

Sustainable Sourcing Policy

Approving Authority	The CSR & ESG Committee and Board of Directors of Chalet Hotels Limited (" Chalet " or the " Company ")
Adopted on	May 14, 2026
Effective Date	This Sustainable Sourcing Policy (" Policy ") shall come into effect from the date of its approval, i.e., adoption at the meeting of the Board of Directors.

1. Purpose

Chalet Hotels Limited ("**Chalet**" or the "**Company**") acknowledges its responsibility to ensure environmental, social and governance standards are maintained and continuously improved throughout its value chain. The Company recognises that it can have a positive influence on its suppliers, contractors and their employees, products and services.

The Company is also committed to source products and services that seek to create shared value by ensuring that companies within its value chain:

- ✓ Reduce carbon emissions in line with the Company's commitment to achieving Net Zero by 2040
- ✓ Operate beyond statutory environmental norms and standards
- ✓ Promote Circular Economy
- ✓ Drive positive supplier relationships
- ✓ Consider the impact of their operations on the nearby communities

The Sustainable Sourcing Policy ("**Policy**") re-affirms the Company's commitment to partnering with suppliers to responsibly source products and services and encouraging adherence by its suppliers to the Supplier Code of Conduct.

2. Applicability

All suppliers providing goods and services across the Company's Portfolio shall endeavour to comply with this Policy and the Supplier Code of Conduct. This Policy should be read in conjunction with the Company's ESG Policy and Supplier Code of Conduct.

3. Definitions

"**Applicable Law**" means any statute, law, regulation, ordinance, rule, judgement, order, decree, bye-law, approval of any Governmental Agency, directive, guideline, circular, policy, requirement or other government restriction or any similar form of decision of or determination by, or any interpretation having the force of law of any of the foregoing Governmental Agency having jurisdiction, applicable to any Party, in force from time to time;

"**Supplier/s**" shall mean suppliers/service providers/ vendors/ traders/ agents/ contractors engaged for the purpose of supply of goods and services to any of the locations and/or business segments of Chalet.

4. Policy Principles

The Company shall seek to partner with its suppliers to work towards the below-mentioned principles:

- ✓ Maintain an efficient procurement process operating under sound governance that achieves the best value for money, meets business requirements and delivers financial and sustainability goals across the lifecycle of products and services
- ✓ Treat its suppliers and contractors fairly with respect, dignity demonstrating probity, equity and transparency
- ✓ Continue to develop and manage relationships with its suppliers and contractors and encourage them to promote the best practice approach towards social and environment outcomes
- ✓ Identify key risks and opportunities particularly in high value, high impact contracts for improved financial and non-financial performance of products and services

- ✓ Encourage its suppliers to deliver tangible, innovative, and sustainable solutions that deliver mutually beneficial outcomes
- ✓ Encourage its suppliers to manufacture products and services that meet nationally and internationally recognised sustainability performance standards
- ✓ Collaborate with suppliers to implement community engagement initiatives and promote products that empower local communities

A. Commitment to Sustainable Procurement

In its endeavour to mitigate the impact of climate change, the Company shall endeavour to procure products that are:

- ✓ Locally extracted or recovered materials
- ✓ Low embodied carbon materials
- ✓ Low-emitting VOC materials
- ✓ Materials and packaging that can easily be recycled
- ✓ Materials that disclose environmental impacts
- ✓ Materials that disclose potential health hazards
- ✓ Rapidly renewable materials and recycled-content materials

B. Applicability and Implementation

Suppliers shall vary in terms of their products, services provided, their organization structure and policies, and geographical locations of operations, etc. Keeping these factors in mind, this Policy has been designed in a manner that it works for the whole supplier base, even though the level and type of compliance shall vary depending on the type of the supplier and associated principles applicable to them. The Company shall encourage its suppliers to set in place internal policies, governance structures, systems, processes, and take relevant measures to partner with the Company in achieving its ESG strategic roadmap.

Suppliers shall be encouraged to share the measures undertaken by them in respect of the principles underlined in this Policy. The Company shall work with its suppliers to identify gaps, if any and help them in addressing the same.

5. Monitoring and Reporting

The Company shall have a framework for monitoring and reporting of the sustainability practices and performance of the suppliers against the defined ESG objectives. The Company shall undertake periodic assessment to ensure suppliers abide by statutory requirements and encourage suppliers to adapt sustainable practices.