

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CSR Policy Introduction

The Board of Directors of the Port Authority of Jamaica (PAJ) (hereinafter referred to as “the Board”) recognises that promoting long-term stakeholder value, by embracing opportunities and effectively managing risks, is crucial to operating a successful business. The Board also appreciates that the business activities of the Port Authority of Jamaica (hereinafter referred to as “the organisation”) have both direct and indirect social and environmental implications on the community and the country. We are therefore committed to minimizing all harmful implications through the adoption of best practices aligned with our corporate social responsibility and sustainability principles and practices. The Board is committed to fostering corporate socially responsible activities in all its operations by targeting four key areas- education, sports, community development, arts and culture.

Therefore, the Board, in accordance with its commitment to promoting social and environmental responsibility while safeguarding the interests of the organisation’s stakeholders, hereby implements this *Corporate Social Responsibility (CSR) Policy*, (hereinafter referred to as “this Policy”). This Policy reflects the vision and mission of the PAJ and is intended to establish the basic principles and the general framework that will support the organisation’s corporate social responsibility practices

2. Purpose

Through the implementation of this Policy, the Board demonstrates the organisation’s commitment to remain as a socially responsible corporate citizen and expresses its intention to strive for continued economic development and sustainability.

3. Scope

The provisions of this Policy shall apply to all directors, officers and employees of the PAJ. The PAJ also encourages all stakeholders and suppliers to act in accordance with this Policy’s provisions where it is reasonably possible to do so.

4. Definitions

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is defined as “the responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; it takes into account the expectations of stakeholders; is in compliance with applicable laws and consistent with international norms of behaviour; and is integrated throughout the organisation”. (*ISO 26000 Working Group on Social*

Responsibility, February 2007). The organisation is therefore committed to recognise and manage its impact on the society, particularly the community within which it operates and to ensure that its business, and where reasonably practicable, the business of its subsidiaries, affiliates and suppliers are being conducted in a socially and environmentally responsible manner.

Stakeholders

Individuals and groups with a legitimate interest in the organisation and who are affected by its actions, whether directly or indirectly. The term “stakeholders” includes employees, shareholders, suppliers and contractors of the PAJ.

Sustainability

Sustainability is defined as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”. *(Crowther & Aras,2008)*

5. Commitment and Approach

All directors, officers and employees of the PAJ and its subsidiaries will strive to adopt the corporate social responsibility principles outlined in this Policy and management will ensure these are incorporated into the organisation’s daily activities. The Board will lead by example and will endeavour to integrate these principles into their decision-making process. This Policy is built on principles that reflect existing and emerging standards of corporate social responsibility and sustainability that will:

- encourage a culture of ethical behaviour that increases the PAJ’s transparency in order to generate credibility and trust within its stakeholders, which includes society as a whole;
- promote relationships based on trust and the creation of value for all of its stakeholders, providing a balanced and inclusive response to all of them; and
- contribute to enhancing the reputation and the external recognition of the PAJ.

The key principles supporting this policy are detailed below:

A. Maintaining Business Ethics and Transparency

PAJ will maintain the highest standards of integrity, transparency and accountability in all its operations and will act in accordance with its Corporate Governance Framework, Whistleblowing Policy, Occupational Health and Safety Policy and all other subsequent policies so as to promote public confidence in the management of the organisation. The PAJ will take all reasonable steps to inform all its subsidiaries, affiliates and suppliers of the object of this Policy and will work with them to achieve full compliance with its provisions.

B. Developing Employee Relations

The PAJ will treat all employees with dignity, respect and fairness and will encourage and embrace diversity in the workplace. The Organisation will operate within the ambit of all labour laws and regulations and will conform to best practices within the industry and country.

C. Protecting the Environment

PAJ is intent on conducting its business in accordance with all environmental laws and regulatory requirements which govern the country in which it operates. It is understood that biodiversity, resource conservation and the prevention of pollution are critical to maintaining a sustainable environment, therefore the organisation will effectively incorporate these concepts into its business operations. The organisation will maintain a viable long-term balance between achieving economic growth and the preservation of the environment. All directors, officers and employees are therefore encouraged to take all reasonable steps to maintain a safe working environment and operate in an environmentally responsible manner. The organisation will insist on the same standard of environmental care from all its suppliers and business associates.

D. Promoting Good Stakeholder Relations

The organisation will maintain timely and meaningful dialogue with all employees, stakeholders, customers and governmental agencies that are empowered to oversee environmental and other related protection. The organisation will continue to build strong relations with its stakeholders by providing them with a range of opportunities and mediums through which they can express their interests and concerns. All parties will be dealt with honestly and fairly and the organisation will endeavour to maintain transparency and accountability in all its relations.

E. Promoting Corporate Sustainability

While it is recognised that corporate growth and profitability are critical to any organisation's survival, the organisation acknowledges that encouraging sustainable development is vital to its continued success. Therefore, an approach that integrates adequate risk management practices and sustainability principles into the organisation's daily operations will be adopted.

F. Encouraging Community Involvement

The organisation is committed to improving the quality of life enjoyed by the citizens who reside in the community within which it operates and all surrounding communities. This will be done by supporting programmes and initiatives in health, education, environment and culture. The organisation will endeavour to provide employment and economic activities and will integrate community investment considerations into all decision-making and business practices. The financial support of these activities will be guided by the PAJ's Donation Policy.

G. Providing Value to Customers

The organisation will provide excellent value in all products and services offered to its customers. This will be achieved by obtaining information relating to customer concerns and expectations and implementing practices which are aimed at resolving all reasonable concerns.

This CSR Policy supports the core values of the PAJ which are:

- (a) **Integrity:**
In ethics, integrity is regarded as the honesty and truthfulness or accuracy, transparency and internal consistency of one's actions. PAJ Directors, managers and employees must strive to be consistent in their actions.
- (b) **Accountability:**
Commit to taking full responsibility for one's actions and behavior at all times.
- (c) **Professionalism:**
Conduct inside and outside the workplace which embraces competence in a particular field/area, respect and tolerance for others and their views, commitment to the organization, positive attitude, proper deportment, striving for excellence, and disciplined approach to work.
- (d) **Innovativeness:**
PAJ will strive to find new, practical and innovative ways to provide and services that will be of real value to our clients and stakeholders.

6. DONATIONS

6.1 Purpose: The Port Authority of Jamaica (PAJ) in support of our mission and values will from time to time make charitable donations. This policy is intended to guide the organisation in ensuring a transparent process for all donations.

6.2 Objective: The objective of this policy is to ensure: -

- a)* A transparent process of assigning donations
- b)* Accountability of donations provided
- c)* All parties are aware of procedures and practices that govern the operation of PAJ donations.

6.3 Scope: This policy applies to PAJ subsidiaries and team members responsible for making corporate decisions regarding charitable donations. PAJ will provide contribution or donation to reputable non- profit or civic organizations with a focus on community development within the following areas: -

6.3.1. Education

In this area, we will concentrate on the education of students in communities within the areas in which we operate.

6.3.2. Community Development

We will build the goodwill of PAJ. For our community projects we will provide donations to reputable organizations that have a track record of successfully implementing and sustaining these types of projects. We will evaluate and ensure that the projects chosen will enhance the wider community while build our community relationship. This will be based on the need, affordability and sustainability of the projects.

6.3.3. Sports

We will support the development of various sports that are in line with our corporate image and values. This will be done through reputable sports club and non-profit organizations.

6.3.4. Arts and Culture

We will provide donation to the development of community and national culture and arts related activities with primary focus being within the areas or Divisions in which we operate.

6.3.5. Ticket Request

Further to the above from time to time the organisation will contribute towards the purchasing of tickets received from staff members and other non-profit or civic organisations for specific fund-raising activities.

Each request will be reviewed individually based on:

- a. Added value to be derived from initiative
- b. Cost of ticket
- c. Availability of funds

6.4 Eligibility

The PAJ will consider applications for support from organization/projects that fall within the scope outlined above.

- a. Priority will be given to projects from surrounding communities that the organisation operates within.
- b. All requests in excess of Ten Thousand (JA\$10,000.00) must be from a non-profitable organization that is registered as a charitable organization for tax exemption purpose or from a school.
- c. All applicants should complete the required donation application form which provides the following details:
 - Background of project

- Target area
- Purpose
- Amount Requested
- Community Impact and/ or expected impact

6.5 Request Process

All donation requests must be submitted in writing and can be mailed, faxed or emailed on the relevant organization letter head duly signed.

A copy of the PAJ Donation Form should be completed and submitted for review by each organization, project or individual requesting a donation.

All pre- approved applications must be verified preferably by a site visit.

Only one donation will be granted per project, organization or individual per annum.

All requests for donation will be forwarded to the Snr. Vice President (SVP) Legal, Regulatory & Corporate Affairs for review and presentation to the Donations Committee as required for approval or non-approval.

All applicants should receive a response within 15 working days.

All tickets must be submitted along with a letter duly signed describing the event, beneficiary, cost of the ticket, and a contact name and number

6.6 Approval Process

All donations below \$100,000.00 will be approved by the Donations committee which will be Chaired by the SVP Finance along with two (2) other staff members selected by the President/CEO based on criteria noted below.

All donations over One Hundred Thousand Dollars (JA\$100,000.00) will be reviewed and where appropriate recommended by the Donation Committee and submitted to the board for final review and approval.

The following criteria will be used when considering a charitable donation.

Integrity of the organization or cause - this is a cause or proven organization which our organisation can be associated with and support our core values.

Efficiency – supporting this organization will provide benefit to a few people or many.

Effectiveness - The distribution of the request will benefit the group and is a worthy cause that will empower beneficiary and provide for sustainability.

Benefit to the Group – How will the request improve the quality of life for the community, ultimately benefiting the organisation and will this request demonstrate PAJ’s leadership in community development and relationships.

6.7 General

The SVP. Legal, Regulatory & Corporate Affairs will report to the board on the charitable donations made monthly.

7. Reporting

The Board shall publish in its annual report a CSR report on its activities and will maintain on its website a CSR statement of commitment and philosophy to which stakeholders can hold it accountable. ¹

8. Review of Policy

This Policy shall be reviewed at least every two years by the Corporate Governance Committee, or as regularly as is required, for the purpose of updating the Policy to reflect changes in best practices in the public sector and to enhance its effectiveness. Any amendments to the provisions of this Policy must be submitted to the Board for its consideration and approval.

¹ Section 20 Corporate Governance Framework for Public Bodies