# DONATION/CORPORATE SOCIAL RESPONSIBILITY(CSR) POLICY 2026-2027

## 1. Preamble:

Corporate Social Responsibility can be defined as how the businesses acknowledge and align their responsibility towards the welfare of the society beyond profit making objectives. As one of the largest Public Sector Banks and as a responsible corporate citizen, Bank actively contributes to the social wellbeing of the society. Bank can leverage its extensive presence pan India through branch networks and different administrative offices to enhance the well-being of under-privileged members of the society, besides, helping in social uplift and inclusive growth. In view of the above, Bank has formulated and put in place its donation/CSR Policy. The policy provides a structured framework for the donation/CSR activities to be conducted by the Bank. The Policy is getting reviewed and updated on an annual basis and need based periodic review.

Public Sector Banks are governed under Banking Regulation Act 1949 and RBI Directive vide its communication No. 237/2205-06 DBOD.No.Dir.BC 50/13.01.01/2005-06 dated 21st December, 2005 issued policy relating to donations by Bank to various entities formulated by Bank's Board of Directors (Detailed guidelines in Annexure-C). Key general principles outlined are:

i. The profit-making Banks may make donations during a financial year aggregating up to one percent of the published profit of the Bank for the previous year.
ii. Loss making Banks can make donations totalling Rs.5 lakh only in a financial year.
iii. Unutilized portion of the limit of one percent should not be carried forward to the next year.

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

## 2. Objectives:

2.1. To maximize the social outreach through both financial and non-financial resources to deprived members of the society to enhance their standard of living and economic development.
2.2. Embrace responsibility for sustainable growth and CSR shall be used as a tool to invoke participation in the social causes for addressing larger issues viz. **poverty, hunger, healthcare, skill development, community development** etc.
2.3. Involve staff members as well in discharging its social responsibility to make a greater sustainable impact.

## 3. Undertaking Donation/CSR Activity:

3.1. The Bank will engage directly and/or through Union Bank Social Foundation Trust (UBSFT) 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 Institutions 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.

3.2. Donations should be made only to Institutions/NGOs having requisite certificate under Section 80 (G) /Section 35 AC of Income Tax Act for availing tax exemption.

3.3. 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 merit basis.

3.4. Donations as contribution towards corpus funds should be granted in very exceptional and deserving cases like for augmentation of funds to Government Department/Government Sponsored Developmental agencies carrying out social welfare programs.

3.5. Donations normally should not be given to individual except for creation of endowment fund 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.

3.6. Donation/CSR activity cannot be undertaken which gives rise to any sort of conflict of interest. The activities which directly benefit the serving / retired employees / directors of the Bank and their immediate relatives (as per the definition of SEBI guidelines list annexed as per **Annexure 'A'**) shall not be considered for extending the financial assistance under donation/CSR. Further the entities where the serving / retired staff / Executives / Directors having management control / controlling stake shall not be eligible to be considered under donation/CSR.

### Exclusion:

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

i. Bank will not advocate or support any single religion, caste, creed etc. and shall maintain irreligious business relationship with all.

ii. Bank will not support political party sponsored projects for donation/CSR development.

iii. Bank will not consider any proposal which seeks to benefit the employees/ex-employees of the Bank and their family members/relatives. The definition of relative shall be as prescribed under SEBI guidelines.

iv. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

## 4. Focus Areas:

The core theme of the policy will be:

4.1. Education and Livelihood
4.2. Environmental Sustainability
4.3. Humanitarian Assistance

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 donation/CSR activities:

i. Healthcare including Physical/Mental Disability.
ii. Girl Child & Women Empowerment.
iii. Environment Protection
iv. Rehabilitations/support in case of Natural calamities, disasters
v. Protection of National heritage, monuments at historic places, centers of art and culture.
vi. Livelihoods and skill development
vii. Water and Sanitation
viii. Education and Holistic development.
ix. Rural Development.
x. Activities updated in schedule VII of the Companies Act, from time to time shall also be covered as eligible activities under donation/CSR.
xi. Primacy is accorded to supporting national priorities declared by Government of India from time to time.

## 5. Scope of Board Level Stakeholder Relationship Committee (SRC) for CSR:

5.1. Formulating and recommending to the Board of Directors the Donation/CSR Policy and indicating the activities to be undertaken.
5.2. Reviewing performance of Union Bank Social Foundation Trust on quarterly basis.
5.3. Review of usage of delegated authority on quarterly basis.
5.4. Approval of quantum/donation/CSR amount upto 1% of the published profit of the Bank.

## 6. Union Bank Social Foundation Trust:

6.1. Union Bank Social Foundation (UBSFT) is a Trust founded by the Bank and Registered under the Indian Trust Act, 1882 and got registered under Section 12A of Income Tax Act 1961 having tax exemption approval under Section 80G(5)(vi) of the Income Tax Act, 1961. The Trust has a separate Board of Trustees comprising of maximum up to 15 trustees with MD & CEO as ex officio Chairman, all Executive Directors as ex-officio Vice

Chairman. The other members of the trust board including independent trustee are to be nominated by MD & CEO.

6.2. The Board of Trustees examine the projects received from various offices of Union Bank of India (pan India) and if found acceptable based on need, cost vs. donation sought and feasibility of implementation & approve the same.

6.3. The Board of Trustees meet on a quarterly basis and review the sanctioned projects as also approves new projects, if any, based on the feasibility and availability of funds.

## 7. Budget for CSR:

7.1. In view of the RBI guidelines, the Annual Budget for Donation/ CSR be limited to 1 % of published net profits of the Bank for the previous year or up to Rs.5.00 lacs per annum in case of loss.

7.2. The authority to approve the quantum of donation/CSR amount upto 1% of published profits of the Bank is vested with the SRC. 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.

7.3. The unutilized portion of the limit of one percent will not be carried forward to the next year.

7.4. MD & CEO of the Bank is authorised to approve transfer donation to UBSFT after the quantum/donations amount approved by SRC.

## 8. Delegated Authority:

Delegated Authority for approval of donation/CSR for the Project/Program other than through UBSFT shall be as hereunder:

| S.No. | Amount | Delegated Authority |
|---|---|---|
| 1 | Up to 3 lakhs | AGM (CCD) |
| 2 | Above Rs.3 lakhs to Rs.5 lakhs | DGM (CCD) |
| 3 | Above Rs.5 lakhs to Rs.10 lakhs | CAC -III |
| 4 | Above Rs.10 lakhs to Rs.50 lakhs | CAC- II |
| 5 | Above Rs.50 lakhs to Rs.100 lakhs | CAC- I |
| 6 | Above Rs.100 lakhs | SRC |

*In case AGM or DGM position is vacant, respective proposals shall be considered by next higher delegated authority.

## 9. Selection and Monitoring Process:

9.1. All proposals received at Corporate Communications will be evaluated by the department and recommended to respective delegated authority for approval. Proposal are to be duly filed as per Annexure B, Annexure B1, Annexure B2 and submitted to the Corporate communications.

9.2. 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.

9.3. Donations to institutions having their own resources and / or can raise funds on their own to meet costs of their projects should be generally avoided.

9.4. 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.

9.5. Institutions with meager resources should be given preference.

9.6. No Donations to be made to individuals. However, in exceptional circumstances donations to individuals in deserving cases may be approved by respective delegated authority as mentioned in 8(i).

9.7. 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 Stakeholder Relationship Committee of Board for review in its quarterly meetings.

## 10. Utilization & Release of Funds:

10.1. Disbursements will be released through Regional Offices. The approved Funds will be directly remitted to the Institutions/Vendors/NGOs based on the recommendation of Regional Head or remitted to the respective Regional Offices as the case may be. Regional Office will monitor the utilization of funds donated and ensure proper end use of funds which are approved either directly or through Offices/Branches depending on the location. The Regional Office shall get the donated assets/activities inspected through its Official or by Branch Officials. For projects relating to construction work, the assessment is to be done by Bank's Panel Architect and his/her certificate, certifying the estimate, actual expenses incurred etc. will be obtained.

10.2. Regional office shall ensure that the Donee exhibits the Bank's name and logo on the premises where donated assets are kept and/or on donated assets itself.

10.3. The Regional office shall ensure to obtain -

10.3.1. Receipt for donated amount from Donee.

10.3.2. Attested copy of certificate under section 80 (G) / 35 of Income Tax Act to claim exemption if applicable.

10.3.3. Certificate of the Chartered Accountant of the Donee, certifying the end use of donated funds.

10.3.4. In case of single donation to an organization exceeding Rs.25.00 lacs, the Regional office shall ensure to obtain verification of end use of donated funds through inspection by a Senior Bank Official not below the rank of Chief Manager.

## 11. Accounting Procedure:

11.1. The expense under donation/CSR will be booked on actual payment basis and not on accrual basis. The approved donation by the Committee towards donation/CSR activities will be released by General Manager/Vertical Head, Corporate Communications.

11.2. Expenses incurred towards Capital Expenses of RSETI will be part donation amount earmarked for CSR of Bank and will be transferred to UBSFT as per delegated authority.

## 12. Impact Analysis:

The Bank may conduct an annual impact analysis of all its donation/CSR activities involving an expenditure of above Rs.25 lakhs through an independent agency appointed for the same.

## 13. Terms of the Policy & Residual Issues:

13.1. The Policy shall supersede the existing Donation/CSR Policy.

13.2. The Policy shall take effect immediately and shall be subject to review annually.

13.3. In case of any ambiguity/contradiction/clarification regarding this Policy, the Managing Director & CEO shall be the final authority to resolve such issue.

This Policy shall be valid up to March 2027 and its continuity may be extended for a further period not exceeding 3 months with specific approval of the Managing Director & CEO.

## List of Annexures

**Annexure - A** - List of Relative as per SEBI Guidelines
**Annexure - B** - Brief on Proposal/Project/Donation etc.
**Annexure - B1** - Check List for Proposals seeking Donations.
**Annexure - B2** - Due Diligence Report.
**Annexure - C** - RBI Directive on CSR

**Annexure - A**

**List of Relative as per SEBI guidelines:**

Relative includes the following:

1. Member of HUF
2. Spouse
3. Father (including stepfather)
4. Mother (including stepmother)
5. Brother (including stepbrother)
6. Sister (including stepsister)
7. Son (including stepson)
8. Daughter
9. Son's Wife
10. Daughter's Husband.