



MUFG INDIA
CSR ANNUAL
REPORT

2017-18

Disclaimer

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MESSAGE FROM MANAGEMENT



Junsuke Koike

At MUFG, we are guided by the vision and values that form the foundation for management decisions, including the formulation of strategies and plans, and serves as the core value for our employees. We strive to fulfill its mission as a financial institution, by building lasting relationships with customers and society as a whole and working hand in hand with these stakeholders to ensure sustainable mutual development.

Our CSR programs globally follow the same mandate as we work together to build and strengthen the communities we operate in. MUFG Bank in India supports worthy causes and helps community issues to be addressed to support the next generation through its CSR activities. In line with the guidelines set out by the Indian Companies Act, MUFG Bank is pleased to state that it is fully compliant with the rules and framework drawn up.

Last year, MUFG India supported the cause of addressing the issue of hunger among the next generation, depriving them of education and pushing them into hard labour at a tender age. To this, we are proud to have contributed towards the building of a new kitchen in Silvassa that will provide mid-day meals to more than 50,000 children studying in government and government aided schools in the academic year 2019-20.

MUFG encourages its employees to engage in a variety of volunteer activities that contribute to the sound development of communities in which it operates. This year too, staff members across branches participated whole-heartedly in smaller initiatives organized at the branch level. We are committed to serving the society, and fostering shared and sustainable growth for a better world. We hope that our efforts towards of being a responsible business will ensure that our communities are positively impacted.

A handwritten signature in black ink that reads "Junsuke Koike". The signature is written in a cursive, flowing style.

Junsuke 'John' Koike
Regional Executive for India and Sri Lanka

INDIA'S CSR POLICY

At MUG, 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.



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

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.

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

MUG's CSR Materiality



Customer

Responding to customer feedback and providing products and services that exceed customer expectations



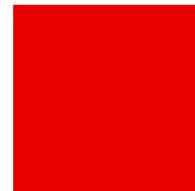
Community

Supporting the development and invigoration of local communities



Responsible Finance

Contributing to the resolution of environmental and social problems through our core business



INDIA'S CSR COMMITTEE

The Bank has established a CSR Committee to strategically guide it in effective implementation of its policy on Corporate Social Responsibility. Its key objective lies in the selection, approval, planning, execution, supervision, and monitoring of various programs/projects and activities under CSR.

The head office of the Bank in Japan actively supports CSR activities in each region, including the redesign of any existing CSR program, evaluation of CSR activities, and recognition of outstanding employees and offices in the award for CSR Activities of the Year – all communicated and implemented through the CSR Committee.

The region's Corporate Communications office (based out of Singapore under the Headquarters for Asia) serves as Regional Liaison for the local offices in India. The Regional Liaison works primarily with India's Regional Executive Office (REO) Liaisons and they in turn coordinate all

CSR-related efforts with the Branch Liaisons to promote all global CSR policies and programs.

Frequency of Committee – The committee meets twice a year during each financial year.

Tenure of the Committee – The tenure of the CSR Committee lasts one year. The tenure may be renewed by reporting the same to the Regional CSR Liaison.

The composition of the committee is illustrated below.



MILESTONES

PROJECT SANITATION

(COMMENCED IN 2014)

We commenced Project Sanitation in March 2015 to resonate our commitment to the *Swachh Bharat—Swachh Vidyalaya* campaign towards building sanitation facilities in government schools in Chittoor, Andhra Pradesh.

MUFG partnered with FICCI-SEDF to roll-out the campaign to ensure that every school has a set of functioning and well-maintained water, sanitation and hygiene facilities. Through the behavioral change program, hygiene practices were also promoted. Adolescent girls were also trained to manage menstruation hygienically. The team partnered with Katha, to add books in the local language to the libraries of these schools to ensure kids starting at age 4 are educated about hygiene. In its last year with the construction and behavioral change program completed, the washrooms have been handed to the school. MUFG's support continues over the next two years towards funding the maintenance and upkeep of these facilities.

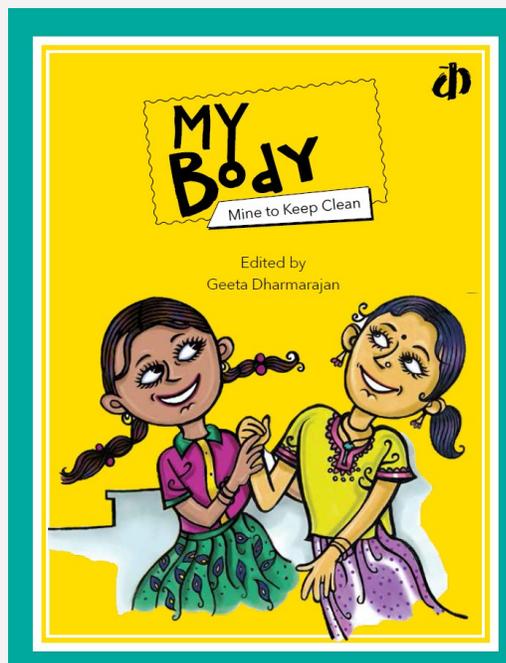
IMPACT -

Key outcomes of the project in 200 schools

The Behavioural Change Communication (BCC) activities under the project was completed as on 30th April 2018. Under this project, approximately **24,500 girls and 23,250**

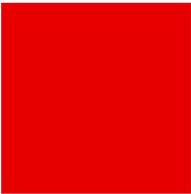
boys in 218 schools were benefitted.

- School WASH Agreement completed and School Development plan commenced.
- 2 Wall writing/Paintings completed in all Schools.
- Orientation Programme on health and Hygiene for Teachers and Head Masters organized
- There is a 22% increase in boys and 23% in girls who practice washing hands with soap and water.
- There is an increase of 27% in boys and 30% in girls on the awareness level of prevention of diarrhoea.



- 100% of both boys and girls were able to differentiate between good and bad behaviours when presented with various behavioural scenarios.

- 92% of the girls attend school during menstruation. There is an increase of 26% of girls attending school during menstruation. This has directly contributed to reduction in school absenteeism in girls.



MILESTONES

PEDIATRIC CANCER AID

(COMMENCED IN 2016-17)

In March 2017, MUFG India announced its commitment towards supporting the cause of pediatrics cancer aid and partnered with St. Jude's India Child Care Centre (SJICCC). The centre works towards providing residential facilities to children and their parents who visit some of the largest cancer hospitals across metro cities in India for treatment.

The centre provides a hygienic and safe environment for patients during their treatment as most of them come from different parts of the country and often don't have the funds to afford a decent place to live during the treatment period which ranges from six months to a year. MUFG India supported the facility to the tune of INR 98.45 million towards their capex and opex requirements for a period of three years, including the commencement of two new centres in Chennai and Mumbai.

So far the funds have been utilized fruitfully to benefit 600+ individuals across India especially

centres in Mumbai, New Delhi, Kolkata, among others. In its first year the funds were utilized well for security services and ration aid in Mumbai and opex requirements in other city centres.

Plans are moving steadily towards creation of the first MUFG-SJICCC centre in Chennai. The launch of the centre is expected around March 2019.



MILESTONES

MDM KITCHEN

(NARSINGHI - COMMENCED IN 2015 | SILVASSA - 2017)

In August 2017, MUFG in partnership with The Akshaya Patra Foundation (TAPF), inaugurated a new state-of-the-art kitchen in Narsinghi, Hyderabad.

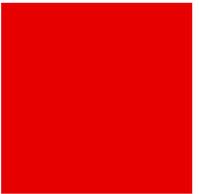
The kitchen serves 366 Anganwadi Centres and in 238 schools through the mid-day meal (MDM) programme i.e. 40,000 feedings of mid-day meals on a daily basis.

This hi-tech kitchen houses advanced machinery that can dish out 3 course meal including rice, sambhar and other curry items. Even the cutting of vegetables is mechanized and the kitchen follows a 'no human touch' policy to maintain the utmost hygiene.

Riding on the success of the kitchen and the social impact made by this initiative, MUFG India signed up with for a second-time; this time to reach out to a larger population. To contribute to the progress of one of western India's Union Territory of Dadra and Nagar Haveli - Silvassa, MUFG and TAPF are working towards building a new mid-day meal and community kitchen to cater to 100,000 beneficiaries including 60,000 school kids.

The kitchen is scheduled to be completed in March 2019 and operational in the new academic year of June 2019 for the feeding.





OVER THE YEARS
OUR PARTNERS



St Jude India ChildCare Centres

BRANCH INITIATIVES

■ New Delhi

Japanese school kids visit MUFG Bank



In the first half of FY2017, volunteers welcomed students of the local Japanese school for a first-hand experience of banking practices by visiting the New Delhi branch. Students were given a tour of the bank including the bank's vault and treasury which they found very exciting.



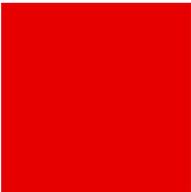
The kids were also shown a short film on basic banking practices and were lectured on "Banking and Savings". As a great learning experience, many of them were inspired to pursue a career in banking and finance at the end of the session.

Children's Forest Program

In its final year of the 5-year Children's Forest program by OISCA was concluded with a series of events. The first one was a sapling plantation drive conducted by the branch at Government Senior Secondary School, Nathupur, Gurugram. Around 60 students along with the school staff participated in the activity and 30 Saplings were planted together by staff volunteers and school students in the school premises .

In the later part of the year, a nature trail was organized where a total of 50 girls of Government Senior Secondary School, Gurgaon were taken on the nature trail. Family members of some of the volunteers accompanied the students on this informative and exciting excursion. The GM of the branch , Mr. Tomoji Nakao also participated in the event with great zeal. The 3-hour walk amidst the rich biodiversity environment gave ample opportunity to the kids to observe and appreciate the beauty of nature and the importance of conserving the wildlife.





Mumbai

Contribution to Goonj

GOONJ is an organization which arranges Collection Camp in residential area, school, college, corporate to collect the clothes which are given to the people in exchange for work under its flagship initiative 'Cloth for work' (CFW) - by repairing roads, recharging water ponds, building bamboo bridges to digging wells. Rural communities receive clothes & other material as reward for their labour.



To support Goonj in this noble cause, MUFG Mumbai branch organized a collection camp in October to be able to contribute old yet wearable clothes to the drive.

Walkathon for a cause

In February 2018, employees participated in a walkathon organized by Morgan Stanley at Borivali Sanjay Gandhi National Park. The proceeds of the activity would be donated to a needy local NGO called Bal Asha Trust. The NGO is a unique and professionally managed one operating since 1985. Awarded with Ahilyabai Holkar Award by the Government of Maharashtra, it is a home for special needs children between 0-12 years – both girls and boys abandoned and marginalized children found abandoned at various public places around Mumbai.



BRANCH INITIATIVES

GLOBAL VOLUNTEER MONTH



■ New Delhi | Neemrana

New Delhi and Neemrana branches jointly conducted an event to promote cleanliness and personal hygiene in Primary Government school for underprivileged children in Neemrana while also renovating the school.

An inclined concrete pathway was constructed from the school entrance gate to improve the entry into the school premises. To provide clean drinking water to the students a water cooler & RO filter system was installed in the school. Proper water taps were installed and a drinking platform was also constructed.

The washrooms in the school were also refurbished and painted. The team also donated benches and blackboards to improve the learning environment.

Keeping in mind the approaching winters, woolen sweaters and a pair of slippers were distributed to all students.

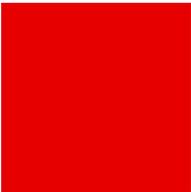


■ Mumbai

Mumbai branch joined hands with a local NGO to reach out to residents of a location in the outskirts of the city. The team made a monetary contribution to the village towards building 5 washrooms in households in that village.

Volunteers also engaged with villagers in a tree plantation activity and educated villagers about the adverse effects arising out of open defecation. Volunteers also painted these toilets and also visited the model village.





■ Chennai

MUFG’s CSR policy & theme of ‘MUFG Gives Back’ envisaged engagement with children as our future generation and nurturing them to become better citizens which would be the best way we can give back to our society.

It is in these contexts that MUFG Chennai branch decided to train school girls in ‘Self-Defense’ techniques under the guise of the theme “prevention is better than cure”. The class was held at a local government girls school for grade 6 to grade 12 to partner with.

Furthermore, a session on financial planning was also held for which students of Class 8 and Class 9 students (early adolescents) were identified as beneficiaries for the session. Staff demonstrated common cases through roleplaying, and exhibited how students can protect themselves from being deceived.

The bank also donated personal hygiene products to the students as part of its continued efforts to promote the importance of cleanliness and hygienic practices.



■ Bengaluru



As a persistent effort to improve the educational facilities for the needy students, the branch has adopted two local government schools. In its third year of support, volunteers visited the school to provide for tiled flooring and benches in all classroom. This initiative goes a long way in creating a more conducive environment for learning, further encouraging children to stay in school and not dropout.

■ Sri Lanka

The team engaged with students of Colombo University to visit Negombo Lagoon to plant 300 mangrove saplings at the designated area. The idea was to educate students about the importance of mangroves and sensitize them about protecting and preserving them.

REPORTING FINANCIALS

CSR BUDGETS FOR 2017-18

Amount in INR Mio

	2016-17	2015-16	2014-15
Net profits as per audited financial statements	5,314.19	1,893.84	2,119.15
Income tax and super tax payable by the company under the Income Tax Act, 1961	2,175.82	2,690.69	3,198.51
Profit as per Section 198 under the Companies Act, 2013	7,490.01	4,584.53	5,317.66

3 years Average profits as per Section- 198 under the Companies Act, 2013 = INR 5,797.40 Mio

■ **CSR budgets for 2017-18 - INR 115.95 Mio (2%)**

CSR spends 2017-18

Amount in INR Mio

Particulars	Amount
Branch Spends for regular CSR activities during 2017-18	0.773
Branch Spends for regular GVM 2017-18	0.642
Flagship project spends (Akshaya Patra Kitchen)	114.535

■ **Total CSR spends in 2017-18 - INR 115.95 Mio**

RESPONSIBILITY

STATEMENT

The Bank has established a CSR Committee to strategically guide it in effective implementation of its policy statement on Corporate Social Responsibility.

The Committee review its Policy Statement on Corporate Social Responsibility to strengthen it in accordance with Section 135 and Schedule VII requirements of Companies Act, 2013.

The CSR committee is responsible for preparing the CSR report in accordance with applicable law and regulations.

The Committee has elected to prepare the report in accordance with the requirements of the Indian Companies Act, 2013 and its rules. This responsibility includes designing, implementing and maintaining an Annual CSR policy that is free from material misstatement, whether due to fraud or error. It also includes monitoring the projects on a timely basis. The Committee is further responsible for selection, devising, planning and implementation of projects in accordance with the objectives of CSR.

The Committee is responsible for keeping proper records that disclose details of the expense report with reasonable accuracy at any time. They are also responsible for safeguarding the reputation of the Bank and hence for taking reasonable steps for the prevention and detection of errors and irregularities.

Furthermore, the Committee certifies that the details stated in this report are accurate and are in compliance with the CSR objectives of MUFG Bank, India.





