

ESG DATA BOOK  
**2024**



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## ABOUT THE ESG DATA BOOK

Chalet Hotels discloses financial and non-financial information, as well as its performance and accomplishments, as part of [Integrated Annual Reports](#).

The ESG Data Book is an extension of the Company's ESG efforts that covers:

### Environment

Climate-related Commitment & Actions and Environmental and Social Management System (ESMS)

### Social

Human Capital Development and Diversity and Inclusion

### Governance

Revisiting Materiality, Climate and Emerging Risks, Climate Action & Advocacy, Sustainable Supply Chain, Anti-Corruption and Information Security Management

## SCOPE AND COVERAGE

The ESG Data Book covers 10 of the Company's owned hotels and 3 assets under development ([Read More \(pg. 2\)](#)).

The ESG Data Book presents last four financial years' consolidated numbers for environmental and social Key Performance Indicators (KPIs).



## ENVIRONMENT

### Climate-related Commitment & Actions

At Chalet Hotels, sustainable development is amongst the strategic priorities of the business. The Company has adopted a comprehensive ESG Strategy and Decarbonization Roadmap with defined focus areas, specific KPIs and targets ([Read More](#)).

The Company ensures highest standards of sustainable development, setting a new benchmark for environment stewardship by:

- Achieve Net-Zero Greenhouse Gas Emissions (GHG) by 2040 and validate near-term (2030) and long-term (2040) targets in alignment with the Science Based Targets initiative (SBTi) ([Read More](#)).

- **RE 100** (Renewable Energy): Move to 100% renewable energy by 2030
- **EP 100** (Energy Productivity): Double energy productivity (revenue per unit of electricity consumed) by 2028 compared to the baseline of 2016
- **EV 100** (Electric Vehicles): Move entire guest fleet to EVs by 2025 and ensure EV charging infrastructure for staff and guests

The Company ensures awareness towards environment stewardship among all stakeholders (employees, workers, value chain partners, etc.) through various policies ([ESG Policy](#) and [Environmental Policy](#)), periodic trainings and capacity building workshops. During the year, the Company conducted ESG workshops for all employees covering its ESG Strategy and Decarbonization Roadmap.

### Climate-related Management Incentives

The Company ensures implementation of climate-related commitments by integrating relevant KPIs into the annual performance management.

The Key Management Personnel (KMP) at Chalet review the progress made towards climate-related commitments at regular intervals and also include these commitments as part of their Key Responsibility Areas (KRAs).

Aligned with the Company's ESG Strategy and Decarbonization Roadmap, the Deputy General Manager - ESG & Sustainability, incorporates climate-related aspects like renewable energy integration, reduction in resource (energy, water and waste)



consumption, biodiversity management etc. with an overall weightage of more than 70%, and works closely with the Company's management and Board-level Committee to effectively address KPIs such as improvement in ESG ratings, implementation of the Decarbonization Roadmap, progress on the SBTi commitment, progress on Climate Group commitments and assessing and managing climate-related risks and opportunities.

The Manager - ESG & Sustainability is instrumental in progressing towards sustainability initiatives like green building certifications with an overall weightage of more than 70%.

The Director of Engineering (DoE) at all operating hotels is instrumental in the integration of renewable energy, improvement in energy productivity, and implementation of energy efficiency initiatives as a key responsibility. These KRAs are cascaded to every property-level engineering and operations department. The Head - Engineering and Operations, sets targets that encompass the implementation of energy reduction initiatives, process modifications to enhance energy efficiency, upgrades or changes in the type of fuel, and implementation of initiatives related to renewable energy, increasing the share of renewable energy by utilizing the Group Captive Solar on a real-time basis.

Performance against these KRAs is evaluated, and achievements of these targets have a direct link to the annual performance appraisal. Additionally, monetary incentives are presented periodically, for e.g., Excellence Awards.



Further, the achievements of the Company's environmental commitments are overseen by the Board-level CSR & ESG Committee. Additionally, these commitments are periodically reviewed by MD & CEO ([Read More](#)) and Executive Director ([Read More](#)) of the Company.

### Environmental and Social Management System (ESMS)

Chalet Hotels has adopted the Environmental and Social Management System (ESMS) in alignment with IFC Performance Standards and Integrated Management System (IMS) that incorporates ISO 9001:2015 Quality Management System (QMS), ISO 14001:2015 Environmental Management System (EMS) and ISO 45001:2018 Occupational Health and Safety (OH&S) Management System, in accordance with K Raheja Corp. Group initiative.

The Company conducts internal and external audits by third parties on an annual basis, covering more than 70% and 30% of the total portfolio, respectively. This ensures 100% compliance with ESMS and effective monitoring of environmental data, operational efficiencies, reduction in resource (energy, water and waste) consumption and credibility of procedures and systems in place ([Read More \(pg. 31\)](#)).

### Energy and Emissions Management

Chalet Hotels invests in energy efficiency and renewable energy initiatives to reduce GHG Emissions. During the year, the Company has invested 1,652 Mn. INR as CAPEX and 64.8 Mn. INR for R&D ([Read More \(pg. 32-33\)](#)).

Further, the Company has initiated Scope 3 GHG Emissions Accounting and has estimated

the same for Category 3 (fuel-and energy-related activities, not included in Scopes 1 or 2) and Category 5 (waste generated in operations) as 2,519.19 tCO<sub>2</sub>e in FY21, 3,005.12 tCO<sub>2</sub>e in FY22, 2,427.78 tCO<sub>2</sub>e in FY23 and 4,360.4 tCO<sub>2</sub>e in FY24. The Company is in the process of estimating other relevant and significant Scope 3 GHG Emissions.

### Water Efficiency Management

Chalet Hotels adopts practices for water efficiency such as efficient fittings and fixtures, and implements measures such as in-house water treatment plants to facilitate the reuse and recycling of wastewater ([Read More \(pg. 33-34\)](#)).

The Company monitors associated water risks using the World Resources Institute (WRI) Aqueduct tool to estimate the dependency on freshwater consumption across operating assets. Refer [Climate Risks and Opportunities](#).

### Waste Management

The Company implements waste management programs and ensures that all hazardous and non-hazardous waste are reduced, reused, recycled and disposed through third-party waste handlers ([Read More \(pg. 34-36\)](#)).

### Resource Efficiency and Circularity

Chalet Hotels ensures effective resource efficiency and circularity through the usage of effective packaging materials that covers 100% capital goods and services across its operating assets. The Company seeks to phase out the use of single-use plastics by adopting reusable and recyclable packaging.

Further, the Company explores solutions for sustainable packaging materials through its R&D resources or investments and ensures their reusability and recyclability. The Company is promoting the use of recycled material as packaging solutions by ensuring that the packaging can be reused or recycled through third-party handlers.



| Packaging Materials        | Total Weight (MT) | Recycled and/or Certified Material (% of Total Weight) | FY 2024 Target (% of Total Weight) |
|----------------------------|-------------------|--|------------------------------------|
| Wood/Paper Fiber Packaging | 23.17             | 100%   | 100%                               |
| Glass Packaging            | 18.2              | 100%   | 100%                               |

| Plastic Packaging  | FY 2022 | FY 2023 | FY 2024 |
|--|---------|---------|---------|
| Total Weight (MT)  | 13.56   | 39.68   | 74.66   |
| Share of Recyclable Plastic Packaging (% of Total Weight)              | 100%    | 100%    | 100%    |
| Share of Compostable Plastic Packaging (% of Total Weight)             | 0%      | 0%      | 0%      |
| Share of Recycled Content within Plastic Packaging (% of Total Weight) | 100%    | 100%    | 100%    |

### Biodiversity Management

Chalet Hotels is committed to adopting measures for conservation and protection of biodiversity and shall achieve a Net Positive Impact, including a 'No Net Deforestation' commitment by 2040. The Company will create awareness about the importance of biodiversity and undertake initiatives in partnership with relevant stakeholders ([Read More \(pg. 37\)](#), [ESG Policy](#) and [Environment Policy](#)).

### Biodiversity Assessment

Biodiversity Management is a key material aspect. Hence, the Company undertakes Environmental Impact Assessments (EIAs) and Biodiversity Assessments during the initial stages of the projects. Until 2024, the Company has conducted these assessments across all its projects covering an area of more than 30 hectares.

The Company adopts a location-specific approach to conduct these assessments and the outcomes of these assessments are integrated in the project implementation. Across the projects, only one (2.83 hectares) falls in the proximity of a biodiversity hotspot, for which the Company has adopted a Biodiversity Management Plan for the identified biodiversity impacts from the assessments conducted.

During the year, the Company signed up for the India Business & Biodiversity Initiative (IBBI), which focusses on biodiversity conservation and ecosystem restoration.

Further, the Company sensitizes its employees and consultants on biodiversity conservation through workshops/training programs ([Read More \(pg. 37\)](#)).

### Biodiversity Action Plan

As a member on the Advisory Board of IBBI, Chalet Hotels acknowledges the objectives of the Convention on Biological Diversity to promote biodiversity conservation. Towards this endeavour, the Company has developed a robust and comprehensive Biodiversity Action Plan to effectively manage its impact on the surrounding ecosystem through the following strategies:

#### Avoidance

- Avoiding operational activities around ecologically sensitive areas that include Legally protected areas, UNESCO World Heritage Sites, UNESCO Man and the Biosphere Reserves, Ramsar sites, Key Biodiversity Areas and other areas important for biodiversity
- Assessing dependencies and impacts related to flora & fauna across operations and adjacent areas
- Avoiding the introduction of any new potentially invasive, non-native species and eradicating these within operational sites
- Preserving local biodiversity through landscaping and conservation efforts

#### Minimization

- Integrating elements of nature in the design phase to ensure holistic nature-based stay and experience
- Developing green belts to reduce impacts and promote biodiversity
- Establishing nurseries to meet sapling requirements
- Ensuring rainwater harvesting systems to improve water availability
- Offering eco-friendly amenities

#### Restoration/Rehabilitation

- Compensating for current forest loss through reforestation across operations and value chain
- Partnering with local communities and stakeholders to ensure the long-term viability of biodiversity hotspots



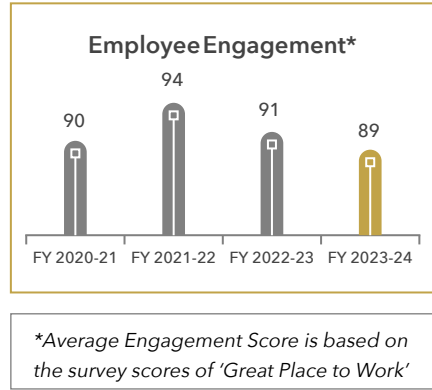
# SOCIAL

## Human Capital Development

### Employee Engagement

Chalet Hotels conducts Employee Engagement Survey based on the Trust Index® model of Great Place to Work® on an annual basis.

The Company utilizes Employee Engagement Surveys to effectively assess job satisfaction, employee happiness and internal motivation, job stress among other aspects based on the Trust Index® model across the following scoring dimensions:



| Sr. | Scoring Dimension | Definition  |
|-----|-------------------|---|
| 1.  | Credibility       | Credibility measures the extent to which employees see management as credible (believable, trustworthy), by assessing employees' perceptions of management's communication practices, competence and integrity. |
| 2.  | Respect           | Respect measures the extent to which employees feel respected by management, by assessing the levels of support, collaboration and caring employees see expressed through management's actions toward them.     |
| 3.  | Fairness          | Fairness measures the extent to which employees feel that management practices are fair, by assessing the equity, impartiality, and justice employees perceive in the workplace.                                |
| 4.  | Pride             | Pride measures employees' sense of pride in their work by assessing the feelings employees have toward their jobs, team or work group and the company.  |
| 5.  | Camaraderie       | Camaraderie assesses employee happiness and measures their sense of camaraderie in the workplace by assessing the quality of the intimacy, hospitality, and community within the workplace.                     |

(Read More (pg. 45)).

### Employee Development

A robust employee development framework serves as a structured approach to nurture the skills, knowledge, and capabilities of employees within the Company. It aligns individual career aspirations with organizational goals, fostering a culture of continuous learning and development. Chalet Hotels implements robust employee development programs to enhance and improve the Company's employees' skills.

Leadership Programs are intensive leadership development programs, specially designed to upgrade professional skills and apply the knowledge gained to function efficiently on a day-to-day basis. The programs are designed to develop and cultivate a deep pool of potential leaders of high performers to grow and take on various leadership roles in the future. The Executive Development Programs are aimed to help fast-track hand-picked associates with a promising track record move into leadership positions. These programs emphasize Chalet Hotels' core values and behavioural aspects, skills and knowledge. During the year, a total of 25 and 51 individuals were promoted to leadership and management roles, of which 8 and 24 individuals have undergone these leadership and management development programs, respectively.

### Learning and Development

A comprehensive learning framework tailored to the unique needs of the hospitality industry, empowers employees to deliver exceptional service, foster a culture of continuous learning and improvement, and ultimately enhance the overall guest experience. The Company's focus is on customer service, teamwork, and adaptability and hence the Company's learning framework emphasizes practical skills, experiential learning, and continuous improvement.



During the year, the Company has clocked 82.17 hours of average training per employee per year for which the Company has spent an average amount of INR 11,000 (approx.) per employee per year. Further, the Company analyses the employee training data across age, gender and management-level and type of trainings provided (e.g., Embark & Envision, eCornell, Skill Development, Culinary Training, Wine workshop, etc.)

(Read More (pg. 44)).

### Employee Well-being, Support and Benefits

#### Parental Leave

- 24 weeks of paid parental leave to employees for the primary caregiver
- 1 week of paid parental leave to employees for the non-primary caregiver
- Paid family or care leave beyond parental leave to employees for the care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition

#### Paternity Leave

Up to five days of fully paid leave for employees who have become fathers

#### Fab Women

Provides female employees with information and advice about professional opportunities and remedies on improving their lifestyle

#### Women Leadership Programmes

Learning programmes designed to improve the gender balance at senior levels

#### Adoption Assistance Policies

Support and coverage for employees and spouses who plan to adopt a child

#### Equal Opportunity Employer

Provision of Equal Opportunities at the time of talent attraction, recruitment, retention and during employment

The Company is cognizant of the work-life balance of its employees and offers flexible working hours, work-from-home arrangements, and part-time working options (Read More (pg. 47)).

### Employee Hiring and Turnover

Chalet Hotels monitors employee hiring across new employee hires, open positions filled by internal candidates (internal hires) and average employee hiring cost as follows:

| Parameters  | FY 2022 | FY 2023 | FY 2024 |
|---|---------|---------|---------|
| Total New Employee Hires (No.)                                  | 1,408   | 1,292   | 1,241   |
| Open Positions Filled by Internal Candidates (Internal Hires %) | 14      | 16      | 16      |
| Average Employee Hiring Cost (INR)                              | 4,702   | 4,731   | 5,300   |

Chalet Hotels' total employee turnover reflects the percentage of all employees who leave the organization within a given period, combining both voluntary and involuntary exits. Since the Company experienced only voluntary exits, such as resignations or retirements, the voluntary employee turnover rate is the same as the total employee turnover rate, as displayed below:

| Parameters                           | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--------------------------------------|---------|---------|---------|---------|
| Total Employee Turnover Rate (%)     | 22      | 30.4    | 26      | 41      |
| Voluntary Employee Turnover Rate (%) | 22      | 30.4    | 26      | 41      |

Note: The above data represents 100% of Chalet Hotels' total workforce in India (Read More (pg. 45)).





### Diversity and Inclusion

The Company attracts, retains, and develops talented individuals from diverse backgrounds to create an inclusive, stimulating and supportive workplace for all employees. As an equal-opportunity employer, the Company hires, compensates and grows employees based on merit. The Company’s hiring and salary decisions are independent of extraneous factors like gender, sexual orientation, race, religion, caste, creed, and family background.

The Company believes in a diverse Board that includes an ideal combination of Executive and Non-Executive Directors, including Independent Directors, with diverse backgrounds and make good use of the differences in the skills, knowledge, industry experience, background, race, gender and other qualities of the individual members as a whole [\(Read More\)](#).

### Gender Pay Parity

Chalet Hotels is committed to ensure that all employees, contractors, labour among others, across operations and supply chain are paid living wages on an annual basis.

The Company’s living wage methodology entails 100% compliance with all statutory wages, labour and employment welfare laws and regulations –The Minimum Wages Act of 1948, The Contract Labour (Regulation & Abolition) Act of 1986, The Payment of Wages Act of 1936, The Employee Compensation Act of 1923 and Amendment Act of 2009, among others.

The Company’s [Human Rights Policy](#), [ESG Policy](#), [Business Responsibility Policy](#) and [Supplier Code of Conduct](#) addresses the living wage methodology and ensures effective monitoring and disclosure of aspects like the share of operations and value chain partners covered in assessments on payment of living wages [\(Read More \(pg. 154-155\)\)](#).

The Company also conducts Human Rights Due Diligence (HRDD) that covers aspects like compliance to minimum wage across operations and supply chain on an annual basis [\(Read More \(pg. 157-158\)\)](#).

The Company monitors equal pay analysis on an annual basis for all employees as follows:

| Particulars                             | Unit | Avg. Women Salary | Avg. Men Salary |
|---|------|-------------------|-----------------|
| Executive Level (Base Salary only)      | INR  | Nil               | 2,13,03,561     |
| Management Level (Base Salary only)     | INR  | 15,91,016         | 14,84,971       |
| Non-Management Level (Base Salary only) | INR  | 2,53,784          | 3,33,096        |

Note: The compensation details stated above have been verified by an authorized third-party agency during the statutory audit.



## GOVERNANCE

### Revisiting Materiality

The Company revisited its approach to materiality through a detailed double materiality assessment that considered impacts on strategic business priorities, financial implications as well as the impact of ESG parameters ([Read More \(pg. 26-27\)](#)).

### Materiality for External Stakeholders

The Company's materiality assessment exercise incorporates impact on external stakeholders to ensure holistic enterprise value creation for the following key material topics:

#### Community Development

The Company is cognizant of the impact of its business operations on nearby communities. Chalet, through its strategic CSR activities, is creating a positive impact and enhancing the quality of life for these communities. This assessment includes output and impact metrics to measure societal and external environment.

During the year, over 130 (including persons with disabilities and youth) have been trained under Pankh, TRRAIN Her, The Plus Initiative across Mumbai, Pune and Hyderabad with a successful placement rate of over 70%; drawing a monthly average salary of INR 13,000-15,000/([Read More \(pg. 54-55\)](#)).

#### Biodiversity Management

The Company strives for enhancement of its ecosystem through Biodiversity Assessments, Carbon Offsetting Projects and CSR initiatives. The Company has committed to plant 3 lakh trees by 2030. During the year, 10,000 saplings have been planted with an investment of INR 60 Lakh at Lonavala which can save more than 70 tonnes of carbon emissions per year. This initiative contributes to the United Nations Sustainable Development Goals (UN SDGs) and also drives to achieve Chalet's Net Zero Target of 2040 ([Read More \(pg. 37\)](#)).

### Climate and Emerging Risks

The Company's risk management process includes risk identification, analysis, assessment and prioritization, reviewing and monitoring, treatment, and overall management. Chalet systematically evaluates and manages its climate-related risks in alignment with the Task

Force on Climate-related Financial Disclosures (TCFD) recommendations/International Financial Reporting Standards (IFRS) S2 and also evaluates and monitors emerging risks on continual basis.

### Climate Risks and Opportunities

Towards Net Zero commitment, the Company has undertaken climate risk and opportunity assessment in line with the scenarios outlined in the IPCC Sixth Assessment Report and the International Energy Agency's Nationally Determined Contributions (IEA NDCs). This assessment involves calculating the financial impact of these risks on the Company's operations, enhancing the Company's resilience against climate change issues, and positioning to seize new opportunities.

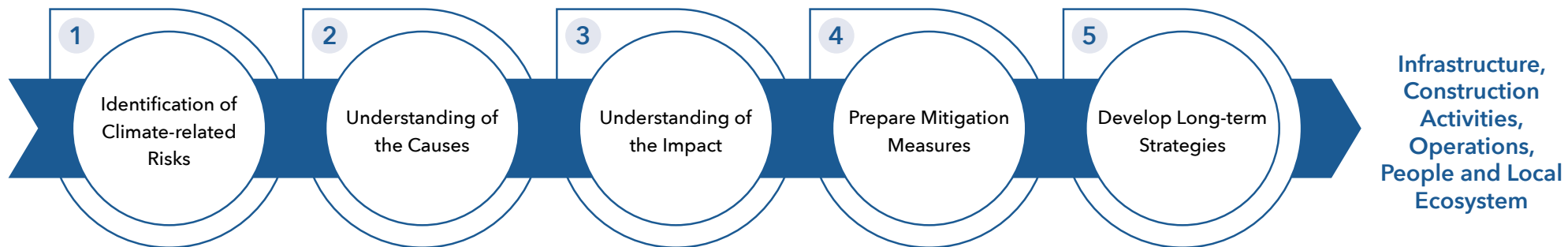
To effectively address climate-related risks and opportunities in line with the Company's Net Zero Strategy and Decarbonization Roadmap, the Company has conducted a baseline assessment based on historical evidence of climate- and water-related events occurred across all hotel properties.

In addition to this baseline assessment, Chalet Hotels has incorporated sensitivity analysis and stress testing for all identified climate risks. The Company aligns with the country's Net Zero goal by utilizing the International Energy Agency's Nationally Determined Contributions (IEA NDCs). Additionally, the Company has undertaken scenario analyses under the IPCC climate scenarios of RCP 2.6, RCP 8.5, and IEA NZE 2050, respectively, to assess both transitional and physical risks that incorporates risk considerations across time horizons of short-term (1-4 years), medium-term (4-10 years) and long-term (10-25 years).





The Company has developed a robust Climate Risk Assessment Methodology that includes:



The identification of climate risks incorporates categorization of risks and association with business relevance as follows:

| Climate Risk   | Business Relevance  |
|--|---|
| <p><b>Physical Risk</b><br/> <i>(Severe, unpredictable weather events)</i><br/>           This includes acute risks, extreme weather events such as hurricanes, floods, heatwaves and droughts</p>                             | <ul style="list-style-type: none"> <li>&gt; Infrastructural damage</li> <li>&gt; Insurance losses</li> <li>&gt; Business disruption</li> </ul>  |
| <p><b>Transition Risk</b><br/> <i>(Global transition to a low-carbon economy)</i><br/>           This includes policy and regulatory changes, technological advancements and shifts in consumer preferences</p>                | <ul style="list-style-type: none"> <li>&gt; Return on investment</li> <li>&gt; Negative stakeholder feedback</li> <li>&gt; Stranded assets</li> <li>&gt; Diversification of business</li> </ul> |
| <p><b>Liability Risk</b><br/> <i>(Legislation and fines for environmental damage)</i><br/>           This is associated with people and businesses that suffered losses due to climate change and are seeking compensation</p> | <ul style="list-style-type: none"> <li>&gt; Fines &amp; penalties</li> <li>&gt; Insurance losses</li> <li>&gt; Business sustenance risk</li> <li>&gt; Regulatory changes</li> </ul>             |

The Company effectively maps all identified climate risks across its operating locations:

Location

Climate Risk

|  |        |
|--|--------|
|  | High   |
|  | Medium |
|  | Low    |

|                        |  | Heat Wave/<br>Rise in<br>Temperature | Increased/<br>Heavy Rainfall | Urban Floods | Water Stress/<br>Drought | Coastal Flood | Biodiversity<br>Loss | Landslides | Pollution/Poor<br>Air Quality | Strong Winds |
|------------------------|--|--------------------------------------|------------------------------|--------------|--------------------------|---------------|----------------------|------------|-------------------------------|--------------|
| <b>Mumbai</b>          |  | High                                 | High                         | High         | Medium                   | Low           | Low                  | Low        | Medium                        | Low          |
| <b>Lonavala</b>        |  | Medium                               | High                         | Low          | Low                      | Low           | High                 | High       | Low                           | Medium       |
| <b>Pune</b>            |  | High                                 | High                         | High         | Medium                   | Low           | Low                  | Low        | Medium                        | Low          |
| <b>Goa</b>             |  | Medium                               | High                         | Low          | Low                      | Medium        | High                 | High       | Medium                        | Medium       |
| <b>Hyderabad</b>       |  | High                                 | High                         | High         | High                     | Low           | Low                  | Low        | Medium                        | Low          |
| <b>Bengaluru</b>       |  | High                                 | High                         | High         | High                     | Low           | Low                  | Low        | Medium                        | Low          |
| <b>Delhi/Faridabad</b> |  | High                                 | High                         | Medium       | Medium                   | Low           | High                 | Low        | High                          | Medium       |








All identified climate-related risks are integrated in Chalet Hotels’ Enterprise Risk Management (ERM) framework, which are further recorded and monitored through a comprehensive risk register that covers causes, business impacts and mitigation measures, as follows:








| Sr. | Identified Climate Risk | Description:<br><i>Cause and Impact</i> | Impact on:<br><i>Infrastructure; Construction Activities; Operations; People; Local Ecosystem</i> | Mitigation Measures:<br><i>Implemented; Proposed</i> |
|-----|-------------------------|---|---|--|
|-----|-------------------------|---|---|--|

**Operating Properties**




|           |                       |   |                       |  |
|-----------|-----------------------|---|-----------------------|--|
| <b>1.</b> | <b>Heavy Rainfall</b> | <ul style="list-style-type: none"> <li>➤ Heavy rains resulting in structural/infrastructural damage (e.g., collapsing of the wall and façade at Marriott Executive Apartments)</li> <li>➤ Flooding causing damage in the basement/lower-level facilities, resulting in interrupted guest services, leading to temporary closures of few sections of the hotel (e.g., Courtyard by Marriott Aravali Resort)</li> </ul> | <p>Infrastructure</p> | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Periodic repair work of external façade, waterproofing and building envelope (walls, roof, glass façade)</li> <li>➤ Regular maintenance of stormwater drains, rainwater harvesting system - storage system and/recharging pits</li> </ul> |
|-----------|-----------------------|---|-----------------------|--|










| Sr. | Identified Climate Risk                       | Description:<br><i>Cause and Impact</i>   | Impact on:<br><i>Infrastructure; Construction Activities; Operations; People; Local Ecosystem</i>   | Mitigation Measures:<br><i>Implemented; Proposed</i>  |
|-----|---|---|---|---|
|     |   | <ul style="list-style-type: none"> <li>➤ Increased diesel consumption on account of multiple electricity shutdowns due to heavy rains</li> <li>➤ Heavy rainfall in the operating and cities, negatively impacting the room bookings (e.g., JW Marriott Mumbai Sahar, The Westin Hyderabad Mindspace)</li> <li>➤ Water congestion and flooding situation in the city, affecting guest and employee commute</li> <li>➤ Affected human health, employee absenteeism and productivity at work (e.g., spread of diseases like malaria/dengue)</li> </ul> | <br>Operations<br><br><br>People<br>(Employees & Guests)  | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Emergency response plan/protocols for heavy rains</li> <li>➤ Periodic inspection of wear &amp; tear and provision for repair &amp; maintenance for aged buildings</li> </ul> <p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>➤ Communication of weather predictions with guests and employees</li> <li>➤ Resources/inventory management plan</li> <li>➤ Design healthy menu in Food &amp; Beverages (F&amp;B) for guests and employee meals</li> </ul>   |
| 2.  | <b>Heat Wave/<br/>Rise in<br/>Temperature</b> | <ul style="list-style-type: none"> <li>➤ Significant increase in energy consumption due to higher cooling requirements, leading to substantial increase in energy cost</li> <li>➤ Drastic changes in the temperature pattern and high humidity accelerated wear and tear on building interiors, especially in wooden areas, affecting the HVAC efficiency</li> <li>➤ Affected human health, employee absenteeism and productivity at work (e.g., heat-related illnesses)</li> </ul>   | <br>Infrastructure<br><br><br>Operations<br><br><br>People<br>(Employees & Guests) | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Automation and upgradation of HVAC system</li> <li>➤ Considering better humidity control</li> <li>➤ Energy efficient chillers</li> <li>➤ Use of dehumidifiers in key areas.</li> <li>➤ Regular monitoring to maintain moisture levels</li> </ul> <p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>➤ Use of insulation or green materials to reduce heat ingress (low thermal conductivity etc.)</li> <li>➤ Consider alternate fuels based/low-emission DG sets (e.g., Biodiesel) while expanding the DG capacities</li> <li>➤ Curating F&amp;B menu integrating high water content</li> </ul> |
| 3.  | <b>Water Stress/<br/>Drought</b>              | <ul style="list-style-type: none"> <li>➤ Due to water scarcity, lack of availability of water from existing resources, resulting in purchase of tanker water (e.g., Bengaluru Marriott Hotel Whitefield, The Westin Hyderabad Mindspace)</li> </ul>   | <br>Operations   | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Designing rainwater harvesting system with a storage system and recharging pits to improve the ground water table</li> <li>➤ Efficient irrigation system (e.g., sprinkle system, drip irrigation)</li> <li>➤ Drought-tolerant species for landscape areas in case of expansion or maintenance work</li> </ul>  |
| 4.  | <b>Biodiversity Loss</b>                      | <ul style="list-style-type: none"> <li>➤ Biodiversity loss (flora &amp; fauna) can lead to poor water quality and availability</li> <li>➤ Loss of local habitats reduces resilience to climate impacts (e.g., floods, droughts)</li> </ul>  | <br>Local Ecosystem  | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Conservation &amp; restoration of critical habitats and species</li> <li>➤ Plantation of local/indigenous &amp; heavy rainfall resistant species</li> </ul> <p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>➤ Prepare a climate-resilient biodiversity management plan</li> </ul>  |


| Sr. | Identified Climate Risk                    | Description:<br><i>Cause and Impact</i>  | Impact on:<br><i>Infrastructure; Construction Activities; Operations; People; Local Ecosystem</i>  | Mitigation Measures:<br><i>Implemented; Proposed</i>   |
|-----|--|--|--|--|
| 5.  | <b>Landslides</b>                          | <ul style="list-style-type: none"> <li>➤ Heavy rainfall and modifying the natural topography or existing contours will lead to soil erosion and potential landslide</li> </ul>   | <div style="text-align: center;"> <br/>                     Infrastructure                 </div> <div style="text-align: center;"> <br/>                     Construction Activities                 </div> <div style="text-align: center;"> <br/>                     People<br/> <i>(Employees &amp; Guests)</i> </div> | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Design in accordance with natural topography or existing contours to minimize erosion (e.g., regions such as Goa and Lonavala)</li> <li>➤ Implement engineering solutions such as retaining walls, drainage systems, and terracing in new developments to stabilize slopes</li> <li>➤ Emergency preparedness plan</li> </ul> <p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>➤ Environmental due diligence (EDD)/impact assessment at business development stage</li> <li>➤ Communication to guests, employees and nearby community about landslide risks and mitigation measures</li> <li>➤ Establish a routine for inspecting properties in vulnerable areas for signs of instability or erosion</li> </ul> |
| 6.  | <b>Pollution/<br/>Poor Air Quality</b>     | <ul style="list-style-type: none"> <li>➤ National Green Tribunal (NGT) Order on increased pollution levels resulting in stoppage of work/ construction activities (e.g., Delhi Airport Hotel)</li> </ul>   | <div style="text-align: center;"> <br/>                     Construction Activities                 </div>  | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Planning of construction activities, budgeting the stoppage of work due to NGT order</li> <li>➤ Comprehensive environment management plan that includes dust-suppression measures and ambient air quality management</li> </ul>   |
| 7.  | <b>Urban Floods and/<br/>Coastal Flood</b> | <ul style="list-style-type: none"> <li>➤ Can cause significant damage to infrastructure, leading to costly repairs</li> <li>➤ Stagnant water can breed diseases, and floodwaters can contaminate drinking supplies</li> <li>➤ Can displace population, leading to long-term social and economic challenges</li> <li>➤ Businesses may close temporarily, disrupting local economies and employment</li> </ul> | <div style="text-align: center;"> <br/>                     Infrastructure                 </div> <div style="text-align: center;"> <br/>                     Operations                 </div> <div style="text-align: center;"> <br/>                     People<br/> <i>(Employees &amp; Guests)</i> </div>        | <p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>➤ Upgraded drainage systems and built green infrastructure, such as rain gardens and permeable pavements, to absorb excess water</li> <li>➤ Construct floodwalls, and retention basins to manage excess water during heavy rain</li> </ul> <p><b>Proposed</b></p> <ul style="list-style-type: none"> <li>➤ Restore wetlands and natural floodplains to absorb and manage stormwater effectively</li> <li>➤ Develop and enhance early warning systems to alert communities of impending floods</li> </ul>  |



| Sr. | Identified Climate Risk | Description:<br><i>Cause and Impact</i>  | Impact on:<br><i>Infrastructure; Construction Activities; Operations; People; Local Ecosystem</i>   | Mitigation Measures:<br><i>Implemented; Proposed</i>   |
|-----|-------------------------|--|---|--|
| 8.  | <b>Strong Winds</b>     | <ul style="list-style-type: none"> <li>➤ Can cause severe damage to construction activities and commute</li> <li>➤ Pose risks to human safety, including injuries from flying debris and difficulties in emergency response</li> <li>➤ Can uproot trees, destroy habitats, and alter ecosystems</li> </ul> | <br>Infrastructure<br><br>Construction Activities<br><br>Local Ecosystem | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Strengthening buildings and infrastructure to withstand high winds through better design and materials</li> <li>➤ Managing trees and vegetation near power lines and infrastructure</li> </ul> |

**Projects Under Development**

|    |                                       |   |   |   |
|----|---------------------------------------|---|---|---|
| 1. | <b>Heat Wave/ Extreme Temperature</b> | <ul style="list-style-type: none"> <li>➤ Heat-related illness (e.g., dehydration, dizziness, fainting and heat stroke)</li> </ul>   | <br>Infrastructure<br><br>Construction Activities     | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Water sprinkling/misting stations &amp; shaded areas</li> <li>➤ Schedule working during cooler hours</li> <li>➤ Hydration stations &amp; nutrition plans</li> <li>➤ Regular health monitoring of workers</li> </ul>                                       |
| 2. | <b>Flooding</b>                       | <ul style="list-style-type: none"> <li>➤ Delay in delivery of goods/services and construction activities</li> <li>➤ Damage of the construction materials</li> <li>➤ Repair and rework</li> <li>➤ Unforeseen geological or soil conditions affecting construction</li> </ul> | <br>Infrastructure<br><br>Construction Activities   | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Scheduling of the construction activities as per wet season</li> <li>➤ Preparing the emergency response plan</li> <li>➤ Develop evacuation procedures and medical assistance</li> <li>➤ Temporary flood barriers &amp; water diversion systems</li> </ul> |
| 3. | <b>Strong Winds</b>                   | <ul style="list-style-type: none"> <li>➤ Damage of stored construction materials/equipment</li> <li>➤ Increased dust pollution</li> </ul>   | <br>Infrastructure<br><br>Construction Activities | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Maintain good housekeeping</li> <li>➤ Secure loose materials and construction waste</li> </ul>  |
| 4. | <b>Pollution/ Poor Air Quality</b>    | <ul style="list-style-type: none"> <li>➤ Increased emissions from heavy machinery and transport vehicles can worsen local air quality, contributing to smog and other pollution-related problems</li> </ul>   | <br>Infrastructure   | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Dust control measures (water sprays, dust screens/barricading &amp; soil stabilizers)</li> <li>➤ Low-Emission equipment/vehicles</li> <li>➤ Reduction in idle time of equipment &amp; vehicles</li> </ul>   |

| Sr. | Identified Climate Risk | Description:<br><i>Cause and Impact</i>   | Impact on:<br><i>Infrastructure; Construction Activities; Operations; People; Local Ecosystem</i>              | Mitigation Measures:<br><i>Implemented; Proposed</i>  |
|-----|-------------------------|---|--|---|
|     |                         | <ul style="list-style-type: none"> <li>➤ Respiratory problems, eye irritation, and other health issues</li> <li>➤ Health-related absences and decreased worker productivity</li> <li>➤ Non-compliance with air quality regulations can result in fines and project delays</li> <li>➤ Work stoppages and delays</li> </ul> | <br>Construction Activities | <b>Implemented</b> <ul style="list-style-type: none"> <li>➤ Limit material drop heights</li> <li>➤ Designated routes for construction vehicles</li> <li>➤ Real-time air quality monitoring</li> </ul> |











To identify, assess, monitor and mitigate water-related climate risks, Chalet Hotels has utilized the WRI Aqueduct Water Risk Atlas Tool and World Bank-supported climate analytics portals as part of its climate risk and opportunity assessment.

The Company's climate risk and opportunity assessment is monitored by the Management-level ESG Steering Committee. This assessment is periodically reviewed by the MD & CEO ([Read More](#)) and Executive Director ([Read More](#)) of the Company.

Going forward, Chalet Hotels seeks to incorporate additional scenarios in its climate risk and opportunity assessment in line with IPCC climate scenarios in a comprehensive manner with coverage across all hotel properties.

**Long-term Risk Management Strategies**

For ensuring effective management of all identified climate risks, the Company incorporates risk mitigation and adaptation measures to comprehensively devise the respective long-term risk management strategies:

|   |  |  |   |  |
|---|--|--|---|--|
| <br>Climate-resilient Buildings<br><i>(Net Zero - Energy, Water, Waste)</i> | <br>Renewable Energy Transition<br><i>(RE100)</i>                                    | <br>Energy Efficiency & Conservation<br><i>(EP100)</i>   | <br>Low-Emission Transportation<br><i>(EV100)</i>                             | <br>Disaster Risk Management<br><i>(Business Continuity Plan)</i>              |
| <br>Watershed Management<br><i>(Lake Rejuvenation Projects - CSR)</i>      | <br>Biodiversity Conservation<br><i>(Afforestation/Urban Forest Projects - CSR)</i> | <br>Research & Innovation<br><i>(R&amp;D for Climate Adaption Technologies and Practices)</i> | <br>Policy Framework & Governance<br><i>(Climate Change Policy Advocacy)</i> | <br>Low-Emission Alternative Energy<br><i>(Battery Energy Storage System)</i> |

## Emerging Risks

### Emerging Risk 1: Climate-related Risks

|                    |  |
|--------------------|--|
| Description        | <p>Chalet Hotels anticipates a wide array of climate-related physical and transition risks as follows:</p> <p><b>Physical Risks:</b></p> <ul style="list-style-type: none"> <li>➤ Heat wave and heat stress due to operating assets subjected to elevated temperatures impacting indoor and outdoor comfort levels</li> <li>➤ Drought/water scarcity and water stress due to operating assets subjected to high groundwater depletion, greater than the rate of periodic groundwater recharge and reduced rainfall that would limit water availability for domestic purposes</li> <li>➤ Heavy precipitation due to coastal operating assets at Mumbai, Pune, and Hyderabad, subjected to recurrent excessive rainfall, river overflow, severe flooding and inadequate drainage systems</li> </ul> <p><b>Transition Risks:</b></p> <ul style="list-style-type: none"> <li>➤ Policy/legal risk on account of aligning with carbon pricing mechanisms and participating in carbon markets</li> <li>➤ Technology risk upon transitioning to lower emission technologies, notably the increased costs associated with the adoption of these technologies</li> <li>➤ Market risk due to lack of availability and/or increased cost associated with the usage of certified sustainable materials</li> <li>➤ Reputation risk resulting from increased stakeholder concerns in achieving the Company's Net Zero and Climate Group commitments within the stipulated time horizons</li> </ul>  |
| Impacts            | <p>Heat wave and heat stress would raise humidity levels, increase power shortages, place high stress on HVAC systems, increase energy consumption to maintain comfortable indoor temperature, reduce operational efficiencies, raise operational costs which would significantly impact the Company's infrastructure, operations and staff.</p> <p>Drought/water scarcity and water stress would incur higher costs per kilolitre of water consumed either due to high reliance on sourcing third-party tanker water or adopting associated higher tariffs.</p> <p>Aligning with existing carbon pricing mechanisms and ensuring effective participation in carbon markets would incur additional costs.</p> <p>Increased costs associated with the adoption of low-carbon technologies would stem from various factors, including R&amp;D expenses, need for specialized equipment, and potential disruptions during the transition period. Moreover, the Company may experience temporary decline in productivity or increased operational costs upon adapting to new practices.</p> <p>The complexities involved in the sourcing, and certification processes of sustainable materials would contribute to elevated costs and financial challenges for the Company.</p>  |
| Mitigation Actions | <p>To effectively address all climate-related physical risks, Chalet Hotels has undertaken a baseline climate assessment based on historical evidence of climate-related events occurred across all hotel properties. The Company has incorporated sensitivity analyses and stress testing under IPCC climate scenarios of RCP 2.6, RCP 8.5, and IEA NZE 2050 respectively. Additionally, the Company has utilized the WRI Aqueduct Water Risk Atlas Tool and World Bank-supported climate analytics portals as part of its climate risk assessment.</p> <p>Going forward, the Company can anticipate participation in voluntary carbon markets and obtain carbon credit certificates to mitigate the incurred additional costs, ensuring effective alignment with existing carbon pricing mechanisms.</p> <p>Furthermore, the Company allocates dedicated investments for R&amp;D, CAPEX and OPEX in specific technologies to mitigate negative environmental impacts.</p> <p>The Company obtains Environmental Product Declarations (EPDs) from its suppliers that detail lifecycle assessments conducted by an authorized third-party agency for construction materials (e.g., steel, cement, RMX, glass insulation, etc.) to ensure utilization of certified sustainable materials.</p> <p>During FY 2023-24, the Company invested in technologies to improve energy productivity in collaboration with International Finance Corporation (IFC). The projects contribute 3.92% of the total CAPEX of the reporting year.</p> |



### Emerging Risk 2: Customer Data Protection

|                   |  |
|-------------------|--|
| Description       | Chalet Hotels values its guests and deliver customer delight by partnering with some of the world's leading luxury hotel operating brands. The Company recognizes that its systems and proprietary data (including guests' sensitive personal and financial information) are stored electronically. Towards this, the Company places significant emphasis on protecting customer data and ensuring information confidentiality, privacy and cybersecurity by aligning its information security processes with globally evolving standards/frameworks and the data privacy statements of operating hotel brands.  |
| Impact            | The Company anticipates that its electronically stored systems and proprietary data (including guests' sensitive personal and financial information) would be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems would also be vulnerable to ransomware attacks, which would block or restrict access to these systems and impair their functionality.  |
| Mitigation Action | <p>To ensure alignment with globally evolving standards/frameworks, Chalet Hotels is ISO 27001:2013 certified and has adopted a robust structure for monitoring and implementation of its Information Security Management Systems (ISMS) framework.</p> <p>The Company's <a href="#">Information Security Policy</a> and <a href="#">ESG Policy</a> effectively addresses its commitment to cybersecurity and ensures business continuity in the event of security breaches (<a href="#">Read More</a>).</p> <p>Furthermore, the Company's information security processes are further aligned with the data privacy statements of its operating hotel brands like The Marriott Group Global Privacy Statement (<a href="#">Read More</a>), The Westin Privacy Statement (<a href="#">Read More</a>), etc. These processes are periodically updated to ensure continual alignment.</p> <p>Going forward, the Company is continuously ramping up its digital capabilities to ensure security of data and systems through cutting-edge technology and strong protocols that detect and respond to breaches, if any.</p> |

### Emerging Risk 3: Evolving Stakeholder Expectations

|                   |   |
|-------------------|---|
| Description       | <p>Chalet Hotels acknowledges that its identified external stakeholders (e.g., investors, regulators, customers (including corporate customers), etc.) have the following evolving expectations:</p> <ul style="list-style-type: none"> <li>➤ Increased customer preferences for environmentally conscious accommodations, aligned with sustainability objectives</li> <li>➤ Achievement of its Net Zero and Climate Group commitments within the stipulated time horizons</li> <li>➤ Alignment with globally evolving regulatory landscape across reporting standards and frameworks such as BRSR Core Assurance, IFRS etc.</li> <li>➤ Increased investor and shareholder push for improved ESG performance</li> <li>➤ Selection of the Company's hotel properties as Designated Consumers (DCs) by regulators upon 'Hotels' being identified as one of the high energy consuming sectors under the Performance, Achieve and Trade (PAT) Scheme of the Government of India (GoI)</li> </ul>  |
| Impact            | <p>The Company would incur a decrease in financial metrics (e.g., revenue, profit, etc.), reduced customer satisfaction and reduction in existing customer base upon achieving its Net Zero target (<a href="#">Read More</a>) and Climate Group commitments (<a href="#">Read More</a>) within the stipulated time horizons.</p> <p>The Company's operating hotel properties can be subjected to Specific Energy Consumption Targets under subsequent PAT cycles. Inability to meet these targets within the stipulated time horizons would result in fines and penalties which would incur additional costs and negatively impact brand reputation.</p>   |
| Mitigation Action | <p>Chalet Hotels maintains a zero-wastewater discharge mechanism across all hotel properties and implements a robust Decarbonization Roadmap. The Company further integrates renewable energy, enhances energy efficiency and collaborates closely with Green Building Councils (USGBC and IGBC) to develop a portfolio of certified green buildings, improve its ESG performance and achieve its Net Zero and Climate Group commitments.</p> <p>The Company organizes ESG joint initiatives with its customers and employees to maintain brand loyalty and reputation.</p> <p>The Company shall ensure effective preparedness to anticipate participation in voluntary carbon markets in case its hotel properties are identified as DCs under the PAT scheme. Furthermore, the Company annually undertakes external assurance of its non-financial information (including BRSR indicators). Refer <a href="#">Assurance Statement (ESG)</a>. Going forward, Chalet Hotels shall seek to undertake external assurance of BRSR Core indicators and ensure its public accessibility.</p> |

## Climate Action and Advocacy

Chalet Hotels engages in climate-related advocacy through dedicated policies, decarbonization commitments, climate-resilient framework supported by a robust governance structure with clear accountabilities, periodic monitoring, review and reporting process at all management levels including executive-level. This enables effective implementation of the Company’s ESG targets and objectives and also contributes to the achievement of Net Zero commitment of the Company in alignment with the Paris Agreement. The Company aims to shape climate-related policy discussions, advocate for sustainable solutions, and foster collaboration with relevant stakeholders to drive meaningful climate action.



The Company primarily engages in climate-related advocacy through trade associations with annual contributions of INR 17,90,200 for United States Green Building Council (USGBC), INR 14,16,000 for Climate Group, INR 4,13,000 for Hotel Association of India (HAI), INR 1,86,912 for Confederation of Indian Industry (CII) and INR 1,47,500 for United Nations Global Compact (India) respectively.



| Particulars  | FY 2021          | FY 2022          | FY 2023          | FY 2024          |
|--|------------------|------------------|------------------|------------------|
| Annual Contributions for Trade Associations or Tax-Exempt Groups (e.g., Think Tanks) | 21,25,462        | 21,25,462        | 38,06,112        | 39,53,612        |
| Others (Including Political Contributions, Lobbying, Ballot Measures, etc.)          | Nil              | Nil              | Nil              | Nil              |
| <b>Total Contributions</b>   | <b>21,25,462</b> | <b>21,25,462</b> | <b>38,06,112</b> | <b>39,53,612</b> |

Note: The stated figures are in INR.

## Sustainable Supply Chain

The Company ensures that its suppliers, vendors and other value chain partners are collaboratively aligned with the Company’s ESG commitments and sustainability goals. As part of its sustainability journey, Chalet Hotels endorses a Sustainable Supply Chain Program with a structured approach to supplier and vendor engagement. The program incorporates pre-qualification/screening process, compliance with Supplier Code of Conduct, supplier and vendor assessments, and ESG development program.

### Supplier Compliance

The Company communicates ESG expectations to all key suppliers and vendors through training programmes. Physical site-based visit(s) are conducted to comprehensively assess their efforts in sustainability. These assessments ensures ground implementation and identifies non-compliances/violations, if any.

Further, all suppliers are required to acknowledge and adhere to the Company's [Supplier Code of Conduct](#). The Company maintains records of all onboarded or prospect suppliers/vendors who are adhering to the Supplier Code of Conduct periodically to avoid potential conflicts with the Company's ESG requirements. The Company has also adopted sustainable sourcing practices such as promoting preferential local sourcing, defining and diversifying supplier base, etc.

### Supplier Screening and Assessment

The Company has initiated supplier and vendor assessments/screening through desk-based assessments and site visits with systematic verification of evidence that includes ESG parameters such as environmental initiatives, performance and certifications (e.g., ISO 14001), social considerations such as human rights (in line with globally recognized frameworks like UNGC, ILO, GRI, etc.), employee welfare initiatives and governance parameters that includes anti-corruption and regulatory compliances. The assessment/screening process identifies transition risks such as country-specific risks and commodity-specific risks. The program is overseen by senior executives who are part of the Board.

| Supplier Screening  | FY 2024 |
|---|---------|
| Total Number of Tier-1 Suppliers                              | 481     |
| Total Number of Significant Suppliers In Tier-1               | 136     |
| Share of Total Spend on Significant Suppliers In Tier-1       | 96.6%   |
| Total Number of Significant Suppliers In Non-Tier-1           | 0       |
| Total Number of Significant Suppliers (Tier-1 And Non-Tier-1) | 136     |

| Supplier Assessment  | FY 2024 |
|--|---------|
| Total Number of Suppliers Assessed via Desk Assessments/On-Site Assessments  | 34      |
| Share of Unique Significant Suppliers Assessed   | 25%     |
| Number of Suppliers Assessed with Substantial Actual/Potential Negative Impacts                                      | 16      |
| Share of Suppliers with Substantial Actual/Potential Negative Impacts with Agreed Corrective Action/Improvement Plan | 100%    |
| Number of Suppliers with Substantial Actual/Potential Negative Impacts that were Terminated                          | 0       |

### Supplier ESG Development Program

The Company encourages suppliers to align their business practices with the Company's defined ESG principles and the Supplier Code of Conduct. The Company is in the process to develop Supplier Capacity Building Program, which incorporates trainings/workshops, awareness sessions to monitor and improve individual supplier ESG performance. During the year, the Company engaged with 25% of its significant suppliers through these training programs.

### Anti-Corruption

Chalet Hotels conducts its business and activities with honesty, integrity and the highest possible ethical standards, in line with the Company's vision and values, and to enforce its business practice of not engaging in bribery or corruption. The Company has adopted a zero-tolerance policy to bribery and corruption and is committed to implementing and enforcing effective systems to counter bribery. Refer [Anti-Corruption Policy](#).

### Information Security Management

Chalet Hotels has adopted the [Information Security Policy](#) which provides guidance to ensure that the Company's information systems comply with relevant laws and regulations, industry leading practices and recognized international standards on information security management system.

To ensure adherence to data security practices, the Company mandates all employees to undergo trainings related to information security and data privacy.







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