**Statement on Corporate Social Responsibility (CSR) Initiatives**

**Name of the Bank/FI: United Finance Limited**

**For the Period: July 01, 2022 to December 31, 2022**

**A. CORPORATE GOVERNANCE**

Our corporate governance framework is transparent, accountable and is driven to maximize value of all stakeholders while maintaining exemplary corporate citizenship. We ensure that all applicable laws, statutes and regulations of Bangladesh are meticulously followed. The company maintains co-operative working relationships with appropriate regulatory authorities, and ensures that its operations are consistent with all relevant policies. All legitimate rights of the stakeholders are protected and all their interests are served to the best of the company’s ability. To provide a fair return of shareholder’s investment, the Company adheres to a prudent dividend policy which simultaneously allow for building up retained earnings and reserves at a rate that would sustain the Company’s growth. To protect the interests of the stakeholders, the Company ensures the importance of the proper & timely disclosure of information that is material to shareholders or investors’ investment decisions. In order to add value to the customers, the company focuses to adhere to our motto of *“aiming to serve better…everyday”* through aiming our efforts to consistently improve the quality of the services we are providing. In addition, we are focusing to serve the small & medium enterprises of the country, which is a thriving sector of the country, through various products designed to meet the specific needs of the client. Considering the interests of the employees, United Finance operates to promote equal employment opportunities in all functions of the company. We believe in women empowerment and encourage women employment. We also encourage employment from any ethnic or religious background. For personal development as well to improve their efficiency, we provide extensive training programs for our employees. We ensure a stimulating and challenging yet congenial work environment for all employees and compensate on performance basis.

United Finance is conscious regarding its impact on all aspects of society including economic, social and environmental factors. The Company continues to contribute to the society through Corporate Social Responsibility (CSR) program by demonstrating a commitment to the highest ethical standard through creating a balance between the needs of stakeholders, community and environment besides meeting regulatory requirements.

**B. POLICY ISSUES**

|  |  |  |  |
| --- | --- | --- | --- |
| **SL. No.** | **Issues** | **Yes/No (If applicable)** | **Data** |
| 1 | Is BB’s latest policy (SFD Circular No. 1/2022) acquainted with the Board/competent authority? | Yes | Corporate Social Responsibility (CSR) Guidelines attached |
| 2 | Is there any net profit after tax as of the previous year? | Yes | 22.22 Crore\*\* |
| 3 | Is CSR related ToR being complied with? | Yes |  |
| 4 | Is there any external implementing agency/third party/foundation assigned to conduct CSR activities? | Yes |  |
| 5 | Is there any MOU signed between the bank/FI and the foundation/third party? | Yes | Annexure 1 |
| 6 | Is CSR budget approved by the board/competent authority? | Yes | Annexure 2\*\*\* |
| 7 | Is there any CSR allocation in favor of any entity/directors/senior management members of the bank/FI/trustees of its foundation? | No |  |
| 8 | Is there any end use monitoring mechanism as per paragraph 14.7 of SFD Circular No. 1, dated 9 January 2022? | Yes | Annexure 3 |
| 9 | Are all end use monitoring records available for inspection by internal/external audit and BB supervision officials as per paragraph 14.8 of SFD Circular No. 1, dated 9 January 2022? | Yes |  |
| 10 | Is there any screening process of CSR projects? | Yes | Annexure 4 |
| 11 | Is there any safety and wellness initiative taken for the employees? \* | No |  |
| 12 | Is there any additional CSR expenditure other than the annual CSR budget approved by the Board? | No |  |

\* Safety and wellness initiatives taken for the employees in case of emergency situation.

\*\* Net Profit after tax of 2021

\*\*\* CSR Budget 2023

**C. QUALITATIVE ISSUES FOR SUSTAINABILITY RATING**

|  |  |  |  |
| --- | --- | --- | --- |
| **SL. No.** | **Components** | **Yes/No (If applicable)** | **Data** |
| **Policy** |  |  |
| 1. | Due Diligence check list for CSR project? | Yes | Annexure 5 |
| 2. | Any undue intervention by the BoD for CSR approval?  | No |  |
| 3. | Penalty imposed for non-compliance of CSR issues?  | No |  |
| 4. | Minimum (20%) women employees in the work place?  | Yes |  |
| 5. | Separate transportation facilities for women employees?  | No |  |
| 6. | Harassment policy in the work place, reviewed or not?  | Yes |  |
| 7. | Participation in Daycare Center; Own/Combined?  | No |  |
| 8. | Minimum (25%) of CSR Expenditure in rural areas?  | Yes |  |
| **Disclosure** |  |  |
| 9. | CSR Activities Disclosed in Annual Report?  | Yes |  |
| 10. | CSR Activities Disclosed in Print/Electronic Media?  | Yes |  |
| **In House CSR Activities** |  |  |
| 11. | Scholarship for employee’s children? \*\* | No |  |
| 12. | Medical facilities for employees or their dependents? \*\*\* | No |  |
| 13.  | Safety measures in the work place?  | Yes |  |

\*\* Scholarship can be provided to employee’s children if the employee/staff is from lower grade.

\*\*\* Medical facilities can be provided to employees or their dependents if they are in extremely dire situation.

**D. BUDGETARY ISSUES**

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Topics** | **Amount *(in crore tk.)*** |
| 1 | Operating profit in the previous calendar year | 32.06 |
|  | a) Operating profit in the first half of the previous calendar year | 13.05 |
|  | b) Operating profit in the second half of the previous calendar year | 19.01 |
| 2 | Net profit after tax in the previous calendar year | 22.22 |
| 3 | Total CSR budget approved by the Board | 0.50 |
| 4 | Total CSR expenditure in the current half-yearly period  | 0.42 |
| 5 | Total CSR expenditure in the previous half-yearly period | 0.08 |
| 6 | In case of Shariah based Islami Banks - | N/A |
|  | a) CSR expenditure from net profit after tax | N/A |
|  | b) CSR expenditure from compensation realized account, Zakat fund, doubtful income, and alike | N/A |
| 7 | In case of Foreign Banks - | N/A |
|  | a) CSR expenditure from net profit after tax | N/A |
|  | b) CSR expenditure from other sources of fund (foreign grants etc.) | N/A |
| 8 | Number of CSR projects | 9 |
| 9 | Number of CSR events | 0 |

**E. CSR EXPENDITURE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Sectors/Initiatives** | **Percentage of total CSR expenditure** | **Required rate as per SFD Circular 1/2022**  |
| 1 | Education  | 20% | 30% |
| 2 | Health  | 24% | 30% |
| 3 | Environment and Climate Change Mitigation & Adaption | 20% | 20% |
| 4 | Other sectors | 20% | 20% |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl. No.** | **Sectors/****Initiatives** | **Purpose/ sub-sector** | **No. of beneficiaries**  | **Amount of CSR expenditure** ***(in crore tk.)*** |
| **By****own network** | **By****Foundation** | **By NGO/MFI/****GOVT & alike** | **Total** |
| 1 | **Education** *(Provide detail as per Annex-1)* | * JAAGO Foundation- upgrading classroom for underprivileged children
* Askor Kalibari School- Donation for classroom and library upgradation
 | 1,000 | 0.02500 |  | 0.07500 | 0.10000 |
| 2 | **Health** *(Provide detail as per Annex-2)* | * Ispahani Islamia Eye Institute and Hospital Bangladesh- Donation for Hospital
* Alokito Poth- Donation for purchasing healthcare equipment for treatment of autistic children
 | 465 |  |  | 0.12000 | 0.12000 |
| 3 | **Environment and Climate Change Mitigation & Adaption** *(Provide detail as per Annex-3)* | * Amal Foundation- Establishing tube-wells in char areas for providing safe drinking water
* Amal Foundation- promoting growth center through conducting sewing machine training to women of coastal areas
 | 1,221 |  |  | .100000 | .100000 |
| 4 | **Other sectors** |  |  |  |  |  |  |
| 4.1 | **Income Generating Activities**  | * Amal Foundation - Establishing a training center for the unemployed people of climate prone area
 | 100 |  |  | 0.07100 | 0.07100 |
| 4.2 | **Disaster Management**  | * Emergency disaster relief to office assistant due to losses in flood
 | 8 | 0.00100 |  |  | 0.00100 |
| 4.3 | **Infrastructure Development** |  |  |  |  |  |  |
| 4.4 | **Sports and Culture** |  |  |  |  |  |  |
| 4.5 | **Other** | -Support to student from low-income family | 4 | 0.02800 |  |  | 0.02800 |
|  |  | **Total** | **2,798** | **0.054000** |  | **0.36600** | **0.42000** |

* In case of the sector 4, please specify the purpose / sub-sector as per **SFD Circular No. 1, dated 9 January 2022** with supporting documents.

**ANNEXURE-1**

**EDUCATION**

 **(***Amount in crore tk for six decimal digits)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Name of institution & area** | **Number of projects/****events** | **Number of beneficiaries\*** | **Amount *(in crore tk for six decimal digits)*** |
| 1. Scholarship/stipends | - |  |  |  |
| a) Scholarship/stipends for the employee’s children | - |  |  |  |
| b) Scholarship/stipends for other than the employee’s children |  |  |  |  |
| 2. Job focused vocational training | - |  |  |  |
| 3. Educational support towards mentally/ physically/ visually challenged children’s  | - |  |  |  |
| 4. Awareness raising / financial literacy related programs | - |  |  |  |
| 5. Related research issues | - |  |  |  |
| 6. Construction for upgrading of facilities in academic/ technical/ vocational training institutions | * JAAGO Foundation- upgrading classroom for underprivileged children
* Askor Kalibari School- Donation for classroom and library up gradation
 | 2 | 1,000 | 0.100000 |
| 7. Procurement of any study / research equipment / materials/ICT and science laboratories | - |  |  |  |
| 8. Other \* (Please specify) | - |  |  |  |
| **Total** |  | 2 | 1,000 | 0.100000 |

**\* Other:** Specify any other activity as per **SFD Circular No. 1, dated 9 January 2022** or any other necessary activity set by BB.

**ANNEXURE-2**

**HEALTH**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Number of projects/****events** | **Number of beneficiaries\*** | **Amount *(in crore tk for six decimal digits)*** |
| 1. Preventive healthcare support towards a group of people | - |  |  |
| 2. Curative healthcare support towards a group of people / individual patients | Ispahani Islamia Eye Institute and Hospital Bangladesh- Donation for Hospital | 1 | 297 |
| 3. Cost of running of hospitals/diagnostic/clinics etc. |  |  |  |
| 4. Preventive public health and hygiene initiatives | - |  |  |
| 5. Safety and wellness initiatives for employees **(in emergency situation)** | - |  |  |
| 6. Free medicine/health equipment to individual / a group of patients | Alokito Poth- Donation for purchasing healthcare equipment for treatment of autistic children  | 1 | 168 |
| 7. Related research issues | - |  |  |
| 8. Other \* (Please specify) | - |  |  |
| **Total** |  | 2 | 465 |

**\* Other:** Specify any other activity as per **SFD Circular No. 1, dated 9 January 2022** or any other necessary activity set by BB.

**\*** **Number of beneficiaries undefined yet.**

**ANNEXURE-3**

**ENVIRONMENT AND CLIMATE CHANGE MITIGATION & ADAPTION**

**a) Activities as per chapter 6.3 of SFD Circular No. 1/2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Activity** | **Name of institution & area** | **Number of projects/****events** | **Number of beneficiaries** | **Amount *(in crore tk for six decimal digits)*** |
| 1. Contribution to solar energy/power plants | - |  |  |  |
| 2. Assistance for the affected fishermen/livestock | - |  |  |  |
| 3. Tree plantation and coastal forestation programs | - |  |  |  |
| 4. Implementing pure drinking water and sanitation programs / developing efficient water irrigation and water management systems | Amal Foundation- Establishing tube-wells in char areas for providing safe drinking water | 1 | 1,200 | 0.0625 |
| 5. Construction and maintenance of roads, bridges, culverts, houses, cluster villages, growth centers, cyclone shelter, embankments, polders, submersible dykes, etc. | Amal Foundation- promoting growth center through conducting sewing machine training to women of coastal areas | 1 | 21 | 0.0375 |
| 6. Development of urban drainage/storm sewerage system | - |  |  |  |
| 7. Climate change related research work | - |  |  |  |
| 8. Other \* (Please specify) | - |  |  |  |
| **Total** |  | 2 | 1,221 | .100000 |

**\* Other:** Specify any other activity as per **SFD Circular No. 1, dated 9 January 2022** or any other necessary activity set by BB.

**b. Socially Responsible Financing (SRF) – Amount in concessional rate**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activity** | **Loan amount** | **Weighted average Cost of fund (%)** | **Stated interest rate (%)** | **Interest concession (%)** | **Amount of interest loss *(in crore tk for six decimal digits)*** |
| 1. Climate resilience and disaster management  |  |  |  |  |  |
| 2. Financing in green/clean transportation projects |  |  |  |  |  |
| 3. Financing in govt. approved eco-tourism projects |  |  |  |  |  |
| 4. Other \* (Please specify) |  |  |  |  |  |
| **Total**  |  |  |  |  |  |

**\* Other:** Specify any other activity as per **SFD Circular No. 1, dated 9 January 2022** or any other necessary activity set by BB.

|  |  |
| --- | --- |
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