



## Sustainable Procurement Policy

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# 1. Introduction

The Tata Group underscores its unwavering commitment to sustainability, meticulously guided by an all-encompassing policy framework that provides strategic direction to its diverse portfolio of companies. This sustainable sourcing policy represents a pivotal subset of the Group's broader policies, specifically tailored to govern, and promote sustainable sourcing practices across its organizational spectrum.

The Indian Hotels Company Limited (IHCL) is committed to sustainable, responsible, and inclusive procurement practices. We recognize that our procurement decisions can have a significant impact on the environment, society, and the economy. To guide our procurement practices and ensure that we meet our sustainability and social responsibility goals, we have developed a comprehensive set of policies.

Our Procurement Policy embodies our commitment to transparent, fair, and efficient procurement practices. Guided by principles of compliance, competition, quality, and sustainability, we strive to maximize value while upholding ethical conduct and fostering strong supplier relationships. This dynamic policy reflects our dedication to continuous improvement, ensuring that procurement remains a strategic function that adds value to our organization and aligns with our mission and values.

This policy provides the fundamental framework encompassing the guiding principles that govern IHCL's procurement practices. This policy covers the following aspects:

- Stakeholder Engagement
- Product Responsibility
- Sustainable Supply Chain and Responsible Sourcing
- Prohibition of Child Labour and Prevention of Forced Labour at the Workplace
- Environment, Health, and Safety
- Preferential procurement
- Supplier Code of Conduct

*IHCL is committed to review its Sustainable Procurement Policy to evaluate its effectiveness and relevance from time to time. This review allows us to adapt to evolving sustainability standards, identify opportunities for improvement, and ensure that our procurement practices align seamlessly with our commitment to environmental and social responsibility. By consistently fine-tuning our approach, we aim to not only meet but exceed sustainability objectives while maximizing the value we deliver to our stakeholders.*

## 2. Stakeholder engagement

Objective: IHCL recognizes the paramount importance of engaging with all relevant stakeholders to foster transparency, collaboration, and trust in our procurement processes. Our commitment to stakeholder engagement aligns with our broader sustainability goals and corporate responsibility.

Policy Statement: IHCL is committed to the principles of stakeholder engagement in our procurement practices. We acknowledge that our stakeholders, including employees, suppliers, customers, and the local community, play a pivotal role in shaping our procurement decisions and the overall sustainability of our operations.

To this end, we have established the following policy to guide our stakeholder engagement efforts:

a. Active Stakeholder Engagement:

- IHCL actively engages with stakeholders, including employees, suppliers, customers, and the local community, to understand their expectations, concerns, and insights regarding our procurement practices.
- We seek to build constructive relationships with our stakeholders and create an open and inclusive environment where their perspectives are valued.

b. Incorporating Stakeholder Input:

- IHCL is committed to ensuring that stakeholder feedback and input are integrated into our decision-making processes related to procurement.
- We recognize the invaluable insights that our stakeholders possess and strive to incorporate their recommendations, where feasible, to enhance the sustainability and social responsibility of our procurement activities

c. Transparent Communication:

- We pledge to communicate transparently with our stakeholders about our sustainable procurement efforts and progress.
- While maintaining the highest standards of confidentiality and protecting competitive information, we will provide stakeholders with information about our sustainability initiatives, achievements, and areas for improvement.

d. Continuous Improvement:

- IHCL is dedicated to continuous improvement in our stakeholder engagement practices as a means of enhancing our sustainability performance.
- We will regularly review and refine our engagement strategies, taking into account emerging sustainability trends and the changing expectations of our stakeholders.

By adhering to this Stakeholder Engagement Policy, IHCL aims to strengthen relationships with its stakeholders and collaboratively advance our sustainability objectives in the procurement domain. Through this commitment, we strive to be a responsible and trusted partner in the global business community, working towards a more sustainable and equitable future.

### 3. Product responsibility

Objective: IHCL is dedicated to delivering safe, quality, and sustainable products to our customers while minimizing their environmental and social impacts. Our objective is to lead in product responsibility by integrating sustainability, ensuring compliance, and fostering collaboration.

Policy Statement:

a. Compliance with Regulations and Quality Standards:

- IHCL complies rigorously with all product safety and quality regulations and standards, striving for excellence in product performance and safety.
- We remain vigilant in staying abreast of evolving regulatory requirements to ensure our products consistently meet or exceed the highest safety and quality standards.

b. Integration of Sustainability Criteria:

- Sustainability criteria are seamlessly integrated into our product evaluation, development, and sourcing processes to reduce environmental and social risks across the product lifecycle.
- These criteria encompass resource efficiency, responsible sourcing, energy and emissions reduction, and social impact assessments, guiding our decision-making and innovation efforts.

c. Collaborative Supplier Engagement:

- IHCL recognizes the pivotal role of our suppliers in upholding our product responsibility standards, and we collaborate closely with them.
- Through active engagement, we promote responsible sourcing practices, ethical labor standards, and environmental stewardship throughout the supply chain.

d. Transparent Customer Communication:

- IHCL provides customers with accurate and transparent information about the environmental and social attributes of our products.
- We empower consumers to make informed choices through product labels, packaging, and digital platforms, aligning our offerings with their values.

e. Continuous Improvement:

- IHCL views product responsibility as an ongoing journey of improvement.
- We employ regular assessments, performance metrics, and feedback mechanisms to drive enhancements in our product responsibility efforts.

In summary, IHCL is committed to delivering safe, high-quality, and sustainable products that minimize their environmental and social impacts. Through compliance, sustainability integration, collaborative supplier engagement, transparent customer communication, and continuous improvement, we strive to set industry standards and contribute positively to a better future.

## 4. Sustainable supply chain and responsible sourcing

Objective: IHCL is committed to fostering a sustainable supply chain by promoting responsible sourcing practices among our suppliers. We aim to create a supply chain ecosystem that not only meets our operational needs but also aligns with our sustainability and ethical standards.

Policy Statement:

a. Identifying and Assessing Risks:

- IHCL recognizes the importance of identifying and assessing environmental, social, and ethical risks within our supply chain. We work collaboratively with our suppliers to understand and mitigate these risks.
- Through rigorous risk assessments, we proactively address issues such as environmental impact, labour conditions, and ethical concerns to ensure the integrity of our supply chain.

b. Supplier Selection:

- IHCL prioritizes the selection of suppliers who demonstrate a clear commitment to sustainability, responsible sourcing, and ethical business practices.
- Our supplier evaluation process considers criteria such as environmental certifications, social responsibility initiatives, and adherence to ethical standards, ensuring that our partners share our values.

c. Supplier Collaboration:

- We engage in ongoing collaboration with our suppliers to improve their sustainability performance and promote responsible sourcing of materials and components.
- IHCL supports suppliers in enhancing their environmental practices, ethical labour conditions, and social responsibility efforts, fostering a culture of continuous improvement.

d. Monitoring and Reporting:

- IHCL is dedicated to regularly monitoring and reporting on our supply chain's sustainability performance.
- We employ performance metrics, audits, and supplier assessments to track progress and ensure compliance with our sustainability standards. When necessary, corrective actions are taken to rectify non-compliance and drive positive change.

Through this comprehensive Policy on Sustainable Supply Chain and Responsible Sourcing, IHCL seeks to establish a supply chain characterized by transparency, sustainability, and ethical responsibility. By identifying and mitigating risks, selecting responsible suppliers, collaborating for improvement, and maintaining rigorous monitoring and reporting processes, we aim to set a high standard for sustainability in our industry. Our commitment to a sustainable supply chain not only benefits our operations but also contributes to a more responsible and ethical global supply network.

## 5. Prohibition of child labour and prevention of forced labour at the workplace

**Objective:** IHCL is unwavering in its commitment to ensuring that our procurement practices do not contribute to child labour or forced labour. Our objective is to create a supply chain that upholds the highest ethical standards and promotes the welfare of workers.

**Policy Statement:**

a. **Strict Prohibition of Child Labour and Forced Labour:**

- IHCL strictly prohibits the use of child labour and forced labour in any part of our supply chain. We require all our suppliers to adhere to the same uncompromising standards.
- We define child labour in accordance with international conventions and laws, and we prohibit any form of forced or bonded labour, including debt bondage and involuntary prison labour.

b. **Due Diligence Processes:**

- We implement robust due diligence processes to identify and address potential risks related to child labour and forced labour within our supply chain.
- These processes include supplier assessments, audits, and ongoing monitoring to ensure compliance with our policy and international labor standards.

c. **Support for Eradication Initiatives:**

- IHCL actively supports programs and initiatives aimed at eradicating child labour and forced labour in regions where our suppliers operate.
- We collaborate with stakeholders, NGOs, and industry associations to contribute to broader efforts to eliminate these labor abuses.

d. **Immediate Action and Supplier Accountability:**

- IHCL is committed to taking corrective action to rectify any violations of this policy. If necessary, we are prepared to terminate relationships with suppliers who do not comply with our stringent standards.
- We believe in holding both ourselves and our suppliers accountable for upholding human rights and labor standards throughout our supply chain.

Through this comprehensive Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, IHCL reaffirms its commitment to ethical and responsible business practices. By strictly prohibiting child and forced labour, implementing due diligence processes, supporting eradication initiatives, and ensuring swift action against non-compliance, we aim to set the highest standards of ethical conduct in our industry. Our dedication to this policy is a testament to our commitment to social responsibility and human rights.

## 6. Environment, health, and safety

Objective: IHCL is committed to upholding stringent environmental protection standards and promoting the health and safety of our employees, suppliers, and the broader community. Our primary objective is to establish a sustainable, safe, and responsible workplace and supply chain.

Policy Statement:

a. Legal Compliance and Continuous Improvement:

- IHCL is unwavering in its commitment to strict adherence to all relevant environmental, health, and safety laws and regulations. We continuously seek opportunities for improvement in these critical areas.
- Regular assessments help us identify and implement measures to reduce our environmental impact and enhance health and safety protocols.

b. Environmental Impact Mitigation:

- IHCL takes a proactive stance in assessing and mitigating the environmental impact of our procurement activities. This includes responsible resource use, waste reduction, and emissions control.
- Sustainability initiatives, such as sustainable sourcing, energy efficiency, and waste reduction, are intrinsic to our operations, reducing our ecological footprint.

c. Employee and Contractor Safety:

- The health and safety of our employees and contractors are paramount. We provide safe working conditions, comprehensive training, and necessary resources to prevent accidents and injuries.
- IHCL fosters a culture of safety, encouraging employees to report concerns and actively participate in safety initiatives.

d. Collaborative Supplier Engagement:

- IHCL collaborates closely with our suppliers to promote environmentally friendly and safe practices within our supply chain.
- We expect our suppliers to share our commitment to sustainability and adhere to health and safety standards, working together towards a responsible supply network.

e. Incident Reporting and Corrective Actions:

- IHCL maintains clear protocols for reporting and investigating environmental, health, and safety incidents or violations.
- Immediate corrective actions are taken to prevent recurrence, and our policies and procedures are continually refined to maintain a proactive approach to safety and environmental stewardship.

Through this comprehensive Policy on Environment, Health, and Safety, IHCL aims to be an industry leader in sustainable and responsible practices. We are steadfast in our commitment to safeguarding the environment, ensuring employee well-being, and fostering a safe community. These principles are integral to our corporate responsibility, and we continually innovate and improve to fulfil our objectives.

## 7. Preferential procurement

Objective: IHCL's objective is to drive sustainability, inclusivity, and economic empowerment in our procurement practices. We aim to give preference to suppliers and products that meet stringent sustainability criteria while committing a percentage of our procurement spend to support vulnerable groups.

Policy Statement:

At IHCL, we are committed to integrating sustainability, social responsibility, and inclusivity into the core of our procurement processes. Our approach to Preferential Procurement reflects our unwavering dedication to responsible business practices that extend beyond profit generation.

Sustainability Criteria: We prioritize suppliers and products that align with our comprehensive sustainability criteria. These criteria encompass several key aspects:

1. **Environmental Responsibility:** We seek suppliers who actively reduce their environmental footprint through energy efficiency, waste reduction, sustainable sourcing, and emissions control. We aim to minimise our environmental impact through our procurement choices.
2. **Ethical Practices:** IHCL values suppliers who uphold ethical labour practices, respecting human rights, fair wages, and safe working conditions throughout their supply chain. We demand transparency and accountability from our partners.
3. **Local Economic Support:** Supporting local economies is paramount. We actively seek out suppliers who contribute to the economic growth and development of the regions in which they operate.

Inclusivity Initiative: In addition to our sustainability commitment, we are dedicated to promoting inclusivity within our procurement practices. To achieve this, we allocate a substantial 25% of our annual procurement volume to procure goods and services from Micro, Small, and Medium Enterprises (MSMEs) and Vulnerable Groups. These Vulnerable Groups include Women Entrepreneurs, Minorities, Persons with Disabilities, Indigenous Communities, LGBTQ+ Individuals, and those classified as Low-Income or Socioeconomically Disadvantaged. This initiative is aimed at fostering economic empowerment, social equity, and diversity within our supply chain.

Through this Preferential Sustainable Procurement Policy, IHCL strives to set a benchmark for responsible, inclusive, and sustainable procurement practices in our industry. Our commitment to these principles is a testament to our corporate responsibility, and we believe that by adhering to this policy, we can not only efficiently meet our business needs but also contribute positively to our communities, the environment, and vulnerable populations. This policy is integral to our overall procurement framework and is to be followed diligently by all members of our organisation involved in procurement activities. We envision a future where sustainable and inclusive procurement becomes the standard, creating a better world for all stakeholders.

## 8. Supplier code of conduct and raising a concern

Objective:

1. Tata Group has been values-driven organization since its inception. The five core values in the Tata Code of Conduct (collectively “**the Core Values**”) underpins the way we conduct our business activities:
  - ❖ **INTEGRITY**  
We will be fair, honest, transparent, and ethical in our conduct; everything we do must stand the test of public scrutiny.
  - ❖ **UNITY**  
We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.
  - ❖ **RESPONSIBILITY**  
We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.
  - ❖ **PIONEERING**  
We will be bold and agile, courageously taking on challenges, using deep customer insight to develop innovative solutions.
  - ❖ **EXCELLENCE**  
We will be passionate about achieving the highest standards of quality, always promoting meritocracy.
2. The Indian Hotels Company Limited, having adopted the Tata Code of Conduct (“**TCOC**”) is committed to the Core Values. Company believes that the Suppliers are an integral part of its ecosystem and expects them to uphold the Core Values in their business transactions with the Company.
3. This **Supplier Code of Conduct (“Supplier Code”)** outlines Company’s expectations from Supplier for upholding the Core Values and the key principles elucidated in this Supplier Code under four principles of governance and management practices; business ethics; labour practices and human rights; and environment, health, and safety.
4. Suppliers are expected to adopt similar principles in dealing with their suppliers.

## SCOPE AND AVAILABILITY

This Supplier Code applies to the entities providing product or services to the Company, including but not limited to vendors, contractors, subcontractors, consultants, agents, value-chain partners, service providers, distributors, sales representatives, channel partners, intermediaries, and business partners.

Please refer IHCL's comprehensive **Supplier Code of Conduct** for detailed guidelines pertaining to all matters related to supplier Code of Conduct. It is imperative that all vendors, contractors, subcontractors, consultants, agents, value-chain partners, service providers, distributors, sales representatives, channel partners, intermediaries, and business partners formally acknowledge and endorse the complete Supplier Code of Conduct as an essential prerequisite for engaging in business transactions with IHCL and its Subsidiaries.

## RAISING A CONCERN

The Indian Hotels Company Limited strongly encourages its suppliers to promptly report any actual or potential violations of the Tata Code of Conduct, the company's policies (including the Supplier Code of Conduct), or relevant laws. Such concerns or disclosures can be made using the designated channels outlined in our Whistleblower Policy:

**Call: Ethics helpline India** (Toll-free) Number at: [180 0-10 2-6 969](tel:18001026969)

9:00 am – 10:00 pm IST Monday to Saturday

**Email All Countries:** [ihcl@integritymatters.in](mailto:ihcl@integritymatters.in)

Availability 24x7

**Web Portal all countries:** <https://ihcl.integritymatters.in>

Availability 24x7

**Access Code: IHCL**

**Post Box All Countries:** IHCL, C/o Integrity Matters,

Unit 1211, CENTRUM, Plot No C-3, S.G.

Barve Road, Wagle Estate,

Thane West – 400604, Maharashtra, India

Availability 24x7.

It is essential for our suppliers to instil similar reporting practices within their organizations and to encourage their employees, customers, suppliers, and other stakeholders to report any instances of wrongdoing, unethical behaviour, or suspected violations of the Supplier Code of Conduct and relevant laws.