

Independent Assurance Statement

Introduction and Engagement

Chalet Hotels Limited referred to as 'CHL' or 'the company,' has commissioned TUV India Private Limited (TUVI) to provide independent external assurance of the Non-Financial Information disclosed in their ESG Report. The report is based on the Global Reporting Initiative (GRI) standards 2021 and Business Responsibility & Sustainability Reporting guideline. The assurance engagement was conducted in reference to AA1000 Assurance Standard v3, Type 1, Moderate Level. The ESG Report covers CHL's ESG KPIs for the period of 1st April 2022 to 31st March 2023, and the verification was conducted within the reporting boundary during April 2023.

Management's Responsibility

CHL has developed the Report content and is responsible for the identification of materiality, corresponding ESG issues, identifying, establishing, reporting performance management, data management, and quality. The management team at CHL is accountable for the accuracy of the information provided in the Report and the process of collecting, analyzing, and reporting that information in both web-based and printed Reports. This includes the maintenance and integrity of the company's website. Furthermore, CHL's management team takes responsibility for the accurate preparation of the Report in reference to the applied criteria. They ensure that the Report is free of any intended or unintended material misstatements, so stakeholders can trust the information provided. CHL will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

Scope and Boundary

The scope of work for the assurance engagement conducted by TUVI includes a limited level of assurance on ESG indicators disclosure. The assurance engagement encompasses a thorough review of the quality of information, as well as a review of the evidence (on a sample basis) for identified ESG indicators. Additionally, the verification team performed

- i. Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;
- ii. Review of the ESG disclosures made in the Report against the requirements of the GRI Standards
- iii. Verification of the reliability of the GRI Standards Disclosure on environmental and social topics
- iv. Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- v. Confirmation of the fulfilment of the GRI Standards

TUVI has verified the below Essential and Leadership Indicators disclosed in the BRSR

Principles	Essential Indicators	Leadership Indicators
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	2
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4	1,2,3,4,5
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1,2,3,4,5,6,7,8,9,10,11,12, 13,14,15	1,2,3,4,5
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2	1,2,3
Principle 5: Businesses should respect and promote human rights.	1,2,3,4,5,6,7,8,9,10	1, 2,3, 4
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	1,2,3,4,5,6,7,8,9,10,11,12	1,2,3,6,7
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	1
Principle 8: Businesses should promote inclusive growth and equitable development.	3,4	2,3,6

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,5,6	1,2,3,5
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TUVI has verified the below-mentioned GRI disclosures given in the Report:

Recycled input materials used, Energy consumption within the organization, Energy Intensity, Water withdrawal, Water discharge, Water consumption, Waste Generated, Waste diverted from disposal, Waste directed to disposal, Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions, GHG emissions intensity, Nitrogen Oxides (NOx), sulphur oxides (SOx), and other significant air emissions, Occupational health and safety management System, Worker participation, consultation, and communication on occupational health and safety, Workers covered by an occupational health and safety management system, Work-related injuries, Work-related ill health, New Employee Hire & Turnover Details, Benefits provided to full-time employees that are not provided to temporary or part-time employees, Parental leaves, Average hours of training per year per employee, Programs for upgrading employee skills and transition assistance, programs, Percentage of employees receiving regular performance and career development reviews, Operations with local community engagement, impact assessments, and development programs.

The reporting aspect boundaries are set out in the report covering the ESG KPI performance of the CHL encompassing:

1. JW Marriott Sahar, Mumbai
2. Marriott Hotel, Whitefield Bengaluru
3. The Westin, Mumbai Powai Lake Mumbai
4. The Westin Mindspace, Hyderabad
5. Four Points by Sheraton Navi Mumbai Vashi
6. Novotel ,Nagar Road, Pune

In addition, assurance boundary is also extended for the Projects under development

- i. Powai, Mumbai: #2 & 3B Near Chinmayanand Ashram, Powai, Mumbai, India, 400087
- ii. Hyderabad: Raheja IT Park, Hitec City, Madhapur, Hyderabad, Telangana, India, 500 081
- iii. Bengaluru: 8th Road, Plot No 75, EPIP Area, Whitefield, Bengaluru, India, 560066

The onsite verification was conducted at JW Marriott Sahar- 15 March 2023, Four Points Sheraton Vashi- 16 March 2023, Novotel, Pune- 17 March 2023, Raheja Tower, 4th Floor, Block G, Plot No. C-30, Bandra Kurla Complex (BKC), Bandra (E), Mumbai – 20-22 April 2023, Hyderabad Westin II project - 17 April 2023 and Bengaluru Marriott Whitefield and Bengaluru Commercial and Mall retrofitting to the commercial project – 18 - 19 April 2023. The assurance activities were carried out together with a desk review of data from other locations.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform ESG assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of CHL's strategy, management of ESG-related issues, or the sufficiency of the Report against principles of GRI Standards, and AA1000 Assurance Standard v3, other than those mentioned in the scope of the assurance. The data is verified on a sample basis, the responsibility of the authenticity of data lies with the reporting organization. TUV does not take any liability or co-responsibility for any damages in case of erroneous data reported. This assurance engagement is based on the assumption that the data and information provided to TUVI by CHL are complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focused on verification efforts with respect to disclosed KPI's. TUVI has verified the KPI's and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- i. TUVI examined and reviewed the documents, data, and other information made available by CHL for ESG KPI's;
- ii. TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of the CHL during the verification;
- iii. Review the level of adherence to principles of GRI standards.

The Report was evaluated against the following criteria:

Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity, and Timeliness; as prescribed in the GRI Standards and AA1000AS v.3 along with AA1000 AP (2018);

During the assurance engagement, TUVI adopted a risk-based approach, focused on verification efforts on the issues of high material relevance to CHL business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- 1) TUVI reviewed the approach adopted by CHL for the stakeholder engagement and materiality determination process. TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;
- 2) TUVI verified the ESG -related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- 3) TUVI examined and reviewed the documents, data and other information made available by CHL for the reported disclosures including the disclosure on Management Approach and performance disclosures;
- 4) TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the CHL during the on-site assessments
- 5) TUVI performed sample-based reviews of the mechanisms for implementing the ESG related policies, as described in CHL Report;
- 6) TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Opportunities for Improvement

The following are the opportunities for improvement reported to CHL. However, they are generally consistent with CHL management's objectives and programs.

1. CHL to further strengthen ESG management system through periodic internal reviews and verification of its disclosure data
2. CHL may opt for carbon neutral event management for its Hotel properties
3. CHL may opt for ISO 20121 - Sustainable events management program at its Hotel properties
4. The CHL can utilize the best practices/ requirements of ISO 20400 to develop its sustainable procurement policy. Furthermore, CHL can conduct ESG assessment of its value chain partners in phased manner
5. CHL can opt for the principles and requirement of ISO 46001:2019 – Water Efficiency Management Standard
6. CHL can implement water positive index initiative and zero waste to landfill initiatives

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the “disclosures on ESG performance” and reference information provide a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards.

TUVI did not perform any assurance of procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the ESG information. Consequently, TUVI draws no conclusion on the prospective information. This assurance statement has been prepared in reference with the terms of our engagement.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. CHL refers to general disclosure to Report contextual information about CHL, while the ‘Management Approach’ is discussed to Report the management approach for each material topic.

Universal Standard: CHL followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organization. General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. and GRI 3: Material Topics 2021: Disclosures and guidance about the organization's material topics. GRI3 was selected for Management's Approach on reporting information about how an organization manages a material topic.

TUVI is of the opinion that this report has been prepared in reference with the GRI Standards.

Topic Specific Standard: 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to Report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that CHL used to prepare its Report are appropriately identified and addressed.

Assurance Conclusion: CHL appropriately discloses the KPI's and actions that focus on the creation of value over the short, medium and long term. The selected KPI's disclosures by CHL are fairly represented. On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited level of assurance engagement was not prepared, in identified ESG information is not reliable in all material respects, with regards to the reporting criteria. TUVI found the ESG information to be reliable in all principles, with regards to the reporting criteria of the GRI Standards and BRSR guidelines.

Evaluation of the adherence to AA1000 AccountAbility Principles along with other contemporary Principles:

Stakeholder Inclusiveness: Stakeholder identification and engagement has been carried out by CHL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Sustainability Context: CHL established the relationship between ESG and organizational strategy within the Report, as well as the context in which disclosures are made. In our view, the Report meets the requirements with regards to the ESG Context.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the CHL's range of businesses. The Report fairly brings out the aspects and topics (KPI's), and its respective boundaries of the diverse operations of CHL. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on CHL policies and management systems including governance. In our view, the Report meets the requirements.

Impact: CHL communicates its ESG performance through regular, transparent internal and external reporting throughout the year, aligned with BRSR, GRESB, GRI as part of its policy framework that include Environmental Policy, ESG Policy, Climate Change Mitigation Policy, Corporate Social Responsibility Policy etc. CHL reports on ESG performance to Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing ESG related issues.

Completeness: The Report has fairly disclosed the selected ESG KPI's, as per GRI Standards. In our view, the Report meets the requirements.

Reporting Principles for defining report quality: The majority of the data and information was verified by TUVI's assurance team during the onsite assessment and found to be fairly accurate. The disclosures related to ESG issues and performances are reported in a balanced manner and are clear in terms of content and presentation. In our view, the Report meets the requirements

Reliability: The majority of the data and information was verified by TUVI's assurance team and found to be fairly accurate. Some inaccuracies in the data identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been corrected. TUVI concludes that the ESG data and information presented in the Report is fairly reliable and acceptable. In our view, the Report meets the requirements.

Neutrality: The disclosures related to ESG issues and performance are reported in a neutral tone, in terms of content and presentation. In our view, the Report meets the requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with CHL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



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