

DBS Bank India Ltd.
Governance of Corporate Social Responsibility

Group Strategic Marketing & Communications
Formed: June 2019

DBS Bank India Ltd.(DBIL) is a Wholly Owned Subsidiary (WOS) of DBS Bank Ltd. (DBL), headquartered in Singapore. As a matter of sharing best practices DBIL will draw on experience and expertise of DBL when dealing with complex, long tenor, large or important transactions to ensure that the minimum acceptance criteria of the group are met. Further DBIL will reckon or consider certain policies and standards prescribed by DBL and adopt to Indian regulations to ensure that the operations meet the minimum acceptance criteria of the group

1. DBS INDIA CORPORATE SOCIAL RESPONSIBILITY AGENDA /VISION

The Corporate Social Responsibility Committee (hereinafter referred to as “**the Committee**”) is appointed by the Board of Directors of DBS Bank India Limited (hereinafter referred to as “**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, to build a better, sustainable way of life for the weaker sections of society and to raise the country's human development index.

The Corporate Social Responsibility (**CSR**) activities undertaken by the Bank will 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 Bank India 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 that:

1. DBS Bank India will provide a list of all CSR projects or programs which the Bank plans to undertake, falling within the purview of the Schedule VII of the Act [Annexure 1]
2. The Bank's CSR policy will specify the modalities of execution of all the projects 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 the focus area mapping process, prioritize the requirements, and ensure a project is born, implemented and 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.
6. The Bank shall give preference to the local area and areas around it, where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

3. ACTIVITIES

CSR efforts/activities/programs of DBS India will focus on activities which qualify as CSR initiatives 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 center 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 dependents;
- 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.

The Bank shall **not** consider following activities under the purview of CSR:

1. The CSR projects or programs or activities that benefit only the employees of the Bank and their families.
2. One-off events such as marathons/awards/charitable contribution/ advertisements/ sponsorships of TV programs, etc.
3. Expenses incurred by companies for the fulfilment of any other Act/ Statute of regulations.
4. Contribution of any amount directly or indirectly to any political party.
5. Activities undertaken by the company in pursuance of its normal course of business.
6. The projects or programs or activities undertaken outside India.

4. CONSTITUTION OF CSR COMMITTEE:

The DBS Bank India CSR committee shall comprise of at least three members. The members will include 3 directors, out of which at least 1 will be an Independent Director.

5. 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 Net 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.

*The term “Net Profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Companies’ Act, but shall not include the following:

1. Any profit arising from any overseas branch or branches of the Bank, whether operated as a separate Bank or otherwise; and
2. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
3. Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies’ Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

6. 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.

7. GUIDELINES FOR CSR INITIATIVES:

The Bank’s 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, the Bank also collaborates with other players in the social

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

8. 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 registered NGOs, Trusts, societies, DST certified incubation centres or organizations established under Section 8 of the Act, and which have an **established track record for 3 years** in undertaking similar programs or projects.

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.

9. MONITORING

The Bank's 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)

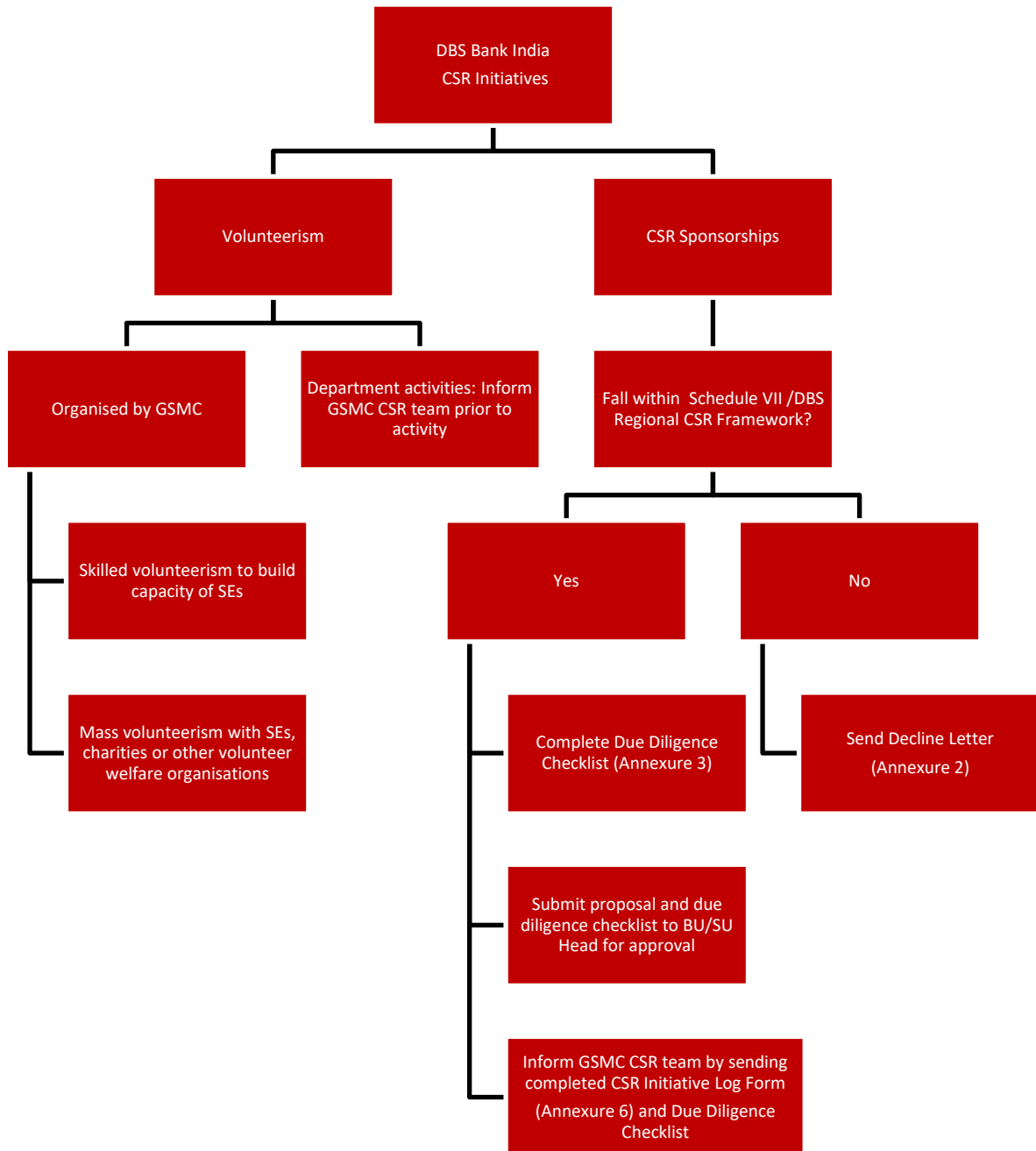
10. REPORTING

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.

11. Process Overview



12. 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@db.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. Organisations that DBS has sponsored / supported in CSR activities within the last 12 months, where screening was already conducted for that time. *(please contact the GSMC India representative to find out if your CSR activity partner is such an organization).* **Organizations that had been sponsored/supported by the Bank in CSR activities more than 12 months ago should undergo a new screening process.**
- iv. 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	DBS-Social Alpha Social Entrepreneurship Program	
Annexure 2	Decline Letter Template*	 Decline Letter Template.doc
Annexure 3	DBS CSR Initiative Due Diligence Checklist	 DBS CSR Initiative Due Diligence Checklist
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 Diligence
Annexure 6	DBS CSR Initiative Log Form*	 DBS CSR Initiative Log Form.doc

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

Revision History

REVISION DATE	VERSION	SUMMARY OF CHANGES
June 2019	1.1	Updated details of DBIL functioning as a WOS of DBS Bank Ltd. Updated DBS-Social Alpha Social Entrepreneurship program details in Annexure 1