



Corporate Social Responsibility Policy

Version: 1.0

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1.0 About the Company

Hazira Cargo Terminals Ltd. (HCTL or the Company) is part of one of the largest private sector port companies in India offering a range of port and terminal services for liquid, dry bulk, break bulk and general cargo. The Company is now well poised for next level of growth. HCTL has one operational terminal at Paradip, Orissa and another at Hazira, Gujarat.

Essar Bulk Terminal Limited (“EBTL”) at Hazira, Gujarat, is an all-weather, deep draft dry bulk operating port and terminal located in the Gulf of Khambatt. The port has equipment capable of handling iron ore, coal, limestone, break bulk cargo such as pipes and coils and project cargo. The terminal has a berth length of 550m and draft of 12m with tide. It has fully mechanized facilities and modern equipment for handling break bulk cargo. The commercial operations date was achieved on May 1, 2010. Gujarat Maritime Board had granted the terminal a 25-year license for the operation of a 550-metre deep water jetty at Hazira for handling the cargo of Essar Steel. Additionally, EBTL plans to expand its port capacity– taking its capacity at Hazira to 50 MMTPA.

Essar Bulk Terminal Paradip Limited (“EBTPL”), a step down subsidiary of your Company is an all-weather terminal, and has a fully mechanized ship loading system with a capacity of 4,500 TPH with a capability to handle large size ships. The terminal is connected to the stockyard by a 9 km long conveyor system having a capacity of 4,500 TPH. Paradip Port Trust has granted a license to operate the terminal till 2020 with a provision to extend the license period by further five years based on mutual consent.

1.1 About Essar Group Foundation:

Essar Group Foundation is the Corporate Social Responsibility (CSR) arm of the Essar conglomerate that is committed to maintaining the highest standards of CSR in its business activities and aims to make a difference wherever it operates. Essar Foundation collaborates with key stakeholders, especially the local administration and institutions to facilitate development focused on education, livelihoods, women’s empowerment and health. It aspires towards creating lasting impacts, ultimately leading to positive change and sustainability. Essar Foundation imbibes the essence of the ten Principles of United Nations Global Compact (UNGC), undertakes interventions in line with the UN Millennium Development Goals and also Companies Act, 2013. It has impacted more than a million lives positively upto now across 500 villages in eight states of India.

1.1.1 Approach:

The Foundation aligns its vision with the larger vision of the conglomerate based on the four Ps – PEOPLE at the core, PROGRESS towards aspirations, POWER of synergy, and PASSION with compassion.

PEOPLE at the core: All interventions of the Foundation place people it works with and people it works for at its core. So the vision entails holistic development that is human development centric. Environment conservation, capacity building, awareness generation, improving health and education leading to empowerment are keys to this aspect of the vision.

PROGRESS towards aspirations: Progress and growth towards the better is what drives every individual, family or community. Essar Foundation believes in fueling the same by promoting learning, innovation and the entrepreneurial spirit. Progressive economic development and livelihood promotion are main impacts under this.

POWER of synergy: The Foundation strongly bases its efforts on collective strength of responsible partnerships that ensures sustainability of the impact created. Convergence with government delivery mechanism, local administration, civil society organisations and community based institutions are integral to the approach.

PASSION with compassion: The compassion or humaneness in the endeavors is what makes all the difference. Sensitivity to local context and respect towards diversities is crucial and so is the need to make every initiative consultative, participatory and integrated. The vision is to promote shared values and ownership.

2.0 CSR Vision

To empower the communities around our areas of operation towards development that is collaborative, progressive, inclusive and sustainable through optimal realisation of human potential and responsible utilisation of resources.

3.0 CSR Mission

- To undertake strategically sustainable development initiatives that contributes towards progress in human and social development indicators.
- To complement and supplement the ongoing community development efforts of the Government while introducing innovations in the areas where there is a scope and need for the same.
- To encourage partnerships, support and build the capacities of community based institutions, civil society organizations.

4.0 CSR Objectives

- To undertake sustainable initiatives under agreed thematic areas that lead to measurable progress in the targeted human development indicators especially in areas of education, maternal and child health indicators and environment.
- To initiate and fuel the entrepreneurial aptitude among the people and institutions we associate with towards substantial economic development of communities boosting the annual family income of targeted population.
- To ensure care and support to the marginalised and vulnerable sections of the communities especially the elderly, women and children towards leading a life of dignity and self-dependence.
- To undertake responsible business practices and ensure safety of communities around our operational areas following standard safety practices.

5.0 CSR Approach

- To build sustained relationships with all stakeholders by developing mutual understanding and respect.
- To undertake baseline studies and follow a strategic planning process for developing short, medium and long term action plans based on criticality, priority and resource optimisation.
- To implement planned initiatives in a phased manner under agreed larger thematic areas through professional teams, delegated resources and relevant partnerships.
- To set indicators for outputs and success of initiatives; monitor and evaluate the progress and eventual impact of the initiatives towards desired direction of development.
- To document the outcome of initiatives, draw learnings from the experience and set progressive benchmarks for subsequent action plans.

- To set and execute initiatives with clearly drawn exit strategies that ensures sustainability of the initiatives' outcome.

6.0 Scope of CSR Activities

- Communities and villages directly or indirectly impacted by the business operations.
- Communities and villages surrounding the business operations in a particular location.
- Any other areas adopted under any specific MoU or agreement with the Government.

7.0 Focus areas

The Company will undertake CSR initiatives by investing resources in any of the following activities in India, excluding activities undertaken in pursuance of normal course of business of the Company and activities that benefit only the employees of the Company and their families:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education; including special education and employment enhancing vocational skills especially among children, woman, elderly and the differently abled people and livelihood enhancement projects.
- Promoting gender equality, empowering women and creating facilities which will enable reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water including contributions to the clean Ganga Fund set up by the Central Government for the rejuvenation of river Ganga.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympics sports and olympic sports.
- Contributions or funding technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Slum area development.

8.0 Implementation

The CSR initiatives will be implemented either directly by the Company or through implementing partners. The main implementing partner for HCTL will be the "Essar Group Foundation" of which the Company is a Trustee. The other partners with whom the Company may partner directly or through Essar Foundation may include the Government, Knowledge Institutions, Business Associates, NGOs, Community Based Organisations (CBOs) and the communities themselves. The precise roles of

stakeholders depend on the local context and changes along with business phases and the stages of community interventions.

The Company may also collaborate with other companies to undertake other CSR projects or programmes provided that the CSR Committee of the respective companies are in a position to report separately on such projects or programmes.

9.0 Budget and expenditure

Before the commencement of each financial year, an Annual Business Plan (CSR ABP) for the CSR projects, programmes and activities, both new and ongoing, (excluding activities undertaken in pursuance of the Company's normal course of business) along with the expenditure for the same shall be recommended by the CSR and Sustainability Committee to the Board for approval. Each year, post adoption of CSR ABP by the Board, the same will be deemed to form integral part of this Policy.

The surplus arising out of the CSR activities will not be considered as a part of business profits of the Company.

10.0 Monitoring and evaluation

The "CSR Committee" constituted by the Board of Directors shall be responsible for monitoring the CSR policy from time to time. The CSR Committee shall approve and recommend to the Board, the projects or programmes or activities to be undertaken, the expenditure to be incurred on the projects / programmes, the modalities for execution and implementation schedule.

The CSR Committee shall periodically monitor implementation of the CSR Policy and the projects, programmes and activities being undertaken as per CSR ABP. The Essar Group Foundation or any other implementing partners assigned with tasks under the CSR ABP shall also submit their reports in such manner and periodicity as may be required by the CSR Committee.

11.0 Reporting

Both qualitative and quantitative report of all CSR activities will be generated and compiled on a periodic basis and presented to "CSR Committee" from time to time. The Company will publish an "Annual CSR Report" and will be shared with external stakeholders.