

## LEMON TREE HOTELS LTD. SUPPLIER CODE OF CONDUCT ON ESG ASPECTS

### Our Commitment

Lemon Tree Hotels Ltd. (LTH) is strongly committed towards establishing and maintaining a responsible and sustainable supply chain. We strive to go beyond the traditional criteria for guiding our purchase decisions by extending our focus towards products/services that have a positive environmental and social footprint. In alignment with our corporate values, we have developed this Supplier Code of Conduct (the LTH Code or the Code) to ensure our suppliers<sup>1</sup> incorporate sound sustainability practices across their operations.

The principles outlined in this document are in line with internationally recognized standards such as the International Labour Organization (ILO), United Nations Universal Declaration of Human Rights (UDHR) and global best practices.

This code will be applicable to the Top 10 (or Top 5) suppliers by annual spend, within each supplier category. Supplier categories are:

1. Human Resources
2. Heat, Light and Power (HLP)
3. Engineering
4. Admin and General (AnG)
5. IT & Software
6. Construction

### Guiding Principles for Suppliers

We expect our suppliers to exhibit compliance with the principles outlined in the LTH Code throughout their business activities. We also encourage our suppliers to set their own individual environmental, social and governance (ESG) goals in alignment with our Code.

The LTH Code encompasses the following principles –

#### 1. Ethics and Governance

LTH places utmost emphasis on maintaining the highest standards of ethical behavior and integrity across operations. We expect our suppliers to maintain similar values of trust, transparency and integrity while carrying out their business. We expect suppliers to comply with the following commitments:

- **Legal Compliance:** All applicable national, state and local laws should be complied with and adequate documentation should be maintained.

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<sup>1</sup> With regards to this document, 'supplier' refers to any company, corporation or entity that sells or seeks to sell its goods and services to LTH.

- **No conflict of interest:** Suppliers should respect the proprietary information of LTH and not engage in any activities/dealings that may lead to an actual or perceived conflict of interest.
- **Anti-Corruption:** All business dealings should be fair and transparent in nature. Mitigation measures against corruption, fraud and bribery incidents are required to be enforced and strictly adhered to.
- **Record keeping:** Suppliers should document and maintain complete records (such as financial, operation and worker related) as per legal and regulatory requirements.
- **Workers' Grievances:** Supplier should ensure appropriate mechanisms (such as suggestion box or display of grievance committee contact details) are in place for workers to express their complaints/concerns to the management without any fear of punishment or retaliation.
- **Open Communication:** Any significant breaches/non-compliances/legal action should be swiftly communicated to LTH.

## 2. Human Rights

Being a socially responsible corporate entity, we are deeply committed towards upholding fundamental human rights such as right to education, dignity and freedom. We expect suppliers to comply with the following commitments for their on-roll as well as contract and temporary workers:

- **Prohibition of Child Labour:** There should be no employment of labour below legally permissible age. Employees engaged with our suppliers must be at least 14 years of age or where local legislation stipulates a higher minimum age, the higher limit shall apply. Workers between the age of 14 and 18 years will be considered young workers and all our suppliers are required to comply with legal requirements for the work of authorized young workers, with respect to their working conditions, type of work, working hours and wages. Children and young workers should be safeguarded from any type of hazardous work that may pose a threat to their health, education and overall development.
- **Anti-Human Trafficking and Slavery:** There should be no use of forced labour by the suppliers in any form. Employment should be purely voluntary in nature. Workers should have the right to terminate their employment within a given notice period without any penalties or repercussions.
- **Fair Wages:** All suppliers should at least be paid the minimum wages in line with the respective Minimum Wage Notification of the state government. There should be timely payment of wages, overtime hours and standard worker benefits as per applicable wage laws. There should be no wage deductions as a means to punish or discipline workers.

- **Decent Working Hours:** Suppliers should ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to regular working hours and overtime hours, including breaks, rest periods, holidays and maternity and paternity leaves.
- **Anti-Discrimination:** Suppliers should ensure that no discrimination occurs against workers on the basis of gender, religion, caste, regionality, marital status, disability, sexual orientation and political affiliation.

### 3. Environmental Sustainability

We are strongly committed to reducing the impact of our operations as well as our suppliers' operations on the surrounding ecosystems. We expect suppliers to obtain and maintain all necessary environmental permits and licenses as per applicable national, state and local laws.

### 4. Occupational Health and Safety

Health and safety of suppliers is a key priority for LTH. In this regard, we expect suppliers to comply with the following commitments:

- **Safe Working Conditions:** Suppliers must ensure that working conditions are safe, healthy and hygienic in nature in terms of adequate lighting, ventilation, space, safe drinking water among other considerations.
- **Fire Safety:** Firefighting, fire detection and emergency lights systems should be installed to combat any fire incidents depending on the size and number of workers working in the facility.
- **Worker Trainings:** To foster a high safety culture, suppliers must ensure that relevant safety trainings are imparted to workers and employees on key occupational health and safety components such as safe handling of chemicals, high-risk operations, etc.

### Reporting concerns related to the LTH Code

LTH reserves the right to conduct announced/unannounced supplier audits and/or seek additional information/documentation, which supplier shall be obligated to provide, in alignment with our Code. We have the right to deprioritize any supplier who is found to be in violation of our Code. Any concerns related to any potential breach of our Code or other related concerns should be directly communicated to [ESG@lemonreehotels.com](mailto:ESG@lemonreehotels.com). LTH is committed to addressing all valid concerns in a timely and responsible manner.