCD).

6.2 Scope

6.2.1. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.

6.2.2. Approval of projects requiring outlay beyond Rs.10 lakhs either to Union Bank Social Foundation Trust or such other entity/organization as approved by the Committee within the overall guidance laid down in this policy.

6.2.3. Reviewing usage of delegated authority by GM/ED/MD&CEO on quarterly basis.

6.2.4. Reviewing performance of Union Bank Social Foundation Trust on quarterly basis.

6.2.5. Minutes of the CSR Committee shall be presented to Board on quarterly basis.



7. Union Bank Social Foundation Trust :

- 7.1. Union Bank Social Foundation is a Trust founded by the Bank Registered under Indian Trust Act, 1882 and having approval under Section 80G(5)(vi) of the Income Tax Act, 1961. The Trust has a separate Board of Trustees comprising of MD & CEO, all Executive Directors, GM CCD(Managing Trustee), GM Law (Executive Trustee), GM MSME, GM LC, GM FI, GM HRM and an Outside Independent Trustee.
- 7.2. The Board of Trustees examine the projects received from various offices of Union Bank of India (pan India) and if found acceptable on the basis of need, cost vs. donation sought and feasibility of implementation, seek donation from Union Bank for execution.
- 7.3. The Board of Trustees meet on a quarterly basis and review the sanctioned projects as also the feasibility etc. of new projects.

8. Budget for CSR :

As per Reserve Bank of India directives, vide its communication No. 237/2205-06 DBOD.No.Dir.BC-50/13.01.01/2005-06 dated 21st December, 2005:

- 8.1. Bank may make Donations during a financial year aggregating up to one percent of published profits of the Bank for the previous year. In case of loss, Bank can spend up to Rs.5.00 lac per annum in case of loss.
- 8.2. The contributions made by Bank to Prime Minister's Relief Fund and subscriptions to Professional Bodies/Institutions like Indian Bank's Association, National Institute of Bank Management, Indian Institute of Banking and Finance, Institute of Banking Personnel Selection and Foreign Exchange Dealer Association of India are exempted from the above ceiling.
- 8.3. The unutilized portion of the limit of one percent will not be carried forward to the next year.
- 8.4. In view of the above, we propose that Annual Budget for CSR be limited to 1 % of published net profits of the Bank for the previous year or Rs.5.00 lacs per annum in case of loss



9. Funding, Selection and Monitoring Process :

9.1 Delegated Authority -

Up to Rs. 1.00 Lakh	..	General Manager, CCD
Above Rs. 1.00 Lakh upto Rs. 5.00 Lakhs	..	Executive Director
Above Rs. 5.00 Lakhs to Rs. 10.00 Lakhs	..	Managing Director & CEO
Above Rs. 10.00 Lakhs	..	CSR Committee of Directors

- 9.2 Union Bank Social Foundation or the Bank directly, will receive requests for funding of projects from pan India throughout the year. The CEO of foundation trust/ GM Corporate Communication will evaluate the proposals received under the Bank's focus areas and the projects will be prioritized by assessing their likely impact. The parameters for evaluation are stated in Annexure B, B1 & B2. The proposals will be recommended to respective delegated authority for approval.
- 9.3 Discretion shall 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.
- 9.4 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 Section 80 (G)/35 of I.T. Act, so that Bank can claim tax exemption.
- 9.5 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.
- 9.6 As far as possible donations are to be granted for a range of activities and should have wide outreach throughout the geographies covering Bank's network in the country while according preference to Bank's Lead Districts.
- 9.7 Institutions with meager resources should be given preference.
- 9.8 No Donations to be made to individuals. However, in exceptional circumstances donations to individuals in deserving cases may be approved by the Board.
- 9.9 The monitoring of end use of funds will be done by the Regional Office, under whose jurisdiction the beneficiaries are impacted. The Corporate Office, will receive progress reports on quarterly basis, till the time the project is fully implemented. The quarterly reports on progress of various projects shall be placed to the CSR Committee of Board for review in its quarterly meetings.



10. Utilization & Release of Funds :

- 10.1 Disbursements will be ensured through Regional Offices/FGMOs. The approved Funds will be remitted to respective Regional Offices/FGMOs as the case may be. FGMO, P&D, in-charge will monitor the utilization of funds donated and ensure end use of funds which are approved either directly or through Regional Offices/Branches depending on the location. The FGMO shall get the donated assets/activities inspected through its Official or by Regional Office/Branch Officials. For projects relating to construction work, the assessment is to be done by Bank's Panel Architect and his certificate verifying the estimate, actual expenses incurred etc. will be obtained.
- 10.2 FGMOs/Regions, which has made disbursement shall monitor the utilization of funds donated and ensure end use of funds for which they were sanctioned. The FGMO/Region shall get donated assets inspected through a senior official of the Bank and shall keep the inspection report on record.
- 10.3 FGMO/ Region shall ensure that the Donee exhibits the Bank's name/logo on the premises where donated assets are kept and/or on donated assets itself.
- 10.4 The FGMO/Region shall ensure to obtain -
- Receipt for donated amount from Donee.
 - Attested copy of certificate under section 80 (G) / 35 of Income Tax Act to claim exemption if applicable.
 - Certificate of the Chartered Accountant of the Donee, certifying the end use of donated funds.
 - In case of single donation to an organization exceeding Rs.25.00 lacs, the Zone/Region shall ensure to obtain verification of end use of donated funds through inspection by a Senior Bank Official.
 - It should be ensured that donations are invariably made directly to Institutions/ NGOs without any involvement of agents/middlemen/consultants.
 - FGM will ensure involvement of maximum number of staff wherever possible to ensure sustainability of efforts.

11. Accounting Procedure :

The expense under CSR will be booked on actual payment basis and not on accrual basis.

12. Impact Analysis :

The Bank will conduct an impact analysis of its all CSR activities involving an expenditure of above Rs.25 lakhs once in a period of three years through an independent agency.

13. Terms of the Policy & Residual Issues :

- The Policy shall supersede the existing Donation Policy.
- The Policy shall take effect immediately and shall be subject to review annually.
- In case of any ambiguity/contradiction/clarification in regard to this Policy, the Managing Director & CEO shall be the final authority to resolve such issue.

This Policy shall be valid up to March 2019 and its continuity may be extended for a further period not exceeding 3 months with specific approval of the Managing Director & CEO.

Monika
(MONIKA KALIA)
GENERAL MANAGER

List of Annexures

- Annexure A - List of Relative as per SEBI Guidelines
- Annexure B - Brief on Proposal/Project/Donation etc.
- Annexure B-1 - Check List for Proposals seeking Donations
- Annexure B-2 - Due Diligence Report



Union Bank of India

Annexure 'A'

List of Relative as per SEBI guidelines:

Relative includes the following :

1. Member of HUF
2. Spouse
3. Father (including step-father)
4. Mother (including step-mother)
5. Brother (including step-brother)
6. Sister (including step-sister)
7. Son (including step-son)
8. Daughter
9. Son's Wife
10. Daughter's Husband



UNION BANK OF INDIA
BRIEF ON PROPOSAL /PROJECT / DONATION ETC.
 (To be filled and signed by the Organization)

Annexure 'B'

<u>No.</u>	<u>Particulars</u>	<u>Remarks</u>					
1	Purpose of Grant/Financial Assistance						
2	Background/Brief history of the Organisation						
3	Highlight of past and present activities (Area, Location, Nature, Partnering Organisation, etc.)						
4	Highlights of Outcomes/Impacts of activities undertaken earlier						
5	Recognition/Awards/Accolades, etc.						
6	Gist of the present proposal and the need (Including Information on Nature of Activities, area, Location, Implementing Agency monitoring, etc.,)						
7	Visible outcomes/impact of the proposed Project/Activities						
8	Budget involved (Ratios, if any) & mode of disbursement						
9	Brief on Sustainability & maintenance, etc., (with the Agency/Organisation responsible)						
10	Any other relevant information to add value to the Proposal						
11	Impact	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20%;">Health 5</td> <td style="width: 20%;">Care & Rehab. 4</td> <td style="width: 20%;">Skill Dev. 3</td> <td style="width: 20%;">Education 2</td> <td style="width: 20%;">Rural Dev. 1</td> </tr> </table>	Health 5	Care & Rehab. 4	Skill Dev. 3	Education 2	Rural Dev. 1
Health 5	Care & Rehab. 4	Skill Dev. 3	Education 2	Rural Dev. 1			



AUTHORISED SIGNATORY

UNION BANK OF INDIA

CHECK LIST FOR PROPOSALS SEEKING DONATIONS

(To be filled and signed by the Organisation and countersigned by the Bank Officials)

Annexure 'B-1'

	<u>Particulars</u>	<u>Remarks</u>
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A) ORGANISATION DETAILS

1	Name and address	
2	Amount requested with purpose of donation (Pl. encl. detailed project report, quotations/estimate, etc.)	
3	Constitution - Trust/Society/ Company/Any Other (Whether Charitable or Religious Trust/Society)	
4	Law/Act under which your Organisation is registered (Copy of Registration Certificate to be enclosed)	
5	Main objects of the Trust/ Institution (Copy of Trust Deed/ Bye-laws, Registration Certificate to be enclosed)	
6	Names of Founder Trustees with their background (List to be enclosed)	
7	Names of present Trustees/ Office bearers and their background (List to be enclosed)	
8	Who are your patrons/main donors and their details (both Inland and Foreign) (List to be enclosed)	



9	Whether any Government/ other donations, received/ committed for this proposed Project (if yes, Pl provide name of donor, amount, period etc.)	
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B) IT REGISTRATION, TAX EXEMPTION

10	Whether Trust / Institution is registered under I.T. Act, 1961? (Pl. enclose copy of PAN/TIN, Certificate from IT authorities)	
11	Is the Trust / Institution exempted under : a) Sec. 80G/35AC b) FCRA (Pls. submit copies of Certificates)	

C) FINANCIALS

12	Are the accounts duly prepared and audited (Pl. submit copies of Financial statements and IT return for last 3 years)	
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D) BANK ACCOUNT DETAILS

13	Details of a/cs. maintained with Union Bank of India (Pl. mention Name of the Branch, Nature of A/c., No. and Balance)	
14	Details of a/cs. maintained with Other Banks (Pl. mention Name of the Branch, Nature of A/c., No. and Balance)	
15	Pl enclose Account Statement of last 6 months (Min.) with A/c. No., Name of the Bank & Branch, IFSC code etc.	



16	Whether the Trust/ Institution is enjoying/enjoyed credit facilities from Union Bank. If yes, details (Including Branch Name, Period, Amount - Fund-based, Non-fundbased, present outstanding, etc.)	
17	Whether the Trust/Institution is enjoying/enjoyed credit facilities from any other Bank. If yes, details (Including Branch Name, Period, Amount - Fund-based, Non-fundbased, present outstanding, etc.)	

E) LEGAL ASPECTS

18	Whether anybody has filed suit or claims against you and if yes details and present status ?	
19	Whether your Trustees / Office bearers at any point of time were involved in money laundering or any other illegal activity ?	
20	Whether any of your Trustees / Office bearers has been convicted by a court for any offence involving moral turpitude, economic offence, securities laws, fraud ?	
21	Whether any order for winding up / dissolution of your Organization was passed by any Court ?	
22	Whether any of your Trustees / Office bearers has been declared insolvent and has not been discharged ?	



F) GENERAL

23	Whether the beneficiaries of the grant / donation are around the service area of Union Bank ? (If yes, Branch name)	
24	How would the bank be benefited by supporting you?	
25	Names of two prominent references with their position ?	
26	Whether any of the staff of Union Bank of India (serving/retired) are associated with the Organisation and if so, in what capacity	
27	Whether any donation was earlier approved by our Bank. (if yes, the duration, purpose, amount and present utilisation status)	
28	Few photographs with clear view of the Organisation/ Institution to be enclosed	
29	Any other matter relevant to add value to the proposal	

Authorised Signatory

(with designation and
Seal of the Institution)

Signature of
the Bank official with designation

Process at Corporate Communications Department

Complete proposal with Check list & required papers, etc., received

Approved Amount & Date :



UNION BANK OF INDIA
DUE DILIGENCE REPORT

Annexure 'B-2'

1	Name of the visiting official	
2	Date of visit	
3	Name of the organization Contact person with whom interacted	
4	Brief about the organization/site physically witnessed	
5	Documents mentioned in check list verified	Yes/No
6	No. of employees Office staff: Others: Any other:	
7	In case of hospitals:/Hostels etc. (information to be furnished as applicable) No. of OTs, No. of beds, No. of doctors & staff, no. of in-patients. No. of inmates with no. of rooms, area in case of hostel. Nature of facilities available, Fees being charged, Free services if any	



8	Whether any of the staff of Union bank of India (serving or ex-staff) are associated with the organization and if so, the names and capacity in which they are associated.	
9	Whether Organisation has any a/c. with our Bank, Branch with nature of a/cs. viz. S.B. F.D.R. etc. with present balance.	
10	Any other matter relating to the proposal	
11.	Comments/ observations/Recommendation suitability & impact of the proposal/ proposed activities:	

Place:

Date:

Signature of visiting official with seal

