

IHCL SUPPLY CHAIN ENGAGEMENT POLICY

MODULE NAME : IHCL SUPPLY CHAIN ENGAGEMENT POLICY
ISSUED BY : IHCL CORPORATE

Synergizing for Responsible Procurement

The Indian Hotels Company Limited (IHCL) is committed to the Tata Group Purpose of maintaining high social, ethical and environmental standards in our Supply Chain. It reflects a sustained process by which managers think about and evolve their relationships with Value Chain Partners (VCP) for the common good, and demonstrate their commitment in this regard by adoption of appropriate business processes and strategies. Our responsibility does not emanate directly from external demands but instead from organizationally embedded principles, evinced in the [IHCL Sustainability Policy](#). In order to ensure business sustainability and develop long-term relationships with its partners, IHCL Group is working on strengthening sustainability practices across its entire supply chain.

Supply Chain Engagement Policy with Value Chain Partners

IHCL's Supply Chain Engagement Policy aims to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policy covers matters including legal compliance, human rights, safety, health and hygiene, as well as environmental sustainability. These are the minimum standards under which IHCL value chain partners are expected to operate.

The policy is applicable to all value chain partners of IHCL. For the purpose of this document, value chain partners will mean all partners who supply products, services and experience to IHCL. IHCL encourages all its value chain partners to adhere to collaborate with IHCL by

- Adopting the principles stated in the policy.
- Striving for continuous improvement.
- Extending the principles to their own value chain partners.
- Reporting to IHCL any violations of any of the principles and taking immediate action to rectify the same.

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Our Commitment to Value Chain Partners

- IHCL will carry out its business in accordance with the Policy in spirit as well as in practice.
- We will support and collaborate with our Value Chain Partners and address any gaps identified.

The Policy Guidelines:

- (i) **Legal compliance:** IHCL expects its value chain partners to adhere to all applicable laws and regulations of the countries, states and municipalities in which the business operates.
- (ii) Fair Business Practices
 - The Tata Code of Conduct (TCoC) outlines the ethical standards and fair business practices by which IHCL conducts its business. We expect our partners to adopt similar principles and put internal control systems in place and be able to provide documentary evidence regarding its effective implementation.

The complete TCoC can be found on the IHCL website by clicking here [TCOC](#)

- (ii) **Human Rights:** Our VCPs should:

- Ensure that no children below the age of 14 years are employed by them. The personal particulars of all employees are recorded with legal certifications to ensure no exploitation and working under duress is prevalent.
- Minimum wages are paid to the people hired by the supplier, however, genuine effort should be made to pay fair wages wherein, the wages should at least cover a family of four's requirements of calories, shelter, clothing, education, medical assistance, and basic recreation.
- Encourage a diverse workforce and provide a workplace free from harassment, discrimination, or any other abuse.
- The vendor has a mechanism to address sexual concerns at the workplace and all employees are aware of it. Vendor should be duty bound to promote a working environment in which persons of both sexes work and complement each other as equals in an environment that encourages maximum productivity.
- Human rights policies and practices are communicated to all employees, subcontractors and partners in their local languages. This includes formal communication to employees outlining punishments in lieu of human rights violation norms.
- Employees in supervisory positions are specifically selected and trained on implementation of human rights practices.
- The Supplier should have a transparent grievance redressal system and all employees are aware of it.

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- Partners who are accredited to SA 8000 or equivalent will be deemed to satisfy this requirement.
- Whistle Blower Policy: The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The role of the employees in pointing out such violations cannot be undermined, therefore IHCL requires its partners to ensure the same. Whistle blowers should be encouraged and genuine complaints should be addressed and recorded transparently.

(iii) Environmental and Social Responsibility:

In our commitment to integrate environmental and social responsibility principles into the business, we require our partners to operate in an environmentally and socially responsible manner by reducing environmental impacts and resource consumption and contributing to communities.

This includes the endeavor to

- Use resources responsibly: Reduce the use of resources such as energy, water, packaging and other materials.
- Minimize carbon emissions and waste generated.
- Support and develop local communities.

(iv) Health, Hygiene and Safety

We are committed to provide safe and humane working conditions for all employees. The partner must ensure that adequate safety measures are in place to ensure zero harm to employees and workers. The partner is to ensure that the manpower supplied by him/her will adhere to the safety, health, and hygiene rules and regulations laid by IHCL and other related regulatory agencies. IHCL has viewed its food safety management programme beyond mere compliance and has extended it to include hygiene and cleanliness. Food Safety practices are guided by requirements of ISO 22000, FSSAI, HACCP principles and Codex Alimentarius (Latin for Food Code).

(v) Quality, Cost and Delivery (CQD)

Partners should focus on continuous improvement on CQD through effective cost-optimization activities, quality processes, energy efficient products and services, timely delivery and responsive after sales service.

(vi) Intellectual Property Rights (IPR)

IHCL explicitly requests its partners to implement strict compliance with respect to intellectual property rights and responsibly handle competitive data, intellectual property, and other proprietary data and/or sensitive information, including IHCL employee, customer, and guest information.

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(vii) Reporting

IHCL expects its value chain partners to report publicly in their annual report about their Social initiatives, and initiatives around Water, Energy, Waste and Carbon emissions. They could also adopt global or local sustainability reporting formats such as SEBI's Business Responsibility Report or GRI or Integrated Reporting.

In addition to the above value chain partners are required to supply materials and products adhering to standards specified in the IHCL responsible sourcing guidelines.

For any clarifications, concerns or to report any violations of the above principles, value chain partners can write to the Office of the Chief Sustainability Officer or VP Materials at

THE INDIAN HOTELS COMPANY LIMITED

9th Floor, Express Towers, Nariman Point, Mumbai 400 021, Maharashtra, India.