

**State Bank of India**

**Business Responsibility  
Policy**



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## STATE BANK OF INDIA BUSINESS RESPONSIBILITY POLICY

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### Policy Statement

State Bank of India is committed to:

- Enhancing stakeholder's value through value-driven engagement.
- Economic and social well-being of the society, particularly the less fortunate and under-privileged members of the society.
- Minimize the direct and indirect impact of its operations on the environment.

In order to further guide our Sustainability Development journey, the individual elements of the policy are grouped into three key pillars – Social Responsibility, Environmental Responsibility and Economic Responsibility. The policy and its elements are applicable to all Departments / Verticals / Business Groups of State Bank of India.

### Social Responsibility

- Adhere to highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships. The Bank does not tolerate any proven instance of bribery and corruption.
- Provide a workplace environment that is safe, hygienic, humane, harassment free and which upholds the dignity of the employees.
- Provide equal opportunities to all employees and refrain from discrimination based on caste, creed, gender, race and religion. Respect the employees' rights to freedom of association.

- Provide timely remuneration to employees, conduct trainings and accord due importance to work-life balance.
- Refrain from using child labor, forced or compulsory labor.
- Work towards stakeholder value creation by systematically engaging with them, understanding their concerns and formulate strategies to address them. Special emphasis would be given to the less fortunate and under-privileged members of the society.
- Utilize the trade and industry chambers and associations for advocating public policy formulation regarding country specific sustainable development issues.
- Make efforts to understand the impact of the bank operations on the society and strive to respond to the needs by utilizing the allocated resources to protect the interests of the less fortunate and under-privileged members of the society. Employees are encouraged to contribute to the social cause within the available means and interest. The Bank has a Board approved CSR Policy which lays down the framework for discharging its responsibility towards Society. Bank's CSR Policy clearly sets out how & where the Bank will deploy the CSR spend.

## Environmental Responsibility

- Minimize the overall environmental footprint through reduction in consumption of natural resources, pollution prevention, waste

minimization, using renewable energy etc.

- Adopt feasible clean technology wherever applicable.
- Strive to procure products or services from locally-based suppliers who comply with the local and national regulations pertaining to their business.
- Progressively encourage and support its members of value chain to adopt its environmental policy/management systems.

### Economic Responsibility

- Provide complete factual information on products & services to protect the interest of customers.
- Accord preference to projects/products which accrue more environmental/social benefits.
- Ensure customer privacy.
- Ensure compliance with applicable standards/guidelines while advertising and make efforts to improve the financial literacy of the stakeholders.

### Implementation

The Business Responsibility Policy is circulated across all Departments / Business Groups / Verticals of the Bank. Further, it is communicated to all employees through induction programs, orientation sessions and internal portals.

The designated Nodal Officer (BR officer) heads the BR function of the Bank. He / She reports directly to the Managing Director & Group Executive (NB), and is responsible for implementation of the policy, identification of various initiatives and ensuring their effective implementation by the BR Function staff. The BR Officer, who would head the BR Function is responsible for implementing the BR initiatives, provide clarifications on the policy, guiding the staff in implementation, review the results, audit, impact assessment etc.

SBI has a robust grievance handling procedure for employees to address and resolve complaints. Any policy violation by an employee is brought to the notice of the BR officer. All steps would be taken for free and fair treatment of the complaints.

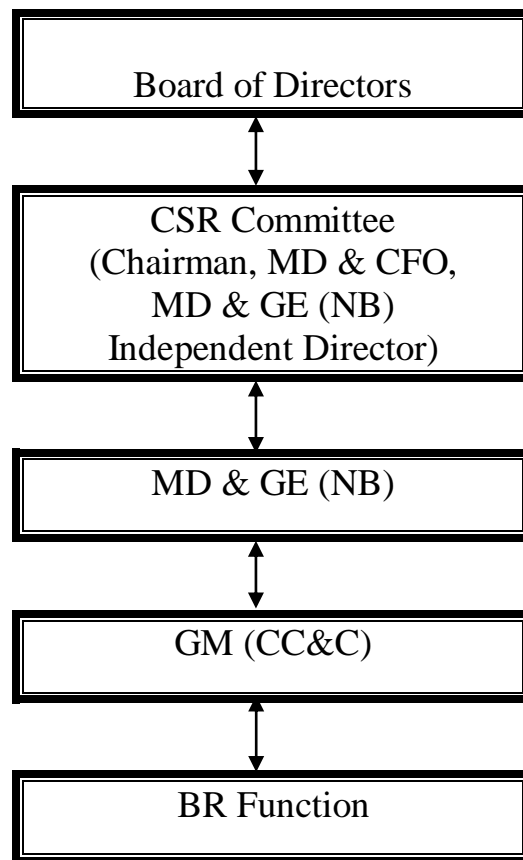
### **Monitoring and Review**

The BR Function is responsible for overall BR policy compliance

The head of each Bank unit (Branch / Department / Business Group / Vertical) is responsible for compliance of the BR Policy. He / She would update the BR Officer about the policy implementation, initiatives taken, discriminatory complaints received, cases of incidents of violation of freedom of association and collective bargaining etc. The BR Officer would update the Top Management.

The BR Policy will be updated from time to time by the BR Officer i.e. General Manager (Corporate Communication & Change), in the light of amendments to laws, rules and regulations, as applicable, and an annual review report shall be submitted to the Board.

State Bank of India Business Responsibility Governance  
Structure



## **CORPORATE SOCIAL RESPONSIBILITY POLICY: CONCEPT**

**1.0.0** The concept of **Corporate Social Responsibility (CSR)** was introduced in the State Bank of India as early as 1973, under the name Innovative Banking, covering both banking as well as non-banking activities. The initial emphasis was on assisting groups belonging to the weaker and downtrodden sections of society by providing avenues for improvement of their economic condition. Non-banking activities involved participation in community activities which contributed to the communal good, e.g. blood donation camps, health camps, participation in local festivals, adult literacy, tree planting etc. As the scope of activities increased, the Bank classified these activities as Community Service Banking. Community Service Banking is now one of the activities through which the Bank plays the role of a responsible and responsive corporate citizen and discharges its corporate social responsibility to the community.

### **1.1.0 CORPORATE PHILOSOPHY:**

- ❖ The Bank is a corporate citizen, with resources at its command and benefits which it derives from operating in society in general. It therefore owes a solemn duty to the less fortunate and under-privileged members of the same society.
- ❖
- ❖ Staff members are encouraged to make their contribution by understanding the aspirations of the public around them and by endeavouring to evolve measures to remove indisputable social and developmental lacunae. This will lead to their self-development and improvement of the Bank's image besides development of the Community.

**1.2.0** Under community service banking, various welfare and social activities are undertaken by the Bank both in Banking and Non-Banking areas to raise the quality of life of the downtrodden and under-privileged sections of society.



## **CSR PRACTICE**

### **2.0.0 BANK'S DONATIONS:**

**2.1.0** In terms of Reserve Bank of India instructions, the Bank can sanction donations up to 1% of the previous year's profits. The Bank shall not carry forward the unutilised amount of the permissible limit of any year for use in subsequent years. The Board of Directors of the Bank are required to lay down the policy of making donations including the purpose for which donations may be given.

Bank's donations are classified under 2 broad categories:

- a) National Donations
- b) Normal Donations

#### **2.1.1 CEILING**

*The annual ceiling for donations, i.e. 1% of the previous year's published profit is divided in the following manner: 'Normal Donations [0.75% of profit] and 'National Donations' [0.25% of profit].*

The unutilized portion of either of the two categories of donations may, at the discretion of the Chairman, be utilized for the remaining category of donations in case its quota for the year has been exhausted.

#### **2.2.0 NATIONAL DONATIONS**

- ❖ Donations granted to funds sponsored / recognized by Central or State Governments, like Prime Minister's National Relief Fund, National Defence Fund, Chief Minister's Relief Fund etc. for relief / rehabilitation during natural calamities.
- ❖ *25% of donation ceiling [0.25% of profit] is earmarked for National Donations.*
- ❖ All National Donations are included while computing the 1% annual ceiling applicable for overall donations in a year except for donations to

Prime Minister's National Relief Fund which has been excluded by the Reserve Bank of India.

- ❖ **All National donations are to be sanctioned at Corporate Centre only.**

### **2.2.1 BANKING ARRANGEMENT FOR NATIONAL DONATIONS RECEIVED FROM THE PUBLIC AND DONORS OTHER THAN THE BANK:**

In addition to our donation, the Bank will also facilitate the collection of donations by the Public and other donors to the Prime Minister's National Relief Fund. All branches of the Bank will receive contributions to the Prime Minister's National Relief Fund and transfer the funds so collected to the Nodal branch, i.e. Institutional Division, New Delhi Main branch every day without fail.

Institutional Division, New Delhi Main branch is to deposit the funds so collected with Central Bank of India, 70, Janpath Branch, New Delhi.

### **2.3.0 NORMAL DONATIONS**

Donations granted to voluntary organizations / NGOs/ charitable institutions registered as Societies or Public Charitable Trusts for implementing socially oriented projects will be deemed as Normal Donations. *75% of the donation ceiling [0.75 % of profit] is earmarked for Normal Donations.*

#### **2.3.1 ELIGIBILITY**

- Discretion to 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.*
- Donations should be routed through institutions having a long unblemished record of public service.
- 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 Sec.80(G) / 35 of I.T. Act, so that Bank can claim tax exemption.*

- *Donations should be made only to institutions/NGOs having an account with State Bank of India.*
- Request for donations from institutions having caste / religious / communal bias and/or political overtones should not be considered.
- Donations to Government Departments or Organisations / Institutions funded exclusively by the Government should not be given as these institutions are expected to meet their financial requirements through government budgetary grants. Donations given for promotion of Information Technology / computer education and for promotion of Sports are exceptions where proposals from Government aided Departments / Organisations / Institutions may also be considered.
- 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.
- Institutions with meagre resources should be given preference.
- In respect of donations to multi-branch organizations, Circles should obtain in-principle approval from Corporate Centre before considering donations to such institutions at Circle level.
- Donations are not to be given to individuals.

### **2.3.2 PURPOSE**

- To have a lasting impact, donations are to be released for the purchase of some equipment for clearly identifiable projects, which seek to provide long term advantages to the target beneficiaries (preferably underprivileged / deprived sections of society) and are conducive to their sustained development.
- *Preference may be given for donations for purchase of vehicles like ambulance/school bus etc. which provide visibility for the Bank.*
- Donations for construction activities should be discouraged. Only in very exceptional circumstances, donations may be considered for construction activities provided it directly benefits the target beneficiaries.
- Donations should not be released as contribution towards corpus funds. In very exceptional and deserving cases, donations may also be considered for augmentation of corpus fund or creation of endowment funds for awarding scholarships to meritorious and economically weaker students pursuing higher / technical / management education at reputed institutions like IIMs, IITs, etc. Such donations may, however, be granted on extremely selective basis and only to highly reputed institutions.

- Donations should be given for a specific activity / purpose rather than a general donation to discourage utilisation of such funds at the discretion of the donee institution.
- Donations for meeting recurring expenses should be discouraged.
- Similarly donations for too many small value sundry items (like bed sheets, pillow-covers, utensils, carpets, chairs, fans, mattresses, etc.) should normally be avoided as it becomes difficult to monitor utilisation of such donations. Further, donations for such items do not yield desired publicity to the Bank.
- The Circle should make efforts to ensure that there is equitable distribution of donations. Donations are to be distributed among different institutions by Circles and not limited to a few donee institutions.
- Normal Donations may cover the following areas:
  - i) Health
  - ii) Education
  - iii) Sports and Games.
  - iv) Adoption of the Girl Child
  - v) Women's empowerment
  - vi) Child development
  - vii) Welfare and rehabilitation of poor and handicapped
  - viii) Assistance to poor and under privileged
  - ix) Entrepreneur development programmes
  - x) Vocational guidance
  - xi) Thrust for assistance to IT education in Rural /Tribal / unreached areas
  - xii) Environment protection,
  - xiii) Adoption, maintenance , restoration of historic / heritage monuments / buildings including activities such as audio visual and son et lumiere shows
  - xiv) Assistance during natural calamities like floods/droughts etc
- Repeat donation should be considered only after a gap of three years from the date of sanction of previous donation, if considered absolutely necessary. *However, in deserving cases, the MD & GE (NBG) may allow deviation from this rule.*
- Donations can be considered for development of infrastructure, like laying of tracks / artificial turf at stadia, purchase of training equipment and sports material to Central / State Governments as also reputed boards, sports associations working / established at national / state level.

- Donations can be considered for motivating and ensuring involvement of masses for social upliftment and beneficial / developmental activities by utilizing services of eminent figures / prominent personalities for lectures, tours etc.
- Requests for high value donations should be considered carefully and on a very selective basis and granted only to highly reputed organizations / institutions with proven track record.

### **2.3.3. ADOPTION OF THE GIRL CHILD**

Society's preference for the boy child has resulted in a large number of instances when the girl child is deprived of familial attention, education, affection, healthcare and in extreme cases, even food . In order to supplement the efforts of the Govt., to change this concept, Branches may adopt Girl Children in the age group of 6 to 14 years, who are orphans / destitute / physically handicapped / belong to poor families.

A lump sum amount of Rs.3000/ to Rs.5000/- per annum is given for the child's education. Apart from financial assistance, it is desirable that individual employees from the Bank / spouses of employees should adopt one or two children for care / mentoring / counselling, to try and fulfil the role of a foster parent.

In this connection:

- a. When a girl child is selected for adoption, support should continue till she finishes school except in cases where the girl drops out from the school.
- b. Circles are encouraged to engage in activities which will bring out the child's needs both financially and emotionally. Our aim should be to fulfil the emotional needs too, through monitoring, social intervention, counselling and spending quality time with them.
- c. It is especially desirable to associate our lady employees and wives in the initiative.

- d. Officials and staff of the branches adopting girl children should be encouraged to maintain regular contact with the beneficiaries to provide them with emotional and psychological support.
- e. Further the underlying ethos of the adoption scheme i.e. developing a more personal relationship with the adopted child should be shared with the operating functionaries to make the adoption meaningful and creating a long term bond and goodwill for the Bank.
- f. The financial assistance should be provided directly to the school on behalf of the child identified.

#### **2.3.4 INFORMATION TECHNOLOGY (IT) / COMPUTER EDUCATION**

*With a view to dissipating Information Technology education to the remotest areas of our country amongst the downtrodden classes, requests received for donations from NGOs / Institutions / schools, both government and private (whether aided or unaided) / reputed universities or technical institutes to acquire hardware (computers and other accessories) and/or software may be considered provided the Bank is satisfied that the purpose is to spread IT education amongst the needy.*

Preference to be given to NGOs / institutions undertaking projects in underdeveloped and backward regions of the country, particularly tribal areas which are predominantly inhabited by downtrodden and underprivileged people.

#### **2.3.5 MONETARY CEILING**

- Maximum ceiling for individual donation under 'Normal Donations' is 3% of Normal donation quota.
- Ceiling for donations to each multi-branch organization like Indian Red Cross Society, Ramakrishna Mission etc. not to exceed 5% of Normal

donation quota at the whole Bank level. In deserving cases, donations in excess of 5% of the ceiling may also be considered on a case-to-case basis for highly reputed multi-branch organizations.

- *Each instance of donation should not exceed Rs. 25 lacs. Under exceptional circumstances, ECCB may sanction beyond this cap.*
- *In case old or used computers / equipment being donated, the depreciated value of such items should be taken as the amount of donation [and not the original value there of].*

#### **2.4.0 AUTHORITY STRUCTURE**

The authority structure for sanction of donation proposals is as under:

<i>Authority</i>	<i>Sanctioning Powers</i>
1. <i>ECCB</i>	<i>Any proposal beyond the normal cap of Rs. 25 lacs.</i>
2. <i>MD &amp; GE (NBG)</i>	<i>Above Rs. 20 lacs &amp; upto Rs.25 lacs per proposal.</i>
3. <i>CGM [Circle/CAG/MCG]</i>	<i>Upto Rs.20 lacs per proposal within an overall ceiling of Rs.400 lacs in a financial year.</i>
4. <i>GM [Circle/CAG/MCG]</i>	<i>Upto Rs.5 lacs per proposal within an overall ceiling of Rs.50 lacs in a financial year</i>

### **3.0.0. RESEARCH & DEVELOPMENT FUND**

#### **3.1.0 CONSTITUTION**

The Bank set up the Research & Development Fund in 1977 with the primary objective of supporting research work relevant broadly to the activities of the Bank.

#### **3.2.0 ELIGIBILITY**

- Under the Fund, Research grants are extended to Universities / reputed academic and Research institutions for undertaking research projects which are of direct relevance to the Bank / Banking industry or having indirect relevance to the Bank or which relate to the emerging scenario in the Banking industry / Economy.
- Research grants should be considered only to the Universities or highly reputed academic institutions.

#### **3.3.0. PREFERENCE**

- Preference should be given for appropriate and well-conceived projects / studies or action programmes which could be completed over a period of 2/3 years.
- The maximum period for which assistance could be considered for any project would be about 2 years.
- Topics of study should be relevant to the Bank / Banking industry.
- The Research Projects / Studies should be utilized properly by the relevant user department(s) in the Bank.

#### **3.4.0. PROCEDURE FOR OBTAINING FINANCIAL SANCTION FROM ECCB:**

- Proposals for assistance under the Fund received from Universities / reputed academic institutes for undertaking research projects / establishment of Chairs are submitted to Corporate Centre by Circles together with recommendations for obtaining sanction. These proposals are evaluated by the relevant User department and also by Economic Research Department at Corporate Centre as to its utility to the Bank etc.



- User Department at Corporate Centre may also indicate the choice in selection of research projects / establishment of Chairs for specified purpose.
- After the proposal is cleared by User Department and ERD, approval from Steering Committee is obtained. The members of the Steering Committee will be as under:
  - *MD & GE (NBG)*
  - *MD & GE (IBG)*
  - *MD & CFO*
  - *DMD & CDO*
  - *CGM, STU*
  
- Financial approval from ECCB is obtained and conveyed to the Circle. The Circle would arrange for disbursement of the amount, monitor the project and advise developments to Corporate Centre for appraising the Steering Committee. The progress of the project will also be evaluated by the relevant User Department at Corporate Centre.

#### **4.0.0. DIRECT ACTIVITIES**

- ❖ As part of community service, the Bank undertakes a number of welfare activities and programmes directly which have a high social content through its branches / offices by way of voluntary efforts of the staff members.
- ❖ These activities which are conducted on an ongoing basis showcase the Bank's concern to the societal needs / welfare.
- ❖ Some of such activities / programmes are :
  - ✓ blood donation camps
  - ✓ medical camps
  - ✓ family planning camps
  - ✓ veterinary camps
  - ✓ adult literacy classes
  - ✓ ladies club activities
  - ✓ tree planting camps
  - ✓ special programmes for children and
  - ✓ Other cultural activities.

Further, various community service banking activities are organized by LHOs / Administrative Offices / branches to mark the observance of certain events for the welfare of underprivileged sections of society.

#### **4.1.0. DISCRETIONARY POWERS:**

When suitable Community Service activities are held, reasonable expenses may be incurred in carrying out such direct activities as per the discretionary powers vested at various levels under the Scheme of Delegation of Financial Powers, ‘General Matters – Group V(E) – Charges not enumerated’.

#### **5.0.0 SBI CHILDREN’S WELFARE FUND:**

##### **5.1.0 CONSTITUTION**

- The Bank constituted an SBI Children’s welfare Fund as a Trust in 1983. The following are its Trustees:

<b>Designation</b>	<b>Position in the Trust</b>
Chairman	Chairman
<i>MD &amp; GE (NBG)</i>	<i>Trustee</i>
Nominee of SBI Officers’ Federation	Trustee
Nominee of SBI Staff Federation	Trustee
<i>DGM (CSR)</i>	<i>Managing Trustee</i>

- The Corpus of the Fund is made up of contributions by staff members and matching contribution provided by the Bank.

##### **5.2.0 ELIGIBILITY FOR GRANTS :**

- Proposals for grants under the SBI Children’s Welfare Fund should be submitted to Corporate Centre with the CGM’s recommendations, after vetting by the Circle Level Committee at the LHO comprising of the following officials :

i. Circle Development Officer	President
ii. AGM (PR & CSB)	Member Secretary
iii. Representative of SBI Officers Association	Member
iv. Representative of SBI Staff Union	Member

- The Fund extends grants to institutions engaged in the welfare of underprivileged / downtrodden children like orphans, destitute, challenged and deprived, etc.
- The projects will be funded from the interest earned on the Corpus for providing shelter, food, medical relief, education including vocational training, etc.
- Quantum of grant per project is, at present, limited up to a **maximum of Rs.1 lac** as these grants are disbursed from out of the interest earned on the corpus of the Trust.
- Grants under the Fund are sanctioned only at Corporate Centre.
- While the Circle Level Committee at LHO concerned will monitor the utilization of the grant, the end use of the grant is to be ensured by the branch concerned.

### **5.3.0 COLLECTION & REMITTANCE OF FUNDS**

The staff members should be requested / appealed to contribute funds voluntarily to the Fund. Letters of authority may be given to salary disbursing officer for regular deduction from salary for remittance to the Fund. Contributions above Rs.250/- p.a. are exempted under Section 80G of Income-tax Act.

Such remittances are to be sent by Circles for credit of Account No.10972434018 being maintained at Backbay Reclamation Branch, Mumbai at monthly intervals.

### **6.0.0 CONTROL RETURNS & ACCOUNTING PROCEDURE**

#### **6.0.1 CONTROL RETURNS**

*Control Return of donations sanctioned at Circle level will be put up to MD & GE (NBG). Similarly Control Returns of donation sanctioned by CGM CAG & CGM MCG will be put up to DMD & GE (CBG) & DMD & GE (MCG) respectively.*

Control return in respect of donations sanctioned under Chief General Manager's discretionary powers is to be forwarded to Corporate Centre for quarters ended March / June / September / December together with a statement of donations sanctioned by General Managers.

The Control Return should also include a report on the utilization of donations sanctioned, and the publicity measures undertaken for all community service banking activities during the quarter.

### **6.0.2 ACCOUNTING PROCEDURE**

The aggregate amount of donations sanctioned from 1<sup>st</sup> March of the previous financial year to the end of February in the current financial year [both at Corporate Centre and at the Circle] should be debited to Corporate Centre, as a single debit at the end of February every year, latest by 28<sup>th</sup> February.

*The relative List-cum-Debit advice together with an annexure containing complete details of donations sanctioned should be forwarded to the Dy. General Manager (CSR), Corporate Centre, to reach on or before 5<sup>th</sup> March every year to arrange for responding the same.*

### **6.0.3 FOLLOW-UP FOR ENSURING END USE OF FUNDS DONATED**

- ❖ Circles shall monitor the utilization of funds donated and ensure end use of funds for the purpose for which they are sanctioned.
- ❖ *Circles should ensure that the donee exhibits the Bank's logo along with the notation "Thanks to State Bank of India".*
- ❖ Stamped receipt for the amount of donation and an attested photocopy of Income-tax exemption certificate obtained from the donee institution are to be sent to Corporate Centre for claiming the necessary tax exemption from tax authorities.

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