



# **Governance of Corporate Social Responsibility**

**Group Strategic Marketing & Communications**

**Version – India**

**Last Updated: 09 February 2016**



### Sign-off List

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### REVISION HISTORY

Revision Date	Version	Updated by	Summary of changes
15 February 2016	1.2	Rahul Srinivasan	Updated exemption criteria from Due Diligence  Annexure 5 – Due Diligence process  Updated ‘Activities listed under schedule VII’



## 1. DBS INDIA CORPORATE SOCIAL RESPONSIBILITY AGENDA /VISION

To actively contribute to the social and economic development of the communities including the communities in which DBS India operate.

In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

Corporate Social Responsibility (CSR) activities undertaken by DBS involve a commitment of both financial and human resources, and have an impact on the bank's reputation.

## 2. SCOPE

This document provides the list of CSR projects or programs which DBS plans to undertake falling within the purview of the Schedule VII of Companies Act ,2013 as notified under the **MCA Notification dated Feb 27, 2014**, specifying

1. DBS India will provide a list of all CSR projects or programs which DBS India plans to undertake, falling within the purview of the Schedule VII of the Act [Annexure 1]
2. DBS India CSR policy will specify the modalities of execution of all the project or programs and implementation schedules.
3. All projects undertaken will follow a procedure of assessment to check the suitability of each project/program and whether it falls in the list of activities covered in Schedule VII [Annexure 3, 4, 5 and 6]
4. Project identification mechanism:-
  - All projects shall be planned in a participatory manner, in consultation with the **CSR committee and the India Management Committee - IMC (wherever required)**.
  - The **CSR committee shall**, ensure mapping process, prioritize the requirements, and ensure a project is born, implemented and is monitored by the **CSR committee on every critical** milestones and the other aspects.



5. DBS India shall follow the approval and record keeping, of the projects to ensure governance and oversight.

### 3. Activities

CSR efforts/activities/programs of DBS India will focus on activities which qualify as CSR initiative as per the Schedule VII of the Companies Act, 2013 as notified under the MCA **Notification dated Feb 27, 2014 and any amendment thereafter**. The activities listed under Schedule VII are as follows:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
  - I. Provisions for aids and appliances to the **differently- able** persons - 'Request for inclusion
  - II. Trauma care around highways in case of road accidents.
  - III. Supplementing of Govt. schemes like mid-day meal through additional nutrition
2. Promoting education including special education and employment enhancing vocation skills especially among children women elderly and the differently abled and livelihood enhancement projects;
  - I. Providing effective consumer grievance redressal mechanism.
  - II. Protecting consumer's health and safety, sustainable consumption, consumer service, support and complaint resolution.
  - III. Consumer protection activities.
  - IV. Consumer Rights to be mandated.
  - V. all consumer protection programs and activities" on the same lines as Rural Development, Education etc.
  - VI. Promotion of Road Safety through CSR
  - VII. Conservation and renovation of school buildings and classrooms
  - VIII. Research and Studies in areas specified under Schedule VII
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil air and water.
5. Protection of national heritage, art culture, including restoration of buildings and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts.
6. Measures for the benefit of armed forces veterans war widows and their dependants;



7. Training to promote rural sports nationally recognized sports Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled caste the Scheduled Tribes, other backward classes minorities and women.
9. Contributions or funds provided to technology incubators allocated within academic institutions which are approved by the Central Government;
10. Rural development projects.
11. Slum area development
12. Disaster Relief
  - I. medical aid can be covered under 'promoting health care including preventive health care.'
  - II. food supply can be covered under eradicating hunger, poverty and malnutrition.
  - III. supply of clean water can be covered under 'sanitation and making available safe drinking water'.

**The above activities are to be liberally interpreted so as to capture the essence. Reference General Circular No. 21/2014. Further the above list is indicative and will include all activities those are notified from time to time by the authority.**

### **3. CONSTITUTION OF CSR COMMITTEE:**

CSR committee shall comprise of at least two committee members .

One of such committee member shall be nominated by the head office of DBS i.e. from DBS Singapore

Second committee member shall be the one, who is resident in India and authorised to accept (on behalf of the foreign company) service of process and any notices or other documents required to be served on the foreign company under the Act and whose name and address is delivered to the Registrar of Companies for registration.

From Singapore

- 1) Group Head GSMC (Concurrence needed when a new CSR partner is on boarded)  
| Can be exempted from attending Quarterly India CSR review meetings.

From India

- 1) Country Head GSMC and/or
- 2) Country Head SME
- 3) Chief Financial Officer



- 4) Country Head, Legal and Compliance
- 5)

#### **4. THE ROLE OF THE CSR COMMITTEE**

- i. Formulate and recommend to Board, a CSR Policy which shall indicate the activities to be undertaken
- ii. The CSR committee needs to ensure that company spends at least 2% of its average profits during previous 3 financial years.
- iii. Constitute a CSR team and oversee/guide/ drive the working of the same
- iv. Monitor and ensure that corpus set aside for CSR are channelized and used for the CSR activities only.
- v. Monitor and amend the CSR Policy of the company from time to time
- vi. Ensure that the surplus arising out of the CSR projects or programs or activities – if any - shall not form part of the business profit of a company and shall be ploughed back in activities as detailed in this document

#### **DISCLOSURE**

The annual report on CSR activities to be included in the Board's report:

- i. Composition of CSR Committee
- ii. CSR Policy, as approved by the Board including overview of projects and programs and a reference to the web-link to the CSR policy
- iii. Average net profit of the company for last three years
- iv. Details of CSR during the financial year – total amount spent; amount unspent; manner in which amount spent
- v. Where a company fails to spend 2% of average net profits, it shall state the reasons for the same
- vi. An annual report on CSR containing particulars specified in Annexure to the Rules
- vii. Report of director's of a company shall include responsibility statement of CSR Committee.
- viii. Report of director's of a company shall include responsibility statement of CSR Committee

#### **5. GUIDELINES FOR CSR INITIATIVES**

CSR initiatives should fall within the **DBS Regional CSR framework and purview** of schedule VII of the Companies Act, 2013 as notified under the **MCA Notification dated Feb 27, 2014** as may be amended from time to time.. In addition, to fulfil its role as a responsible corporate citizen, DBS also collaborates with other players in the social sector



such as charities and voluntary welfare organisations (VWOs) to bring about social impact and transformation.

## **6. IMPLEMENTATION**

The CSR Committee will ensure time bound implementation and roll out of all the activities identified. The activities will be implemented with the involvement of bank employees or through implementing agencies like NGOs, Trusts, societies, DST certified incubation centers or others as allowed. The implementation partner will also be screened based on the Bank's internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.



## **7. MONITORING**

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/programs/activities proposed to be undertaken by the Bank. The CSR Committee would have the responsibility of monitoring approved projects and funds disbursements for such projects as approved by the committee. A transparent system of regular monitoring and reporting mechanism will be put in place as desired by the CSR Rules (Section 135, Companies Act, 2013)

## **8. REPORTING**

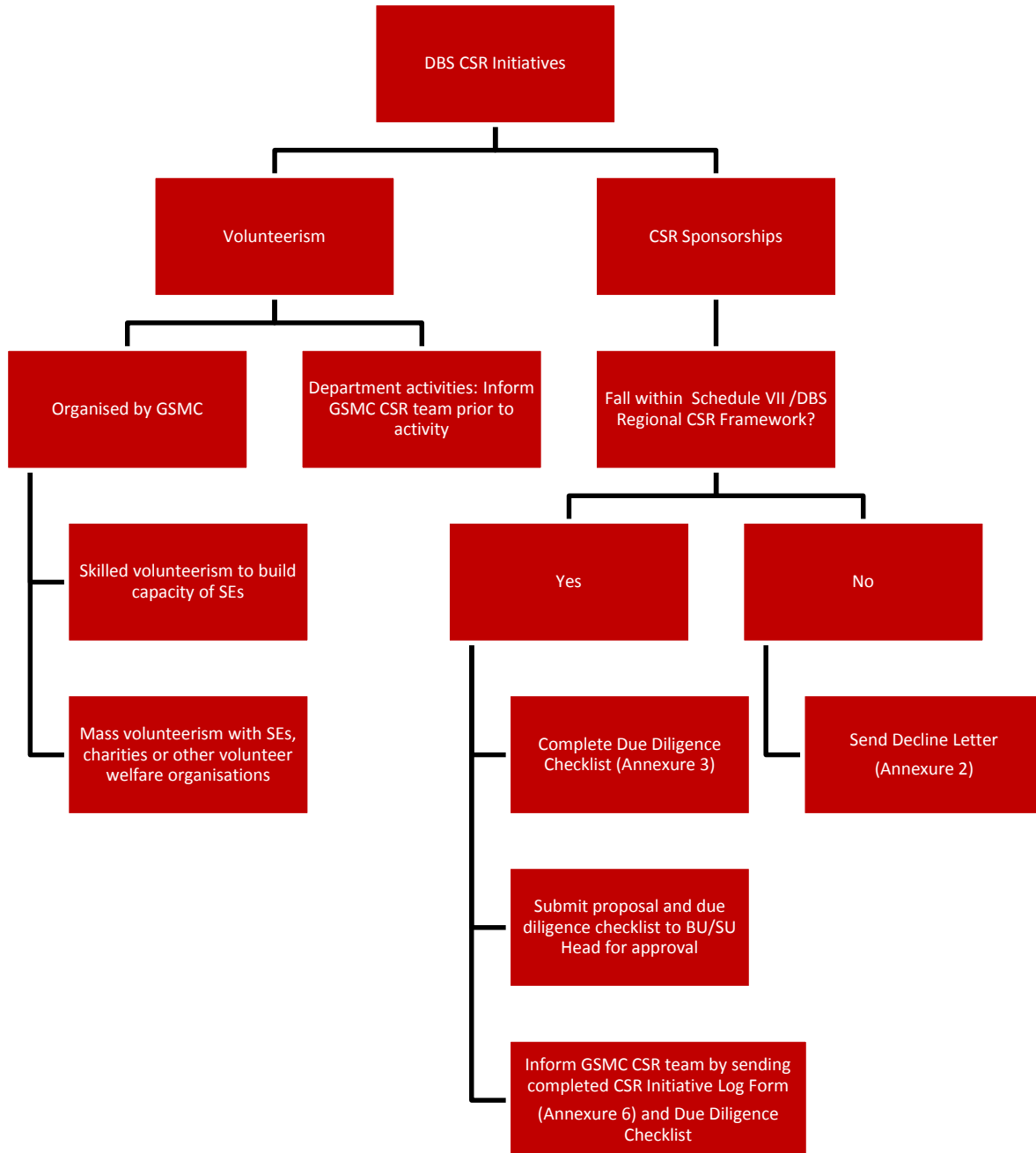
The CSR team will provide regular progress report to the CSR Committee. This report would indicate the following and will also be as per any other statutory and regulatory reporting requirements:

- I. Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
- II. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
- III. Actual year-to-date spends compared to the budget and reasons for variance.
- IV. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.





## 9. Process Overview





## **10. CSR Initiative Due Diligence**






Before engaging in a CSR Initiative, please ensure CSR Partners are screened by completing the prescribed due-diligence process.

This mitigates any reputational risks arising from association of organisations with undesirable standing. Please use the DBS CSR Due Diligence Checklist enclosed in the Annexure 3. Intelligence team ([intelligence@dbs.com](mailto:intelligence@dbs.com)), will screen organisations through checks outlined in Annexure 4 upon user request. Please refer to Annexure 5 for a walkthrough of the steps required to fully comply with the due diligence process.

Screening by Intelligence team may be exempted if **any** of the following exceptional conditions apply:

- i. Sponsorship Amounts, in kind and/or cash, not exceeding INR 50000 (as under the PMLA Act).
- ii. Government or statutory boards
- iii. Social enterprise initiatives under the DBS-TISS social venture programme
- iv. Organisations that DBS has sponsored / supported in CSR activities within the last 12 months, where screening was already conducted for that time. *(please contact your local GSMC representative to find out if your CSR activity partner is such an organisation)*. **Organisations that had been sponsored/supported by DBS in CSR activities more than 12 months ago should undergo a new screening process.**
- v. Existing DBS customers – In this case an approval from the India CSR committee would be required. (email circulation is permissible)



<u>Annexure</u>	<u>Description</u>	<u>Attachments</u>
Annexure 1	Social Enterprise List – India	
Annexure 2	Decline Letter Template*	 Decline Letter Template.doc
Annexure 3	DBS CSR Initiative Due Diligence Checklist	 DBS CSR Initiative Due Diligence Checklis
Annexure 4	Group Compliance Screen Request Template	 Screening request template.doc
Annexure 5	DBS CSR Due Diligence Process	 Annex 4 Process workflow for CSR Due
Annexure 6	DBS CSR Initiative Log Form*	 DBS CSR Initiative Log Form.doc

\*These forms are meant for proposals from departments outside of GSMC.