

refreshingly different



LEMON TREE HOTELS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR PHILOSOPHY

Business enterprises are economic organs of society and depend on the resources, direct or indirect, provided by the society in common and at large. A business enterprise is also dependent on the social, environmental, educational, health and economic status of the society in which it is functioning and the deep symbiotic relationship is clearly evident.

Corporate responsibility for Lemon Tree Hotels Group ('LTH') has always been central to its business model and strategy. LTH has consistently pursued socially, economically and environmentally aligned activities. One of the guiding principles of LTH is that it exists first and foremost for the well being of its employees, the community it operates in and society at large and undertakes various initiatives detailed below to achieve these objectives.

Lemon Tree believes that the brand should stand for more than 'just profit' and we are therefore driving the brand to become truly Indian and Trusted. In order for us to make these values a part of our DNA, we have focused our efforts on creating a socially inclusive work environment which seeks to bring in people of different backgrounds, abilities and ethnicities and offer them work as a unified team with a common goal.

We believe that persons with disabilities (which can be physical, social or economic disabilities leading to an opportunity deprivation) must be provided the same opportunities as others to realize their full potential and live with dignity. By creating a supportive environment in the organization that allows them to deliver their best, we are able to play a part, however small, in social inclusiveness, opportunity/livelihood creation and therefore nation building.

Lemon Tree has defined the goal as **mainstreaming 'Opportunity Deprived Indians' i.e. ODIs** into its workforce. ODIs include:

Employees With Disability (EwD):

Physical Disability

- Speech and Hearing Impaired (SHI)
- Orthopedically Handicapped (OH)
- Going forward, also Visually Impaired (VI), Low Vision (LV)

Intellectual Disability

- Down Syndrome

People who belong to **Marginalized Sections of Society:**

- Communities who do not get employment opportunities easily i.e. North Eastern States, Bihar, Chhattisgarh, etc.
- Widowed or abandoned/battered women
- Orphans
- Below the poverty line (BPL) individuals
- Individuals from economically weak families

LTH Hotels has been hiring PWDs since 2007. Currently, 13%+ of group employees are Employees with Disabilities (EWDs). LTH has developed a structured process to induct people with disabilities into all its hotels pan India.

Furthermore, LTH supports poor tribal craftsmen in Bastar, Madhya Pradesh region by purchasing, in large volumes, tribal art from these craftsmen and allows the chain to showcase their art extensively across its hotels. It is also a supporter of art objects promoted by People for Animals ('PFA') the funds of which are used by PFA towards its initiatives for the welfare and care of animals across India. At all LTH hotels we have adopted one street dog that is cared for by the LTH team as per its Pooch Policy (see <http://www.lemontreehotels.com/about-us.aspx>).

As part of its community CSR initiatives, LTH partners with and supports the following NGO's and societies:

- Goonj: provides clothes and utensils to the impoverished;
- Suniye: runs a school for Speech and Hearing Impaired children from economically weaker sections of society. It provides extensive life skills support to these children;
- Akshaya Patra: focuses on elimination of hunger in the city. It regularly provides a free meal to approximately 2000 destitute people in Delhi, across the city;
- Muskaan: provides comprehensive education, vocational training and work opportunities to young people who are intellectually challenged;
- Ramanujan Society: LTH has donated gifts to students for successfully clearing the IIT entrance exam.

LTH, also, believes in maintaining the highest standards of corporate social responsibility and behavior towards its employees and associates, consumers, stakeholders and society at large.

In conformance with Section 135 of the Companies Act, 2013 ('the Act') and the rules and regulations thereof, the Board of Directors of Lemon Tree Hotels Limited

(hereinafter 'Company') formed a Corporate Social Responsibility Committee ('CSR Committee') headed by an Independent Director and approved the policy formulated and recommended by the CSR Committee on corporate social responsibilities of Company ('CSR Policy') on 17.06.2015.

CSR VISION

- Develop meaningful and effective strategies for engaging with all the stakeholders
- Consult with local communities to identify effective and culturally appropriate development goals
- Partner with credible organizations like trusts, foundations, non-governmental organizations or other bodies as permissible
- Check and prevent pollution, recycle, manage and reduce waste, water harvesting, manage natural resources in a sustainable manner
- Ensure efficient use of water, energy and environmental friendly technologies

CSR PROJECTS, PROGRAMS AND ACTIVITIES

In accordance with the primary CSR Philosophy of the Company and the activities specified under Schedule VII to the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendments thereof, the CSR Committee of the Company shall undertake any CSR activities in the areas as mentioned herein below:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 centers 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, agro forestry, 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 arts and handicrafts;

- (vi) Measures for the benefit of armed force veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports;
- (viii) 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 Schedule Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (x) Rural Development projects;
- (xi) Development of any area declared as slum area by the Central Government or any State Government or any other competent authority under any law for the time being in force;
- (xii) Any other area(s) as may be notified for CSR activities under the Act and rules thereto.

CSR PROJECTS IMPLEMENTATION METHODOLOGY

The CSR programs or projects approved by CSR Committee can be undertaken in India and primarily executed by involvement of employees of the Company, *or* through a company established under Section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, *or* otherwise or through following specialized non-profit agencies having a track record of minimum three years in undertaking similar CSR activities for undertaking CSR projects or programs i.e.:

- (a) Registered Trusts or Societies
- (b) Non Government Organizations
- (c) Government Bodies, Semi Government or Autonomous Bodies/organizations
- (d) Institute/Academic Organizations
- (e) Other Non-profit Trusts or Foundation/Charitable Organizations

CSR MONITORING AND REPORTING PROCESS

The Company's CSR plan detailing the CSR programs, specified budgets, time frames and any modifications thereto shall be decided and implemented according to the recommendation of the CSR Committee and the Board's approval.

The company shall continuously enhance its monitoring and assessment system, however it shall ensure that every program has:

- (a) Clearly defined objectives
- (b) Detailed progress monitoring system
- (c) Impact assessment
- (d) Ensure involvement and participation of employees
- (e) The Board may assign the approved CSR programs for implementation within the specified budgets and timeframes to employee(s) or body(ies), who shall provide a report to the CSR Committee on the progress of implementation of the approved CSR Programs on half yearly basis and also at the end of every financial year, and the report shall be reviewed by the CSR Committee and reported to the Board.

CSR FUNDS

The corpus for the purpose of carrying out the abovementioned activities would include the following:

- (a) 2% of the average net profits of the Company during three immediately preceding financial years calculated in accordance with section 198 of the Act
- (b) Any income arising from the CSR Corpus or CSR activities
- (c) Any surplus arising out of CSR activities carried out by the Company and such surplus will not be a part of business profit of the Company

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR programs undertaken in accordance with the CSR programs or projects approved by the CSR Committee. Any surplus arising from any CSR Programs shall be used for CSR activities only and any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

MISCELLANEOUS

Any or all provisions of this Policy would be subject to revision/amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the applicable rules, guidelines on the subject as may be issued from time to time.

The contents of this Policy shall be disclosed by the Board in its report and shall be disseminated on its website and be communicated to all concerned persons of the Company.