



# **DBS Bank India Limited Governance of Corporate Social Responsibility**

**Group Strategic Marketing & Communications**

DBS Bank India Limited (“**DBIL**” / “**Bank**”) is a wholly owned subsidiary of DBS Bank Limited (“**DBL**”) headquartered in Singapore. As a matter of sharing best practices, DBIL draws experience and expertise from DBL when dealing with important transactions, policy level decisions to ensure that the minimum governance standards set by DBL are met. Further, DBIL reckons or considers certain policies and standards prescribed by DBL and adopts them in compliance with Indian regulatory requirements. Accordingly, this Corporate Social Responsibility (“**CSR**”) policy is adopted as per the standards prescribed by DBL and in compliance with the relevant provisions of the Companies Act, 2013 (“**Companies Act**”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”). (Companies Act, CSR Rules, circulars, clarifications, notifications issued by the Ministry of Corporate Affairs or judicial decisions determined by a court of competent jurisdiction in relation to CSR and as amended from time to time are hereinafter referred to as “**Applicable Law**”).

## **1. DBIL CORPORATE SOCIAL RESPONSIBILITY AGENDA /VISION**

The Corporate Social Responsibility Committee (“**CSR Committee**”) is constituted by the board of directors (“**Board**”) of the Bank with the vision of actively contributing to the social and economic development of the communities, including the communities in which the Bank operates. In doing so, the aim is to build a better, sustainable way of life for the weaker sections of society and to raise the country's human development index.

The CSR activities undertaken by the Bank involve commitment of both financial and human resources and have an impact on the Bank’s reputation.

## **2. SCOPE**

This policy provides the list of CSR projects or programmes, falling within the purview of the Schedule VII of the Companies Act (as amended from time to time), which the Bank may undertake as a part of its CSR obligations under the Applicable Law. This policy specifies that:

- (a) The Bank will provide a list of all CSR projects or programmes which it plans to undertake, as a part of its annual action plan to be formulated in accordance with the Applicable Law.
- (b) The Bank’s annual action plan for CSR will specify the modalities of execution of all the projects or programmes and implementation schedules in line with the provisions of the Applicable Law.
- (c) All projects undertaken will follow a procedure of assessment to check the suitability of each project/programmes and whether it falls in the list of activities covered in Schedule VII of the Companies Act.
- (d) Project identification mechanism:

- (i) All projects shall be planned in a participatory manner, in consultation with the CSR Committee and the Management CSR Committee (“MCC”), wherever required.
- (ii) The CSR Committee shall ensure the focus area mapping process, prioritize the requirements, and ensure a project is conceptualised, implemented and monitored by the CSR Committee on every critical milestone and in respect of all other aspects.
- (e) The Bank shall follow the mechanism for approval and record keeping of the projects to ensure governance and oversight.
- (f) The Bank will endeavor to give preference to the local area and areas around it, where it operates, for spending the amount earmarked for CSR activities.

### **3. ACTIVITIES**

CSR efforts / activities / programmes of the Bank will focus on activities which qualify as CSR initiatives in accordance with Schedule VII of the Companies Act read with the relevant provisions of the CSR Rules as amended from time to time. The activities listed under Schedule VII of the Companies Act are as follows:

- (a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making safe drinking water available.
- (b) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care center and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (d) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (e) 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.
- (f) Measures for the benefit of armed forces veterans war widows and their dependents, Central Armed Police Forces and Central Para Military Forces veterans, and their dependents including widows.

- (g) Training to promote rural sports nationally recognized sports Paralympics sports and Olympic sports.
  - (h) Contribution to the Prime Minister's National Relief Fund, or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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.
  - (i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- and
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
  - (j) Rural development projects.
  - (k) Slum area development
  - (l) Disaster management, including relief, rehabilitation and reconstruction.

There are certain exclusions under Applicable Law regarding matters which are not considered as eligible CSR activities, including activities undertaken in pursuance of the normal course of business or for fulfilling statutory obligations.

Any CSR programme or project should be cleared with legal and compliance team of DBIL before it is placed before the CSR Committee for approval and implementation.

The above activities are to be liberally interpreted so as to capture the essence of the subjects enumerated in Schedule VII of the Companies Act. Further the above list is indicative and will include all activities which are notified from time to time in terms of the Applicable Law. The list above shall be deemed to be amended (without requiring corresponding amendments to this policy) if there are changes in Applicable Law that amend, modify or clarify the same.

The Bank shall not consider any activities under the purview of CSR which have been expressly restricted under the Applicable Law, *inter alia* including the following:

- (a) any activity undertaken by the Bank outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (b) contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act;
- (c) activities benefitting employees of the Bank as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (d) activities supported by the Bank on sponsorship basis for deriving marketing benefits for its products or services;
- (e) activities carried out for fulfilment of any other statutory obligations under any law in force in India; and
- (f) Activities undertaken by DBS India in pursuance of its normal course of business.

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

Subject to the prevalent provisions of Applicable Law from time to time, the Bank's CSR committee shall comprise of at least three (3) directors, out of which at least one (1) will be an independent director.

#### **5. THE ROLE OF THE CSR COMMITTEE:**

- (a) Formulate and recommend to the Board of the Bank, the CSR policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Companies Act.
- (b) The CSR committee needs to take necessary steps such that the Bank spends at least 2% of its average net profits made during the three immediately preceding financial years (or such other amount as may be prescribed under the Applicable Law in this regard from time to time) in pursuance of this policy.
- (c) Approve the amount of expenditure to be incurred on the activities specified in Schedule VII of the Companies Act.
- (d) Constitute a CSR team and oversee / guide / drive the working of the same.
- (e) Monitor and ensure that corpus set aside for CSR are channelized and used for the CSR activities only. Monitor and amend this policy from time to time.
- (f) Ensure that the surplus arising out of the CSR projects or programmes or activities – if any - does not form part of the business profit of the Bank and is treated in accordance with the Applicable Law.
- (g) The CSR Committee shall formulate and recommend to the Board of the Bank, an annual action plan in pursuance of this policy, which shall include the following, namely:
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - (ii) the manner of execution of such projects or programmes as specified in sub-rule (1) of

- rule 4 of the CSR Rules;
- (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the Bank.

## **6. DISCLOSURE:**

The annual report on CSR activities shall consist of information *inter alia* as required under Applicable Laws and will be included in the Board's report in the format specified under the CSR Rules.

## **7. GUIDELINES FOR CSR INITIATIVES:**

The Bank's CSR initiatives should be within the contours of its standards and in compliance with Applicable Law. In addition, to fulfil its role as a responsible corporate citizen, the Bank also collaborates with other players in the social sector such as charities and voluntary welfare organisations (VWOs) eligible to undertake CSR activities to bring about social impact and transformation.

## **8. IMPLEMENTATION:**

- (a) The CSR Committee will ensure compliance with all the relevant requirements of Applicable Law, as amended from time to time.
- (b) The activities may be implemented by either the Bank itself with the involvement of bank employees or through implementing agencies eligible to undertake CSR activities as per the Applicable Law.
- (c) The implementation agencies will also be screened based on the Bank's internal screening criteria to ascertain their eligibility, credibility and ability to execute the proposed projects.

## **9. MONITORING:**

The Bank's CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/programmes/activities proposed to be undertaken by the Bank.

- (a) The CSR Committee would have the responsibility of monitoring approved projects and funds disbursals for such projects as approved by it. A transparent system of regular monitoring and reporting mechanism will be put in place as desired by the Applicable Law.
- (b) The Bank may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this policy as well as for capacity building of their own personnel for CSR.

#### **10. AMENDMENTS TO APPLICABLE LAW:**

This policy has been formulated pursuant to legal requirements under Applicable Law. To the extent any of the matters referred herein arise from Applicable Law, and such matters are amended, clarified or deleted under Applicable Law, then such amendment, clarification or deletion shall be deemed to be incorporated herein. The CSR Committee may review and update this policy once in three (3) years or as and when required, whichever is earlier, or as required by Applicable Law.

#### **VERSION HISTORY**

<b>Version</b>	<b>Date of Issue</b>	<b>Summary of Key Changes in CSR Policy and Terms of Reference</b>
<b>1.0</b>	July 2021	Policy Issued
<b>2.0</b>	May 2023	<ol style="list-style-type: none"><li>1. Formulation (and alteration) of annual action plan of CSR projects.</li><li>2. Preference to local areas while undertaking CSR is being made directory rather than mandatory.</li><li>3. CSR activities aligned with the applicable laws.</li><li>4. Requirement of pre-clearance of CSR projects from legal / compliance team.</li><li>5. Obligations with respect to implementation of CSR are being elaborated (Unspent CSR amount, monitoring of CSR projects, disclosure requirements etc.)</li><li>6. Non mandatory provisions of the Policy are moved to the TOR/ CSR process document.</li></ol>

