

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. OBJECTIVE

- This policy has been formulated by Leela Palaces Hotels & Resorts Limited (formerly known as Schloss Bangalore Limited) (the “**Company**”), in compliance with Section 135 read along with Schedule VII of the Companies Act, 2013 (“**the Act**”) and Companies (Corporate Social Responsibility) Rules, 2014 (“**CSR Rules**”) including any amendment from therein from time to time.

2. CSR VISION

- At The Leela, we envision a world where responsible luxury acts as catalyst for inclusive and sustainable development. Our Corporate Social Responsibility efforts are driven by a commitment to empowering communities, engaging stakeholders and contributing to the United Nations Sustainable Development Goals (UN SDGs). We strive to create long term social value through impactful initiatives in education, livelihoods, environmental stewardship, healthcare, and the preservation of cultural heritage.
- Anchored in our values and aligned with National priorities, we strive to create lasting social value through programmes that are thoughtfully designed, locally relevant, and outcome - focused. Guided by strong governance and through strategic partnerships, we aim to ensure that every initiative reflects integrity, accountability, and our enduring purpose of enriching lives beyond our properties.

3. SCOPE

- This Policy shall apply to all CSR projects/programs/activities undertaken by the Company and its subsidiaries in India as per Schedule VII of the Act.

4. DEFINITIONS

- “**Board**” means board of directors of the Company.
- “**Corporate Social Responsibility**” or “**CSR**” means and includes but is not limited to projects or programs relating to activities specified in Schedule VII to the Act.
- “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- “**CSR Policy**” relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
- “**Ongoing Project**” means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include the such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

5. GOVERNANCE

Overall governance of CSR and approving of this CSR Policy will be the responsibility of the Board on the recommendations of the CSR Committee:

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014. Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR activities undertaken by the Company and provide inputs as and when required.
- The Board shall satisfy itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner approved by it. The Chief Financial Officer of the Company shall certify the same to the effect.

The Board shall also ensure appropriate disclosures pursuant to the Act in the Annual Reports in prescribed

formats.

- In case of Ongoing Project, the Board of the Company shall 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.
- The CSR Committee will be responsible for administering and executing this CSR Policy. As Company's CSR activities evolve further, this CSR Policy may be updated with the approval of the Board as per the recommendations of the CSR Committee to the Board.

6. ROLE OF THE CSR COMMITTEE

- Formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board.
- Review and recommend the amount of expenditure to be incurred on the activities referred to above.
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company.
- Identifying corporate social responsibility partners and corporate social responsibility programmes.
- Monitor the corporate social responsibility activities of the Company and its implementation from time to time; and
- Undertake Impact assessment through third parties for CSR projects whenever applicable
- Determine the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company
- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time

7. CSR ACTIVITIES FOR IMPLEMENTATION

- The CSR activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Act.
- Implementation Approach - Pursuant to rule 4 of the Companies (CSR Policy) Rules, 2014 The company may undertake CSR activities through following three modes of implementation:
 - (i) Implementation by the company itself
 - (ii) Implementation through eligible implementing agencies as prescribed under sub-rule (1) of rule 4.
 - (iii) Implementation in collaboration with one or more companies as prescribed under sub-rule (4) of rule 4.
- Eligibility of implementing agency –
 - ✓ A company established under section 8 of the Act, or a registered public trust or a registered society.
 - ✓ Further, whether those entities have been exempted under subclauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section(s) 12A of the Income Tax Act, 1961 and also registered under Section 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.

8. CSR MONITORING AND REPORTING FRAMEWORK

- The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Activities.
- The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to that effect.
- CSR initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under CSR Rules.
- In case the Company has failed to spend the 2% of the average net profit of the last three financial years, it shall provide reasons for not spending the amount in its Board's Report.

9. CSR EXPENDITURE

- The Board shall ensure that in every financial year, at least 2% of average net profits from the immediately 3 preceding financial years is spent on CSR initiatives undertaken by the Company.
- The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken.
- The following guiding principles to be adhered to in terms of CSR expenditure:
 - (i) The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of Company for the financial year.
 - (ii) Any surplus generated from CSR activities shall not form part of the business profit of Company and shall be treated as follows:
 - Plough back into the same project; or
 - Transfer to a designated Unspent CSR Account and spent in pursuance of CSR Annual Action Plan of Company; or
 - Transfer to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules
- Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to the Section 135 of the Act and rules made thereunder.
- In case, Company spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment thereunder from time to time.
- The Company may spend its CSR expenditure for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same.

10. ANNUAL ACTION PLAN

- The CSR Committee shall formulate an Annual Action Plan in pursuance of this CSR Policy, which shall include the following and recommend it to the Board for approval:
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if applicable, for the projects undertaken by the Company.

- The Annual Action Plan compliant with the Act and the amendments thereof, to follow the below mentioned guiding principles:

A. Guiding Principles on formulation of the Annual Action Plan

- The CSR programs/ projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- The CSR programs/ projects will be within the areas listed in the Schedule VII of the Act and mentioned in this CSR Policy.
- The CSR programs/ projects will be beyond business as usual.
- The CSR programs/ projects will be implemented within the country and preferably in areas where Company has its presence.
- The CSR programs/ projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- The CSR programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.

During any financial year, the Annual Action Plan of Company may be modified with approval of the Board.

B. Guiding Principle on Selection, Implementation and Monitoring of CSR projects

- The Board shall ensure that the CSR activities are undertaken by Company itself (direct projects) with the involvement of its employees/units or indirectly through one or more organizations as mentioned in this CSR Policy, which are eligible under the Act and any amendments thereof.
- The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/ programs/ activities proposed to be undertaken by Company.

11. DISCLOSURE OF THE POLICY

- This CSR Policy as recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and the link of the same shall be disclosed in the Board's report as well.
- CSR initiatives of the Company will also be reported in the Company's Annual Report as specified in the CSR Rules.
- The Company will also disclose the CSR projects/programmes/activities on the official website as required under the Act and the rules.

12. FREQUENCY OF MEETINGS

- The meetings of the Committee could be held at such periodic intervals as may be required and as prescribed by the Act.

13. MINUTES OF THE COMMITTEE MEETING

- Proceedings of all meetings must be recorded and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

14. AMENDMENT

- The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time
- In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.