

Your Bank has adopted an advanced approach for assessing the impact on Earnings at Risk (EaR) and Market Value of Equity (MVE) with pre-defined tolerance limits that determine the risks associated with them. Also, it enables the Management to initiate appropriate preventive steps in a likely scenario of erosion in Net Interest Income.

To encourage branches to garner stable funds and assess your Bank implemented their profitability based on the cost of funds, a matched maturity-based Funds Transfer Pricing.

The Asset Liability Management Committee (ALCO) of your Bank monitors and manages liquidity and interest rate risks by constantly modulating the asset-liability mix in the balance sheet. ALCO, among other things, reviews the interest rate scenarios, the pattern of growth of liability products, credit growth, competitive advantages, liquidity management, adherence to the regulatory prescriptions and pricing of liabilities and assets from time to time.

To address the inherent rigidities in the balance sheet structure and the issue of quick transmission of changes in RBI's policy rates, effective from 1st May, 2019, your Bank took the lead in linking its pricing of Savings Bank Deposits (with balances above ₹1 lakh) and Short Term Loans (Cash Credit accounts and Overdrafts with limits above ₹1 lakh) to an external benchmark, that is, the policy Repo Rate.

Subsequent to the RBI guidelines on External benchmark-based lending rate, effective from 1st October, 2019, pricing of all floating rate Retail and MSME loans are linked to the external benchmark, that is, the policy repo rate. However, the repo rate linkage of SB deposit rates continues.

The Regulatory Reports/ Returns pertaining to the area of Asset-Liability Management (Domestic Position) have since been automated through OFSAA, and the Whole Bank position is expected to be in place shortly.

8. ETHICS AND BUSINESS CONDUCT

Since the inception of the Ethics and Business Conduct vertical, your Bank has been carrying out a host of initiatives and programs, attuned to permeate and percolate the ethical values and exalted behavioural norms across all levels. Whether it is formulating the basic foundational guiding principles such as the Vision, Mission and Values Statements and the Code of Ethics, or finetuning the existing operational guidelines in the domains of Consequence Management, Prevention of Sexual Harassment (POSH) or the Social Media, to name a few, the core working philosophy of your Bank has always been to be aware, alert and in harmony with the surroundings, both immediate and far. Furthermore, multiple enablers have been being put in place to shape a robust ethical infrastructure in your Bank for greater moral strength. With each passing year, a well thought out strategy to become future-ready has seen a steady and seamless integration of the latest technology platforms in the ongoing programmes and operational processes. This has, in turn, lent a massive impetus to the scope, size and the reach of the various ongoing and proposed ethical outreach initiatives within your Bank.

In FY2020, a comprehensive Ethics and Business Conduct website was developed and made functional to provide a one-stop platform for hosting the vast array of considerably curated ethical resources to facilitate easy accessibility for the benefit of the employees at large. To further encourage the proficiency and efficacy of the Discipline Management Function, several new initiatives and enablers were introduced to increase the efficiency of discipline management ecosystem in your Bank. In was in this context, that real-time and all comprehensive Business Conduct and Discipline Management Online Processing Portal and Dashboard was conceived, designed and operationalised in your Bank. To further augment and supplement the level of knowledge and for providing guidance, a wide array of training programmes, each tailored explicitly for officials working in a particular functional domain of the Discipline Management Framework, were regularly conducted throughout

the year. Reiterating your Bank's zero-tolerance policy in the matters of sexual harassment at workplace and its commitment towards fostering a gender-inclusive and safe work environment, your Bank rearticulated its policy and processes under the Prevention of Sexual Harassment of Women at Workplace as – GARIMA. Furthermore, to streamline and simplify the entire process flow of raising concerns in this regard, a real-time online complaint portal GARIMA was also ideated and operationalised along with the sustained skill-building of the process-owners.

For an organisation of the size and spread of your Bank, imbibing ethical values and building a complementing resonant culture is a long-term work-in-process. However, in its brief journey of three years so far, the honest intents followed with unflinching intensity, have already started yielding visible positive results, which are growing with each passing step and bolstering our brand equity day in and day out.

9. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is deeply ingrained into the culture of State Bank of India. Your Bank has been actively involved in CSR activities since 1973. The primary purpose of your Bank's CSR philosophy is to make a meaningful and measurable impact to the lives of economically, physically, and socially challenged communities of the country. Your Bank's CSR activities touch the lives of millions of the poor and needy across the length and breadth of the country.

The focus areas of your Bank's CSR activities include Healthcare, Education, Livelihood, Skill Development, Environment Protection of National Heritage, Empowerment of Women, youth, and senior citizens, amongst others.

CSR activities in project mode are implemented through the SBI Foundation, the CSR wing of State Bank of India established in 2015 with a vision of becoming a premier CSR institution in India through your Bank's tradition of "Service Beyond Banking". During the last four years of its existence, SBI

Foundation has been committed to identifying and supporting programs aimed at bringing a positive difference to those at the bottom of the pyramid.

As per the guidelines and mandate of Reserve Bank of India, State Bank of India is required to spend 1% of its profits on CSR. The offices of your Bank all across India have been carrying out various CSR activities to live up to the ethos of giving back to the society with the active engagement of its employees.

CSR spend during FY2020

In FY2019, the net profit of your Bank stood at ₹ 862 crore and 1% of the profit, that is, ₹ 8.62 crore has been budgeted as CSR fund of your Bank for FY2020. With the approval of RBI, your Bank contributed a total of ₹27.47 crore for various initiatives under its CSR commitments.

S. No.	Description	(₹ In Crore)
1	National Donations (Chief Minister Relief Fund of various States)	9.00
2	Normal Donations & other c direct activities including RSETIs (for capex expenditure)	6.09
3	SBI Foundation	12.38
	Total CSR spend	27.47

Additionally, a Dialysis Machine has also been donated for treating poor patients suffering from kidney problems. Similarly, a donation has been made to Bangalore Kidney Foundation for meeting the cost of free dialysis and Ramakrishna Ashram in Ahmedabad to support mentally challenged children.

Skill Development

India is one of the youngest nations in the world with more than 50% of its population below 25 years of age. Employability of the growing young demography is considered as one of the most important factors in the economic development of the country. State Bank of India has undertaken skill development initiatives as a focus area to support the supply of trained manpower. Your Bank has set up 152 Rural Self Employment Training Institutes (RSETIs) across the country to help and mitigate the unemployment and underemployment problems of youth in the country. During FY2020, your Bank allocated an amount of ₹1 crore for capital expenditure of two RSETIs.

Empowerment of Women and Senior Citizens

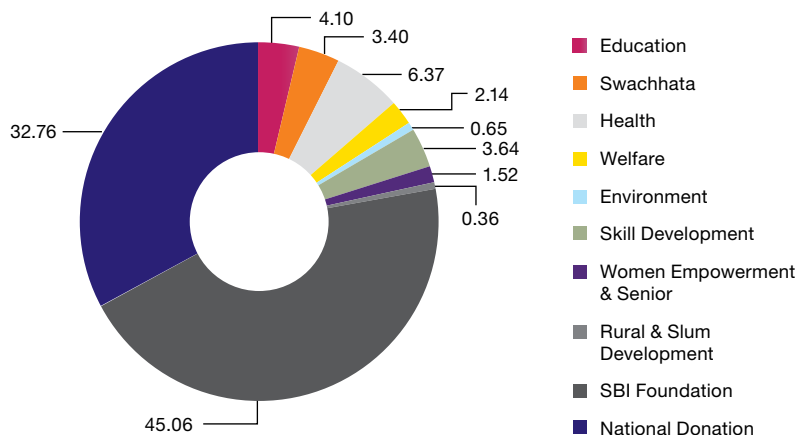
During FY2020, an amount of ₹0.42 crore was spent towards the empowerment of women and senior citizen. The major initiatives undertaken are as follows:

- Donation of 13-seater TATA Winger vehicle to the Society of Sisters of the Destitute Santhisadan, Oramanjhi, Ranchi
- Donation of a bus for senior citizen pilgrims to Sri Varaha Lakshmi Narasimha Swamy Temple.

Swachhata, Environment Protection and Sanitisation

State Bank of India is committed to the Government's mission of "Swachh Bharat" and has undertaken several initiatives across the country, which include providing sanitary napkin vending machines, dumper bins, and machines for plastic recycles, amongst others. All the initiatives under environment protection positively contribute to reduce the carbon footprint. During FY2020, an amount of ₹1.10 crore has been spent towards environment protection and sanitation. In addition to this, your Bank has arranged installation of smart crushing bins for

Focus Area wise spend 2019-20 (in %)



Education

Bank always strives to support education to weaker sections of society in remote, unreachable, and underdeveloped areas. An amount of ₹1.13 crore has been spent to support education and details are provided below:

- Six school buses worth ₹52.57 lakh were donated for various schools of disadvantaged children
- Distribution of Laptops, Projectors, benches, Tables, chairs, and library cabinet, amongst others for underprivileged students at schools

- Provided water purifiers to schools at backward places to enable drinking water facility to children

Healthcare

In Healthcare, State Bank of India provides basic infrastructure to Hospitals and NGOs to improve the medical facilities of underprivileged and economically weaker sections of the society. To deliver quality healthcare services, an amount of ₹1.75 crore has been spent. Your Bank has donated nine ambulances to different Hospitals, NGOs, and trusts.

collection of single use plastic bottles for recycling at different places in India. Furthermore, major Tree plantation initiatives have been undertaken and over four lakh trees have been planted across India.

SBI Children's Welfare Fund

With the concept of "Charity begins at home", State Bank of India had established a Trust named SBI Children's Welfare Fund in 1983, as an initiative by its staff members. The Trust receives funds from the voluntary contribution of your Bank's staff towards the betterment of the underprivileged and orphan children. The interest earned on the corpus of the fund is utilised to extend grants to Institutions engaged in the welfare of underprivileged children viz. orphans, differently abled, destitute, and deprived, amongst others.

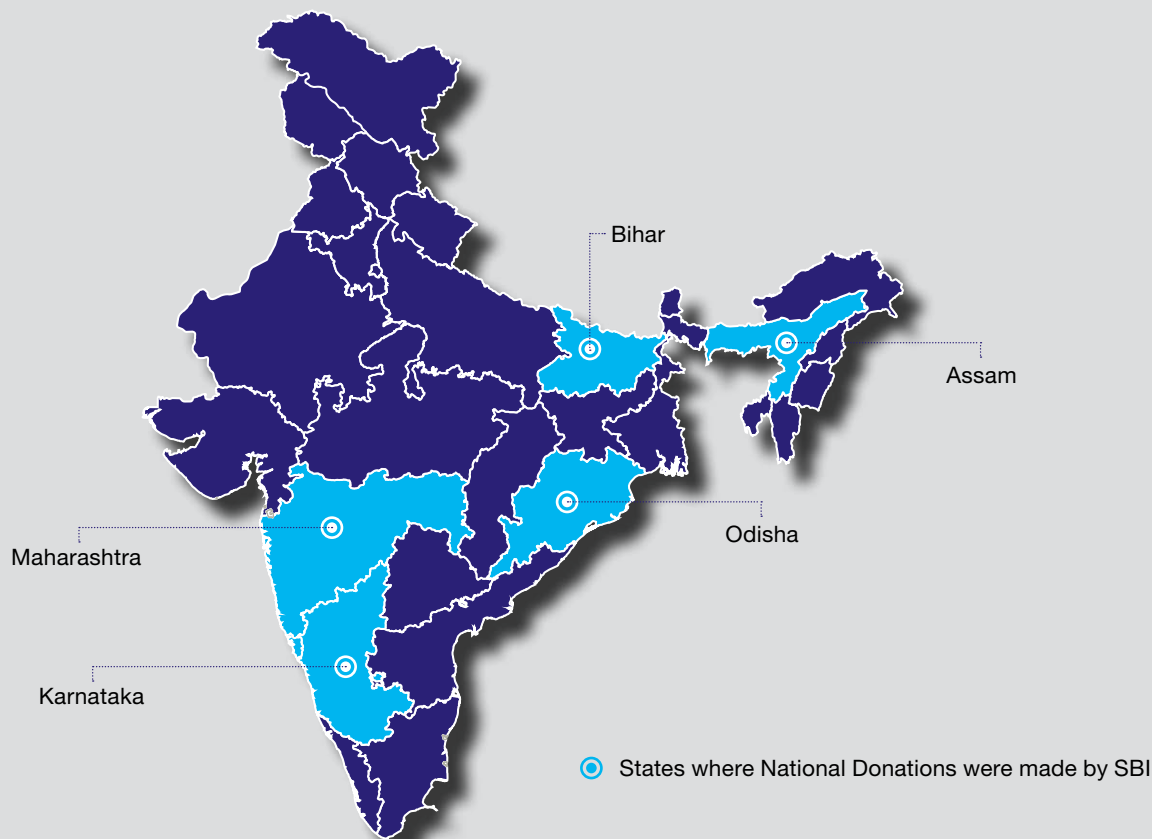
During FY2020, a total contribution of ₹0.45 crore has been received from the staff and your Bank has donated an amount of ₹ 0.53 crore to six organisations. These institutions are present across the country and work towards the welfare of the marginalised and downtrodden children including PwDs.

National Donation

Many parts of India have recently been devastated by the Cyclone and Floods, causing large scale destruction of property and infrastructure. In FY2020, ₹9.00 Crore was utilised as National Donation for donation to various Chief Minister's Relief Fund.

S. No.	Description	(₹ In Crore)
1	Assam	1.00
2	Bihar	1.00
3	Odisha	5.00
4	Maharashtra	1.00
5	Karnataka	1.00
Total National Donation		9.00

National Donations by SBI



10. SUSTAINABILITY AT STATE BANK OF INDIA

Your Bank has been performing on the sustainability front through a multi fold approach viz. management of social and environmental risks in strategic decision making, lending, and developing innovative products and services. To enhance sustainability practices in your Bank, in a formalised manner, has put in a place a Board approved "Sustainability and Business Responsibility" (BR) Policy. The Policy is placed in Public domain on your Bank's website. State Bank of India has taken up a host of measures to scale up its performance on Environment-Social-Governance (ESG) parameters.

Your Bank has entrusted the Deputy Managing Director (HR) and Corporate Development Officer to oversee your Bank's overall sustainability vision. The execution of your Bank's Environmental and Social goals and targets are monitored by the Corporate Centre Sustainability Committee (CCSC) that comprises business and functional Heads from various Departments. The CCSC meets periodically to deliberate and draw a road map for effective sustainability management at the Bank level.

Your Bank has been doing Non-financial disclosure through an Annual Sustainability Report which is being published since FY2016. For FY2017 and onwards, your Bank has been publishing its Sustainability Report as per Global Reporting Initiative (GRI) framework. The Sustainability Reports are also placed on SBI's website. Your Bank is also a member signatory of the CDP and disclosing its performance since 2012.

SUSTAINABILITY INITIATIVES OF STATE BANK OF INDIA

Some of the key initiatives already undertaken and in contemplation inter-alia includes:

- Recognising the concerns of climate change as a Corporate Social obligation, your Bank has charted a Carbon Neutrality strategy with an intention to achieve the status of Carbon Neutral organisation over a period in a phased manner. An approach paper is in place where your Bank envisages achieving the "Carbon Neutral" status by the year 2030. Initiative of Remote monitoring based Solar Power System at Branches (Rural/Semi-Urban) in lieu of Generator sets is being taken. Your Bank is also installing Solar systems at Branches throughout the country to scale up its captive RE power capacity. Your Bank's RE capacity for captive use at present is approximately 35 MWp.
- Your Bank has installed of Solar ATMs, Solar Roof Top projects at its premises. Energy efficient lighting and Air conditioning system at your Bank's premises in addition to installation of Motion activated lighting. Your Bank has established a Branch Server Consolidation (BSC) project for doing away with Branch servers and keeping data on a secured virtual environment. It has also installed of Power Management Utility on each desktop for power saving.
- Seven of your Bank's premises are rated as "Green Premises/Projects" by Indian Green Building Council (IGBC) under different categories (Platinum/Gold/Silver).
- For all its digital channel customers, your Bank is offering Green Reward Points, which can be redeemed for credit to SBI GREEN FUND, the proceeds of which will be utilised for sustainable activities.
- Integration of Environment and Social Management Systems (ESMS) in your Bank's Credit assessment process and business decisions have assumed critical importance. During the reporting period, your Bank issued additional Green Bonds of US\$ 100 million, which adds up to the aggregate Green Bond size of your Bank at US\$ 800 million.
- Your Bank is also in the process to map its product and services to the 17 United Nations Sustainable Development Goals (SDGs). Your Bank's Eight (8) products have been mapped to SDGs, which include the two flagship loan products- Home Loan and Car Loan. On the theme of Integrating SDGs in Business Practices, an industry wide Round table discussion was organised to foster peer partnership and capacity building.
- SBI Green Marathon is your Bank's landmark novel initiative for creating awareness on environmental care. The initiative has entered its 3rd edition this year. It has earned remarkable publicity and participation over the years and positioned itself as an innovative property with significant brand value.
- During the year, your Bank introduced a dedicated online tutorial "ASTITVA" for its employees on basic Sustainability issues pertaining to your bank's Internal Sustainability measures and UN Sustainable Development goals. Additionally, a quarterly E-Newsletter "SUSTAIN ON" introduced and being mailed to all employees to sensitise them on sustainability related issues and news.