



CORPORATE SOCIAL RESPONSIBILITY POLICY

SEVEN ISLANDS SHIPPING LIMITED

(CIN: U61100MH2002PLC135732)

**Regd. Office: Suite 3A, 3B & 4, Level 8, B Wing, Times Square,
Andheri - Kurla Road, Andheri (East), Mumbai 400059.**

Ph : +91-22-4225 4225 ♦ Fax : +91-22-4225 4226

E-mail : sevenislands@sishipping.com

Website : www.sishipping.com



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PHILOSOPHY

Corporate Social Responsibility (“CSR”) is strongly connected with the principles of sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Seven Islands Shipping Limited (“SIS” or “the Company”) recognizes that its business activities have wide impact on the society in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. Therefore, it is the core corporate responsibility of SIS to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of its stakeholders.

The policy is to be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (the Act) and the corresponding rules made thereunder, as amended from time to time (‘CSR Rules’), Schedule VII of the Act and SIS’s philanthropy & CSR values. In case of any contradiction between this policy and provisions of the Act and Rules made thereunder, the later shall prevail.

Any new provision arising out of amendments to Companies Act, 2013 or Rules made there under shall be construed to be a part of this policy.

APPLICABILITY & SCOPE

The policy is applicable across SIS. The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

OBJECTIVES

As a responsible corporate citizen, SIS is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues in relation to water, environment, healthy living, music, grass roots education, social advancement and promoting gender equality and empowerment of women. The key objective of this Policy is to:

- 1) Outline the development areas in which the Company shall get involved in.
- 2) Define governance structure for CSR management within the Company.
- 3) Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- 4) Describe the treatment of surpluses from CSR activities.



- 5) Define the approach and direction given by the Board of the Company, taking into account the recommendations of the CSR Committee
- 6) Provide guiding principles for selection, implementation and monitoring of activities
- 7) Formulate an Annual Action Plan every year as per applicable rules.

POLICY

The Company endeavors to make CSR a key business process for sustainable development. SIS is responsible to continuously enhancing shareholders' wealth. It is also committed to its other stakeholders to conduct its business in an accountable manner that create a sustained positive impact on society. SIS is committed towards aligning with nature and shall adopt eco-friendly practices.

The activities to be taken up during any financial year shall be within the purview of the areas or subjects specified by the Ministry of Corporate Affairs under Schedule VII of the Act (including any statutory modifications or re-enactment thereof for the time being in force). The activities shall relate to:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set



up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects
- (xi) slum area development.
Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

In addition to the areas specified above, SIS may select any area/sector/activity or head of activities, as may be specified in Schedule VII to the Companies Act, 2013 including any amendments or modifications as may be introduced from time to time.

However, the following shall “**not be**” considered as CSR activities:

- 1) Activities undertaken in pursuance of normal course of business.
- 2) Contributions made, if any, to any political party. Monies, if any, spent exclusively for the benefit of employees and their families.
- 3) Activities, if any, undertaken outside India, except for training of Indian sports personnel representing any state or union territory at the national or international level.
- 4) Activities, if any, supported on “sponsorship basis” for deriving marketing benefits for its products or services.

SIS shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. SIS shall undertake all activities done under the CSR should be environment friendly and socially acceptable to the local people and Community/Society at large. An illustrative but not exhaustive list of the activities is provided in Annexure A to this Policy.



IMPLEMENTATION

The Company shall implement the identified CSR Projects by the following means:

- 1) The Company may itself implement the identified CSR Projects presently within the scope and ambit of the areas as defined in this Policy;
- 2) The Company may undertake the CSR activities through entity(ies) covered under sub-rule (1) of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.
- 3) The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objectives provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

FORMATION OF INTERNAL COMMITTEE [MANAGEMENT SUSTAINABLE COMMITTEE (MSC)]

The Managing Director shall form an internal committee named Management Sustainable Committee (MSC) comprising of Company's personnel of such number at his/her discretion.

MSC shall work under the guidance of CSR Committee and will be mainly responsible for:

- 1) Execution of the CSR Policy.
- 2) Identify projects and key initiatives pursuant to CSR Policy.
- 3) Facilitating allocation of funds to the projects as identified for CSR activities.
- 4) Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Committee.
- 5) Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Committee.
- 6) Any other activity necessary to ensure achievement of CSR objectives.

Once in every six months the MSC shall provide a status update to the CSR Committee on the progress of implementation of the approved CSR Programs carried out during the six months period. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of same.

ANNUAL ACTION PLAN

As prescribed under CSR Rules, at the beginning of every financial year, MSC shall prepare a detailed Annual Action Plan (AAP) on CSR activities for the financial year, for approval of the CSR Committee and the Board. AAP shall contain detailed information on the following:

- 1) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- 2) The manner of execution of such projects or programmes.
- 3) The modalities of utilisation of funds and implementation schedules for the projects or programmes.



- 4) Monitoring and reporting mechanism for the projects or programmes.
- 5) Details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter the AAP at any time during the financial year, per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

IMPLEMENTATION PROCESS

Compliance

MSC will plan, implement, monitor and manage all CSR projects & activities for SIS and will work closely with the CSR Committee of the Board. The MSC will formulate implementation plans for the projects specifying the following:

- 1) Activities to be undertaken.
- 2) Budgets proposed.
- 3) Time frame for implementation.
- 4) Responsibilities and authorities for implementation.
- 5) Results expected to be achieved post implementation.

Monitoring

The MSC will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

The Board of the Company shall satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect as per applicable rules in this regard.

For any reason if the MSC is not able to follow the allocation agreed on in any of the areas described above, the same shall be utilized in such other areas as the MSC may recommend with the reasons therefor, and the CSR Committee may approve/ratify.

Reporting

The CSR Committee of the Board, based on reports presented by the MSC, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013 and rules made thereunder.



Impact Assessment

If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.

Impact assessment, if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

EXPENDITURE

Annual CSR spends

SIS is committed to spend 2% of its average net profits made during the immediately preceding three financial years on CSR activities every financial year. If during any financial year SIS spends an amount in excess of 2% of its average net profits, the same will be considered as excess CSR spends for the financial year and will be set-off in the immediately succeeding three financial years subject to fulfilment of conditions prescribed under the Act and the CSR Rules, if the Board decides to do so.

Limits on Administrative Overheads

Administrative overheads on CSR activities will not exceed 5% of total CSR spends in any financial year. Total spends incurred on conducting mandatory Impact Assessment Studies of CSR projects will not exceed 5% of total CSR spends of the company for a financial year or Rs. 50 Lacs, whichever is less. The company shall not acquire any capital asset out of its CSR spends. In case it does, the said capital asset will be held by Implementing Agency/Beneficiaries of the Project/Public Authority, in the manner specified in the Act and the CSR Rules.

Unspent CSR amount

Unspent CSR amount, if any, at the end of a financial year, shall be segregated into those in relation to 'ongoing' and 'other' projects and will be dealt with in the manner prescribed under the Act and the CSR Rules.

The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in that behalf in any scheduled bank to be called 'Unspent Corporate Social Responsibility Account



and such amount will be spent by SIS in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which SIS will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year.

‘Income’ or ‘Surplus’ arising out of CSR activities

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 project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within such period and with such terms and conditions as may be prescribed under Section 135 of the Act read with relevant rules applicable.

CSR COMMITTEE

Composition

The CSR Committee of SIS shall consist of three or more Directors, out of which at least one director shall be an independent director.

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee shall, inter-alia include the following:

- 1) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
- 2) To review and recommend the amount of expenditure to be incurred on activities to be undertaken by the Company;
- 3) To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- 4) Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.”

Meetings

CSR Committee shall meet as often as necessary subject to the minimum number and frequency as prescribed by any law or any statutory authority. Additional meetings may be called upon proper notice at any time to address specific needs of the Company. The Committee may also take action from time to time through circular resolutions. A Committee meeting may be called by the Committee Chair or any Committee member.



Quorum

the quorum for the Corporate Social Responsibility Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two members, whichever is higher.

A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Sitting Fee

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

SECRETARY

The Company Secretary shall act as secretary to the Committee. The Company Secretary shall keep the minutes of the proceedings of the Committee and circulates copies of the minutes to each Committee member on a timely basis.

OTHERS

- 1) The CSR Projects can be identified on need basis for implementation in a given year for the areas defined in this Policy.
- 2) The Company may build CSR capacities of their own personnel, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

MODIFICATION / AMENDMENT

The CSR Committee or the Board of Directors shall have the power to revise/modify /amend this Policy from time to time, as it may think fit, based on recommendations of the CSR Committee. In the event of any conflict between the provisions of this Policy and applicable statutes, the applicable statutes will prevail and be applicable.

DISSEMINATION

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website in the prescribed manner.



ANNEXURE A
Illustrative but not exhaustive list of the CSR activities

1. Education & upliftment of the economically weaker section of the population and the farmer community in India:

- (a) Farmer education.
- (b) Promotion of education including special education and employment enhancing vocational skills especially amongst children, women, elderly and differently abled and livelihood enhancement projects.
- (c) Building/constructing Primary/ Higher Secondary schools.
- (d) Providing financial assistance to needy children from poor families in Primary, Middle and Higher Secondary Schools.
- (e) Providing/conducting adult literacy programs especially amongst those belonging to people from Below Poverty Line.
- (f) Awareness programs on girl education.
- (g) Counseling, making aware, improving the decision making abilities of poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc.
- (h) Educating, strengthening and collaborating the products manufactured by the poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc. with various development agencies (government/private), co-operative societies.
- (i) Counseling of parents of poor or below poverty line families.
- (j) Special attention on providing education, training and rehabilitation of mentally & physically challenged children/persons.
- (k) Spreading legal awareness through campaign, literatures of other means amongst people and disadvantageous sections of the Community/society about their rights & remedies available.
- (l) Promotion of Professional Education by setting up educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc.
- (m) Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school/college to enable them to get uninterrupted education.



- (n) Provide cycle to needy girl students from below poverty line families who are attending school in remote and distant areas.
- (o) Provide crutches or child care centers for children or persons in need.
- (p) Engaging a reputable NGO/NGO's or other reputable organizations to do the above partially or otherwise.

2. Water supply including drinking water:

- (a) Providing portable drinking water to the needy.
- (b) Installation, repair of hand pumps and/or tube wells.
- (c) Digging or renovation of wells and closure of un-used wells or dug-up wells for safety purpose.
- (d) Development or construction of water tank, ponds, manmade lakes and canals for irrigational and other purposes.
- (e) Encouraging and constructing rain water-harvesting schemes.
- (f) Formation of a task force of volunteers to educate people regarding proper use of drinking water.
- (g) Empowerment to the villagers for maintenance of the above facilities for availability of water with time to time supervision & guidance.
- (h) Engaging a reputable Non-Governmental Organization or other reputable organizations to do the above partially or otherwise.

3. Health Care:

- (a) Construction of hospital, dispensaries or health care centers.
- (b) Assisting the government health care workers in eradicating AIDS, tuberculosis and Leprosy.
- (c) Assisting the government health care workers in eradicating social evils like alcohol, smoking, drug abuse etc.
- (d) Assisting the government health care workers and promoting, supporting child and mother care.



- (e) Assisting the government health care workers and supporting, promoting, encouraging better diet care and nutrition.
- (f) Organizing blood donation camps and encouraging and/or making awareness of blood donations.
- (g) Organizing diabetics detection & hypertension camps.
- (h) Organizing camps on family welfare, senior citizen health care wellness clinics.
- (i) Providing fully equipped mobile medical vans to government hospitals, charity hospitals or running its own for the needy and poorer sections of the public.
- (j) Establishing tele-medicine centers in collaboration with existing hospitals.
- (k) Engaging a healthcare organization or hospital or a reputable Non-Governmental Organization or other reputable organizations to do the above partially or otherwise.

4. Sustainable development of the environment:

- (a) Organizing sensitizing programs on environment management, ecological balance and pollution control.
- (b) Green Belt Development by planting and/or maintaining trees.
- (c) Encouraging afforestation, social forestry, check dams, park.
- (d) Protection of flora and fauna, agroforestry, conservation of natural resources & maintaining quality of soil, air and water.
- (e) Encouraging farming on barren land and providing necessary assistance to make it fertile.
- (f) Restoration of mined out lands.
- (g) Plantation of saplings producing fruit.
- (h) Encourage using of biogases, development of smokeless fuel out of coal and also arrangement for distribution of efficient 'chula' to the villagers.
- (i) Encouraging animal care by constructing and/or developing shelters.



- (j) Engaging a healthcare organization or hospital or a reputable Non-Governmental Organization or other reputable organizations to do the above partially or otherwise.

5. Sports and Culture:

- (a) Construction of stadiums or sports facilities for public usage.
- (b) Promotion of sports and cultural activities for participation in state and national level competitions.
- (c) Promotion or development of sports activities in nearby villages by conducting tournaments like Football, Kabaddi, Khokho etc.
- (d) Providing sports materials viz. Football, Volleyball, Hockey sticks etc. to the young and talented children.
- (e) Promotion of national level teams, sponsorship of national or state sports events.
- (f) Sponsoring or providing financial assistance to engage a coach for the needy sports person.
- (g) Sponsorship of sports person to participate or compete in domestic or international competition representing India or otherwise.
- (h) Sponsoring sports persons for training events in India or abroad under Indian or foreign coaches or sports institutions.
- (i) Sponsorship of cultural event to restore Indian cultural traditions and values.
- (j) Possibility of providing facilities for physically handicapped persons may be explored.
- (k) Registered clubs or institutions which promote sports activities may be granted financial assistance, donations or sponsorship based on the following norms:-
 - (i) Sports talent development programme by clubs or institutions may be encouraged provided the proposal is routed through the respective block development office or sub divisional office or district office or state associations or local people representatives i.e. panchayat/pradhan/mukhiya/ M.L.A/M.P./ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.
 - (ii) While sanctioning financial assistance, donation or sponsorship for State/National/International events, SIS could send its representatives to ensure proper utilization of fund for the specific purpose.



6. Generation of employment:

- (a) Employment facilities for the backward section of the society by providing education and training thereby developing their skill for suitable employment.
- (b) Opportunities for self-employment by encouraging traditional craftsmanship, handicrafts skills and making them display at mandi, shops, shopping complex helping them to market and sell their products on no profit & no loss basis.
- (c) Encouraging formation of co-operative societies by active participation of local people for setting up their business which can help to generate self-employment.
- (d) Training of rural youth for self-employment on welding, fabrication and other electronic appliances.
- (e) Empowerment of women for education, health & self-employment.
- (f) Engaging a healthcare organization or hospital or a reputable Non-Governmental Organization or other reputable organizations to do the above partially or otherwise.

7. Infrastructure support – Construction, Repair, Extension etc.:

- (a) Building and constructing auditorium, educational institutions, rural dispensaries, mobile crèches, bridges, culverts & roads, check dam, community centre, sponsoring a 'sulabh souchalaya', toilets, 'yatri shed' in bus stand, crematorium, day care centres, development of park, playground or sports complex, old age home, night shelters, makeshift homes or shelters for natural disaster victims and such other measures for reducing inequalities faced by socially and economically backward groups.
- (b) To develop infrastructural facilities for providing electricity through solar lights or alternative renewal energy. Recurring expenditure should be borne by the beneficiaries.
- (c) Construction of hostels for women & orphans (especially those for SC/ST & girls).
- (d) Upkeep of heritage sites or any such other site(s) that may be requested by the state or central government.

8. Disaster management, including relief, rehabilitation and reconstruction activities:

- (a) Construction of infrastructure such as community centres, day care centres, anganwadis, balwadis, old age homes, etc., post disaster for social rehabilitation of the vulnerable groups like elderly people, orphans, single parents with young children, etc.



- (b) Organizing social welfare and psychological support programmes after a disaster event as a part of recovery programmes to assist the victims to recover from psychological trauma of losing relatives and friends.
- (c) Providing emergency relief by way of mobilising human and material resources on a war footing, comprising food security, construction of temporary shelters and other basic needs during a disaster event.
- (d) Rehabilitation of displaced people and restoration of basic and alternative means of livelihood along with community-based infrastructure and institutions.
- (e) Creating Village Task Force, Disaster Task Force and Pani Panchayats, etc. for facilitating the process of capacity building as well as people's resilience and self-sufficiency.
- (f) Awareness on disaster preparedness and distribution of emergency kits to the vulnerable villages.
- (g) Distributing emergency supplies and necessities, such as toiletries for hygiene and tarps, shovels, trash bags for cleanup efforts and providing emergency health services, such as first aid for injuries and prescription medication replacements.
- (h) Providing education and training to people in planning and implementing disaster recovery strategies at both the pre-disaster and post-disaster stages.