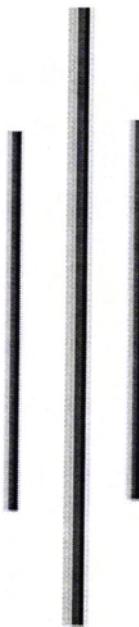




NCC Bank
नेपाल क्रेडिट एंड कमर्स बङ्क लि.
Nepal Credit & Commerce Bank Ltd.
Your Business Bank

**Framework
of the
Corporate Social Responsibility
(CSR)
2018**



**Nepal Credit And Commerce Bank Ltd.
Bagbazar, Kathmandu**

(Approved by Board of Directors Meeting No 670... Dated 7...Feb. 2018)



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[Handwritten signatures and initials in blue ink, including "Dr. S. K. Gurung", "B. P. Dangol", and "S. R. Jha".]

1. Introduction

Corporate social responsibility (CSR) is a business approach that contributes for the sustainable development of the organization by delivering economic, social and environmental benefits for all stakeholders. CSR addresses many and various topics such as human rights, corporate governance, health, safety, environmental effects, working conditions and contribution to social economic development. CSR promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors.

Nepal Credit and Commerce (NCC) Bank Ltd. is always responsible to the society for their development & prosperity. As the Bank believes and is grateful to society that the Bank's growth and development is result of hearty support of the society. The Corporate social responsibility (CSR) Framework of the Bank will act as a guiding document for executing CSR activity conforming both internal and regularity needs.

2. Objectives

Bank's CSR objective is to contribute to the social and economic development of the community contributing to the advancement and development of humankind and society. The Bank seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment. Bank takes the strategy to integrate its activities in community development, social responsibility and environmental responsibility directly or in participation or in association with NGOs, INGOs, Trusts, Partnership, Corporate or any other organization as the Bank deems fit.

3. Responsible Commitment and Practices

To comply with this framework, Bank puts the following specific commitments on CSR:

A. Customers

- i. Place the customers at the center of the activity in order to establish lasting relationships based on mutual trust and the contribution of value.
- ii. Encourage transparent, clear and responsible communication and financial literacy to help the customers' informed financial decisions.
- iii. Contribute to the development of products and services with high social impact adapted to the context in which the customers live.
- iv. Promote financial inclusion and the globalization of responsible access to financial services.



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B. Employees

- i. Respect diversity and promote equal opportunities and non-discrimination based on gender, age, disability or any other circumstance.
- ii. Foster work/family balance practices.
- iii. Implement practices to guarantee the safety of staff and ensure the health of all employees.
- iv. Promote the culture of social commitment and share values among employees by providing conditions so that they can carry out volunteer work.

C. Shareholders and Investors

- i. Transparency, truthfulness, togetherness and consistency in disseminating information.
- ii. Facilitate knowledge of matters that may be necessary to allow shareholders to properly exercise their rights.
- iii. Post information continuously, periodically, timely and make them available over time.
- iv. Equal treatment of all shareholders and investors who are in the same position.

D. Economy, Society and the Environment

- i. Support the development of the societies where the Bank operates through financial activity, as well as through social programs focused on education, financial literacy, entrepreneurship and knowledge.
- ii. Promote own or collective initiatives for achieving the Nepal's Sustainable Development Goal, 2016-2030.
- iii. Participate in initiatives and collaborate with regulators and other organizations for the promotion and dissemination of responsible practices.
- iv. Risk management and integration of environmental variables in product development and the promotion of eco-efficiency together with managing direct impacts adhering to economy, society and the environment.

E. Prevention of Illegal Behavior

To promote compliance with legal obligations and avoid conduct that is contrary to internal rules and policies or could damage the equity, image or reputation of the Bank.

4. Scope

The framework would pertain to all activities undertaken by the Bank towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with the NRB Directives 2074.



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Sectors for CSR activities would be as below:

A. Direct or Indirect Expenses and Expenses on Social Projects

- i. Educations
- ii. Health
- iii. Natural Disaster management and contributions
- iv. Environmental Protection/Conservations
- v. Cultural Promotions
- vi. Infrastructure development on remote areas
- vii. Capacity building of low income people and deprived people
- viii. Financial literacy
- ix. Costumer protection

B. Expenses on the resource development and construction

Expenses on the resource development and construction concerned with the above sectors and subjects

C. Sustainable Development Goal:

Sectors defined by the Nepal's Sustainable Development Goal, 2016-2030 would also be the targeted areas for CSR activities of the Bank. Sustainable development goals are as below:

- Goal No 1-** End poverty in all its forms everywhere,
- Goal No 2-** End hunger, achieve food security and improved nutrition and promote sustainable agriculture,
- Goal No 3-** Ensure healthy lives and promote well-being for all at all ages,
- Goal No 4-** Ensure inclusive and equitable quality education and promote life-long learning opportunities,
- Goal No 5-** Achieve gender equality and empower all women and girls,
- Goal No 6-** Ensure availability and sustainable management of water and sanitation,
- Goal No 7-** Ensure access to affordable, reliable, sustainable and modern energy,
- Goal No 8-** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work,
- Goal No 9-** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation,
- Goal No 10-** Reduce inequality within and among countries,
- Goal No 11-** Make cities and human settlements inclusive, safe, resilient and sustainable,
- Goal No 12-** Ensure sustainable consumption and production patterns,
- Goal No 13-** Action to combat climate change and its impacts,



- Goal No 14-** Conserve and sustainably use the oceans, seas and marine resources for sustainable development,
- Goal No 15-** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss,
- Goal No 16-** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive,
- Goal No 17-** Strengthen the means of implementation and revitalize the global partnership for sustainable development,

D. Child Day Care

Day care operated by the Bank for its staffs.

E. Financial Literacy

- i. Educational and training program to be conducted in the remote or deprived area of the country for promoting banking habits.
- ii. Project or institutional development for supporting financial awareness in different part of the country.
- iii. Program and events for making awareness of consumer protections on banking services.
- iv. Expenses and contributions for promoting the right of information of consumers and general public.
- v. Advertisements, promotion campaigns or other media uses for promoting the financial literacy and public awareness.
- vi. Various program organized in support or on coordination with national or international agencies for the financial literacy and inclusions.

F. Fund Contributions

The Bank may contribute certain fund of CSR to the organizations or foundations which are established solely for social work. Such organization should be selected having the objectives and activities related with the above mentioned clause A, B, C, D & E.

Among the available sectors, CSR committee of the Bank selects few sectors and focus activities so that contribution of the Bank is visible to the society and the Bank is remembered by the society for the betterment of the sector.

5. CSR Fund

The Bank shall allocate at least 1% of its Net Profit every year on the CSR Fund created in the Bank. The amount transferred in a year shall be fully expensed within next year period. The policies and



practices being applied in procurement or expenses in the Bank shall also be applied in this fund operation too.

Any surplus arising out of CSR projects or programs or activities shall not form part of the business profits of the Bank and will be ploughed back to the CSR fund.

6. Governance Structure

There will be a Corporate Social Responsibility Committee (CSR Committee) in coordination of CEO as the governing body that will articulate the scope of CSR activities for the Bank and ensure compliance with this framework. The Committee would comprise the following composition:

CEO- Coordinator

DCEO (Operations) Member

COO Member

CFO Member

Chief Marketing Officer (CMO) Member Secretary

CEO may invite other members on need basis.

The committee meets at least quarterly for updating the status of CSR activities and meeting the regulatory compliances.

The CSR committee holds the authority to expense within the budget on the given projects and programs under the corporate social responsibility. Financial authorities as assigned by financial by-laws and delegated by CEO time to time shall be applicable for this purpose too. Terms of reference (TOR) of the committee shall be to:

- Formulate and recommend the activities to be undertaken by the Bank as specified in the framework;
- Recommend the amount of expenditure to be incurred on the activities of CSR for specific project, plan or program based upon the individual sector, project, purposes etc;
- Monitor the implementation of the Corporate Social Responsibility Framework;
- Review the Corporate Social Responsibility Framework of the Bank time to time and suggest for appropriate amendment.



7. Functional Department

Marketing department works for the day to day activities of CSR in line with this framework and other general practices. CEO may assign other departments or functions to look after the day to day activities other than marketing department. The department makes plan and programs for the CSR activities to be conducted over the year and execute accordingly. Periodical progress report should be submitted to the CSR Committee.

8. Implementation Structure

The Bank will undertake its CSR projects either:

- a) Directly; or
- b) Through a trust formed by the Bank specifically for this purpose; or
- c) Involvement of various organizations / associations / NGOs / trusts / societies / companies registered with legal status; or
- d) Combination of the above or as per the policy framed by the Board from time to time.

The CSR projects or programs or activities will be undertaken in Nepal only, preferably in areas where the Bank has its presence. The Bank will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.

Programs/projects that integrate business models with social and environmental priorities and processes in order to create shared value will be encouraged. The Bank will consider Programs / projects closely linked with the principles of sustainable development.

9. Reporting of CSR Activities

Significant CSR activities and achievements will be reported as part of the Bank's Annual Report and also as per any other statutory and regulatory reporting requirements.

10. Effective Date

The Framework will be effective on the approval of Board of Directors.

11. Amendment to the Framework

In case of any amendment (s), clarification (s), circular (s) etc. issued by Nepal Rastra Bank or other relevant authorities, not being consistent with the provisions laid down under this Framework, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Framework and this Framework shall stand amended accordingly.



[Handwritten signatures of five individuals, including a blue ink signature and several black ink signatures, followed by a large black ink signature at the bottom right.]