

RESPONSIBLE SOURCING

MODULE NAME : RESPONSIBLE SOURCING

ISSUED BY : IHCL CORPORATE

Objective

The objective of CSR is an enduring legacy of giving back to society and a commitment to inclusive growth.

Business Philosophy

The company's corporate social responsibility (CSR) strategy is to give back to society by enabling livelihoods for less privileged target groups through skilling and leveraging our business value chain to support traditional art & heritage and social purpose organizations.

Process Description

1. IHCL is committed to building capabilities and furthering the livelihoods of the disadvantaged sections of the society.
2. The firm initiated the "Tata Affirmative Action Programme (TAAP) known as "Aadhar, which is aimed at serving traditionally disadvantaged communities, such as Scheduled Castes (SC) and Scheduled Tribes (ST), with a focus on the 4E's – Education, Employability, Entrepreneurship and Employment
3. Vendors under such category are given preferences if QCD objectives is followed.
4. For rest, Organization is first classified as NGO based on Govt certificate or on employability factor.
5. The product which can be supplied without deviating from brand standards are identified.
6. Necessary feedback or training is provided in order to elevate the standard and to educate them to follow the norms as required.
7. Product is procured on the basis of requirement generated at the hotel level.
8. The firm also believes selection on the basis of NEED
9. The firm employees Cancer patients for production of Linen, underprivileged communities create gloves, under-deprived communities make Sarees
10. Visit is also made to NGO to check the progress going on and credentials.

11. Entrepreneurship

- The CMG and hotel materials managers support in identifying vendors and NGOs.
- We operate our hotels in multiple destinations which give us the unique opportunity to support small-scale vendors
- We have identified & nurtured not just large-scale suppliers but also small scale, first-time entrepreneurs in our supply chain.
- Locally, our hotels now products and services such as seafood, vegetables, waste management, hotel maintenance (plumbing/cleaning) among others from these target groups.
- These efforts have led to the inclusion of SC/ST vendors with a focus on livelihood generation

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programs for marginalized target groups in our corporate contracts.

- Furthermore, close to 30 locally based SC/ST vendors are supported by our hotels as a result of this vigor in the area of AA. For eg: SC/ST vendors are supported by our hotels in New Delhi, Mumbai, Hyderabad, Jaipur, Lucknow, Kolkata, Hyderabad, Nashik, Varanasi and Bekal.
- Through the years, we have expanded the types of goods and services sourced from AA vendors; sourcing cotton gloves, jute slippers and unbleached laundry bags from identified AA vendors.
- Corporate contracts are enabled for these vendors to source business from hotels across the Group.
- Over Rs. 11 crores worth of business is extended to these small & micro enterprises engaged as a part of our supplier diversity effort; which had a high density of SC, ST beneficiaries as well.
- We are currently in the process of building synergies and stabilizing sourcing five new products:
 - Tulsi welcome maalas
 - Candles
 - Chef aprons
 - Carry bags & merchandise potlis
 - Laundry baskets



- The Central Materials Group (has developed a process for improving the supply chain diversity. The process includes
 - Defining the addressable spend
 - Proactively reaching out to SC/ST vendors who can supply the selected products offer selected services
 - Handholding the vendors
 - Empanelment of vendors
 - Encouragement of the purchase managers of the hotels to place orders
- Even at the hotel level, the purchase managers are working towards adding new SC/ ST vendors and extending business to them

12. Social Inclusion & Affirmative Action

- Hotels to continue supporting social impact partners with an existing ARA contract
- Support Self Help Groups, Not for Profits & Social Enterprises (who have high-density member-base of the target communities) to develop/produce CMG identified set of items & services
- Invest in hand-holding & capacity-building of new vendors; followed by establishing business partnerships & Annual Rate Agreement.
- Hotels to start procuring from new vendors identified & developed.

PROCESSFLOWCHART: CSR VENDOR SELECTIONS

