

Preamble

Corporate Social Responsibility is not merely compliance but a social investment to help sustainability of society. It is a commitment to support initiatives that measurably improve the lives of under-privileged by addressing their needs.

Being the largest and the oldest commercial institution in J&K State, the Jammu & Kashmir Bank Ltd has adopted Corporate Social Responsibility (CSR) as a considered means for sustainable growth and believes that CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing to social good.

Purpose

J&K Bank is dedicated to identifying and supporting CSR programmes aimed at developing and advancing the communities particularly those who are marginalized ones and belonging to weaker sections of society.

The Policy Document shall also serve as a guiding document to help identify, execute and monitor CSR Programmes in line with the laid down guidelines of the policy. The policy would also function as a self-regulating mechanism for the Bank's CSR activities and enable adherence to all the stipulations and other regulatory standards mentioned in the Companies Act, 2013.

Policy Statement & Vision

In alignment with its vision, the bank as a socially responsible corporate citizen, shall continue to enhance value creation in the society and the community it operates through its CSR activities, which ultimately would be aimed to promote sustained growth for the society and community. The main objective of the CSR Policy shall be the Bank's continuous commitment to operate in economically, socially and environmentally sustainable manner so as to ensure upliftment of the marginalized and under-privileged sections of the society to promote inclusive socio-economic wellbeing and growth, empowerment of communities, capacity building, environment protection, promotion of green environment, development of backward regions by specially focusing on the projects relating to the benefit of the marginalized poor. However the focus of all such activities shall be prioritized in the state of Jammu & Kashmir.

Notably, among other things the Bank's strategy is and shall remain to encourage each business unit to remain conscious of community development.

Scope

This Policy is in line with the CSR (Section 135 of the Companies Act 2013) and shall be applicable to all the Projects /programmes undertaken as part of the Bank's Corporate Social Responsibility activities. The Policy shall be reviewed and updated from time to time in accordance with the codes of Corporate Governance and best practices.

Governance

The Corporate Social Responsibility Department shall be responsible for administering and executing the policy. However, the overall approving and governance of the CSR Policy shall be the responsibility of the CSR Committee of the Board. The Policy may be revised in accordance with the changes evolving from time to time in the CSR rules & regulations. For this, the approval of the CSR Committee of the Board, which is having sole discretion and mandate to allow any proposed change, shall be sought.

CSR Committee

In Compliance to Clause 1 of Section 135 of the Companies Act, 2013, Board of Directors approved constitution of a Corporate Social Responsibility (CSR) Committee vide its Resolution No 21 dated 6th March 2014. CSR Committee stands already constituted by the Bank with three or more Directors (including one Independent Director).

CSR Budget

The amounts to be spent by the Company shall be as stipulated under the Act, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years) and as approved by the Board. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company.

Within the Budgeted amount, specific CSR initiatives /projects will be approved in line with the process approved by the CSR Committee of the Board. All projects undertaken by the Bank will be approved/ratified by the Bank's CSR Committee.

It is worth mentioning that the Bank shall have discretion to spend more than the given CSR budget in a particular financial year. However the bank would at least put every effort to spend the amount stipulated under CSR rules in the most effective manner.

Supervision

The Bank's CSR activities will be driven by a dedicated CSR Team under the guidance and support of senior functionaries, in particular the Board/Management. The CSR Committee through CSR team would play an important role in ensuring that the CSR Policy is embedded across the Bank's operations and the CSR initiatives are in line with the CSR Policy of the Bank.

Implementation

Most of the CSR programmes shall be undertaken by the Bank directly.

However, Project activities identified under CSR may also be implemented with the aid of specialized agencies which would include----reputed NGOs, Trusts, Societies, Section 8/ Section 25 Companies, Certified Incubation Centers or through Collaborative Projects with Other Corporates, Academic Institutions, Self-Help Groups, Govt./Semi.Govt/Autonomous Organizations, etc. The performance of these bodies /agencies shall be monitored by the Bank on regular basis. In case of the Implementing agency being a "not for profit" Organization, the entity should typically have not less than Three (03) years of experience in implementing projects in the respective area.

Monitoring

A transparent monitoring mechanism for ensuring effective implementation of the Projects/ Programmes /activities to be undertaken by the bank shall be ensured by the CSR Committee. The Corporate Communication & Marketing Department would have the responsibility of monitoring approved projects and funds disbursement for such projects. Monitoring mechanisms will include visits, meetings and progress/status reporting by the CSR Committee members or the CSR Department. At the same time, the Bank's CSR activities shall be reviewed by the CSR Committee. As desired by the CSR Rules (Section 135, Companies Act, 2013) a system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the Bank.

After the project is completed under CSR initiative, an impact study would be done by the bank to measure the desired positive changes for which the project was funded. The study would be done preferably through an external agency. For example the University Students or the Research Associates can be roped in to conduct the study. A professional agency can also be hired for the purpose.

Reporting

As per regulatory reporting requirements and any other statutory, all the CSR activities / Projects and achievements will be reported as part of the Directors Report in the Bank's annual report.

CSR programmes/projects

To provide a concentrated and organized approach to the program, the Bank will focus its support and CSR spends on specific per-determined causes and areas of intervention as outlined in the Annexure to the policy. The CSR Department would put up to the Committee appropriate details of proposed projects including implementation year, modalities of execution in the areas/sectors chosen, implementation schedules for the same etc. The CSR Committee will consider and approve (in line with the guidelines given below), CSR projects/programs to be undertaken during the year.

- a) The programs/ projects will be beyond business as usual
- b) The programs/ projects will be within the areas recommended / listed by the CSR Committee and mentioned in the Policy.
- c) The Bank will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- d) The programs/projects will be implemented pan India with special focus on the State of Jammu & Kashmir.
- e) Programs/Projects that integrate business models with social and environmental priorities and processes in order to create shared value will be encouraged.
- g) The Bank will consider Programs/Projects closely linked with the principles of sustainable development.
- h) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.

Areas Of intervention

Bank will implement its CSR projects/programmes in the following areas. As the specified areas have been made broad based ever since the mandated bill, as such, the areas , the broader activities to be covered under “J&K Bank CSR Policy” shall be as under:

1. Eradicating hunger, poverty and malnutrition promoting healthcare including preventive healthcare and sanitation including contribution to the Swachh 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 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, para Olympic 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 castes, the Scheduled Tribes , other backward classes, minorities and women;
9. Contribution or Funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural Development Projects;
11. Slum Area Development

As per the explanation the term ‘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.

Additional items covered under Schedule VII

In accordance with the clarification issued vide General Circular No 21/2014 dated 18.06.2014, J&K Bank CSR Policy shall also be covered under Schedule VII of the Companies Act 2013.

1. Educating the masses and promotion of Road safety awareness in all facets of road usage. (Covered under schedule VII(ii) under “Promoting Education”
2. Drivers Training (Covered under Schedule VII (ii) under ‘Vocational skills’

3. Safety Traffic Engineering and awareness through print, audio and visual media (covered under Schedule VII (ii) under “Promoting Education”
4. Giving Medical & Legal Aid , Treatment to road accident victims.(Covered under Schedule VII (i) under “Promoting healthcare including preventive healthcare”
5. Provisions for aids and appliances to the differently abled persons.(Covered under schedule VII(i) promoting healthcare including preventive healthcare”
6. Capacity building for farmers covering best sustainable farm management practices. (Covered under Schedule VII (ii) “Vocational Skills” livelihood enhancement Projects.
7. Training Agriculture labour on skill development (covered under Schedule VII(ii) under “Vocational Skill”
8. Doing our own research on the field for individual crops to find out the most cost optimum and Agri-ecological sustainable farm practices (Applied research) with a focus on water management.(covered under Schedule VII(iv) under “Ecological Balance...maintaining quality of soil , air & water”
9. To do Product Life Cycle analysis from the soil conservation point of view (Covered under Schedule VII (iv) under “Conservation of natural resource” and “maintaining quality of soil , air & water”
10. Providing effective consumer grievance redressal mechanism; protecting Consumers health and safety, sustainable consumption, consumer service, support and complaint resolution; consumer protection activities; Consumer rights to be mandated; All consumer protection programmes and activities” on the same lines as rural Development , education etc. (Covered Under Schedule VII (ii) under “Promoting education”.
11. Donation to IIMA for conservation of buildings and renovation of classrooms..(Covered under “promoting education”
12. Non-Academic Techno park TBI not located within an academic institution but approved and supported by Department of Science & Technology.(covered under “promoting Education” if approved by Department of science & Technology)
13. Disaster Relief: - Disaster relief shall cover wide range of activities that can be appropriately shown under various items listed in Schedule VII. For example
 - Medical Aid can be covered under “promoting Healthcare including preventive healthcare”
 - Food supply can be covered under “eradicating hunger, poverty & Mal nutrition”
 - Supply of clean water can be covered under “sanitation and making available safe drinking water”.
14. Trauma Care around highways in case of road accidents. (Covered under Schedule VII (I) under “Healthcare”
15. Supplementing of Government schemes like Mid-day meal scheme by Corporates through additional nutrition.(Covered under Schedule VII (i) under poverty & malnutrition”

16. Enabling access to, or , improving the delivery of Public Health System.(depending on the context, it shall be covered under both the Heads of Schedule VII “health care” or “ measures for reducing inequalities faced by socially & economically backward groups”)
17. Slum re-development or EWS Housing (Covered under “ measures for reducing inequalities faced by socially & economically backward groups”)
18. Renewable energy products (Covered under Schedule VII ‘ environmental sustainability , ecological balance and conservation of natural resources’)
19. Contribution to any distress/disaster fund, created for rehabilitation of sufferers of natural calamities/disasters.
20. Carry forward of unspent portion of the mandated amount to subsequent year in addition to the prescribed CSR expenditure of the succeeding year.

The statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. As such, having focus on Health & education sectors, J&K Bank CSR Policy shall be providing necessary equipments and diagnostic tools to Government hospitals (to be covered under improving public healthcare delivery system) where the visitors are mostly from lower economic & financial strata. Being focused on improving public health delivery system, regular health camps, strengthening health centers and reaching out to marginalized, physically challenged, deaf, dumb, visually impaired shall be the preference of the Bank. Bank shall also explore the possibility of providing Ambulances which shall serve as “hospitals on wheels” for the people having no access to such amenities I times of medical emergencies.

In promoting Education, bank shall be reaching out to marginalized children from school to university levels so that they pursue their academic goals. This shall include financial assistance, healthcare related aids and medical help and other related items as may be deemed fit.

J&K bank CSR Policy shall be taking due upkeep of all the environmental related issues. Under the “environmental excellence Programme” the Bank shall be undertaking measures like planting trees, developing parks and gardens at barren lands and also undertaking cleanliness drives etc. All these programmes/initiatives by the bank shall be aimed at making our surroundings and environment not only hygienic but also to make an effort for GREEN surrounding for the larger welfare of the community.

Bank shall also create infrastructure for far flung areas through environmental conservation measures like providing solar energy, establishment of eco-parks, better sanitation etc. Bank may also have an arrangement/partnership with reputed NGOs or some implementing agency to carry out such activities.

Bank shall also contribute in the projects that enable people living in the terrain to understand the challenges faced by their people and to empower them with environmentally sustainable solutions to these problems. This may be done to encourage experiential learning via practical application of knowledge like SECMOL plans in Ladakh.

Bank shall also explore the possibility to support the children belonging to tribal population/ areas as this segment of the population remains disconnected and out of the periphery of social development.

J&K Bank's CSR Policy shall not include the following activities under CSR:

1. Training to enforcement personnel. (It is establishment functions of Government (cannot be covered)
2. Capacity building of government officials and elected representatives-both in the area of PPPs and urban infrastructure (not covered under Schedule VII)
3. Sustainable urban development and urban public transport systems (Not covered under Schedule VII)
4. It is further clarified that J&K Bank , in reference to the guidelines as referred in Rule 4 (1) of Companies CSR Rules, 2014 , shall not undertake any programme which is not in project form and sustainable in nature and shall discourage One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc.

THIRD PARTY SOCIAL AUDIT FOR THE OBJECTIVE IMPACT ANALYSIS

A third party social audit shall be done to review the objective impact of the various projects/programmes and initiatives undertaken by the bank under CSR. The audit shall be done at regular intervals where for CSR Committee of the Board will put up their recommendations to Board of Directors of the bank.