

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 upon 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 at the forefront of its operating philosophy and LTH has consistently remained involved in socially, economically and environmentally activities. One of the guiding principles of LTH is that it exists first and foremost for the wellbeing of its employees, the community it operates in and society at large and undertakes various initiatives enumerated herein below to achieve these objectives.

LTH 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.

LTH has defined the goal as **mainstreaming 'Opportunity Deprived Indians' i.e. ODIs** into its workforce.

ODIs include:

Employees With Disability (EWDs):

Physical

- Speech and Hearing Impaired
- Orthopedically Handicapped
- Acid Survivors



- Low Vision. Going forward, also Visually Impaired

Intellectual

- Down Syndrome
- Autism

People who belong to Economically/Socially marginalized segments:

1. Below Poverty Line
2. Widowed or abandoned/battered/destitute/divorced women
3. Orphans
4. Transgender
5. Individuals from economically weak families
6. Communities who do not get education and employment opportunities easily i.e. North Eastern States, Bihar, Jharkand, Chhattisgarh, Orissa, tribal/interior areas of any state, etc.

For any of the above segments (except #2), we consider those who have dropped out of school prior to graduating Class 10.

LTH Hotels has been hiring PWDs since 2007.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 various NGO's and societies who work extensively in the education/skilling of youth with special needs including intellectual and development disability (IDD), autism, speech & hearing impaired (SHI)/deaf, orthopaedic handicap (OH) and visually impaired/low vision.

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 the policy has been formulated on corporate social responsibilities of Company ('CSR Policy') on 17.06.2015 and amended on 15.06.2021.

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 setup 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) (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.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities
- (xiii) 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 Board 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 ANNUAL ACTION PLAN, MONITORING AND REPORTING PROCESS

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programs as specified above;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programs;
- (d) monitoring and reporting mechanism for the projects or programs; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

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) 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.



- (f) The Board of Directors shall satisfy itself that the funds so disbursed for the defined projects 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.
- (g) The Board shall also monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period

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 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 a period of six months of the expiry of the financial year

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/Board. 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.

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