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SBI PENSION FUNDS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Table of Contents

1. Corporate Philosophy	3
2. Objective.....	3
3. Applicability.....	3
4. Definitions	4
5. Role of the Board	6
6. Role of the CSR Committee	7
7. CSR Expenditure and Budget	8
8. Unspent Corporate Social Responsibility Account and Transfer to Fund.....	9
9. CSR Activities	9
10. Shortlist Criteria.....	11
11. Implementation Process.....	11
12. Impact Assessment.....	12
13. Monitoring of CSR projects or programs or activities	12
14. Reporting Template.....	12
15. Policy Review Mechanism	12
Annexure A'	13

1. Corporate Philosophy

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Businesses derive their primary benefits from operating in society and no business can function without caring for societal and community development. The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operate. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society. We understand that as a Corporate Citizen with resources at our command, it is our solemn duty to reach out and support the less fortunate and underprivileged sections of our society. The Company also encourages its staff members to actively follow, understand and contribute to social causes, to remove indisputable social and developmental lacunae and to promote self and community development. In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) Policy" which is based as per the Companies Act, 2013 and rules made there under.

2. Objective

The CSR policy lays down broad approach and direction for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan pursuant to CSR Regulations in the sphere of corporate social responsibility undertaken by the Company.

3. Applicability

The Board of Directors of the Company ("Board") shall be responsible for implementing this Policy and shall ensure that the CSR activities are carried out in accordance with this Policy read with CSR Regulations. The Company's CSR policy is designed to focus on holistic development of target communities, and endeavor to create long-term social and economic value for the organization and society. The Company will address a slew of associated objectives in the conduct of its CSR intervention, as under:

- (i) Act as a good corporate citizen by making a sustained positive contribution to the welfare of society at large;

- (ii) Identify the gaps and extend need-based contribution for the betterment of the society, particularly its disadvantaged sections.
- (iii) Contribute for the sustainable and holistic development of the underserved communities through various programs having multi-dimensional impact;
- (iv) Generate community goodwill by making proactive interventions that will create an enduring image of the Company as a socially responsible entity.

4. Definitions

1. “Act” means the Companies Act, 2013 (18 of 2013);
2. “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

- vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- 3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- 4. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- 5. "CSR Expenditure" shall include all expenditure including for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
- 6. "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.
- 7. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- 8. "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act
- 9. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- 10. "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).
- 11. "Registered Public Trust" means Registered public trust (as referred to in rule 4(1) of the Companies (CSR Policy) Rules, 2014) would include trusts registered under

the Income Tax Act, 1961 in respect of those states where registration of public trusts is not mandatory.

5. Role of the Board

SBIPFPL, being governed by the rules of the Companies Act, 2013, our CSR policy & programme is aligned with Section 135 of the Act as amended from time to time .

As such, SBIPFPL Board shall constitute a CSR Committee consisting of two or more Directors, pursuant to the section 135(1) of the Companies Act, 2013 . The members of the CSR Committee shall elect one of them as the Chairman of the Committee out of which at least one Director shall be an Independent Director.

The Board shall additionally oversee the below;

- a. After taking into account the recommendations made by the Corporate Social Responsibility Committee (as constituted above), approve the Corporate Social Responsibility Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website – www.sbipensionfunds.com such manner as may be prescribed;
- b. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access as notified by the prescribed rules of the Act;
- c. Ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act;
- d. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company; and
- e. Monitor the implementation of the project with reference to the approved timelines and year-wise allocation and make modifications, if any, for the smooth implementation of the project.
- f. If the company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause (o) of sub - section (3) of Section 134, of The Companies Act, 2013 and also transfer such unspent amount to the applicable Fund, within the timelines as laid out under the provisions of Section 135(5) and 135(6) of the Companies Act, 2013.
- g. The Board shall ensure that the CSR Activities are undertaken by the company itself or through –

- (i) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (ii) 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
 - (iii) Any entity established under an Act of Parliament or a State legislature; or
 - (iv) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- h. The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
 - i. The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years.
 - j. The Board shall satisfy itself regarding the utilisation of the disbursed CSR funds;

6. Role of the CSR Committee

The Corporate Social Responsibility (CSR) Committee as constituted by the SBIPFPL Board shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) The broad CSR focus areas or activities that are to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programmes
- (c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) Determining the manner and classification of projects as ongoing projects and expenditure schedule thereon
- (e) Monitoring and reporting mechanism for the projects or programmes; and

- (f) Details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendations of its CSR Committee, based on the reasonable justifications to that effect.

- (g) The Corporate Social Responsibility Committee shall:

- (i) formulate and recommend the CSR policy to the Board;
- (ii) recommend the amount of expenditure to be incurred on CSR activities;
- (iii) monitor the CSR policy of the company from time to time; and
- (iv) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014.

7. CSR Expenditure and Budget

As stated under Section 135 (5) of The Companies Act, 2013 , SBIPFPL shall ensure that it spends, in every financial year, at least two percent or more of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Annual Action Plan & revised each financial year.

8. Unspent Corporate Social Responsibility Account and Transfer to Fund

A. ONGOING PROJECTS:

The Board of Directors shall open an Unspent Corporate Social Responsibility Account to be held by the Company in a Scheduled Bank. The following transfers shall be permitted into the Account:

Amount permitted for transfer	Due date for Transfer
Unspent CSR amount assigned /related to any ongoing projects	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR activities	Within 6 months of the closure of the Financial Year

B. OTHER THAN ONGOING PROJECTS:

The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such Account as specified by the Government in this regard:

Amount to be transferred	Due date for transfer/spent
Unspent CSR amount not assigned /related to any ongoing projects	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be transferred by Company within 30 days of completion of 3 (three) years from the date on which the amount was transferred to the Unspent CSR Account

9. CSR Activities

The Company's CSR Policy would undertake any of the activities listed/ relatable to items under Schedule VII of the Companies Act, 2013 including any amendment from time to time. However, the Company may shortlist any of the below listed focus areas

to create a sustainable & meaningful impact as updated in the Annual action plan & to align with the Communication and Business Strategy of the Company:

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 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 centers 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 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, 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. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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 ("slum area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).
12. Disaster management including relief, rehabilitation and reconstruction activities.
13. Undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
14. Undertaking training of Indian Sports Personnel representing any State or Union Territory at National Level or India at international level
15. Such other matters as may be notified by the Ministry of Corporate Affairs from time to time.

The approximate budget allocation to each of the focus areas from the Company's CSR budget for the year will be demarcated for reference purpose, in the CSR Annual Action Plan. The individual CSR activities undertaken should preferably be in the vicinity of the Company's offices across the country and not more than 25% of the available funds for the corresponding FY should be allocated for any one project so as to ensure equitable distribution and utilization of fund.

10. Shortlist Criteria

The Company will partner only with entities registered with the Central Government through CSR-1 norms.

11. Implementation Process

The following entities will oversee the CSR Policy, its implementations and execution of CSR projects, programs and activities:

1. The Board
2. The CSR Committee, as constituted by the Board.

The Board shall ensure that the CSR activities are undertaken by the company itself or through entities specified earlier in Section 5 of the Policy.

The CSR Committee will be responsible for overall monitoring and implementation.

12. Impact Assessment

Impact assessment shall be undertaken by the Company in the manner set out under applicable law, Section 135 of the Act read with Rule 8 of the Companies (CSR Policy) Amendment Rules, 2021. The impact assessment report(s) shall be placed before the CSR Committee and the Board as an annexure to the annual report on CSR.

13. Monitoring of CSR projects or programs or activities

The following steps may be undertaken for monitoring of the Company's CSR programme:

- a) The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a periodical basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee.
- b) The CSR Committee will present the progress periodically to the Board as part of the regular board meetings.

14. Reporting Template

The format for the "Annual Report on CSR Activities" to be included in the Board's Report is detailed in Annexure B.

15. Policy Review Mechanism

The Policy shall be reviewed as and when considered necessary, but at least once in two years. Changes to policy should be collated at management level and subsequently presented to the Board of Directors for approval.

Versio n	Approval Date	Approver	Comments
1.0	Date of BOD meeting	BOD	Policy formulated and approved by the CSR Committee and BOD respectively.

Annexure A'

CSR Activities to be Included in the Board's Report For Financial Year

1. Brief outline on CSR Policy of the Company:

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)

6. Average net profit of the company as per section 135(5):

7. (a) Two percent of average net profit of the company as per section 135(5):

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial Years:

(c) Amount required to be set off for the financial year:

(d) Total CSR obligation for the financial year (7a+7b+7c).

8. (a) CSR amount spent or unspent for the financial year:

	Amount Unspent (in Rs.)				
Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).
				State	District			

9	10	11	
Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of implementation- Through Implementing Agency	
		Name	CSR Registration number.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.	
				State	District

6	7	8	
Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation- Implementing Agency	Through
		Name	CSR Registration Number

(d) Amount spent in Administrative Overheads:

(e) Amount spent on Impact Assessment, if applicable:

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding FY (In Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6
Sl. No	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).

7	8	9
Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s):

(b) Amount of CSR spent for creation or acquisition of capital Asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):