

SBI Funds Management Limited
(A joint venture between SBI and Amundi)
(Formerly known as SBI Funds Management Private Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY

CONCEPT

SBI Funds Management Limited ('the Company/AMC') will pursue fund and non-fund based activities to discharge its Corporate Social Responsibility (CSR) and play the role of a responsible and responsive corporate citizen. Both our parent companies, SBI and Amundi are deeply committed to Corporate Social Responsibility (CSR) and this policy document has been prepared in line with broader corporate philosophy of SBI and Amundi and in accordance with Section 135 and other applicable provisions of the Companies Act 2013 (the Act) and the rules made thereunder. Our emphasis will be on assisting groups belonging to the weaker and downtrodden sections of society by providing avenues for improvement of their economic condition. Non fund based activities will also involve voluntary participation of our employees in community activities which contribute to the communal good, e.g. blood donation camps, health camps, participation in local festivals, literacy, tree planting etc.

CORPORATE PHILOSOPHY

1. The Company is a corporate citizen, with resources at its command and benefits which it derives from operating in society. It therefore owes a solemn duty to the less fortunate and under-privileged members of the same society.
2. Employees will be encouraged to make their contribution by endeavoring to evolve measures to remove indisputable social and developmental lacunae. This will lead to their self-development and improvement of the AMC's image besides development of the Community.
3. Under Corporate Social Responsibility (CSR) activities, various welfare and social activities / projects / programs may be undertaken by the AMC to raise the quality of life of the downtrodden and under-privileged sections of society.

CSR COMMITTEE

The Board of Directors will constitute a committee known as Corporate Social Responsibility (CSR) Committee. The CSR Committee will be a board level committee. The constitution of CSR Committee will be in accordance with the applicable provisions of the Act and it shall comprise of following members:

1. At least 1 Independent Director as may be appointed by the Board
2. Director nominated from Amundi or his Alternate.
3. Managing Director & Chief Executive Officer of the Company.

The composition of CSR committee may be changed by the Board of Directors of AMC from time to time.

The quorum for the Committee shall be a minimum of two members. The Committee shall meet at least once every half-year.

The Committee shall be responsible for formulating & recommending to the board of directors, the CSR policy indicating the activities to be undertaken by the Company, recommend the amount of expenses to be incurred in each CSR activity / project / programme and monitoring of the activities being carried out under the CSR policy on a periodic basis. The CSR Committee will put up an annual report to the Board of AMC outlining the CSR activities conducted and details of monetary contributions. The Committee will also formulate and recommend annual action plan for CSR activities, manner of its execution and monitoring & reporting mechanism to Board of directors of the Company. CSR activities will be subject to internal audit as deem fit by the Board of Directors of AMC.

If the average CSR obligation of the Company for immediately preceding three financial years as per the Act is Rs. 10 crore or more and has CSR projects having outlays of Rs. 1 crore or more, post one year after completion of said projects, the CSR Committee shall undertake an impact assessment of such projects through an independent agency.

An internal CSR committee comprising of senior management of the company will be responsible for guiding the CSR activities and ensuring adherence to this policy document. The composition of the Internal CSR committee will be as follows:

1. Managing Director & Chief Executive Officer
2. Deputy Chief Executive Officer
3. Chief Operating Officer
4. Chief Compliance Officer & Company Secretary

The committee may invite other employees and may also use honorary services of external experts who have proven credentials in the field of community services.

MONETARY CONTRIBUTIONS

In every financial year, in which AMC has a net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more it will spend at least two per cent (or such amount / percentage as may be changed from time to time under the Act) of its average net profits (calculated in terms Section 198 of the Companies Act 2013) made during the three immediately preceding financial years towards CSR activities in accordance with the Policy.

If AMC fails to spend the amount as stipulated in any financial year, then the reason for not spending the same will be provided in its report made under the section 134 of the Companies Act, 2013 ("Companies Act 2013") and rules made thereunder (hereinafter called as "the Directors Report of the Board"). In case of any change in the stipulations in the Act, the same will be applicable to the Policy.

In case the unspent amount related to any ongoing project(s) undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, then such unspent amount shall be transferred within a period of 30 days from the end of that financial year to a bank account opened by the Company in that behalf for that financial year in any scheduled bank to be called as "Unspent Corporate Social Responsibility Account". The amount transferred in such bank account shall be utilized by the Company towards its Corporate Social Responsibility obligation under the Policy within a period of 3 financial years from the date of such transfer. Further if the Company doesn't utilize such unspent amount within a period of 3 financial years from the date of such transfer, then the company shall transfer such amount to a Fund specified in Schedule VII of the Act, within a period of 30 days from the date of completion of the third financial year.

Further, the unspent amount for CSR activities relating to any project other than ongoing project shall be transferred to a Fund specified in Schedule VII of the Company Act, 2013 within a period of 6 months of the expiry of the financial year.

If the amount spent in excess of the above requirements provided then the Company may set off such excess amount against the requirement to spend under the Act upto immediately three succeeding financial years and in such manner, as may be prescribed in the Act and rules after taking approval from board of directors of the company.

As per statutory guidelines, expenditure towards administrative overheads for the CSR functions of Company should not exceeds 5% of the total CSR expenditure of the Company in one financial year.

Administrative overheads mean the expenses incurred by the company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly incurred for designing, implementation, monitoring and evaluation of a particular CSR project or programme. Also, expenditure with respect to general management and administration of individual CSR project undertaken by implementing agencies as approved by the Board of directors shall also be considered as part of administrative overheads within the overall cap applicable.

In addition to administrative overheads, a company undertaking impact assessment of eligible projects may book the expenditure towards CSR for that financial year, which shall not exceed 2% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is higher.

The committee shall be responsible for monitoring the above mentioned expenditures incurred and shall make reports to the Board on a periodic basis or as and when deemed necessary.

All CSR expenditure shall be made in accordance with Section 135 of Companies Act, 2013, (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended.

GUIDELINES FOR MONETARY CONTRIBUTIONS

The AMC can directly expend the funds for undertaking CSR activities or can grant donations to duly registered trusts / Society/Foundations/ NGOs/ Charitable institutions registered as Societies or Public Charitable Trusts or a Company established either by itself or along with its holding entity, subsidiary company or associate company or along with any other company or holding or subsidiary or associate of such other company under section 8 of the Act or by such institutions in terms of the Act or undertake CSR activities for implementing its socially oriented projects.

CSR ACTIVITIES, AREAS OR SUBJECTS:

CSR Activities, Areas or Subjects covers the following:

1. eradicating hunger, poverty and malnutrition, promoting health care including 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 available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

3. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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, agroforestry, 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.
5. protection of national heritage, art and culture including restoration of building 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by 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 Defence 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).
10. rural development projects.
11. slum area development.
12. disaster management, including relief, rehabilitation and reconstruction activities
13. It also covers other activities which may be notified by the Ministry of Corporate Affairs from time to time.

ELIGIBILITY CRITERIA & GUIDING PRINCIPLES FOR CONTRIBUTION

1. Discretion to be exercised judiciously to ensure that assistance is extended for worthy causes to well established entities with track record as prescribed under the Act, for socially oriented projects. Donations are routed through institutions having a long unblemished record of public service.
2. It should be ensured that the CSR activities are undertaken by the Company itself directly or through following-

- a. a company established under section 8 of the Act or a registered public trust or registered society, registered under section 12 A and 80 G of the Income Tax Act 1961, established by the company either singly or along with any other company; or
- b. a company established under section 8 of the Act or a registered trust or a registered society established by the Central Government or State Government; or
- c. any entity established under an Act of parliament or a state legislature; or
- d. a company established under section 8 of the Act or a registered public trust or registered society, registered under section 12 A and 80 G of the Income Tax Act 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity covered as above who intends to undertake any CSR activity shall register itself with the Central Government by filing the form CSR1 electronically with the Registrar. The Unique CSR Registration Number generated by this process will be mandatory for any CSR donation and to be mentioned in the Application Form.

3. Projects or activities undertaken in India shall only be considered as CSR activity.
4. Request for donations from institutions having caste/ religious/ communal bias and /or political overtones will not to be considered.
5. Donations to Government Department or Organizations / Institutions funded exclusively by the Government are normally not given as these institutions are expected to meet their financial requirements through government budgetary grants.
6. Institutions doing outstanding service and having less access to resources will be given preference.
7. Donations will not to be given to individuals.
8. Preference will be given to local areas or areas around which the Company operates.
9. AMC shall document the modalities of utilization of funds as may be required under the Act spent on such activities.
10. AMC may collaborate with other companies/ entities for undertaking CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such activities in the prescribed manner.
11. Contribution of any amount directly or indirectly to any political party u/s 182 of the Act shall not be considered as CSR activity.
12. 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/equipments/machinery/plants or such similar kind of physical assets. Further on merit basis, proposals involving revenue expenditure as part or entire cost of a project may be considered by the Board.
13. Contribution can be considered for motivating and ensuring involvement of masses for social upliftment and beneficial/ developmental activities.
14. Any requests for high value donations will be considered carefully and on a very selective basis and granted only to highly reputed organizations/ institutions with proven track record.
15. Donations should be given for a specific activity/ purpose rather than a general donation to discourage utilization of such funds at the discretion of the donee institution.
16. Donations for meeting recurring expenses should be discouraged.
17. CSR activity does not include activities that benefit only the employees of the company and their families.
18. CSR activity does not include expenses incurred for fulfillment of any Act/Statute of regulations.

19. CSR activities shall not contravene any prevailing laws including Cigarettes and Other Tobacco Products Act (COTPA), 2003.

IMPLEMENTATION STRATEGY

The Company can undertake CSR initiative through a direct engagement or partnership with other eligible organizations.

MONETARY CEILING

1. Maximum ceiling for individual donation will be 20% of the annual contribution or Rs. 1 Crore whichever is higher. Donations in excess of limit prescribed for each project of a highly reputed organization may also be considered on a case-to case basis with the approval of CSR Committee.
2. In case old or used computers/equipments being donated, the depreciated value of such items should be taken as the amount of donation [and not the original value there of].
3. The maximum contribution would be restricted to 25% of the overall expenditure of the NGO incurred in the previous financial year. In deserving cases, donations in excess of limit prescribed may also be considered on a case-to-case basis for a suitable and deserving organization with the approval of CSR Committee.

EMPLOYEES VOLUNTARY SERVICES

As part of community services, the AMC may undertake some welfare activities and programmes which have a high social content through its offices by way of voluntary efforts of the staff members.

These activities will showcase the AMCs concern to the societal needs/ welfare and promote a sense of belongingness among the employees.

Some of such activities/ programmes are:

1. Blood donation camps
2. Medical camps
3. Tree Planting camps
4. Family planning
5. AIDS awareness camps
6. Adult literacy classes
7. Special programmes for children and
8. Other educational and cultural activities.

These activities can be organised at the registered office or branches to make the observance of certain events for the welfare of underprivileged sections of the society.

When these voluntary service activities are held, reasonable expenses may be incurred in carrying out such activities as per the discretionary powers vested at various levels under the Scheme of Delegation of Financial Powers. The expenses shall fall under administrative expenses as defined under the Act.

ACCOUNTING AND REPORTING

1. The Board of Directors will take into account the recommendations of the CSR Committee. The CSR Policy is approved by the Board (on recommendation of the CSR Committee), and it is disclosed on the website of the Company.
2. A detailed account of all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR committee and as per CSR policy will be presented to the CSR Committee on a half yearly basis.
3. The management will also present an annual report on the utilization of donations sanctioned, and the publicity measures undertaken for all CSR related activities during the Year along with certification to effect that the funds disbursed by the board for CSR implementation have been utilized for the purposes and in manner as approved by the board based on verification the documents submitted by implementing agencies
4. Any surplus arising out of CSR projects /programs / activities will be ploughed back into the same project/program/activity and shall not form part of the business profit of a company
5. Directors' report on an annual basis shall include CSR report in the prescribed format.
6. Brief outline of the company's CSR policy including overview of the projects/ programs proposed to be undertaken and a reference to the web-link to the CSR policy will be made in the report of the Board. The constitution of the CSR Committee will also be disclosed in the Board Report and the Policy will be displayed on the Company's website.
7. All CSR projects with an outlay of Rs.1 crore or more will be assessed for impact. These projects have to span a year of work before the impact study is taken. Also projects where the donated amount is less than Rs. 1 crore will also be considered for impact assessment selectively based on merits and / or its nature. Impact assessment reports if any will also be placed before the board of directors of the Company.

FOLLOW-UP FOR ENSURING END USE OF FUNDS DONATED

1. CSR Committee shall have a transparent monitoring mechanism for implementation of CSR projects undertaken and utilization of funds donated and ensure end use of funds for the purpose for which they are sanctioned.
2. CSR Committee will ensure that the donee exhibits the AMC/SBIMF logo wherever it is possible and found appropriate by the CSR committee.
3. Stamped receipt for the amount of donation and an attested photocopy of Income-tax exemption certificate obtained from the donee Institution, wherever applicable, is to be collected to enable tax benefits to be claimed.

REVIEW

The policy will be reviewed by the CSR Committee and Board of Directors of the Company on a periodic basis as may be necessary.

Last review - September 2024