
Environment Policy

1. Vision:

Chalet Hotels Limited ("Company") strives to be recognised as an environmentally conscious corporate citizen, operating in full compliance with all applicable environmental laws.

2. Purpose:

The Company is an owner, developer and asset manager of high-end hotels in key metro cities in India. The Company has also developed and continuous to develop (i) commercial and retail spaces at close proximity to its hotels, and (ii) a residential project in Bangalore.

The Company recognizes the importance of protecting the environment and is committed to protect the environment in the most economically feasible manner, through implementation of various progressive measures in the business operations, endeavouring at prevention and minimizing of pollution, waste generation and recycling of waste.

The Company adopts the Environment Policy with effect from November 10, 2020, with the objective of putting a formal policy in place, to ensure compliance by the Company of the applicable Environmental Laws (as defined herein below) and where relevant, endeavour to exceed legal compliance requirements, by implementation of the following measures (hereinafter collectively referred to as "**Environmental Measures**") in respect of its projects under construction and hotels / commercial spaces under operations:

- (i) Aligning the organizational processes with the Environmental Laws, review programmes and measures for consistent compliance and improvements;
- (ii) To consider environmental factors from the inception stage for the constructions to the final development of the projects being undertaken by the Company; and in operations of its hotels / commercial spaces to ensure conservation and sustainability;
- (iii) To endeavour to prevent pollution and adopt suitable methods for monitoring the environmental protection measures;
- (iv) To ensure compliances enlisted under the respective environmental consent, in respect of the construction, expansion and operation of the projects of the Company;
- (v) To ensure compliance enlisted under the consent to establish / consent to operate (as applicable) issued for the construction, expansion and operations of the projects undertaken by the Company;
- (vi) To ensure compliance with the applicable provisions of the MOEF's OM vide F. No. 22-65/2017-IA.III dated 1st May, 2018, as amended and as may be applicable, regarding Corporate Environment Responsibility;
- (vii) To implement the environment management plan of the projects undertaken for construction and expansion by the Company;

- (viii) To generally ensure compliance with all Environmental Laws, rules and regulations as applicable;
- (ix) To strive for continual improvement in the environmental performance by monitoring implementation and taking corrective action from time to time; and
- (x) To promote environmental awareness amongst all stakeholders and adopt a systematic and accountable reporting structure within the organization.

3. Definitions:

“Applicable Laws” shall mean any statute, law, regulation, ordinance, rule, judgement, order, decree, bye-law, approval of any government authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, whether in effect as of the date this Policy or any time thereafter.

“Compliance Report” has the meaning assigned to it in clause (iv) of Point 5 herein below.

“Effective Date” means November 10, 2020, on which date, the Company has adopted the Policy vide its Board Resolution of even date.

“Environment Management Cell - Project” has the meaning ascribed to it under clause 5 herein below.

“Environment Management Cell - Corporate” has the meaning ascribed to it under clause 5 herein below.

“Environmental Consent” shall mean the environmental consent (including any amendment and extension) that may be granted by the MOEF for a project undertaken for construction/expansion by the Company.

“Environmental Laws” shall collectively mean the Applicable Laws addressing the effects of the construction, expansion or operation of the projects undertaken by the Company on the natural environment.

“Environmental Measures” has the meaning ascribed to it under clause 2 hereinabove.

“Company” means Chalet Hotels Limited.

“MOEF” means Ministry of Environment, Forest and Climate Change.

“Organisational Head” shall mean the Managing Director or Chief Executive Officer or Chief Operating Officer or Executive Director or President or Sr. Vice President or such other senior officer of the Company as may be so designated by the Board of Directors of the Company.

“Policy” means Environment Policy, adopted by the Company, which has been approved by the Board of Directors of the Company at the meeting held on November 10, 2020.

4. Implementation of the Policy:

The Company shall, seek to implement the Policy, by ensuring that during the construction phase of its projects and thereafter in the operation phase of such projects, the Company is in compliance with all Environmental Laws (with the endeavour being to exceed the prescribed parameters) by:

- (i) Implementation of the Environmental Measures.
- (ii) If required under Applicable Laws, having an Environmental Management Cell at the project level, which shall be directly responsible for ensuring compliance with the Policy, including all the Environmental Measures and striving for continual improvement in the environmental performance by monitoring implementation of the Policy including of the Environmental Measures and taking corrective action.
- (iii) If required under Applicable Laws, having an Environmental Management Cell at the corporate level, which shall review and supervise the performance of the Environmental Management Cell at the project level.

5. Responsibility Matrix to ensure compliance of Environmental Laws:**Environment Management Cell-Project**

If required under the Applicable Laws, a construction or expansion project, undertaken by the Company, shall have an Environment Management Cell at such project site ("**Environment Management Cell-Project**"). The Company shall by way of a separate Board Resolution authorize/appoint certain person/s as person/s responsible for operation/functioning of the Environment Management Cell-Project, as per the procedure laid down in the Policy.

The Environment Management Cell-Project shall be supervised by a senior executive, who has been duly appointed/designated by a Board Resolution of the Company for the said purpose. Such duly appointed senior executive shall, appoint on behalf of the Company, qualified employees/personnel/third party agencies (being environmental consultants) to the Environment Management Cell-Project. An experienced/senior executive of the Company / third party agency, shall be the head of the Environment Management Cell-Project. The head of the Environment Management Cell-Project shall report to the senior executive appointed by the Company, for supervision of the Environment Management Cell-Project.

The Environment Management Cell-Project shall be responsible for the compliance of the Policy by implementing Environmental Measures and shall directly report to the Organisational Head.

Functions of the Environment Management Cell-Project is as follows:

The Environment Management Cell-Project shall be responsible for following compliances:

- (i) To comply with the Policy;

- (ii) To review the Environmental Measures from time to time and suggest new method's for improvising the organizational processes in consonance with the Environmental Laws for consistent compliance and improvements;
- (iii) To maintain and file all statutory registers, returns and other filings as stipulated under the Environmental Laws;
- (iv) To submit a quarterly compliance report (by the 15th of the next month following a calendar quarter) to the Environment Management Cell-Corporate and the Organisational Head of being in compliance of the Environmental Policy ("Compliance Report");
- (v) To immediately on becoming aware of any event, giving rise to pollution or any breach of the Environmental Policy:
 - a) report such event to the Environment Management Cell-Corporate and the Organisational Head; and
 - b) take all remedial measures that are necessary in the circumstances of the case;
 - c) at the earliest possible, send a detailed report stating the remedial measures taken already and suggested measures to mitigate the effect of the event of pollution / breach;
- (vi) Apart from the immediate remedial measures, take all measures as directed by the government authority, Environment Management Cell-Corporate and the Organisational Head, in respect of the effect of the event of pollution / breach.

Environment Management Cell-Corporate

If required under the Applicable Laws, the Company shall have an Environment Management Cell at the Corporate level ("**Environment Management Cell-Corporate**"). The Company shall by way of a separate Board Resolution authorize/appoint certain person/s as person/s responsible for operation/functioning of the Environment Management Cell-Corporate, as per the procedure laid down in the Policy.

The Environment Management Cell-Corporate shall be supervised by a senior executive, who has been duly appointed/designated by a Board Resolution of the Company for the said purpose. Such duly appointed senior executive shall, appoint on behalf of the Company, qualified employees/personnel/third party agencies (being environmental consultants) to the Environment Management Cell-Corporate. An experienced/senior executive of the Company / third party agency, shall be the head of the Environment Management Cell-Corporate. The head of the Environment Management Cell-Corporate shall report to the senior executive appointed by the Company, for supervision of the Environment Management Cell-Corporate.

The Environment Management Cell-Corporate shall be responsible for reviewing and supervising the performance of the various Environment Management Cells-Project, to ensure that there is complete compliance with the Environmental Laws and shall directly report to the Organisational Head.

Functions of the Environment Management Cell-Corporate

The Environment Management Cell-Corporate shall:

- (i) Generally give their recommendations to the Environment Management Cell-Project for compliance of the Policy in respect of its projects;
- (ii) Meet within 15 days of the receipt of the Compliance Report filed by the Environment Management Cell-Project, in which meeting, it shall review the Compliance Report and any other matter concerning the compliance of the Company with the Environmental Laws and give its recommendation/s to the Environment Management Cell-Project, in order to ensure maximum performance and efficiency.
- (iii) On receipt of any intimation from the Environment Management Cell-Project, that there has been any event of critical material breach of the Policy, causing severe pollution , then the Environment Management Cell-Corporate shall :
 - a) within 24 hours, immediately meet to review the situation and give appropriate recommendations with respect to the mitigation strategy; and
 - b) within 48 hours ensure that the Organisation Head shall report such event to all the Directors and Shareholders of the Company.
 - c) Report of such event along with the mitigation strategy, will be tabled at the Board Meeting of the Company and suggestions/recommendations of the Board of Directors will be taken.
- (iv) On receipt of any intimation from the Environment Management Cell-Project, that there has been any event of breach (not being a material breach), then the Environment Management Cell-Corporate shall:
 - a) review the situation within 15 days from the date of such intimation and give appropriate recommendations with respect to the mitigation strategy;
 - b) Report of such event along with the mitigation strategy, will be tabled at the Board Meeting of the Company and suggestions/recommendations of the Board of Directors will be taken.
- (v) Ensure that suggestions/recommendations of the Board of Directors of the Company are duly communicated by the Organisation Head to the Environment Management Cell-Project, and monitor their implementation.

6. Review of Environmental Policy:

This Policy shall be reviewed by the Board of Directors on the happening of either of the two events:

- (i) any change in Environmental Laws; or
- (ii) recommendations of the Environment Management Cell-Corporate.

Approved by the Board of Directors at its Meeting held on November 10, 2020.