

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

South West Port Limited



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Corporate Social Responsibility Policy

South West Port Limited

Document Title	Corporate Social Responsibility (CSR) Policy
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Purpose	To provide guidelines for: <ul style="list-style-type: none">• CSR activities• Applicability & scope of the framework• Outlining of the key tenets
Applicable To	South West Port Limited ("the Company")
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CSR Committee of <i>South West Port Limited</i>		Board of Directors of <i>South West Port Limited</i>

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Preamble

Scope & Applicability of this Document

This policy is applicable to South West Port Limited. The following are the key elements of the policy:

- Vision, Strategy and Approach towards Corporate Social Responsibility (CSR)
- Key Focus areas
- Implementation strategy
- Monitoring and Evaluation Framework
- Governance Structure
- Budget

Introduction

Incorporated in 1997, South West Port Limited marks a major milestone in the history of JSW Infrastructure as it is the first operating port. South West Port Limited embodies values such as transparency, striving for excellence and dynamism with a proven record in operational efficiencies.

South West Port Limited is dedicated to facilitate the development, designing, engineering, financing, constructing, equipping, owning, operating and maintaining two dedicated bulk cargo berths at Mormugao Port Trust which can handle bulk cargo on a Build, Own, Operate and Transfer (BOOT) port in Goa.

At South West Port Limited, we believe better execution is the key to excellence. From our everyday operations to our strategic expansion programs, our differentiator has always been better execution, backed by a strong vision. Be it operating at industry – leading efficiencies or expanding at the least per tonnage cost, our will to undertake challenges, plan with conviction and execute with passion have sustained and improved over the years.

In line with our group philosophy of *BETTER EVERYDAY*, we continue to deliver on our responsibilities with utmost prudence, across parameters.



Vision and Philosophy

Our vision is governed by the ideology that every life is important and must be given fair opportunities to make the best out of it.

Vision

Empower communities with sustainable livelihoods.

Mission

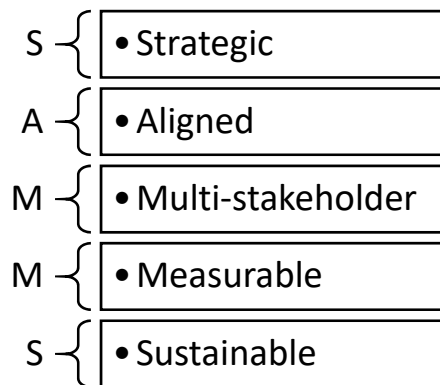
Empower citizens with better health, education and employment opportunities, and encourage sustainable development in key areas.

Guiding Principles

- The CSR Policy of the Company shall be guided by the regulatory frameworks, international standards & best practices and industry norms, mentioned below:
 - Section 135 of The Companies Act, 2013 of the Government of India (GoI) and relevant notified rules
 - International Finance Corporation (IFC) Performance Standards
 - UN Global Compact Principles & Guidelines and UN SDGs
 - Global Reporting Initiative (GRI) guidelines
 - State as well as National Laws & statutes related to social development contribution by corporates
- In all circumstances the rules as defined by the CSR Act under Section 135 of Companies Act, 2013 shall prevail over any other rule/ convention/ best practice. The CSR rules as amended by Govt. of India from time to time shall prevail over and above this policy and the same shall be adhered to by the company.
- The CSR Policy of the Company will be applicable in close coordination with the Company/ Group policies on Human Rights, Social Development & Community Involvement and other Sustainability Policies as permissible within the ambit of the CSR Act under Section 135 of Companies Act, 2013.
- The Board of Directors of the Company shall be reviewing these from time to time to incorporate and amend as necessary.

Our Approach

The Company's CSR interventions are oriented towards achieving better outcomes in local context by adopting the SAMMS approach:



Our larger focus is sustainable development where community leads and own initiatives in the long term. The company shall initiate demonstrable models for replication which are aligned and linked to business case. During this journey, the company will adopt multi-stakeholder approach and work closely with all stakeholders (Community, Government, other companies, National/International organizations).

Alignment to SDGs

The company takes conscious steps to design its CSR programs in such a way that they align themselves to the mandate of at least one of the SDGs. The SDG progress is constantly monitored throughout the implementation phase. The company has identified areas of intervention and their alignment to SDGs. Examples are in the figure below.



Key Focus Areas

The Company follows a holistic and integrated approach that is community-led and -managed. Key focus areas of our interventions includes strengthening rural education, provisioning of secondary & tertiary healthcare and strengthening of public health system, helping communities to access basic sanitation & promoting hygiene, contributing towards water and environment conservation, facilitating women-centric livelihoods and, promoting agribusiness approach.

Health & Nutrition

- Improving access to affordable primary and secondary care
- Improving awareness and health-seeking behaviour amongst community

Education

- Improving access to quality education for enhancing learning outcomes and life skills including support for need-based infrastructure.
- Creating enabling environment for access to higher education

Water, Environment & Sanitation

- Conserving and augmenting water, promoting biodiversity, sanitary living conditions & sustainable livelihoods.
- Ensure zero dumping by promoting waste management practices amongst community

Agri-Livelihoods

- Improve the economic well-being of farmers through appropriate interventions in farm value chains
- Focus on sustainable agriculture to make it a preferred rural livelihood option

Livelihoods

- Skills enhancement of youth for improving employability
- Enhancing women workforce participation by creating livelihoods options

Other Initiatives

- To undertake other need based community development initiatives in compliance with Schedule VII of the Companies Act, 2013

Implementation Strategy

The Company is committed towards holistic inclusive development and implements its CSR initiatives largely through JSW Foundation¹. JSW Foundation is a not-for-profit entity registered as a Public Charitable Trust spearheading development agenda of the JSW Group. JSW Foundation will engage partners, and build alliances and collaboration for executing CSR initiatives of the Company. JSW Foundation's core model of engagement is as follows:

- Focus on local needs, community ownership and long term sustainability
- Partnerships with National/International organizations for technical and implementation support
- Leveraging technology for development solutions
- Support development and incubation of social enterprise to nurture an ecosystem to scale up innovation and connect it to grassroots level needs with need based partners

Stakeholders Engagement

The company involves all stakeholders at every stage of the CSR journey thereby building a robust institution where community owns and leads the development agenda. While our larger focus is sustainable development, the company also initiates need based interventions subsequently driving the process with participation from community and collaborating with other stakeholders. All our programmes are formulated on the basis of need assessment from the community. Right from conceptualization to planning, designing, and



execution, stakeholders' inputs form a key basis for the formulation of the strategy. Various modes of dialogue deployed include:

- **One-on-one meetings** with Local self-governance bodies, district and state officials, academic institutions

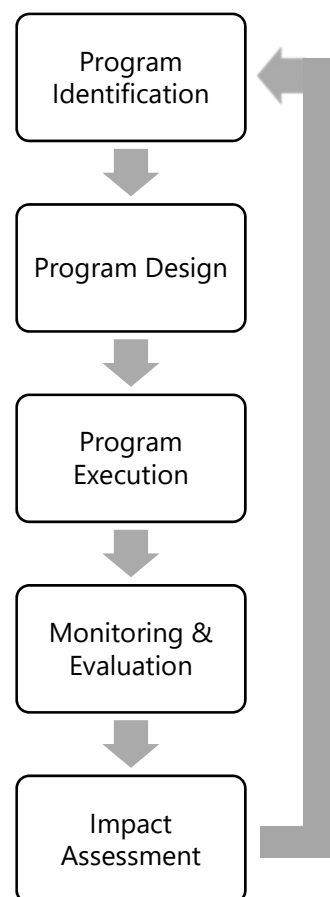
¹ JSW Foundation (www.jsw.in/foundation), established in 1988, is a development organization having a long and rich legacy. The Foundation has completed its journey of more than three decades, working towards empowerment of communities and enriching their lives in various ways, fulfilling basic needs of health and education to skill development and also building up a common understanding and shared pride of the rich cultural heritage of the country and its diversity.

- **Participating in Existing Platforms** to apprise the stakeholders of the progress and to and seek their support wherever required
- **Engaging with peers:** Participation at forums created by apex industry bodies/esteemed educational institutions with an aim to facilitate knowledge sharing and learning among the peers

Program Management Framework

The CSR programs implemented by JSW Foundation shall be governed by a robust program management framework. The programs shall be designed and executed following a lifecycle approach with the following stages:

1. **Conceptualization of program:** The need for a program to be identified through a need assessment with an aim to identify the community needs on the ground.
2. **Inception of the program:** After the interventional need is identified a program design shall be in place mentioning objectives, key performance indicators, timeline and execution model.
3. **Execution & monitoring of the program:** Program implementation shall be monitored through robust program management system to help keep track of the programmatic deliverables.
4. **Culmination of the program:** As the program nears its exit, an end-line assessment shall be conducted through third-party agency.



Monitoring, Evaluation and Learning

Following enablers shall guide and facilitate the process of monitoring and evaluation through the stages of the program:

I. Program design

- a. **KPI (Key Performance Indicators) Matrix:** Standard set of sector-wise output, outcome, and impact indicators to be devised to define the measurement matrix for

each CSR program undertaken by the Foundation. The KPIs shall be used to monitor the program's progress concurrently and the change brought about over time.

- b. Program Design:** A standard template shall be designed wherein every program has to be defined following the results-based management framework. The template shall provide all relevant information about the program, i.e., rationale, objective, KPIs, detailed budget break-up, activities, and timelines.

II. Concurrent Monitoring & Reporting

- c. Field level Monitoring Mechanism:** Specific mechanisms shall be put in place to ensure rigorous monitoring and field level supervision of the programs:
 - i. Supervision/ Monitoring Checklist:** To facilitate the program monitoring team to capture details of field level execution and provide meaningful input to help keep the program aligned to the agreed plan.
 - ii. Geo-tagging of community assets shall be undertaken.** This shall facilitate maintaining the inventory of community assets and cater to the maintenance needs arising from time to time.
- d. Program Management System (PMS):** The cloud-based PMS shall take care of central data storage and reporting on the progress of each program through automated dashboards.

Impact Assessment

The company strives to capture the impact (social/economic and developmental) of its various initiatives through multiple mediums. The company shall undertake Impact assessment of programs wherever applicable. The impact assessment studies shall be conducted through credible third party agencies. The reports of Impact assessments shall be put up for review to the CSR Committee of the Company.

Governance

Board

- The Board of the Company shall constitute a Corporate Social Responsibility (CSR) Committee
- The Board shall approve the CSR Policy of the Company recommended by CSR Committee
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer of the company or the person responsible for financial management shall certify to the effect.

Corporate Social Responsibility (CSR) Committee

- The Company's Board of Directors shall form a CSR Committee². This committee, along with the CSR team, shall be responsible for the decision making with respect to the Company's CSR policy
- CSR Committee shall recommend the policy to the Board of Directors of the Company, and Board of Directors shall approve the policy
- The CSR Committee shall formulate and recommend to the Board, an annual action plan consisting the following:
 - a. The list of CSR programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. The manner of execution of such programs;
 - c. The modalities of utilization of funds and implementation schedules for the programs;
 - d. Monitoring and reporting mechanism for the programs; &
 - e. Details of need and impact assessment, if any, for the programs undertaken by the company.
- The CSR Committee shall meet regularly to review the implementation of CSR programs/ programs and give suitable direction

In case of an ongoing program, the Board of the Company shall monitor the implementation of the program with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the program within the overall permissible time period. "Ongoing Program" here means a multi-year program undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such program that was initially not approved as a multi-year program but whose duration has been extended beyond one year by the board based on reasonable justification.

² CSR Committee of the Company is already constituted in compliance with The Companies Act 2013



Budget

- The Board of Directors of the Company shall ensure that minimum of 2% of average net profit before taxes of the last 3 (three) years is spent on CSR initiatives undertaken by the Company
- All expenditure towards the programs shall be diligently documented
- Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same/similar program and spent in pursuance of CSR Policy and annual action plan of the company