

ಕೆನರಾ ಬ್ಯಾಂಕ್ ಕೆನರಾ ಬೆಂಕ Canara Bank

ಉದ್ದೇಶ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್

भारत सरकार का उपकार

A Government of India Undertaking

ಸಿಂಡಿಕೇಟ್ ಸಿಂಡಿಕೇಟ್ Syndicate

2023

Environmental, Social & Governance Statement

Version 1.0



Risk Management Wing
Head Office, Bengaluru



Canara Bank Environmental, Social and Governance Statement

	PARTICULARS
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1.1 Preamble

Canara Bank was established in the year 1906 in Dakshina Kannada district of Karnataka, known as '**Cradle of Indian Banking**', is one of the largest Public Sector Banks in India having presence for more than **117 years** with a vast **banking touch points ranging beyond 30,000**.

Canara Bank, underwent an **amalgamation process during 2020** wherein **erstwhile Syndicate Bank merged with Canara Bank w.e.f. 01.04.2020**. Canara Bank was formerly known as '**Canara Hindu Permanent Fund Ltd**', was the first Bank to articulate and adopt the '**Directive Principles of Good Banking**'. Whereas, **Syndicate Bank established in 1925**, formerly known as '**Canara Industrial and Banking Syndicate**', was the only Indian bank with its **headquarter in a rural area i.e. Manipal in Karnataka**. Both the Banks formed with a socio economic development objective, to provide employment to local people, serve the underserved and uplift the communities. Over the time, transformed themselves as financial conglomerates.

Canara Bank is the recipient of '**Bank of the Year Award 2022 - India**' by **The Banker of Financial Times Group, UK**. In line with its Founding Principles, the Bank is playing a vital role in the socio-economic development of the country. The Bank has identified Environmental, Social and Governance (ESG) issues as emerging concern areas and is committed to creating a positive impact on Society and Environment through implementation of ESG.

"A good Bank is not only the financial heart of the community, but has also an obligation of helping in every manner to improve the economic conditions of the common people"

*Vision of Canara Bank founder
Shri Ammembal Subba Rao Pai*

"To create a measurable positive impact on economic, social and environmental success and brand image of our Bank and group, through well designed, directed and sustainable interventions either own or in partnership with other reputed like-minded organizations in thematic areas of livelihood, education, health and environment aimed at improving the quality of life of weaker and vulnerable sections of people".

- CSR Philosophy of the Bank

Canara Bank Environmental, Social and Governance Statement

1.2. Bank's founding Principles and ESG relevance

	Our Founding Principles	ESG Relevance
Principle 1	To remove superstition and ignorance.	Social
Principle 2	To spread education among all to sub-serve the first principle.	
Principle 3	To inculcate the habit of thrift and savings.	
Principle 4	To transform the financial institution not only as the financial heart of the community but the social heart as well.	
Principle 5	To assist the needy.	
Principle 6	To work with sense of service and dedication.	Environmental & Governance
Principle 7	To develop a concern for fellow human being and sensitivity to the surroundings with a view to make changes/remove hardships and sufferings.	

1.3 ESG Vision & Mission

BANK'S ESG VISION

To emerge as a 'Preferred Bank' by pursuing global benchmarks in Environmental preservation, Social empowerment and Governance with a motto of 'Inclusive Involvement & Inclusive Growth with a commitment to enhance the value of all stakeholders'.

BANK'S ESG MISSION

To provide state-of-the-art financial services blended with sustainable practices through
Delivery of products & customer service
Creation of value for all stakeholders
Adaptation to sustainable ways of operations
Partnering with peers, policy makers & experts

1.4 Objective: Key Environmental, Social and Governance Objectives

The following are the ESG objectives identified as most relevant to Bank's business and of utmost importance for stakeholders.

1.4.1 Overall Objective:

To create a sustainable environment internally & externally which will enhance the value for all our stakeholders through adaptation to sustainable practices and collaborating with policy makers, peers & experts in the field and ultimately translating the ESG strategy into the organization's ecosystem.

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1.4.2 Segment wise objectives:

	Objectives for Own Operations	Objectives for Stakeholder Engagement	Objectives for Managing Business Risks and Opportunities
Environmental	<ul style="list-style-type: none"> Managing the environmental and climate impacts of Bank's physical operations 	<ul style="list-style-type: none"> Partnering with organizations to advance environmental conservation & reduction of carbon footprint Sensitizing the impact of climate change directly and indirectly on Banks by working together with customers, vendors and associates. 	<ul style="list-style-type: none"> Managing environmental risks, including climate-related risks in Bank's credit and investment portfolios. Developing financial solutions & designing products and services that drive action on climate change, reduce carbon footprint and generate other positive environmental impacts.
Social	<ul style="list-style-type: none"> Promoting diversity, equity and inclusion along with providing employees a workplace that is safe and secure, and reducing the occurrences of health and safety-related incidents. Investing in our human capital & establishing a working environment that aids in nurturing employees, including the differently abled, and contributes to their overall professional development, while actively promoting a healthy work-life balance. 	<ul style="list-style-type: none"> Creating equal opportunities for all the stakeholders by adhering to ethics and transparency. Strengthening consumer financial awareness. 	<ul style="list-style-type: none"> Developing innovative financial solutions that improve quality of life and promote socio-economic development.
Governance	<ul style="list-style-type: none"> Cultivating a strong risk and control environment by evolving sustainability strategy and integrating it with the business strategy across the group. 	<ul style="list-style-type: none"> Fostering a culture of integrity, transparency and ethical behaviour for our stakeholders, aiding capacity creation towards mitigation and adaptation of the 	<ul style="list-style-type: none"> Identifying and mitigating governance risks and tapping opportunities for sustainable growth across all aspects of banking business.

Canara Bank Environmental, Social and Governance Statement

		effects of climate change and protection of the environment. <ul style="list-style-type: none">• Safeguarding privacy and cybersecurity	
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1.4.3. Scope of the Statement:

This document shall be taken into account by the Bank while evolving business strategy and business policies, specifically in the context of impact of Climate Risk, Impact on Society at Large, and keeping high standards of Corporate Governance. This shall be applicable to Bank's domestic operations.

"The Policy framework is subject to review & update annually with the approval from the Competent Authority".

1.5 ESG Governance Structure



1.5.1 Constitution of the ESG Committee and ESG Working Group

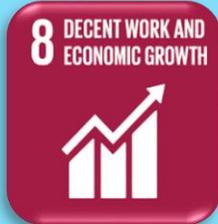
The ESG Committee is the highest authority responsible for implementation of ESG & Climate Risk in Bank below the subcommittee of the Board. Committee consists of CGM/GMs of Stakeholder Wings. The CGM/GM of Risk Management Wing shall chair the meeting and DGM Risk Management Wing shall be the Convener.

The ESG Working Group is a support group to ESG Committee which will work on developing policies, models, capacity building schemes/awareness etc. The group consists of DGM/AGMs of Stakeholder Wings. DGM, Risk Management Wing shall chair the meeting and AGM Risk Management Wing shall be the convener.

The ESG Working Group shall assist the ESG Committee in all aspects of implementation of the Bank's sustainable development policy & framework.

Environmental, Social and Governance Statement 2023

1.6 CANARA BANK'S COMMITMENTS & ACTIONS BASED ON ITS FOUNDING PRINCIPLES TOWARDS SUSTAINABILITY, ALIGNED TO UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Founding Principles	What we do	Coverage of SDG
PINCIPLE 1: To remove superstition and ignorance.	<ul style="list-style-type: none"> Bank assists the poorest of the poor in the society and treats every customer equally. Bank has in place fair practices ensuring : <ul style="list-style-type: none"> -Equal rights and opportunities to all its employees -Non-discriminatory salary structure - equal pay for equal work -Well laid down employees appraisal policy -Well defines promotion policy for employees -Zero tolerance against sexual harassment/exploitation -Policies of code of conduct, whistle blower, complaint handling etc. Bank has appointed Chief Ethics Officer and formed Ethics & Business conduct Cell to implement & oversee ethical practices in the organization. To promote diversity, equity & inclusive growth, Bank has formed an all women, Women Empowerment Committee named as 'Advaita' at Bank level with representatives from all levels of the Bank. The Bank has also set up a Women Empowerment Section at Head office and has formed Centre for Entrepreneurship Development for Women, at 24 of its Circle Office, throughout India. 	  

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<p>PINCIPLE 2: To spread education among all to sub-serve the first principle.</p>	<ul style="list-style-type: none"> Bank has set up Canara Financial Advisory Trust (CFAT) for spreading financial literacy through Financial Literacy Centers. Under CFAT there are 115 Financial Literacy Centres (FLCs) through which 12,541 camps have been conducted and 9,24,309 persons have been educated as of Dec-2022. Bank has established Canara Bank Centenary Rural Development Trust (CBCRD Trust) to assist & train the unemployed youth in rural India for self-employment, by setting up 38 RSETIs and 27 RUDSETIs which have impacted the People and Society at large. The Canara Bank Jubilee Education Fund(CBJEF) was also setup for Establishment of Book Banks in colleges, to provide educational expenses of the poor, deserving students, honoring meritorious students especially in rural areas. For supporting girl child education Bank has formulated Canara Vidya Jyothi Scheme through which scholarship is being provided to meritorious SC/ST girl students. More than 9800 girl students have benefitted so far. To strengthen the skill ecosystem of our country, Canara Bank has set up 5 Canara Bank Institute of Information Technology to impart technology training for rural and urban youth of the country. To provide sustainable livelihood to rural artisans and to protect the cultural heritage of country, Canara Bank has also set up 3 Artisan Training Institute (ATIs) across the country. Bank has also formulated schemes like “Vidya Shakthi”, education loan scheme for the PwD category of students including expenses 	    

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	<p>for specially designed equipment's for differently abled persons with concessional interest rate.</p> <ul style="list-style-type: none"> In order to assist the needy and meritorious students who are in need of the down payment to be made to the CET/Counseling Authorities at the time of selection/counselling, Bank has come up with Bridge loan scheme called "Vidya Sahay". 	
PINCIPLE 3: To inculcate the habit of thrift and savings.	<ul style="list-style-type: none"> Bank encourages all its employees to have work life balance and has in place various avenues for public/staff to place their savings and help them lead a sustainable life. As a responsible institution of the society, Bank promotes Govt's Basic Saving Schemes like Pradhan Mantri Jan-Dhan Yojana (PMJDY) and in Social Security Schemes like Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY). To inculcate the habit of thrift & savings among women specifically in rural areas, Bank has financed to 346776 Self Help Groups (SHG), sanction amounting to Rs. 20,073 crores as on Mar 2023. 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>

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<p>PINCIPLE 4: To transform the financial institution not only as the financial heart of the community but the social heart as well.</p>	<ul style="list-style-type: none"> Bank has various credit schemes to serve the various industries viz. MSMEs, Corporates, Aviation, manufacturing, EOUs, SEZs, ZED scheme for MSMEs, Infrastructure projects including HAM etc. Bank has in place various community oriented initiatives viz. Rural Development & Training institutes, Schools & colleges, Trusts etc. to help the underserved communities. Through the Centre for Entrepreneurship development (CED)s setup by the Bank, for handholding the budding women entrepreneurs through various programs. The details of programs & number of Women entrepreneurs covered during FY 2022-23, are as detailed below: <table border="1"> <thead> <tr> <th>Program</th> <th>No of Programs</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td>Skill/General EDP</td> <td>387</td> <td>13896</td> </tr> <tr> <td>Awareness Program</td> <td>144</td> <td>5973</td> </tr> <tr> <td>Exhibition</td> <td>43</td> <td>5171</td> </tr> <tr> <td>Seminar/Career Guidance</td> <td>41</td> <td>1399</td> </tr> <tr> <td>Credit Linkage</td> <td>59</td> <td>2157</td> </tr> <tr> <td>TOTAL</td> <td>674</td> <td>28596</td> </tr> </tbody> </table> Consistent improvement of operational efficiency through process innovations and adoption of advanced technologies. The Bank has launched various digital platforms for customers & employees viz digital branches, mobile applications etc. 	Program	No of Programs	Participants	Skill/General EDP	387	13896	Awareness Program	144	5973	Exhibition	43	5171	Seminar/Career Guidance	41	1399	Credit Linkage	59	2157	TOTAL	674	28596	     
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	<p>The Bank offers blended sustainable loans for construction of houses along with installation of solar roof top, rain harvesting etc. to individuals , farmers & corporates</p> <ul style="list-style-type: none"> The Bank has special schemes or financing healthcare sector like Doctor's Choice , LGSCAS etc. Improvement of current systems and providing job specific trainings to our employees in partnership with renowned institutions. 	
PINCIPLE 5: To assist the needy.	<ul style="list-style-type: none"> The Bank has various schemes for assisting the needy, financially. The Bank has also come out with specific products for marine /fisheries men/women for financial assistance. Bank offers financial assistance to establishment of Agri-Clinics & Agri-Business Centres (ACABC) for mechanization of agriculture sector. To give more emphasis to SC and ST borrowers bank is promptly financing them under following schemes: Deendayal Antyodaya Yojana - National Rural Livelihoods Mission Deendayal Antyodaya Yojana - National Urban Livelihoods Mission Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC): Stand up India and DRI Scheme Bank has entered into tie up with National Scheduled Castes Finance and Development Corporation (NSFDC), National Backward Classes Finance & Development Corporation (NBCFDC) & National Minority Development Finance Corporation (NMDFDC) to provide direct 	    

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	<p>benefit of lower rate of interest to the eligible SC/OBC and minorities.</p> <ul style="list-style-type: none"> In addition to the activities mentioned above, the Bank is also associated with many schools and govt., education institutions, charitable trusts for the needy by financing them and supporting them in their welfare activities. 	
<p>PINCIPLE 6: To work with sense of service and dedication.</p>	<ul style="list-style-type: none"> Bank has partnered with many organizations /institutions for various causes including pro environmental. The Bank has partnered with the Government for education loans, and with various foundations for plantation & save soil campaigns etc. The Bank is one of the participating Financial Institutions under Partial Risk Sharing facility scheme implemented by SIDBI, which offers energy efficiency improvement services to MSMEs. The Bank offers financing/ discounting under TReDs for trade receivables of MSMEs through multiple financiers & concessional pricing terms to MSMEs having ZED (Zero Effect, Zero Defect) certification. The Bank has actively participated in Sovereign Green Bond issuance by the Central Government and has invested to the tune of Rs.466 crore, which is aimed at financing green projects. 	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center; margin: 5px;">  <p>13 CLIMATE ACTION</p> </div> <div style="text-align: center; margin: 5px;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> <div style="text-align: center; margin: 5px;">  <p>17 PARTNERSHIPS FOR THE GOALS</p> </div> </div>

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<p>PINCIPLE 7: To develop a concern for fellow human being and sensitivity to the surroundings with a view to make changes/remove hardships and sufferings.</p>	<ul style="list-style-type: none"> The Bank, as a part of its CSR activity is donating to various community welfare schemes viz. water purifiers, ambulances to hospitals, wheelchairs to specially-abled, financing to SHG for women empowerment etc. As a part of Green initiatives, Bank proposes to increase usage of LED lighting, BEE rated AC units and phasing our DG sets gradually. Bank has installed rooftop Solar Power system in 54 Bank owned properties with a capacity of 2120.5 KWp and proposes to install in another 8 Bank owned sites shortly with additional capacity of 122.5 KWp. The Bank has various products under sustainable financing segment and has a portfolio of around ₹6000 Cr for Renewable Energy projects during last one year. Bank has adopted digital way for day to day operations, internal correspondence, information circulation etc. Bank has discontinued usage of single use plastic bottles & sapling are being distributed in place of bouquets. Bank has in place exclusive financing schemes for Women entrepreneurs (including MSMEs), viz Canara Mahila Vikas. 	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="width: 45%; text-align: center;">  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="width: 45%; text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="width: 45%; text-align: center;">  <p>6 CLEAN WATER AND SANITATION</p> </div> <div style="width: 45%; text-align: center;">  <p>5 GENDER EQUALITY</p> </div> <div style="width: 45%; text-align: center;">  <p>13 CLIMATE ACTION</p> </div> <div style="width: 45%; text-align: center;">  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> </div>

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Founding Principles	What we do	Coverage of SDG
<p>ESG Commitments & Climate Action</p>	<p>Canara Bank is committed towards Environmental, Social & Governance aspects since inception.</p> <ul style="list-style-type: none"> • Foreseeing, emerging risk involved in ESG & to enhance its commitment, Bank has already formed ESG Committee & Working Group to oversee the implementation of ESG practices in letter & spirit to safeguard the interest of all stakeholders & community as whole. • Bank has initiated active efforts to reduce its carbon footprints by reducing its energy intensity, Installation of solar rooftops in feasible locations, reducing paper & single use plastic usage., plantations & partnering in pro environmental activities. • Bank has digitalized its process for intra office meetings, correspondence, meetings, employee performance management/reimbursements/grievance redressal /suggestions etc. • Bank has incorporated Climate & ESG Risk in rating model as a pre-sanction/enhancement exercise for corporate borrowers beyond a certain threshold. • Bank is focused on green lending initiative, by promoting and implementing existing schemes like, Compressed Bio-Gas (Bio waste management), exploring avenues for green hydrogen projects and Energy conservation by setting up of small solar power plants, installation of Stand-alone Solar Agriculture Pumps through Pradhan Mantri Kisan Urja Suraksha evam Uttham Mahabhiyan (PM-KUSUM) Scheme for Environment, Social Governance. 	

“Canara Bank believes in Inclusive Involvement & Inclusive Growth and remains committed to aligning its operations in line with the Nationally Determined Contributions & Sustainable Goals globally, for making the world a better living space”.

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Indian Origin.
Global Outlook.



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117 Years of Financial Service
Over 104 Million Large Customer Base
9,732 Branches
12,201 ATMs / Recyclers
Strong International Reach