



# **NEW MANGALORE PORT TRUST**

## **CSR & Sustainability Policy**

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## **1. PREAMBLE:**

Corporate Social Responsibility (CSR) and Sustainability is Port's commitment to its Employees, Customers, Business partners, Civil society groups, Government and Non- Government organizations, local communities, environment and society at large to conduct business in an economically, socially and environmentally sustainable manner, whereby it serves the interests of the society by taking responsibility for the impact of its activities.

NMPT recognizes direct and indirect impact of its business activities on the society and strives to integrate its business values and operations by a way of conducting business, which enables the creation and distribution of wealth for the betterment of the society at large in an ethical and transparent manner. It is also committed to continuously upgrade its CSR endeavours to make positive impact on the society.

NMPT has developed this Corporate Social Responsibility (CSR) and Sustainability Policy as per the framework communicated by MoS.

Any point not covered by this Policy would be interpreted in accordance with the guidelines forwarded /issued by Ministry of Shipping from time to time.

## **2. VISION:**

NMPT commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighbourhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability.

## **3. MISSION:**

To sincerely & effectively discharge Port's responsibility in the identified CSR thrust areas and other areas listed out in this policy.

#### **4. OBJECTIVES:**

The objectives of this policy are;

- a. To include all the CSR projects or programs which NMPT plans to undertake as per the guidelines forwarded / issued by Ministry of Shipping from time to time.
- b. Modalities of scrutiny of proposals and execution of CSR projects and programs.
- c. Monitoring process of CSR projects or programs.
- d. To work keeping in mind the larger objective of sustainable development in conduct of business and in pursuit of CSR agenda.

#### **5. STRATEGY:**

The NMPT CSR strategy is linked to the core function of the Port, whereby it achieves a balance of economic, environmental and social imperatives.

The thrust of the CSR and sustainability will clearly be on empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and under-privileged sections of the society.

#### **6. ORGANIZATION SETUP FOR CSR:**

CSR projects will be implemented under the guidance of CSR committee which shall be headed by the Chairman, NMPT.

##### **NMPT CSR Committee:**

Head of the Committee: Chairman

Members:

- i. Board level Member as nominated by Chairman
- ii. Board level Member as nominated by Chairman

Major responsibility of the CSR committee includes the following;

- a. Formulate and recommend CSR proposal to the Board.
- b. Recommend the amount of expenditure to be incurred on the activities.
- c. Periodically monitor the CSR activities of the Port.

An officer not less than one rank below the Board level will be a Nodal Officer and shall facilitate co-ordination of CSR and Sustainability initiatives of NMPT. The Nodal officer will be assisted by a team of designated officials / CSR cell / Sub Committee I & II, as applicable.

**Nodal Officer for NMPT CSR & Sustainability activities:**

HOD nominated by Chairman

The following two-tier organizational structure is constituted to steer the CSR & sustainability agenda of NMPT.

**Sub Committee I: Planning & Implementation committee**

Head of the Committee: Chief Mechanical Engineer

Members:

- i. Chief Engineer (Civil)
- ii. Secretary
- iii. FA&CAO
- iv. Dy. Chief Mechanical Engineer
- v. Dy. Chief Engineer (Civil)

**Sub Committee II: Execution & Monitoring of CSR Schemes**

Head of the Committee: Dy. Chief Mechanical Engineer (in his absence  
Dy. Chief Engineer (C))

Members:

- i. Executive Engineer (Mechanical) – Nominated by Chairman
- ii. Executive Engineer (Civil) – Nominated by Chairman
- iii. Sr. Accounts Officer – Nominated by Chairman
- iv. Asst. Director (Research)

The required resources for monitoring the CSR activities will be on outsourced basis. To assist in NMPT CSR activities / programmes, a CSR Cell shall be formed, with required Human resources.

**7. SCOPE OF CSR ACTIVITIES:**

- i. The allocation of the CSR fund shall be earmarked in the following manner;
  - A. 20% of the funds shall be deployed in following activities / contributions.
    1. Sainik Kalyan Board at the District level.
    2. National Maritime Heritage Complex, Lothal, Gujarat (NMHC)
    3. National Youth Development Fund (NYDF)
  - B. 78% funds shall be released for social & environmental welfare of the community as per the guidelines forwarded / issued by Ministry of

Shipping from time to time. The following are the thrust areas of activities under NMPT CSR;

1. Drinking water facility.
2. Education and Imparting Vocational training.
3. Setting up of skill development centers, imparting skill training, Entrepreneurship Development programme and Placement assistance programme for youth.
4. Electricity, Non-conventional & renewable energy sources.
5. Health and Family Welfare.
6. Promotion of livelihood for economically weaker sections through forward and backwards linkages.
7. Relief to victims of Natural Calamities, like earthquake, cyclone, drought & flood etc. in any part of the country.
8. Community Centers / Night Shelters / Old Age Homes.
9. Basic infrastructure in villages through adoption.
10. Construction and / or operation of Hostels (especially those for SC/ST and girls).
11. Pollution control measures, environment friendly technologies, preservation / restoration of environment / ecology and for sustainable development goals.
12. Sanitation and Public Health Action suggested by Ministry of Environment, Forest and Climate Change pertaining to Charter of Corporate Responsibility for Environment protection for 17 categories of Industry.
13. Waste recycle in civil construction or other public use.
14. Activities / projects related to removal of plastic from marine ecology.
15. Use of the materials taken out of the dredging activities for public good.

- C. Remaining 2% of the CSR fund shall be earmarked for monitoring of the NMPT CSR activities.
- ii. Distribution of CSR Budget among the above stated focus areas will depend on the priorities prevailing during the specific fiscal.
  - iii. In line with the Ministry of Corporate Affairs (MCA) Circular No.21/2014 dated 18.06.2014, one off events such as marathons/awards/charitable contributions/advertisements/sponsorship of TV programs/events involving celebrities, specifically for entertainment purposes, etc. would not qualify as CSR activities.

#### **8. GEOGRAPHICAL COVERAGE:**

CSR initiatives will be taken up primarily in the peripheral areas/direct impact zones of NMPT.

## **9. BUDGET & EXPENDITURE:**

- i. CSR Budget will be created through Board resolution as a percentage of net profit in the following manner;

<b>Financial position of the Port Net Profit after tax (Previous Financial Year)</b>	<b>Expenditure range of CSR in a Financial Year (% of Profit after tax)</b>
a. Less than Rs.100 Crores	3%
b. Rs.100 Crores to Rs.500 Crores	2% Subject to minimum of Rs. 3 Crores
c. Rs.500 Crores and above	1%

- ii. At the beginning of each financial year, NMPT shall submit all CSR activities / proposals that are planned to be undertaken by the Port in the financial year for approval of the Ministry after due assent of the Board.
- iii. Every endeavour shall be made to spend the entire yearly budget on CSR activities in that year itself.
- iv. If due to some reason, the budget of a year remains unutilized, the same would not lapse. Instead it would be carried forward to the next year for expenditure on CSR and Sustainability activities, which were planned for implementation in the previous year, but could not be completed due to some reason. However, Port shall have to disclose reasons for not being able to spend the entire budget on CSR and Sustainability activities as planned for that year in the Administration report, and shall make every endeavour to spend the unutilized budget of any year within the next two financial years. In case Port is unable to spend the unutilized budget within the next two financial years, the unspent amount would be transferred to a Sustainability Fund to be used for CSR and Sustainability activities.
- v. The expenditure incurred in the formation and operation of NMPT CSR Cell will be accounted to the CSR fund.

## **10. PLANNING (PROCEDURE FOR IDENTIFYING OF PROJECTS):**

- i. Identification of CSR projects/ activities will be done by any one or combination of the following;
1. In-house planned projects.
  2. Proposals from District administration/local Govt. body/public representatives etc.

3. Proposal or request from a registered Implementing partner (IP) / NGO for providing financial assistance for carrying out specific CSR initiative subject to the condition it fulfills the prescribed criteria. A CSR activity through this mode would only be permissible when it's planned to be carried out in project mode. Such proposals should be considered only after checking the credibility of the associated agency and the quality of its job as per the following procedure.
  - a. Evaluation of necessary documents.
  - b. Site visits shall necessarily be made by CSR Execution & Monitoring Committee and only when the visit report is found to be favourable, such projects should be processed ahead. It should be clearly mentioned in the proposal that whether similar projects have earlier been carried out by the IP/NGO. The proposals shall be sent to the CSR Planning & Implementation Committee through CSR cell which shall be further placed before the NMPT CSR Committee for its approval.
  - c. If similar projects have been/ are being carried out by the IP/NGO at other location(s), the officials of NMPT, processing the proposal should visit such site and shall record in writing the location, the organization which is supporting the project, a brief regarding the pre project status of the target beneficiaries, the improvement brought out after implementation / after completion of the project gathered through interaction with the beneficiaries, comments of concerned official of the donor organization regarding the performance of the IP/NGO, in the visit report.
  - d. If similar projects have not been carried out by the agency earlier, then the quality of work done by the agency in the past shall be assessed by the same process as mentioned at point 10(i)(3c), by visiting any other appropriate project carried out by the IP/NGO.
  - e. The visit report (with reference to point 10(i)(3c) above must be accompanied with relevant facts, figures, comments of the beneficiaries (mentioning name and other details) & donors representative (mentioning name & designation) regarding the quality of the work done, photographs etc. establishing the quality/credibility of the job carried out by the agency.
    - ii. On the basis of identified CSR activities / projects, the CSR Annual Plan will be prepared by CSR Execution & Monitoring committee and submit to CSR cell well in advance.
    - iii. The CSR cell shall place the formulated Annual plan before the CSR Planning & Implementation Committee for scrutiny and examination as per due procedures. After moderation if any, and compilation, it shall be put up to the NMPT CSR Committee for its recommendation / approval through the Nodal Officer (HOD nominated by Chairman).



- iv. The Annual CSR plan thus finalized shall then be recommended in such form as deemed fit by the CSR Committee to the NMPT Board for its approval.
- v. All efforts should be made at the beginning of the financial year to allocate the funds and identify the activities / projects to be undertaken under CSR in a systematic, planned and objective manner.
- vi. The CSR Annual Plan may however be amended / modified at any time during the financial year as per the procedure laid down at 10(i) to 10(iv).

**11. EXECUTION & IMPLEMENTATION METHODOLOGY:**

- i. The CSR activities/projects listed in the approved Annual Plan shall be implemented using internal resource or through an identified suitable agency or through providing financial assistance to NGOs/ specialized agencies/ trusts/ institutions/ foundations/ societies/ bodies etc. in accordance with the NMPT CSR policy.
- ii. CSR activities may also be undertaken in collaboration with other Port/s in such a manner that the CSR Committees of the respective Port/s shall report separately on such projects or programs.
- iii. Except in cases where CSR project is to be carried out by providing financial assistance to a specific agency, the external implementation partner should be identified following the due procedure as described in the Standard operating procedures for implementation of CSR & Sustainability programmes.
- iv. Preferably, executing agencies having strong credentials like good track record, relevant experience, recommendation by Govt./ other PSU's etc. shall be engaged for undertaking CSR projects / schemes.
- v. In all such cases where the CSR projects/schemes are to be implemented through external agency(s), NMPT will be required to specify appropriate Terms & Conditions or to enter into an agreement with the executing / implementing agency as the case may be. The said Terms and conditions / agreement shall necessarily include the payment provisions related to monitoring as indicated in the following clause.
- vi. Port may prepare suitable panel of such agencies or they may select from panel maintained by the Government, Autonomous Bodies or National CSR Hub etc.

## **12. MONITORING MECHANISM:**

- i. Primarily the CSR Execution & Monitoring Committee shall be responsible for monitoring of CSR activities at every stage through CSR cell. The Committee at various level of authorities shall also keep a check and take stock of the progress of CSR projects/programs from time to time and shall take necessary corrective measures if required.
- ii. The progress of the CSR projects/schemes under implementation will be reported to the CSR Nodal Officer on monthly basis by the CSR Execution & Monitoring Committee.
- iii. For all the projects the baseline / pre-implementation phase data / status in terms of measurable parameters must be documented along with relevant photographs (if possible) before commencement of the project. In case the project is being implemented through external agencies, the baseline data shall be collected through in-house resources / by engaging third party.
- iv. The CSR projects should include well defined milestones in terms of measurable parameters (preferably in line with the parameters defined for base line study).
- v. The payment to the external agencies, as the case may be applicable, shall be made in installments which shall necessarily be inter-twined in appropriate proportion with the achievement of the milestones. However, in case of job being done through Govt. Agencies, the mutually agreed payment terms would be applicable as decided on case to case basis.
- vi. The Nodal officer of the NMPT will keep track of the progress of the CSR projects / activities on a regular basis through status check against the predefined milestones of the project. If possible, the peripheral area should be divided into zones and a Project Manager be made responsible for progress of CSR project of the concerned zones. A regular site visits and feedbacks from the targeted beneficiaries are prerequisites.
- vii. The impact created by the project shall necessarily be documented and shall include the development / upgradation achieved in respect of the parameters corresponding to base line data and intermediary milestones (wherever possible) along with relevant photographs. To assess the impact of strategic and high value CSR projects / schemes, specialized independent professional institutions / agencies shall preferably be engaged on case to case basis.
- viii. To maintain transparency, details of every project i.e., baseline data, targeted beneficiaries, intermediate milestones, targeted outcomes, completion schedule, payment plan, fund utilization certificates, project completion certificates, impact assessment etc. should be maintained so that they are available for any cross checks and future scrutiny.

- ix. A consolidated progress report of the NMPT CSR activities will be provided by the CSR Execution & Monitoring Committee through CSR cell on a quarterly basis, which shall then be put up for consideration of CSR Committee. On the basis of quarterly report, the CSR Committee may recommend appropriate action with respect to any project / activity.
- x. The Sub Committee may also propose any addition / deletion / modification (with proper justification) of projects / activity after getting it duly approved by the Competent Authority for inclusion in / removal from the approved CSR projects / activity. On receipt of such proposal, CSR Committee may consider recommending suitable modification in the CSR projects / activity for approval of the Board.

**13. IMPACT ASSESSMENT / EVALUATION OF CSR:**

- i. In order to assess the impact of its CSR Projects /activities and to maximize outcomes and build-in sustainability, scalability and replicability, NMPT shall undertake the following activities;
  - a. Ensure that the projects / activities undergo concurrent and final evaluation.
  - b. Engage credible third parties to undertake evaluation of all or selected projects / activities on case to case basis.
- ii. Concurrent as well as end line Impact assessment shall be carried out by NMPT through an Independent agency and the report shall be submitted to the CSR committee for appraisal.

**14. DOCUMENTATION:**

NMPT will endeavour at all times to put in place, for all projects / activities an effective documentation process. The comprehensive documentation would include – printed material, audio recordings, video recordings etc.

Wherever possible, Base line data shall be collected before start of the project. Also, Project completion report documenting the key project parameters, implementation process, deliverables envisaged and the outcome achieved along with end line data and the suggestions / recommendations for scalability and replicability of the project may be developed wherever feasible.

Documentation of all data generated during project execution shall be maintained by the CSR Execution & Monitoring Committee.

**15. DISCLOSURE:**

NMPT shall ensure that it makes a full disclosure of its CSR Policy, Strategy, Projects / Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committees to the Board from time to time.

**16. ANNUAL SUSTAINABILITY REPORT:**

NMPT will bring out its Sustainability Report annually, based on the CSR & Sustainability activities undertaken by it and the same shall be disseminated to the stakeholders through Port's Administration Report. These reports will also be made available in public domain by uploading them on NMPT website.

**17. DISCLAIMER:**

- i. NMPT reserves the right to modify, cancel, add or amend any of the provisions of this policy in accordance with the prevailing statute.
- ii. Notwithstanding any clause in this policy, no action pertaining to CSR activities shall be taken in contravention to the guidelines forwarded/ issued by Ministry of Shipping from time to time.