

MAHINDRA LIFESPACE DEVELOPERS LIMITED (MLDL)
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CSR Vision Statement and Objective

1.1 Our mission is 'Transforming Urban landscapes by creating sustainable communities'.

The path towards transformation calls for building on our strengths to embrace and drive change. In addition to the investments in the current CSR initiatives, which are mostly in the areas of education, public health and environment which also include sustainability initiatives, the endeavor is to reduce energy and resource use. This is reflected in Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use of all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". Our other endeavor is to have an inclusive development at all our project locations to help the communities that live around these projects to prosper in all walks of life.

1.2 The objective of this policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Sector's philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called ESOPs.

2. Applicability

This policy shall be applicable to MLDL.

3. Guiding Principles

CSR is the process by which an organisation thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this

regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations.

CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operation and growth. All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013 , as amended, from time to time ("the Act"). CSR projects will be undertaken in India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level. It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019 and as amended from time to time) , or contributions of any amount directly or indirectly to any political party.

All CSR activities will be in project mode and will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

Our employees have been encouraged to volunteer for various CSR projects in the areas of education, health and environment through **Employee Social Options (ESOPs)** organised by Mahindra & Mahindra (M&M). MLDL and its subsidiaries have provided consistent and timely support to relief and rehabilitation initiatives in those parts of India which are affected by natural calamities by either contributing to the Prime Minister's or Chief Minister's Relief Fund. In keeping with the RISE philosophy of the Mahindra Group, MLDL will continue to drive positive change to enable people and communities to RISE above their limiting circumstances.

4. Policy Statement

4.1 Core Ideology

For MLDL, responsible business practices include being responsible for our business processes, products; and 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 but create 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 which reads as “we will challenge conventional thinking and innovatively use of all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise

4.2 **Total Outlay for each financial year**

From April 1st, 2014, in line with the new Companies Act 2013 (the Act), MLDL has pledged to contribute at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular CSR project or programme.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account to be opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing

which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

4.3. 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 three immediately preceding financial years to undertake CSR initiatives which meet the needs of the local communities where we operate.

MLDL may make contributions to the corporate foundations/Trusts i.e. K C Mahindra Education Trust 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 and rehabilitation, or both.

Our commitment to CSR will be manifested by investing resources in any of the following areas mentioned under Schedule VII of the Act, as amended, from time to time:

- (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 centres 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, agroforestry, conservation of natural resources and maintaining 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 buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- (vi) Measures for the benefit of armed forces 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 recognised sports, Paralympic sports and Olympic 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 Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- (ix) 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

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 Défense 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.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

The Company shall give preference to the local area and area 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.

5. **Implementation**

5.1 The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

5.2 **Board-level CSR Committee –**

The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

The mandate of the said CSR Committee shall be:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

- (ii) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (CSR) Rules, 2014;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- e. monitoring and reporting mechanism for the projects or programmes; and
- f. details of need and impact assessment, if any, for the projects undertaken by the company.

The CSR Committee or the Board will carry out impact assessment of completed CSR Projects having a value of Rs. one Crore, through an independent agency, at least once in every three years or such shorter period as may be prescribed by law 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 areas and areas around it where it operates, for spending the amount earmarked for CSR activities.

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

While CSR programmes may be identified by the CSR Committee and Company's CSR team / CSR Council, the CSR Committee will also evaluate projects submitted directly by reputed 'not for profit organisations' having an established track record of at least three years in carrying on the specific activity. To ensure that there is focus and maximum impact, the 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 need to be submitted at the beginning of each financial year.

The CSR Committee will convene periodical meetings to review the progress of varied CSR projects in terms of both, outcome assessment and financial monitoring. The CSR Committee will review the CSR 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 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. in 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 ESOPs platform.

5.3 **Executing Agencies / Partners**

CSR initiatives will be implemented either directly by the Company or through its ESOPs (Employee Social Options) programme, where the Mahindra employees will directly implement the CSR projects, or through partnerships with our Corporate Foundations namely the Mahindra Foundation, The K C Mahindra Education Trust or through implementing partners which include a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. The CSR activities may also be undertaken by Company through its holding or subsidiary or associate company's registered society or trust or Section 8 company. These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1st April 2021.

The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.

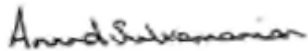
The Company may also collaborate with other companies or Mahindra Group companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

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

- The NGO is a registered Society / Public Charitable Trust / Not for Profit Organization / Company established under section 25 of the Companies Act, 1956 or Section 8 of the Act
- 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 Committee.

Except for changes relating to Statutory Amendment, all other modifications / changes to this Policy, shall be made only with the approval of the Board of Directors of the Company on the basis of recommendation made by the CSR Committee. The modifications / changes relating to Statutory Amendment effected in this Policy shall be placed before the CSR Committee and Board of Directors for the purpose of noting.

The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.



Arvind Subramanian

Managing Director & CEO