



Mahindra Holidays & Resorts India Ltd.

MHRIL Corporate Social Responsibility (CSR) Policy

Mahindra Holidays & Resorts India Limited

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A. Introduction & Background

Mahindra Holidays & Resorts India Limited is part of the USD 16.7 billion multinational Mahindra Group. With over 180,000 employees in 100 countries across the globe, the Group is also among India's top ten Industrial Houses with interests in aerospace, aftermarket, agribusiness, automotive, components, consulting services, defense, energy, farm equipment, financial services, industrial equipment, information technology, leisure and hospitality, logistics, real estate, retail and two wheelers.

A.1. Company

Mahindra Holidays & Resorts India Ltd. (MHRIL/the Company), is a part of the Leisure and Hospitality sector of the Mahindra Group and brings to the industry, values such as Reliability, Trust and Customer Satisfaction. Started in 1996, the company's flagship brand 'Club Mahindra Holidays', today has a fast growing customer base of over 160,000 members and more than 40 beautiful resorts at some of the most exotic locations in India and abroad.

Over the last decade, MHRIL has established itself as a market leader in the family holiday business. The company followed a two pronged strategy – rapidly increasing its bouquet of resorts to provide more variety in holidaying options and enhancing its service levels to its members to provide delight at every point of interaction. All MHRIL resorts are totally geared to cater to a variety of holiday needs and experiences in all areas of operation, from housekeeping to food & beverage to holiday activities. Creating and managing the holiday experience is core strength.

A.2. Some Highlights of our CSR Initiatives

- MHRIL has sponsored the education of more than 1,000 girls through the "Nanhi Kali" project. At several resort locations, the Company supplied educational material and amenities to underprivileged students. Training and development programmes are carried out at several locations for children through setting up of 'Bal Panchayat' in schools, self-help groups and underprivileged youth. Our main focus is to build capacities of the community to take the ownership of their own development and development of the community. Besides these, information sessions are carried out at several locations in the areas of career awareness, opportunities, personal grooming, hygiene, health, cleanliness and safety. Awareness about sustainability issues of energy, water conservation and waste management is being created.
- Under the aegis of 'Mahindra Hariyali' – tree plantation initiative was driven across 30 resort locations. In a related project, 15000 saplings were planted in and around the Big Beach, Puducherry, to replace the trees uprooted during the cyclone in the year 2012. Awareness programmes are regularly carried out to sensitize the local communities on environmental issues and promoting green practices. Other regular initiatives included installation of solar and other energy efficient lights in villages and areas around our resorts,

cleanliness drives on beaches, rivers and other ecologically sensitive areas, and 'Say No To Plastic' campaign – all of which were carried out at several locations.

- Company regularly carries out blood donation and medical check-up camps, awareness sessions in the areas of health, natural remedies, and HIV/AIDS to benefit the local communities in which it operates

B. MHRIL CSR Vision Statement and Objective

MHRIL has been a socially responsible corporate going beyond the legal & statutory requirements to make responsible investments in the community. Evidence of this is the vibrant CSR culture that is prevalent in the company across all locations. The theme of our CSR initiatives is Millennium Development Goals ("MDG"). Goal 1 - Eradicating Poverty and Hunger and Goal 7 - Ensuring Environmental Sustainability was decoded. Activities designed and planned around the various themes of the MDGs and World Days that promote and create awareness about sustainable development and address 'Inclusive Growth' are incorporated to help employees plan their CSR initiatives.

As part of the CSR initiative, the Company has been committing voluntarily up to 1% of its profit after tax for each financial year towards various CSR activities across locations in which the Company operates.

B.1. Objective of this policy is to:

- Promote a unified and strategic approach to CSR across MHRIL enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognizing the interests of all its stakeholders.
- Encourage employees to participate actively in the company's CSR and give back to the society in an organized manner through ESOPs (Employee Social Options) program.

C. Scope and Applicability

This policy shall be applicable to Mahindra Holidays & Resorts India Ltd. and shall be effective from 1st April 2014.

D. Policy Statement

D.1. Core Ideology

For MHRIL, responsible business practices include being responsible for our business processes, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances, and creates social and

environmental value while supporting the Company's business objectives and reducing operating costs, and at the same time enhancing relationships with key stakeholders and customers.

This is clearly articulated in the redefined Core Purpose of our parent Group, Mahindra & Mahindra Ltd. which reads as "we will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise".

D.2. Total Outlay for each financial year

From April 1st, 2014, for each financial year, MHRIL pledges at least 2% of the average net profits made during the 3 immediately preceding financial years specifically towards CSR initiatives

D.3. Allocation of Resources & Thrust Areas

The CSR Committee of the Board of the Company will manage 2% of the average net profits made during the 3 immediately preceding financial years to undertake CSR initiatives which meet the needs of the local communities where we operate.

MHRIL CSR Committee may make contributions to the corporate foundations/Trusts i.e. K C Mahindra Education and Mahindra Foundation, either towards its corpus or directly for its projects some of which are scholarships and grants, education for the under privileged girl child, vocational and livelihood training of youth, relief to the poor, education and encouragement of sports, medical relief and disaster relief & rehabilitation, or both.

MHRIL's commitment to CSR will be manifested by investing resources in any of the following areas:

- Eradicating hunger, poverty and malnutrition, promoting 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;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- 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;
- 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;

- 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;
- Measures for the benefits of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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 Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects
- Slum Area Development

The Company shall give preference to the local area and areas around it where it operates for spending the amounts earmarked for CSR activities.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company.

D.4. Implementation

MHRIL has constituted a CSR Committee of the Board consisting of 3 Directors with one CSR Committee member as an Independent Director.

The mandate of the said CSR Committee shall be:

- To formulate and recommend a CSR policy to the Board
- To recommend amount of expenditure to be incurred on CSR activities;
- To monitor the CSR policy of the Company from time to time.

The Board will ensure that the activities included in the CSR policy are undertaken by the Company and ensure that the Company spends, in every financial year at least two percent of the average net profits of the Company made during three immediately preceding financial years and ensure that the Company gives preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. In case the Company fails to spend such amount, the Board's report shall specify the reasons for not spending the amount.

A formal process of approving plan & projects that the Company will support will be put into place with each project being vetted by the MHRIL CSR Committee for each year.

While CSR programmes may be identified by the Resorts/Branches across MHRIL, the MHRIL CSR Committee will also evaluate projects submitted by reputed non profits organizations having an established track record of at least 3 years in carrying on the specific activity. To ensure that there is focus and maximum impact the MHRIL CSR Committee will endeavor to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured. All CSR project proposals will ideally need to be submitted at the beginning of each financial year.

The MHRIL CSR Committee will convene quarterly to review the progress of varied CSR projects in terms of both impact assessments and financial monitoring. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects as and when required.

In order to ensure transparency and communication with all stakeholders, the MHRIL CSR Committee will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the Company's Annual report and on the Company's website.

Further employee participation in CSR projects will be encouraged and supported through the Employee Social Options (ESOPS) platform.

D.5. Executing Agency / Partners:

CSR initiatives will be undertaken either through the MHRIL's own CSR department with the active involvement of employees under ESOPs (Employee Social Options) which is the employee volunteering program or through partnerships with our Corporate Foundations namely the Mahindra Foundation, The K C Mahindra Education Trust or through partnerships with other reputed Not For Profit Organization having an established track record of at least 3 years in carrying on the specific activity.

The CSR activities may also be undertaken by the Company in through their own or holding or subsidiary or associate Company's registered society or trust or Section 8 company of the Companies Act 2013 ("the Act"). The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting requirements under the Act and Rules thereunder.

The following minimum criteria will be ensured while selecting NGO's / voluntary organizations for programme execution

- The NGO is a registered Society / Public Charitable Trust
- The NGO has a permanent office / address in India
- The NGO has a valid Income Tax Exemption Certificate
- The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Council.

Any modifications/changes in this policy shall be made only after the approval of the Board of Directors of the Company on the basis of recommendation made by the CSR Committee.
