

## FOMENTO RESORTS AND HOTELS LIMITED

**CORPORATE SOCIAL RESPONSIBILITY POLICY****I. BACKGROUND**

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of FRHL in the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company to contribute towards economic and social development and growth. Specified CSR Activities under the revised Schedule VII include:

- i) *Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation\* and making available safe drinking water;*
- ii) *Promotion of education, including special education and employment enhancing vocation skills especially among children, woman, 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 of 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 building and sites of historical importance and works of art; setting up of public libraries, promotion and development of traditional arts and handicrafts*
- vi) *Measures for the benefit of armed forces veterans, war widows and their dependents*
- vii) *Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic 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 Scheduled 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*

*\*Further amendments as per notification No.GSR 741 (E) dated 24<sup>th</sup> October, 2014*

## **II. OBJECTIVE**

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII of the Companies Act, 2013.

## **III. CONSTITUTION OF CSR COMMITTEE**

The Board of Directors of the Company has constituted a CSR Committee of Directors comprising of three Directors, with all being Independent Directors.

## **IV. ROLE OF CSR COMMITTEE**

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendation of the project/programme to be undertaken within the long term vision and strategy of the Fomento Group in respect of CSR activities, the quantum of expenditure to be incurred, the types of activities, roles and responsibilities of various stakeholders, etc.
- Formulation of a monitoring and review mechanism for ensuring implementation of the projects/programmes undertaken or the end use of the amount spent by it towards CSR activities

The contribution will be made for any activity undertaken within India. The Committee will give preference to the local area and areas around it, where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

## **V. ROLE OF BOARD OF DIRECTORS**

The role of the Board with respect to CSR is as under

- Review the recommendation in respect of annual budget for CSR;
- Disclose contents of the Policy in the Company's report/website;
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company, on CSR activities.

## **VI. DISBURSEMENT OF CSR AMOUNT**

The Company may undertake CSR activities, on its own or by pooling the resources into its own or group Foundation or other NGOs, or a combination thereof.

The CSR Committee will decide on the budget allocation for CSR Projects and Programmes and the installments for disbursement of funds.

## **VII. PARTNERING ORGANISATIONS**

While undertaking any project or program with other partnering organisations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in the desired geography and compatibility with the Group CSR Policy.

## **VIII. PROCESS FOR UNDERTAKING CSR ACTIVITIES/PROJECTS THROUGH PARTNERING NGOS**

The following procedure will be adhered to while undertaking or funding CSR activities and projects through NGOs:

- Presentation of project/program details
- Execution of Memorandum of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for specified projects indentified by the Group
- Scheduling of disbursement of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners
- The Committee while making any contribution will specify the activities for which it is made and the amount for the same.

## **IX. MONITORING**

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken by the Company or through NGOs.

## **X. VOLUNTEERING**

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).

The Company will recognize the efforts put in by employees in CSR activities through annual appraisal system. The Head HR will play a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

## **XI. SELF ASSESSMENT**

The Company will introduce mechanism for self assessment of CSR activities pursued by it and strive to improve existing policy and systems. It will also undertake impact assessment of the development projects on the target group.

## **XII. DISSEMINATION OF INFORMATION**

The CSR Committee will report to the Board of from time to time the status of the CSR projects and activities undertaken by it along with the report on the impact created.

FRHL will upload this Policy on its website. A detailed status report on the CSR activities carried out by FRHL will be disclosed every year as part of the Directors' Report in the Annual Report. The said information will also be uploaded on the website of the Company.

The CSR activities of the Company should be visible through newsletters, websites, press releases and Directors' Annual Report (as an integral part of business) articulated on major occasions and employee/shareholder/dealer meetings.

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