

CSR Policy for Indian Branches

April 2017

MUFG Indian Branches

(Abridged Version)

Mumbai Branch

New Delhi Branch

Chennai Branch

Neemrana Branch (Representative office)

Bengaluru Branch

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1. General rules / definitions

1.1. Objective

“CSR Policy (“CSR Policy”)” stipulates the rules related to conducting of CSR activities in India, inclusive of planning, execution and reporting of CSR Activities for the MUFG Bank, Ltd. in India.

1.2. Definition of CSR

Corporate Social Responsibility (CSR) can be defined as the continuing commitment by the bank to contribute to economic development and environment protection while improving the quality of life of the community and society at large. It covers activities / programs that are focused towards these objectives as well as those enlisted in Schedule VII of the Companies Act 2013. The core definition of CSR by MUFG group has been elaborated further in the Policy Framework (2.0).

Furthermore, the Indian Companies Act 2013 (clause 135) defines CSR as –

Corporate Social Responsibility (CSR) means and includes but is not limited to –

- a. Projects or programs relating to activities specified in Schedule VII of the Act; or
- b. Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.3. Rules

“Rules” shall be premised on the basic procedure related to CSR defined by the CSR Promotion Office – Tokyo and the Section 135 of the Indian Companies Act 2013 (“Act”). Whilst, there may be differences in type of activities conducted, these rules will remain standard across every branch/representative office in India.

“Rules” stipulates roles, authorities and responsibilities for each branch and the regional office regarding “CSR Committee”, “CSR activity”, “Budgeting”, and “Reporting”.

1.4. Responsible Department

In case of the revision of “Rules”, Strategic Planning Department of Regional Executive’s Office (REO) shall prepare an application and seek an approval by the Regional Executive.

1.5. CSR Activity

“CSR Activity” can be defined as an activity carried out to fulfill the CSR objective. This is further classified as “Branch-level activity” or “REO-level activity”.

1.6. CSR Budget

“CSR Budget” can be defined as the amount sanctioned to be expensed for a CSR activity. This can be further classified as “Branch budget” or “REO Budget”

2. Policy framework

The Corporate Vision of the MUFG group serves as the basic policy in conducting business activities, and provides guidelines for all group activities.

Due to the changing trends of domestic and international society and the rapidly advancing globalization of business, the environment surrounding financial institutions is always changing. In order to be flexible in responding to this change and contribute to the sustained development of society, we promote CSR activities while continually evaluating MUFG's CSR Materiality.

Across MUFG Group, we have adopted Addressing the new CSR materiality further elaborated in Annexure 1 of this document.

While the group's policy covers three areas i.e. Customer, Community and Responsible Finance, MUFG India will focus only on the area of “Community Development”.

The other two areas amount to “activities in pursuance of the normal course of business” which is prohibited as per the rules of the Companies Act 2013 (Section 135) [refer Circular no. 05/19/2015-CSR by Ministry of Corporate Affairs, Government of India].

Hereafter any CSR activity taken up by the India branches / REO will be towards Community development and within the scope of Schedule VII of the Indian Companies Act 2013.

3. CSR Philosophy for India

At MUFG, we plan to raise our value as a corporation by strengthening our bonds with local communities and endeavoring to build trust and confidence not only with our customers but also with regional societies.

In India, more than 50% population is in the age group of 10 – 24 years. This means that by 2020, India will be the country with the largest youth population across the globe. Therefore we have set our CSR goals in to cater to this section of the demographics. Our goals have been further elaborated upon in the below statement –

I. Our Primary Goal can be defined as **“Contributing to well-being of the next generation of India.”** Our CSR initiatives will primarily focus on the development of the next generation of India by catering to their needs and supporting their dreams. This objective can be met by working in the following areas for the next generation –

- Nutrition, healthcare and hygiene
- Education and vocational training
- Career counselling and training
- Safety
- Support services to benefit the wellbeing / education of beneficiaries



II. Our Secondary Goal is to “Preserve the environment for the next generation”. Our activities will be focused towards the conservation / preservation of natural resources so that the next generation is not deprived of the basics such as clean water and clean air and have a healthy environment to live in.

Note – It will be our constant endeavor to work towards the above objectives as Team India. However if there are an exceptional activities that will benefit the community in other areas than those covered in the objectives, they may be considered.

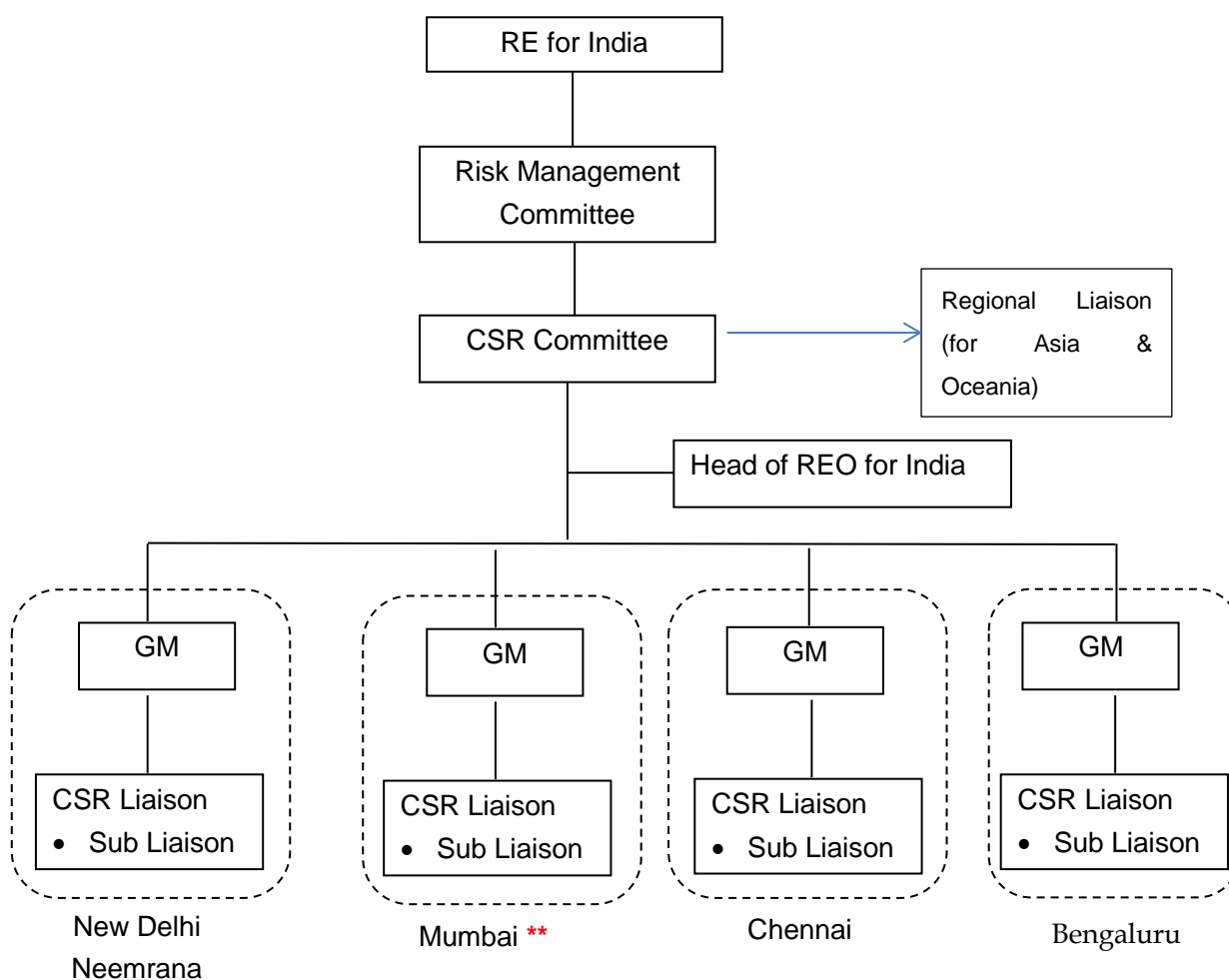
While we acknowledge the CSR Materiality by our group, MUFG, we establish these goals as means of achieving the larger objective of contributing to the community we operate in.

4. CSR Committee

Structure at HQAO (Singapore)

Each region's Communications/CSR office will serve as Regional Liaison for the local offices in its geographical area. Regional Liaisons will report to GPD the activities of the local offices within their region. Each region will implement a network of Branch Liaisons in branches and offices within the region.

<Local CSR Structure >



****** The CSR Liaison and Sub-liasion of Mumbai will be assigned dual roles as Branch CSR Liaisons and REO Liaisons to centrally monitor and control CSR activities of all other Indian branches, hereafter termed as Executive Secretariat.

4.1. Committee Members, Roles and Responsibilities

Committee Members

- (a) Chairperson – The Head of the Regional Executive’s Office (REO) for India preside as the Chairperson of the Committee.
- (b) Vice-Chairpersons – The General Manager of the each of the branches will act as the Vice- Chairpersons of the Committee.
- (c) Executive Secretariat – The CSR liaisons of the REO (Strategic Planning Department) in Mumbai will act as the Executive Secretariat
- (d) Committee Member – The CSR liaisons of all branches, General Managers of all branches and Regional Executive for India will together constitute as the Committee.
- (e) Frequency of Committee – The frequency of the meeting will be once in six months i.e. in the last month of the current semester.
- (f) Examination Agenda – The Committee meeting will be held to discuss the following points –
 - i. Review of CSR activities conducted in the current semester at the branch level and REO level
 - ii. Plan and enlist activities to be done in the next semester at the branch level and REO level
 - iii. Review any changes to be made in the CSR policy
 - iv. Review appointment / reappointment of CSR liaisons
 - v. Suggest any new initiatives for CSR in India

Roles -

The roles of the members of the CSR Committee are defined as below –

- i. In India, the CSR Committee will be headed by the Regional Executive for India.
- ii. At the branch level, the General Manager i.e. the Vice-Chairperson of the committee will be the primary decision maker on the CSR activities to be conducted within the branch and may consult the Regional Executive from time-to-time on essential matters.
- iii. A Branch Liaison and Sub-liaison refers to a staff member at the branch/office level. They will coordinate CSR activities at the local level, working with the REO Liaisons when necessary, and report activities to the REO Liaisons. Offices with fewer than 10 employees may find it more feasible to be represented by and take direction from their Regional Liaison. The Branch Liaison should demonstrate a passion and dedication for CSR, strong organizational and project-management skills, and the ability to both work independently and collaborate with internal and external people on all levels.

Responsibilities of the CSR Committee -

- (a) Hold a meeting twice a year, at the end of each semester, to review the activities conducted in the last semester and to plan the activities for the next semester.
- (b) To ensure that the activities conducted are within the purview of the prescribed activities of the Act as well as aligned with the Global CSR objectives as defined
- (c) To plan the budgets for the next semester and ensure efficient implementation of the budget
- (d) To monitor the CSR expenditure and ensure accurate reporting of the expenditure as prescribed by the "Act" and defined in the CSR policy.

Responsibilities of a Branch Liaison/Sub Liaison

- (a) Work with CSR Regional Liaison on global CSR policies and programs.
- (b) Plan and execute CSR activities at the branch level
- (c) Plan and control budgets for the CSR activities at the branch level (Format as per Annexure 2) as per timelines mentioned in the process
- (d) Implement activities suggested at the national level within the branch
- (e) Timely reporting to CSR Regional Liaisons and REO Liaisons on CSR activities, budgets and spends (Format as per Annexure 3)
- (f) Coordinate CSR activities in their local offices and report results to Regional Liaisons
- (g) Participate in the regional CSR conference calls organized by the Regional Liaisons

4.2. Tenure of the team, changes to be reported

The Tenure of the CSR Committee will be one year. The tenure maybe renewed by reporting the same to the Regional CSR liaison.

5. Budgeting

- As per the requirement of the Companies Act, 2013, the Bank shall spend at least 2% of the average net profit made during the immediate three preceding financial years.
- In case the Bank is unable to spend the stipulated amount, it will provide the reasons for not spending in its Annual CSR report.

6. Reporting

6.1. External report (to be placed on the company website in the prescribed format)

The CSR Liaisons across all branches are expected to submit a consolidated report covering all activities conducted within the financial year in the prescribed format to the REO Liaisons. **(Please check Annexure 2 for format)**

The REO Liaisons will prepare the annual report based on the prescribed format provided in the Company's Act 2013. The report will consolidate all the activities conducted within the financial year, including the spendings on CSR within each branch. This report will be published in the annual report of the Bank as a special annexure on CSR.

An online version of the report will be published on the Bank's website (<http://www.bk.mufg.jp/global/>) as prescribed by the "Act". **(Please check Annexure 4 for format)**

6.2. Timeline of reporting (Monitoring Process)

6.2.1. External Reporting

The REO Liaisons will be responsible for creation, consolidation and publishing the CSR report within the prescribed format of the Act.

The timeline of submission of the report to be published in the Annual report of the Bank and on the website of the Bank is defined as 30 July of each year.

7. Supplementary rules

7.1. The effective date

These Rules are effective from 1st October 2014.

7.2. The revision history

31 March 2015	1 st version
16 March 2017	2 nd version

7.3. Rules for Revision of Policy

a) Alterations / changes

Any alteration in the rules stated in the policy will be subject to approval from the CSR committee. Following is the procedure for any alterations to be done in the policy –

Procedure

- i. The alteration in the policy may be proposed to the CSR Committee. The proposal will be examined by the Chairperson of the committee (i.e. Head of REO for India) in consultation with all the members of the committee.
- ii. The final decision will be made by the Chairperson of the committee and will be placed on record through the minutes of the meeting and supporting alterations in the policy if required.

b) Alternate Procedure

- i. During the year if the CSR Liaisons propose to make changes in the policy, the same will have to be approved by the line management (i.e. by the respective General Manager) of the branch.
- ii. The approved memo will be forwarded to the CSR liaisons at the Strategic Planning Department at Mumbai for their examination.
- iii. The CSR liaisons at the Strategic Planning Department will reply to the respective CSR liaisons with their feedback.
- iv. If the alteration is accepted by all, the memo will be circulated to Regional Executive of India. His decision on the alteration will be final and binding.

ANNEXURE 1

CSR Materiality (Policy Objective)

CSR Materiality 2 Community

We plan to raise our value as a corporation by strengthening our bonds with local communities and endeavoring to build trust and confidence, not only with customers, but also with regional societies in Japan and overseas.

Special Feature



➤ Economic and Financial Education

MUFG is engaging in social contribution activities that leverage its core business. As part of these activities, we are actively providing students with economic and financial education.



➤ Environmental Preservation and Beautification

MUFG continues to expand its wide range of activities, which include world heritage site preservation activities, and local community cleanup activities led by employee volunteers.



➤ Donation and Support Activities

MUFG continues to deepen its relationship with society and contribute to the development of local communities through donations and participation in charity events.



➤ Local & Social Contribution Efforts In Collaborating with OISCA

MUFG is engaged in local & social contribution activities through its collaboration with OISCA.



➤ MUFG Gives Back

MUFG has established Global Volunteer Month, and is engaged in CSR activities tailored to each region across the world.

➤ Supporting Reconstruction

➤ Various Efforts towards the Community

(As of July 2015)

Annexure 2

Consolidated report format for Internal reporting to Regional CSR Liaison



CSR Activity Report

Office Code Division/Office Name

No	Office location (拠点所在)	Event Name (活動名称)	Activity Date (実施日)	Event Category (活動種類)	Purpose and Background (目的・背景)	Summary-Accomplishment (活動概要・成果)	Beneficiary (協賛・連携団体等)	Volunteers (参加者)	Hours (活動時間)	# of volunteers from your branch (参加人数)	# of volunteers outside from your branch (参加人数)	Cost by branch (費用)	Cost by CSRPD (費用)	Contact info (拠点担当者)
Sample	New York	Paintfest	1/25/14	Hands on volunteering	Contribute to the Japanese American Society where we used to have a business for 15 years	<ul style="list-style-type: none"> Event summary Any publicity? (Newspaper coverage, blogs, beneficiary homepage) Collaboration with other MUFU subsidiaries? Will this volunteer activity continue? 	Hospital Art Foundation		*How many hours did the volunteers volunteer for? (Enter 1 for 1 hour, 5 for 50 min)	50	10	\$100 (lunch)	\$800 (mural set)	Yuka Nakamura yuka.nakamura@us.mufu.jp
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ANNEXURE 3

Format for the annual report on CSR activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other 2) specify the state or district where the projects or programmes were undertaken	Amount outlay (budget) project or program me-wise	Amount spent on the project or programmes Sub heads (1)Direct expenditure on projects or programmes (2) others	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*

* give details of implementing agency.

6. In case the Bank has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Bank

sd/, (Chief Executive Officer or Managing Director or Director)	sd/- (Chairman CSR Committee)	sd/- Person specified under clause (d) of sub section (1) of Section 380 of the Act. (wherever applicable)
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