

DESTINATIONS

INDIAN HOTELS COMPANY LIMITED

CORPORATE SUSTAINABILITY REPORT 2013-14



DESTINATIONS

We are glad to present 'Destinations' our 11th Sustainability Report, which highlights our sustainability performance and depicts our achievements and challenges in the year 2013-14.

'Destinations' for us mean multitude aspects and impacts of our sustainability journey. These would also be the milestones that we want to reach, which are dynamic in nature, shaped by industry overview, business plans and stakeholder expectations. Destinations also entail management of the locations where we operate, which is critical for business sustainability.

We contribute to the development of 'Destinations' we operate in and



surrounding communities in myriad ways. The rich culture, heritage, art and biodiversity of our destinations is of immense value and our constant endeavour continues to support these destinations and place more and more of them on international tourism map. The direct and indirect economic impacts of our hotels help communities thrive. We have aligned our community development agenda with our core business to ensure sustainability and longevity of our community interventions.

While we continue to achieve our milestones, we are constantly evolving our sustainability goals to ensure a more sensitive and responsible brand. It is this endeavour that helps us in contributing to the destinations that we operate in.

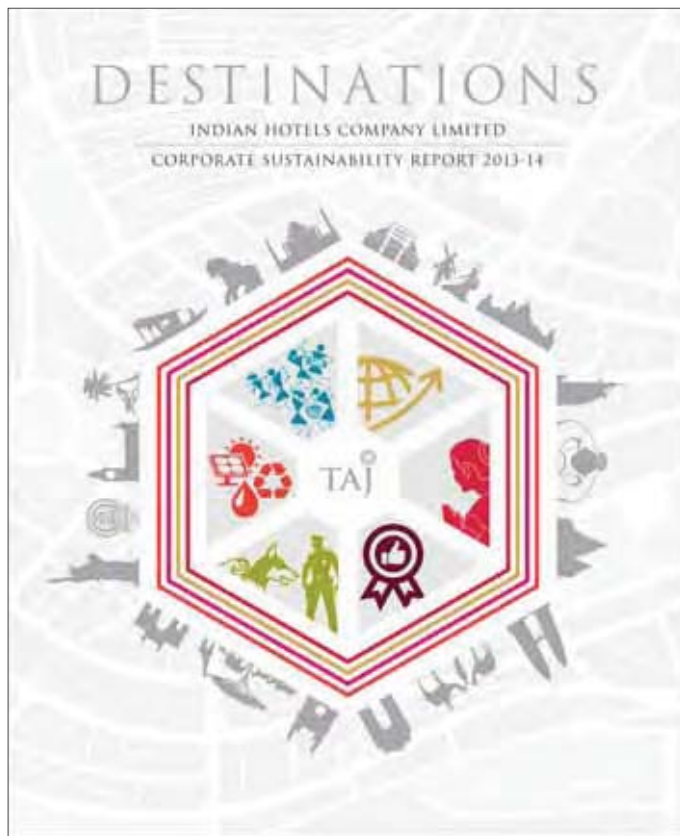




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ABOUT THE REPORT



- 11th Annual Corporate Sustainability Report of IHCL 2013-14
- Prepared using Global Reporting Initiative (GRI) G3.1 guidelines
- Serves as Communication on Progress (CoP) to United Nations Global Compact (UNGC)
- Aligned to National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- External Assurance and Third Party Check for Application Level A+ by KPMG, India

This report has references to the Company's Annual Report 2013-14 which is accessible at <http://www.tajhotels.com/About-Taj/Investor-Relations/annual-reports.html>

Report Application Level	C	C+	B	B+	A	A+
Profile Disclosure	Report on: 1.1 3.1 - 3.16 2.1 - 2.8, 3.16 - 3.22 4.1 - 4.6, 4.10 - 4.12		Report on all criteria listed for Level C plus: 1.3 2.5, 3.12 4.3 - 4.10, 4.16 - 4.17		Same as requirement for Level B	
Disclosures on Management Approach	Not Required	Report Externally Assured	Management Approach Disclosures for each indicator category	Report Externally Assured	Management Approach disclosed for each indicator category	Report Externally Assured
Performance Indicators & Sector Supplement Performance Indicators	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environmental.**	Report Externally Assured	Report fully on a minimum of any 10 Performance Indicators, at least one from each of: economic, environmental, human rights, labor, society, product responsibility.**	Report Externally Assured	Reported on each core and Sector Supplement** indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	Report Externally Assured

* Sector supplement in final version
 ** Performance Indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines
 *** Performance Indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines




PERFORMANCE HIGHLIGHTS

8
NEW HOTELS
LAUNCHED



7%
OF TOTAL ENERGY
IS RENEWABLE
BASED



9
EARTHCHECK GOLD
CERTIFIED HOTELS




5
CONSECUTIVE YEARS
OF GALLUP GREAT
WORKPLACE AWARD



₹ 2.15 MILLION
PURCHASES FROM
CAUSE BASED
ORGANIZATIONS



4%
REDUCTION IN
WATER CONSUMED
PER ROOM NIGHT
SOLD

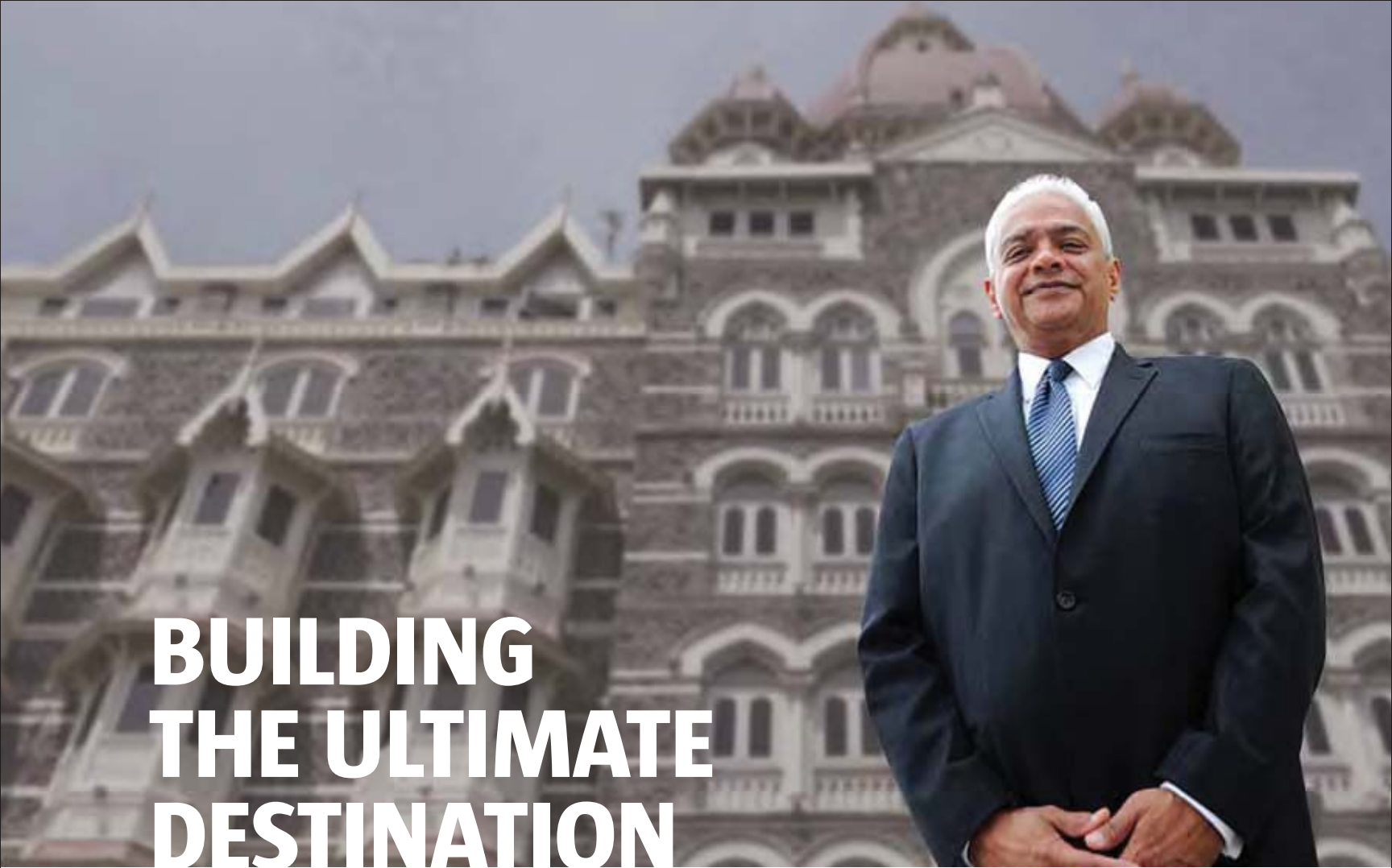


7000 +
ACTIVE
VOLUNTEERS



PART OF
CARBON DISCLOSURE
LEADERSHIP
INDEX 2013





BUILDING THE ULTIMATE DESTINATION

Dear Stakeholder,

On behalf of all members of the Taj family, I feel privileged to present “Destinations”, Indian Hotels Company Limited’s (IHCL) 11th Corporate Sustainability Report.

“Destinations” for us is an account of our journey towards creating long term stakeholder value while positively impacting the communities where we exist. This report also highlights our performance and commitments for the financial year 2013-14. The report is developed based on GRI G3.1 Guidelines,

conforming to the requirements of application level A+. This report also serves as a Communication on Progress towards our commitment to United Nations Global Compact (UNGC) principles.

The travel and tourism industry makes tremendous contribution to GDP, creates and supports livelihoods, conserves and promotes art, preserves heritage, culture and biodiversity. With the domestic policy environment gaining impetus and tourism being pegged as a high growth sector, we aim to leverage our internal capabilities and brand

positioning to achieve high growth in the coming years.

Our survival and well-being is dependent on the natural environment. As a hotel company with “Destinations” in eco-fragile regions, we have constantly faced the challenge of balancing growth and associated environmental impacts. We address this through EARTH – Environment Awareness and Renewal - at Taj Hotels; a voluntary internal movement that focuses on deploying cleaner and greener technologies while consuming lesser resources to deliver the





footprint across brands through the Carbon Disclosure Project (CDP). This year IHCL has been recognized in the Carbon Disclosure Leadership Index – as a part of top 20 reporting companies. We are proud to share that nine of our hotels have achieved EarthCheck™ Gold Certification and 63 of our hotels have retained their Silver Certification.

The unique Taj Experience is defined, created and recreated by our most valued resources – the associates of The Taj! In turn we reward them with a safe and collaborative work environment that fosters personal and professional growth. Our workplace is like an extended family for most of us. Our people practices are geared towards creating industry leaders through intensive hands-on training and holistic exposure to lengths and breadths of hotel keeping.

Safety and security of our guests, associates, assets and neighbourhood is paramount to us. We have institutionalised standard policies and procedures across hotels on safety and security. We are working towards ensuring zero work accidents through rigorous trainings and audits. We accord highest priority to safety and security for our female guests and associates across the Taj Group and endeavour to provide systems and processes for ensuring a safe and welcoming environment.

Community well-being is one of our core values. Our Corporate Social Responsibility (CSR) theme of 'Building Sustainable Livelihoods' to empower rural and less-privileged youth with employable skills in hospitality sector is recognized by United Nations. Global Compact as a business-relevant theme. Our ability to empower target communities and

our CSR partners stems from our approach to seamlessly integrate the needs of our target communities with our key organizational processes. We have adopted a collaborative approach to work with various like-minded partners including corporates, governmental agencies and developmental institutions to facilitate inclusive growth and development in regions in which we operate. Our volunteers from hotels across brands work on projects ranging from skilling of rural school dropout youth; supporting indigenous and tribal art, craft and culture to supporting NGOs working in the areas of rehabilitation of commercial sex workers, bee-keeping for farmers and other income generation projects of Cause Based Organizations. Through our Tata Affirmative Action (AA) agenda, we endeavour to reach out in particular to socially disadvantaged communities like Scheduled Castes and Scheduled Tribes.

This is a long term journey with evolving goal-posts. Our ability to patiently and systematically pursue our sustainability goals in a process-based manner will make this journey a rewarding one – not just for our stakeholders, but also for us – as an organization!

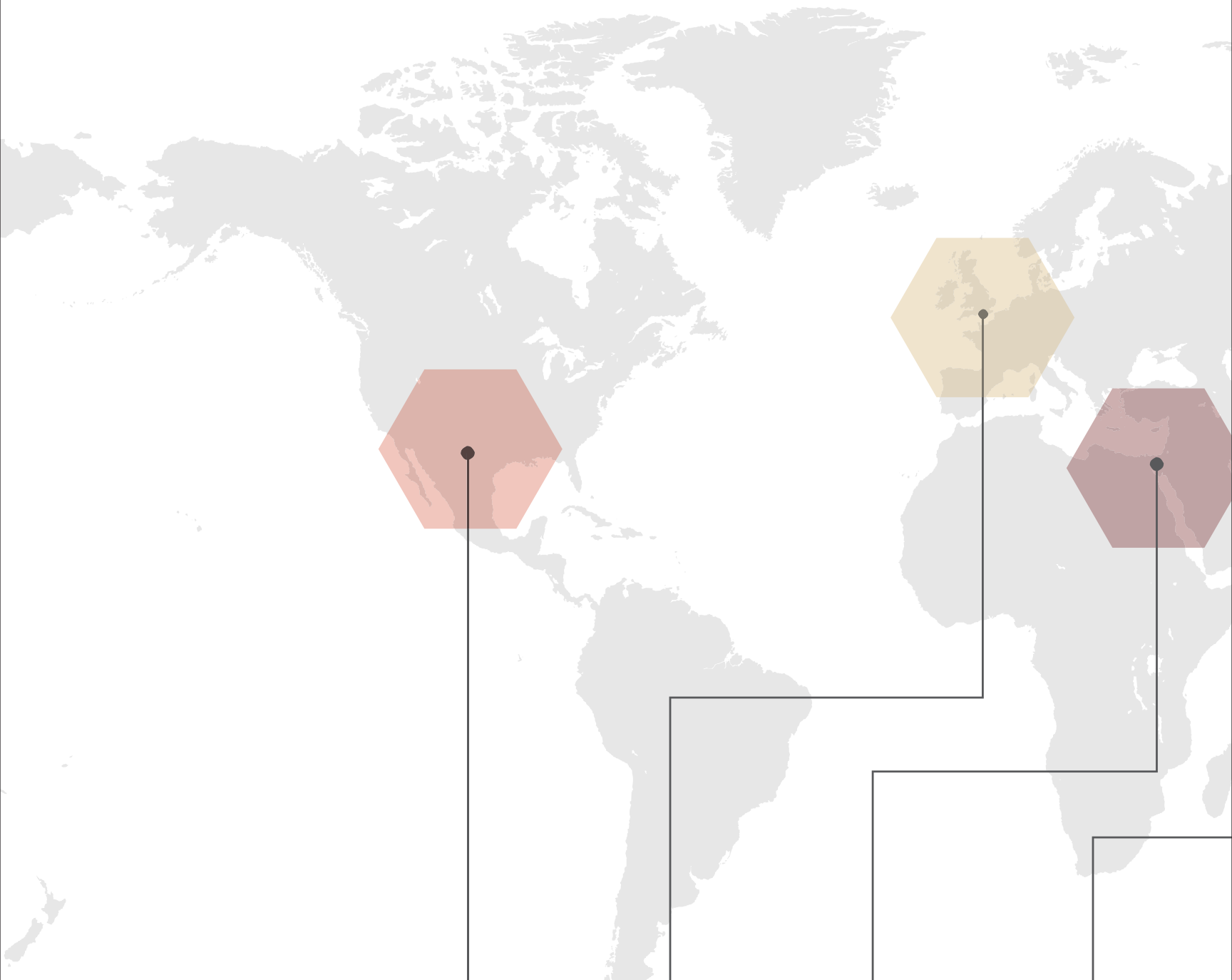
I would be glad to hear your thoughts, feedback and suggestions for improvement to help us further strengthen and enrich our sustainability journey.

Rakesh Sarna
Managing Director &
Chief Executive Officer
Indian Hotels Company Limited

quintessential Taj Experience.

Energy management is one of the key focus areas for us along with water and waste management. We are also constantly exploring ways to increase the utilization of renewable energy sources to meet our requirements. This has been integrated in annual business plans and operational goals of all hotels. There has also been an increased thrust on reducing waste water discharge outside hotel premises by recycling and reusing of water. We continue to disclose our climate change agenda and carbon





North America
3 Hotels
572 Rooms

UK & Europe
2 Hotels
434 Rooms

**Middle East
& Africa**
4 Hotels
536 Rooms

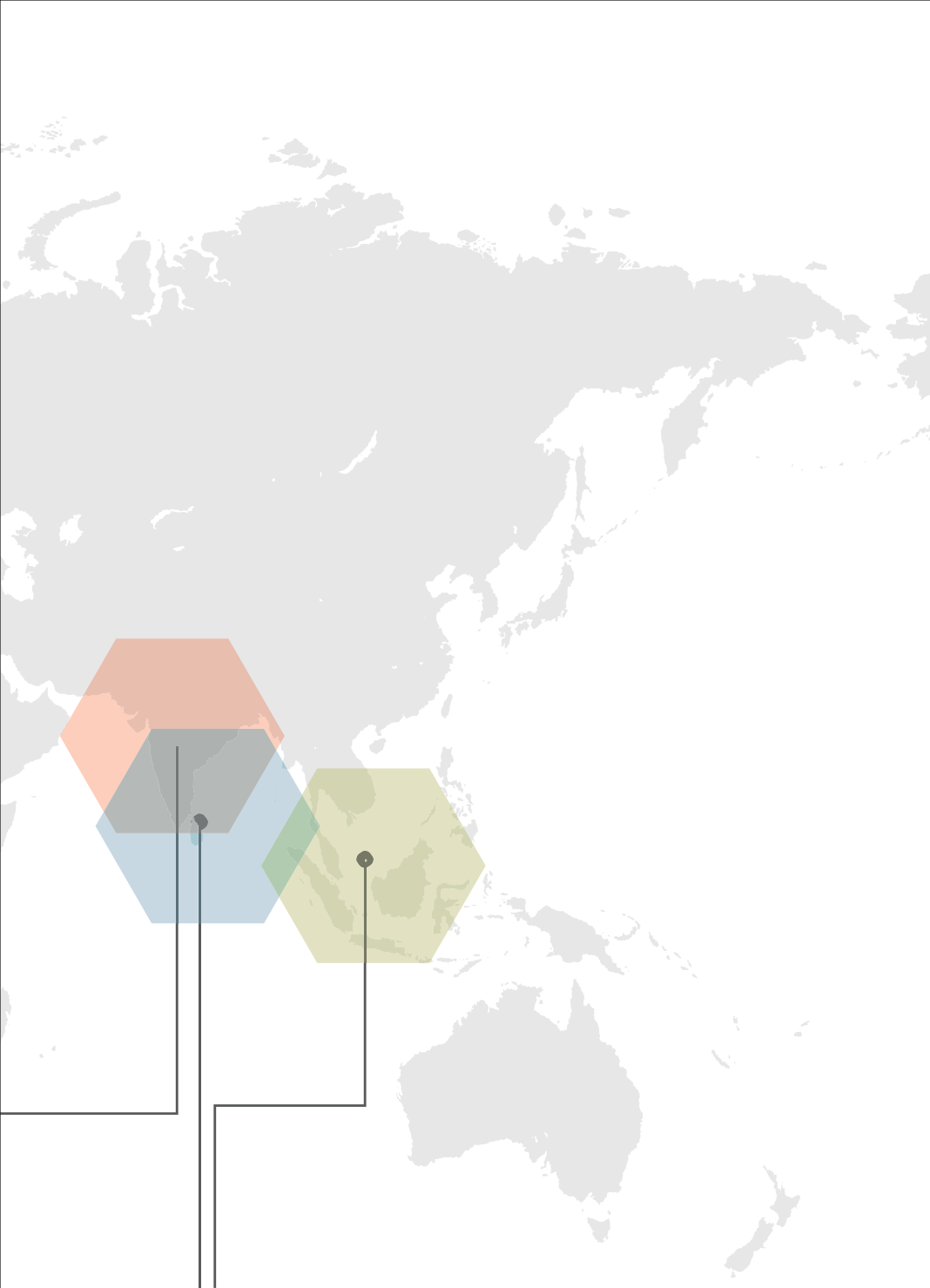
India
110 Hotels
12,081 Rooms



VIVANTA
M G ROAD BANGALORE
BY TAJ

THE GATEWAY HOTEL
HOTELS & RESORTS





**South Asia
(except India)**
7 Hotels
951 Rooms



Global footprint



10 Countries



125 Hotels



15,503 Rooms



3,484,206 Room
Nights Sold



27,468 Associates



711 Mega Joules (MJ)
energy Consumed
per room night



97 Kilograms CO2
emissions per room night



1.87 Kiloliters water
consumed per room night



LUXURY HOTELS, PALACES AND RESORTS

- Palaces powered by wind
- EARTH rooms that consume less
- The practice of perfect hospitality
- Resorts that renew biodiversity



- Iconic landmarks that are timeless
- Experiences that etch lifetime memories
- Enhancing cultural heritage





VIVANTA BY TAJ

- Caring for our surroundings
- Stylishly spirited
- Committed to ecology
- Going the renewable way
- Promoting local arts



EXPECT THE UNEXPECTED WITH VIVANTA MOTIFS

Each of the Vivanta hotels offers a unique experience of the destination where it operates. The same are ably represented by the Vivanta Motifs which pictorially describe those unique local experiences.









GATEWAY



- Saving for the future
- EARTH rooms that consume less
- Blending hospitality with modern amenities
- Resorts that renew biodiversity
- Caring for our surroundings
- Caring actively for your well-being
- Home away from home
- Enhancing lives





GINGER



JIVA SPA,
TAJ KHAZANA



TAJ SATS





LISTEN, FEEL, ACT





The Board Members:

Name of the Director	Status
Mr. Cyrus Mistry (Chairman)	Promoter; Non-Executive
Mr. Rakesh Sarna	Executive Director
Mr. Keki B. Dadiseth	Independent; Non-Executive
Mr. Deepak Parekh	Independent; Non-Executive
Mr. Shapoor Mistry	Independent; Non-Executive
Mr. Nadir Godrej	Independent; Non-Executive
Ms. Ireena Vitaal	Independent; Non-Executive
Mr. Gautam Banerjee	Independent; Non-Executive
Ms. Vibha Paul Rishi	Independent; Non-Executive
Mr. Anil Goel	Executive
Mr. Abhijit Mukerji	Executive
Mr. Mehernosh Kapadia	Executive

The brand Tata evokes trust among various stakeholders and we continue this legacy by integrating ethical business conduct in our DNA. At the core of our governance model is the Tata Code of Conduct (TCoC) that outlines the framework within which we operate. Corporate governance, adopted as a way of life at IHCL, guides us to discharge our duties towards stakeholders in a fair, transparent and accountable manner.

We have defined a Strategic Planning Process (SPP) based on Tata Business Excellence Model (TBEM) that helps us in establishing the organisational objectives, strategies and standard operating processes.

The Balance Scorecard approach is used to translate the objectives to v



measurable targets at brand, hotel and individual level. This year, the hotels have integrated energy efficiency, manpower planning and material resource efficiency in their annual plans and have taken concrete targets on these aspects. The internal audit framework, surveillance audits, mystery audits, Tata Business Excellence Model (TBEM) assessments, benchmarking and certification processes help us measure system efficiencies and take course corrections. The outcomes of all these business processes and controls are critically reviewed by the Board and senior leadership in the company.

To know more about our risk management framework and management system, refer our Corporate Sustainability Report 2010-11 (Page 21-24) accessible at <http://www.tajhotels.com/About-Taj/Company-Information/8th-Corporate-Sustainability-Report.pdf>

To know more about our risks and concerns, mitigation plans, internal controls and adequacy, refer our Annual Report 2013-14 (Page 28-29) accessible at <http://www.tajhotels.com/About-Taj/Investor-Relations/Annual-Reports.html>

Our Directors are well-versed in varied fields such as banking, finance, hospitality social service and architecture. The skill and knowledge of the Directors have proved to be of immense value. Independent Directors comprise more than half of the Board. We have three committees that overlook the entire functioning of the company. These committees include Audit committee, Stakeholders' relationship committee, and Nomination and Remuneration committee. A Board of Directors assessment is conducted to evaluate member's individual and overall Board's performance regarding attendance, privacy and conflicts of interest, industry knowledge, succession planning, and involvement in leadership oversight. The results of this assessment guides

us in systematically enhancing the Board's own performance. Sustainability matters concerning safety, security and environment are of priority to us. To oversee the consistent deployment of Safety, Health and Environment (SHE) standards across our hotels, we have institutionalised a SHE committee headed by Executive Director – Hotel Operations.

To know more about our Corporate Governance, visit <http://www.tajhotels.com/About-Taj/Investor-Relations/corporate-governance.html>

To know more about our Board of Directors and Board Committees, refer our Corporate Governance Report 2013-14 accessible at <http://www.tajhotels.com/About-Taj/Investor-Relations/corporate-governance.html>

Ethical behaviour

Tata Code of Conduct (TCoC) sets out expectations on ethical behaviour that are consistent with Tata core purpose and values. The Code has defined clauses covering various Tata Group values including ethics and integrity. We continually sensitize our associates and other relevant stakeholders on TCoC to reinforce the



ED-Hotel Operations

SHE Corporate Council

Sr. VP Human Resources
Chief Operating Officers
VP Projects
Director - Sustainability
Director - Security
GM - Projects Safety

Hotel SHE Committee

General Manager
Chief Engineer
Executive Chef
HR Manager
L&D Manager
Security Manager





Critical Sustainability Issues

Our continuous dialogue with internal as well as external stakeholders has helped us in proactively determining aspects of our sustainability performance that are of particular interest to them. As our engagement evolved, we were able to create a mechanism to continuously monitor and track issues on a proactive basis. We analysed these issues against our key risks, challenges, and strategic priorities at enterprise and hotel level to select the most critical ones. This report represents our complete range of actions and related performance on the following critical issues:

ethical values at all levels. During the year, a total of 0.13 million man-hours of training and awareness on TCoC were imparted to associates and other relevant stakeholders. The implementation of the Code is supported by a full blown process of training and awareness, policies and procedures, and reporting and handling of concerns.

To know more about Tata Code of Conduct, visit <http://www.tata.in/aboutus/articles/inside.aspx?articleid=NyGNnLHkaAc=>

To know more about implementation of Tata Code of Conduct at IHCL, refer our Corporate Sustainability Report 2010-11 (Page 17) accessible at <http://www.tajhotels.com/About-Taj/Company-Information/8th-Corporate-Sustainability-Report.pdf>

Stakeholders are an important aspect of our organization. In fact, our core competence of 'Building Relationships' is strengthened by how we engage with our stakeholders. Stakeholder engagement draws from our culture and values to build, sustain and nurture relationships at different levels. To engage well with our stakeholders, we listen to them through different channels of communication and understand their expectations. Their feedback helps us continuously refine our business planning. Beyond this, we also

constantly evaluate the effectiveness of our engagement methods to better ourselves in serving the needs of our stakeholders. The outcome of stakeholder engagement is linked to the prioritization of critical sustainability issues for IHCL. Two-way communication helps us shape our stakeholder engagement mechanism, wherein we also communicate to the stakeholders the outcomes emerging out of the engagement.

To the stakeholders the outcomes emerging out of the engagement.

To know more about Stakeholder Engagement at IHCL, refer our Corporate Sustainability Report 2012-13 (Page 17-18) accessible at <http://www.tajhotels.com/About-Taj/Company-Information/8th-Corporate-Sustainability-Report.pdf>

- **Optimizing revenues** - deployment of existing and future resources in an optimal manner to ensure a robust financial bottom-line without compromising the environment or society.
- **Focusing on customer delight** - serving customers with products and services that exceed their expectations, proactively listening to customers' voice and paying attention to detail to deliver the quintessential 'Taj Experience'.

- **Ensuring safety** – setting high standards to ensure safety and security of our guests, associates, communities, neighbourhoods and assets.
- **Developing human capital** – being 'employer of choice' by providing vibrant and collaborative work environment with rewarding careers
- **Ensuring environmental excellence** – maximising productivity through efficient management of all assets and resources, thereby avoiding short- and long-term environmental damage and maintaining and promoting natural diversity
- **Creating sustainable livelihoods** – connecting our business needs to economic and social development of communities by 'building sustainable livelihoods'.

To know more about our response to critical sustainability issues, refer our Corporate Sustainability Report 2012-13 (Page 17-18) accessible at <http://www.tajhotels.com/About-Taj/Company-Information/8th-Corporate-Sustainability-Report.pdf>





**125 HOTELS,
76 CITIES,
10 COUNTRIES**





opportunities. We have continued our growth path this year by opening four new Gateway hotels at at Hubli, Chennai, one new Vivanta by Taj hotel at Surajkund, NCR; and three new Ginger hotels in Noida, Jaipur and Chandigarh. We have strong project pipeline for the coming year as well which will enable us to reach to newer destinations. The expansion of our network to new destinations is also our commitment to contribute to enhance economic activity in these destinations and put some of these destinations on the global tourism map.

Policy advocacy

We assume leadership position in advocating and promoting Indian tourism to realise the true potential of this incredible country. We are part of many industry associations

Travel and tourism industry has a significant role to play in defining a destination. Hospitality industry in specific is just not about hotels and guest experiences but also contributes to larger economic activity in the destinations where they operate. The direct and indirect economic impacts of travel and tourism industry signify the contribution made by sector in global economic growth.

The travel and tourism industry has shown strong signs of growth for the fourth consecutive year, outpacing the overall global economic growth. 2013 was good year for international tourism. Tourism sector has shown a remarkable capacity to adjust to the changing market conditions and fuelling the growth of job creation around the world, despite continuing economic and geopolitical challenges. The domestic travel and tourism industry also has grown moderately compared to last year but is expected to have above-average growth in 2014. The Budget 2014-15 for India has placed renewed focus on tourism to ensure that 'Incredible India' gets the much needed boost for travel and tourism. Measures such as e-visa programme, expansion of visa-on-arrival, infrastructure

projects especially in tier-ii and tier -iii cities and safety and security for women are expected to translate into much higher tourist influx into India. The thrust on pilgrimage and heritage tourism with emphasis on Buddhist tourism circuit centered around Gaya in Bihar will enable India to attract this segment of tourists from South East Asia, Japan and Sri Lanka. The proposal to earmark a sum of INR 100 crore to revive heritage tourism will lead to development and promotion of new tourism circuits.

As a more than century old brand, we have always taken long-term view of our growth and profitability. Our years of strategic investments are now set to take advantage of future industry growth



and partner with Governments to promote key policy and strategic initiatives for the industry.

- Experience India Society (EIS) works to realize the true potential of tourism in India and to capture a larger market share of world tourism. It is a private public partnership formed to position India and build brand salience in key markets. We are key members of EIS.
- Hunar Se Rozgar Tak (HSRT) – HSRT is a key initiative of Ministry of Tourism, India to promote creation of employable skills amongst youth belonging to economically weaker strata of the society. We have played a significant role in shaping this programme and work with various state tourism departments to create livelihoods in hospitality industry.



Key industry associations / memberships

1. All India Association of Industries
2. All India Management Association
3. British Business Group
4. Experience India Society
5. Federation of Hotels and Restaurants Association of India
6. Pacific Asia Tourism Association
7. Indian Merchants Chamber
8. Indo-American Chamber of Commerce
9. Indo-Australian Chamber of Commerce
10. Indo-French Chamber of Commerce
11. Indo-German Chamber of Commerce
12. Indo-Japanese Association
13. The Indian Society of Advertisers
14. World Tourism Organisation
15. Forum for Women In Leadership, India



Central Warehousing and Distribution @ Taj

We have a wide spread network of hotels across the country and efficiently managing the supply chain of such a vast network is critical to live up to the guest expectations. To effectively and efficiently manage our supply chain, we have revamped our sourcing and distribution model. The traditional model of procurement by hotels has been replaced by unified procurement model through warehousing and distribution management. The initiative has helped us improve our supply chain efficiency, reduce stock inventories and optimize logistics by serving the hotel needs through regional hubs.

During the year, our total income of INR 197.73 billion was higher than last year by 3%. The Food & Beverage income grew by 6%, aided by growth in restaurant sales and banqueting income. Owing to the impact of global recessionary trends on some of our long term strategic investments, the Profit After Tax (PAT) during the year reduced to INR (59.05) billion. The financial performance of the Company is monitored on continuous basis to make prudent business decisions that will help in ensuring long-term profitability. While our

financial performance is crucial for us, the indirect economic impacts of our operations are also significant in nature. We promote destinations to increase economic activity in these areas while providing authentic local experiences to our guests. We support local vendors and suppliers, promote local arts and culture, enhance livelihood opportunities and contribute to environmental sustainability.

To know more about economic performance, refer our Annual Report 2013-14 (Page 31-33) accessible at <http://www.tajhotels.com/About-Taj/Investor-Relations/Annual-Reports.html>

This year prudent cost management has been a key objective across functions and hotels. Measures to optimize costs of raw material and workforce deployment have been taken. On the workforce management front, key initiatives including minimal workforce addition, internal redeployment to fill in positions in new hotels, leadership development and smart layering of the organization. Supply chain optimization and local sourcing has been one key focus areas for us to manage our costs with indirect benefits of supporting more local vendors and curbing transportation related environmental impacts. Most of our hotels are exploring opportunities of growing their own vegetables in backyard herb & kitchen gardens which also promises the guests of high quality farm fresh vegetables. The focus has also been on integrating local cuisines in the menu options for our guests to experience authentic local flavours.



VIVANTA BY TAJ - KOVALAM, KERALA

*In a day,
a cloud can become a shower
a word can become a poem
a whisper can turn into a song
a moment can become a memory.*
That's the magic of an extra day, with our compliments.

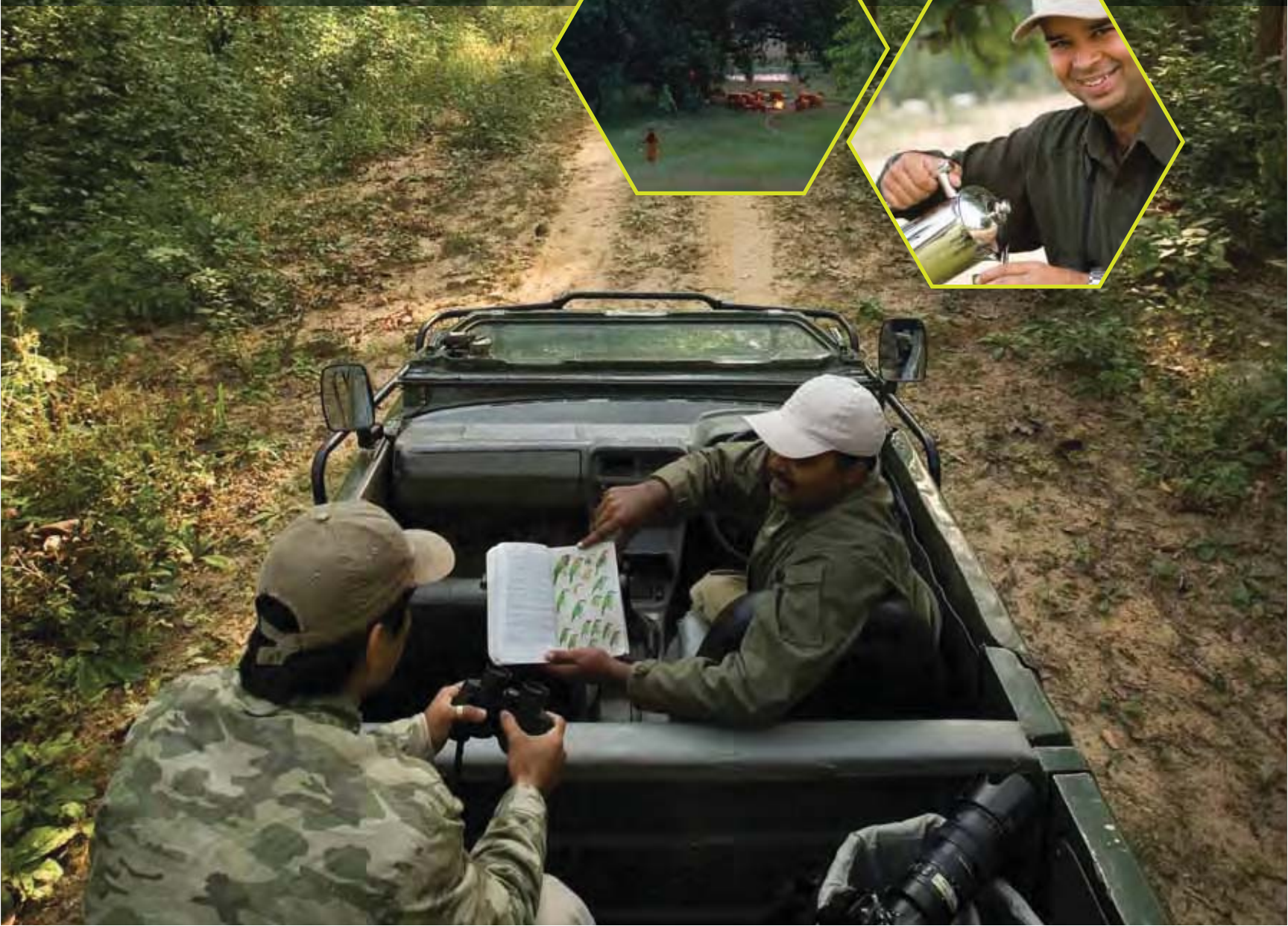
It stays with you. TAJ
Holidays



EXCITING ARRIVALS & MEMORABLE DEPARTURES



Taj is known for its legendary customer delight quotient with impeccable service quality. We have taken great strides to ensure the satisfaction of every customer. Customer satisfaction is at core of the organisational culture and is extremely vital for us to consistently deliver the 'Taj Experience'. When a guest arrives at our hotel, he becomes our priority. All our practices and polices revolve around how effectively we meet the needs of the customer. We look beyond not just ensuring a comfortable stay, but also see to it that the overall wellbeing of our customers are taken into consideration. The safety of our customers is never compromised. Each hotel is has developed initiatives to ensure the safety of our guests. The employees and staff have imbibed this customer-centric attitude to safeguard and protect our customers regardless of the situation they are faced with.



TAJ
GROUP

active food 

active food at gateway



Performance.Art





Taj has been the preferred destination for world dignitaries as we continue to do what we do the best – play the perfect host. Some of the Heads of States that we played host to in 2013-14 are:

- His Imperial Majesty Emperor Akihito, Emperor of Japan, Taj Palace Delhi
- Prince Charles & Camilla, HRH The Prince of Wales & The Duchess of Cornwall, The Taj Mahal Palace, Mumbai
- His Excellency Rajkeswur Purryag, President of Mauritius, Taj Palace Delhi
- Princess Astrid, Princess of Belgium, The Taj Mahal Palace, Mumbai
- H.E. Li Keqiang, Premier of the Peoples Republic of China, The Taj Mahal Palace Mumbai and The Taj Palace New Delhi
- H.E. Joachim Gauck, President of Germany, Taj Mahal New Delhi
- H.E. Shinzo Abe, Prime Minister of Japan, Taj Palace, New Delhi

We pride ourselves in providing authentic local experiences to our guests. The homemaker chef is a unique guest proposition at our Gateway hotels which provides opportunity to local homemakers who have no professional cooking experience to bring their natural home-styled cooking to the dining table of our guests. This initiative celebrates the simplicity of home cooking and explores the unique flavours of local region. Apart from providing our guests with this unique experience, the initiatives also provides additional source of livelihood for these homemakers.



At Vivanta by Taj, each hotel and resort has something unique to offer which represent an imaginative take on the destination and its culture. These Vivanta by Taj Motifs are curated "must on your list" experiences that represent an imaginative take on the destination and its culture. These are "must dos" and "must sees" presented with the Vivanta signature of hospitality. We blend our sustainability efforts into delivering these unique experiences by supporting activities on environmental sustainability, biodiversity enhancement and local arts and culture. For example, the guest experience of enjoying the

fascinating folklore of Goa recited by a lively raconteur is integrated with our commitment to support local culture or the unique experience of observing scores of Olive Ridley turtles come ashore to lay their eggs between December and March is an extension of our commitment to preserve local biodiversity.

Performance.Art

We believe that everything that we do, should be done to perfection; and the only means to attaining this precision is through practice. As a part of the brand strategy for our Taj Hotels and Palaces, we have

introduced the concept of 'the Practice of Perfect Hospitality'. At our Taj Hotels and Palaces, every aspect is skilfully crafted and performed in a manner that mimics an artistic performance. Our aim is to deliver utmost perfection which we strive to accomplish with passion and precision. We aspire to attain meticulous performance through painstaking practice that guarantees perfect hospitality. It is through this artistic interpretation that we have towards performance, that we are able to achieve customer satisfaction that not only benefits the customers, but also the society and environment at large.





map aimed towards achieving customer satisfaction, property upkeep, security and safety. The process for receiving, responding, analyzing, learning and improving from the guests' feedback was also put in place. In order to curb dissatisfaction among our customers, Taj follows up with guests on the quality of products through a follow up survey. This year, ongoing efforts to understand customer needs, tailor improvements in service design and delivery and phased product upgrades have enabled us to achieve all-time-high levels of satisfaction on the "Big Three" customer satisfaction indices. All other fundamental customer indices such as the Cleanliness and Appearance index, Courtesy index, Efficiency index, Facility index, Food index and Value for money also demonstrated similar favourable trends.

'The Practice of Perfect Hospitality', has allowed us to create the most memorable experiences for our guests. To ensure the every celebration is an unforgettable experience, the Taj Hotels Resorts and Palaces has designed weddings that replicate fairytales. Replete with gorgeous décor both indoors and outdoors, the Taj team ensures that the day is nothing short of perfection and that the experience is like nothing anyone ever imagined.

Practices and policies have been developed to improve performance and augment customer feedback scores. These feedback scores directly reflect our endeavor to set higher goals if need be. Today, customers are becoming increasingly more demanding, less tolerant and very critical when not having their expectations met. In 2013-14, the Company had strategized and implemented a result oriented road





CARING FOR OUR PEOPLE



Taj was awarded the Gallup Great Workplace Award for the fifth consecutive year in 2013-14 and has been listed alongside 35 other companies from across the world. It is the only organization from India, the only Tata Company and the only hotel chain in the world to have won the award for five consecutive years.

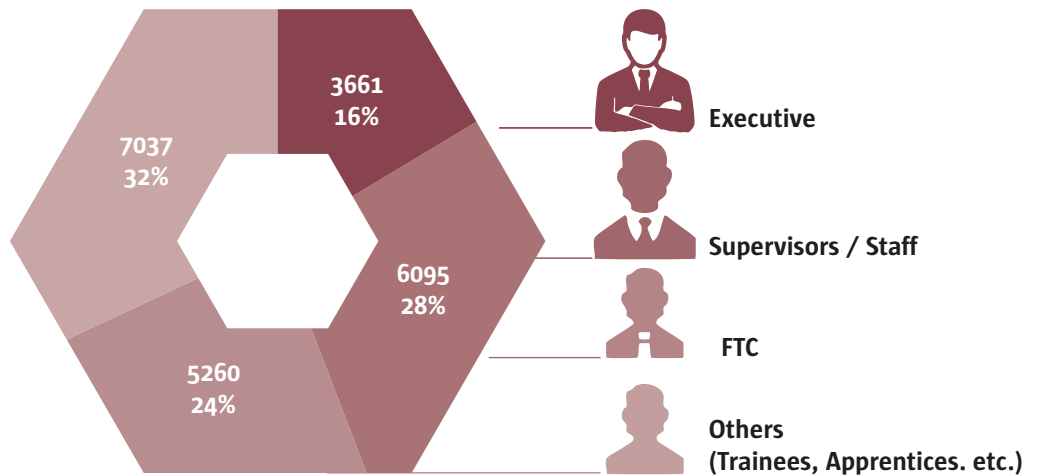
People management at IHCL is pivotal to achieve the organisation's Game Plan and consistently deliver the quintessential 'Taj Experience'. While business reasons for people management are obvious, we at Taj over the years have been successful in integrating the business plans with aspirations of the people to ensure that our associates have satisfying and rewarding careers. The testimony of our people practices lies in the fact that majority of the senior leadership is home-grown, some even having over 3 decades of association with the Company. myriad opportunities or multitude of opportunities Taj 'the destination' for aspirants in hospitality industry.

Instilling the culture of Taj among associates is critical for us to deliver Taj's unique guest experience. Our hiring strategy has evolved to hire people who demonstrate the right attitude and aptitude to imbibe this culture. Diversity of skills, talent and cultural background plays a crucial role in our people strategy and is promoted through people hiring and development practices. We have developed a structured on-boarding called 'TAP-ME' which meets the specific requirements of different associate groups. Taj also provides unique training and lateral mobility opportunities to associates through the vast Taj and Tata group network.

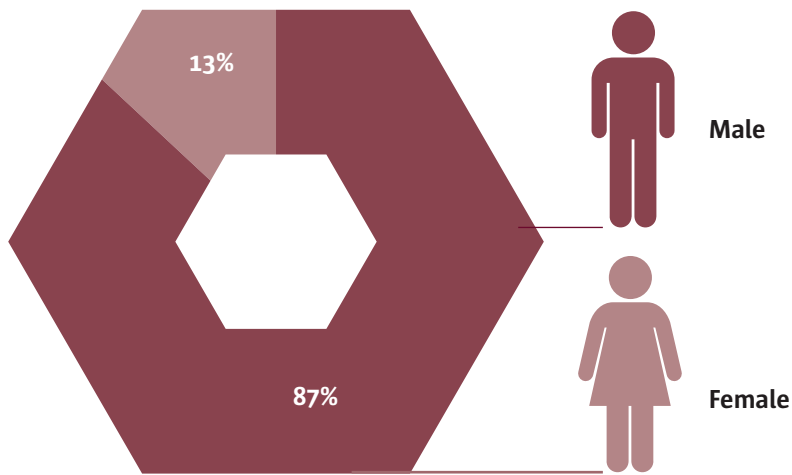


We have more than 27,000 associates across the globe. During the year, we have an associate turnover rate of 30%, well below industry average of 35%.

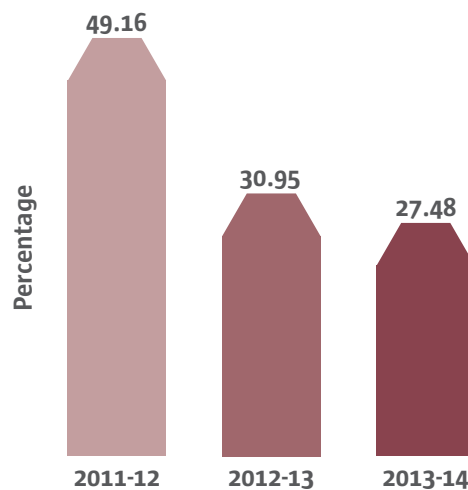
IHCL - Associates (Gradewise)



IHCL - Associates (Genderwise)



IHCL - 'New Hires' leaving within 12 months



The decreasing trend of 'new hires' attrition shows the effectiveness of our employee engagement processes.





Key L&D platforms

- Classroom functional and technical trainings
- On-the-job learning
- Department Trainers groomed through Certified Taj Departmental Trainers (CTDT) – 58% managers certified
- MiUniversity – e-learning Platform that combines technology with pedagogy

We have defined a competency framework which includes skill dictionary and competency manual for various function and levels. The learning and development efforts are focused to address the areas of improvements based on analysis of voice of customers. The learning & development delivery mechanisms are customised to meet the associate's needs & desires, learning & education and leadership development in line with business growth strategy. The effectiveness of the delivery mechanism mechanism is assessed through training feedback forms, on-the-job assessments of acquired skills and competency, employee satisfaction survey, guest satisfaction measurement etc. This year, we delivered 2.35 million manhours of training, actualising 96% of our training plans.

We have been recognised by coveted BML Munjal Award as the best Service Organization in India for Learning & Development processes and culture for the year 2013-14. This was in recognition of the benchmark learning & development practices followed by the organization.

We have enhanced our performance management system - PACE, to leverage technology and integrate it with the fundamentals of our performance review mechanism. It helps us seamlessly align goals to organisational vision, game plan, values and cascade down based on overall objectives of the company. The performance review is a two-way dialogue process with mid-year and year-end reviews for executives. The rewards and bonus payouts for executives are linked to their own and organisational performance. 360 degree feedback system is an important tool to provide managers inputs on their leadership style and effectiveness. It is extended to senior and mid-level managers.

Taj Awards for Business Excellence (TABE) recognises best performing hotels and teams across categories.



S.T.A.R.S (Special Thanks And Recognition System) is an award-winning employee recognition scheme that recognises staff who delight and dazzle our customers by continuously performing acts of excellence. Each employee accumulates points for their acts of excellence which are recognised based on guest compliments, colleague compliments and impactful suggestions made by the employee. Based on the points accumulated in a particular financial year, the associate is inducted into various clubs – MD's club, COO's club and Unit Club (Platinum level, Gold level, Silver level).



Some see a new Performance Management System. We see an opportunity to:

• Streamlined HRG & HRG activities
 • Employee self-service
 • Flexible performance goals & metrics
 • Automated learning
 • Personalized data management
 • Personalized dashboards and analytics
 • Self-acting content
 • Personalized the process to plan
 • Personalized growth
 • Right time the right of the person
 • Tailored and personalized
 • 360-degree performance
 • Your partner in all HRG activities

TAJ
 1000 SINGAPORE DRIVE





Year of the Associates+ is a set of initiatives aimed at enhancing the quality of employees' lives - at work and beyond. It comprises of initiatives that are focused more on long-term outcomes that directly impact our associates like the education of their children, becoming computer literate, etc

Talent management and succession planning are vital components of our HR strategy. To facilitate growth and break career stagnation, key operational positions are usually transferrable every two-three years.

Assessing employee satisfaction is crucial to better our people systems and be the employer of choice to attract, retain and groom the best talent. We conduct annual Employee Satisfaction Surveys (ESS) to gauge and analyse the employee satisfaction trends. The latest ESS was also extended to our contract staff to assess their satisfaction levels. Emerging from this analysis are also the areas for us to innovate and improve to meet the expectations of our associates. The recent survey conducted revealed that 82% associates believe that Taj provides opportunities to learn and grow and 86% associates mentioned that they have been adequately trained to perform their roles well.

Key talent management platforms:

- SPEED+ (Special Program for Employee Education and Development Plus) is a key initiative to facilitate career management and progression of associates at staff and contract level
- Emerging Leaders – Taj is an immersive program for identifying hi-potential associates and plan their career path to take up higher roles
- The constant churn out of ‘first-time’ leaders through the Emerging Leaders – Taj process reflects the effectiveness of the process to identify high-potential associates
- There are talent appreciation programs (SOIL) for senior management for their continual commitment towards organisational success
- Leadership Development Programs are continually conducted for middle management to hone their leadership skills and prepare them for higher roles





SAFE HAVENS



We accord highest importance towards safety and security of our guests, associates, vendors, communities and assets. Our endeavour is to create our hotels as 'safe havens' for everyone associated with it and extend our support towards 'safe neighbourhoods'. We have implemented well-defined safety and security management systems across our hotels. Standard safety and security specifications have been incorporated into the design of offices, hotels, products and services. These specifications are also regularly reviewed to incorporate changes in the regulatory requirements, industry trends, external conditions, availability of newer and secure technology, needs of our associates and guests. Periodical reviews of safety management systems are conducted through internal and external audits. In our hotel kitchens and catering units, we strictly adhere to ISO 22000 (food safety management systems) standards to ensure highest levels of food safety. At TajSATS additionally, stringent monitoring mechanisms ensure highest food safety standards are maintained through production, transportation and up to consumption.

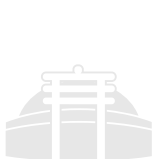




Creating safer destinations

At IHCL we believe in creating safer destinations and therefore we go beyond just ensuring safety at our hotel premises

Safety of our stakeholders is paramount to us. We have taken special measures within the hotel and extended services to promote safety of single lady traveller. Defined procedures are being rolled out to ensure that single lady travellers, are attended with appropriate safeguards, thereby instilling confidence among women to travel single and safe.

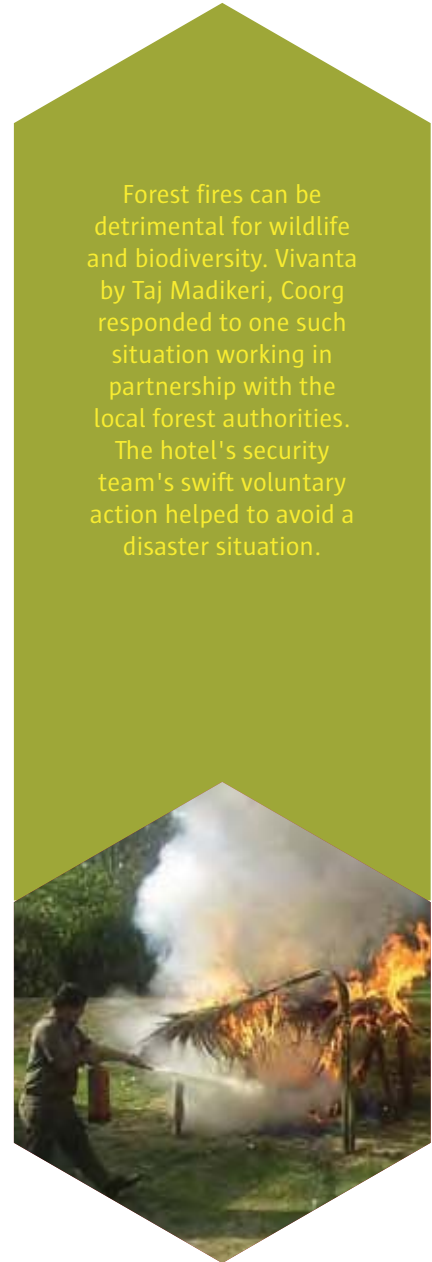




Our security staff is well-trained and equipped to handle crisis situations not only within the hotels but also outside the hotels in situations like road accidents, fire emergencies etc. We are proud of the enthusiasm demonstrated by our security associates to use their skills and expertise beyond workplace for community good. Our security officer Mr. Srinath at Vivanta by Taj, Yeshwantpur uses his skills to volunteer as traffic warden and teach school children on traffic rules and management. His ability to handle a crisis situation has won him accolades from Bangalore City Police Commissioner and we are proud of such people who inspire us.



Security managers from Taj Hotels attend fire fighting workshop at Vivanta by Taj, Holiday Village, Goa



Forest fires can be detrimental for wildlife and biodiversity. Vivanta by Taj Madikeri, Coorg responded to one such situation working in partnership with the local forest authorities. The hotel's security team's swift voluntary action helped to avoid a disaster situation.

Safety Performance

	2011-12	2012-13	2013-14
Near Miss Cases (NMC)	1,218	2,144	2,138
Medical Treatment Cases (MTC)	2,753	1,333	1,727
Lost-Time Cases (LTC)	613	410	643
Lost Time Injury Frequency Rate	9.87	9.45	12.82
Fatalities	2	0	1
Million Man-hours Worked	62.11	43.4	50.15

Review of our safety management systems is an integral part of our continual improvement process. This year, we have completed comprehensive external safety audits at 64 hotels conducted by a firm of international repute. Internal safety standards and regulatory requirements including National Building Code Standards, relevant IS codes, Electricity Act, etc. were used as criteria for audits. Action plans are drawn by hotels to address the improvement areas with special focus on Behavioural Based Safety (BBS).





NURTURING THE ENVIRONS



EARTH (Environment Awareness and Renewal at Taj Hotels) is our approach to do our bit for the environment. We seek to reduce our environmental footprint through various initiatives within the hotels and endeavour to nurture the environment where we operate.

We strive to reduce the environmental impact of our operations by focussing on energy management, alternative sources of energy, water recycling and waste management, biodiversity conservation and local produce and sourcing. During the year, we have spent INR 195 million towards various environmental management activities.

Under the aegis of EARTH (Environmental Awareness & Renewal at Taj Hotels) vision, we have been benchmarking and certifying our properties through EarthCheck™, the world's leading environmental management, benchmarking and certification program for the travel and tourism industry, since 2009. This benchmarking provides us with a quantitative and qualitative evaluation of environmental and social performance against peers in the sector, region and climate zone and also drives improvement processes across hotels.

EarthCheck™ certification is a globally recognized certification for environmental excellence in the hospitality and tourism industry.

9 Gold Certified Hotels



"The fact that Taj Group is using EarthCheck capabilities and backing their benchmarking with a recognised third party is what gives this hotel group a point of difference in its sustainability efforts. What is also commendable is that the Taj Group has maintained this benchmarking for five years without wavering while some other hotel groups have dipped in and out of the sustainability space."

– Stewart Moore, CEO of EarthCheck and EC3 Global.



Since 2009, over 70 percent of Taj hotels and Resorts have worked with EarthCheck™ to enhance their social and environmental sustainability initiatives.

In just five years, nine* taj properties saved enough resources to

Power 53,940 households for 12 months



Fill 338 Olympic-sized swimming pools

Take 6,675 cars off the road



Fill 186 shipping containers

36 skill training centres for less privileged - training over 2700 youth year on year

Over 7000 active employee volunteers supporting CSR programmes

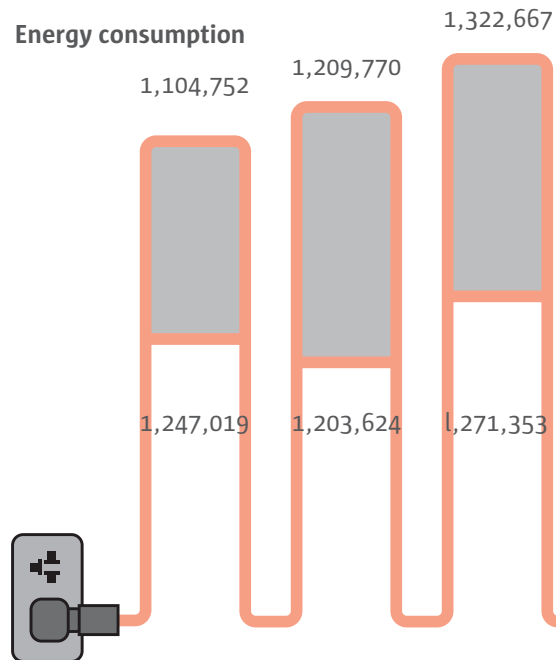
1370 artisans and culture troupe members

* Taj Lands End, Mumbai; Rambagh Palace, Jaipur; Taj West End, Bangalore; Vivanta by Taj, President, Mumbai; Vivanta by Taj, Ambassador, New Delhi; Taj Exotica Resort & Spa, Maldives; Vivanta by Taj, M G Road Bangalore; Taj Exotica, Goa; Taj Blue, Sydney

Energy and climate change

We are dependent on multiple sources of energy for running our operations like electricity in rooms and hotel areas, fuel oil for boilers, natural gas in kitchens, diesel for generators and vehicles, petrol for company owned cars, chaff fuel in banquets, firewood and charcoal in tandoors, etc. Fuel and energy costs contribute to over 40% of the operations expenditure and hence focusing on energy management and optimization presents a prudent business case. Further, we are also focussing on harnessing alternative and renewable sources of energy in order to reduce our carbon footprint.

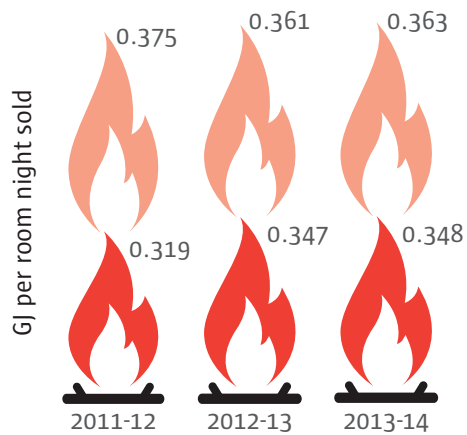
Our hotels across Luxury, Vivanta by Taj and Gateway have reaffirmed their commitment to energy management by integrating energy consumption as important aspect of the hotels' annual business plan. We have adopted an aggressive target of 5% reduction in energy cost with a process to monitor the same on a monthly basis. Energy audits are conducted across hotels in a phased manner to evaluate energy hot spots and decide on subsequent energy conservation initiatives that can be implemented to improve efficiency.



■ Direct Energy
□ Indirect Energy

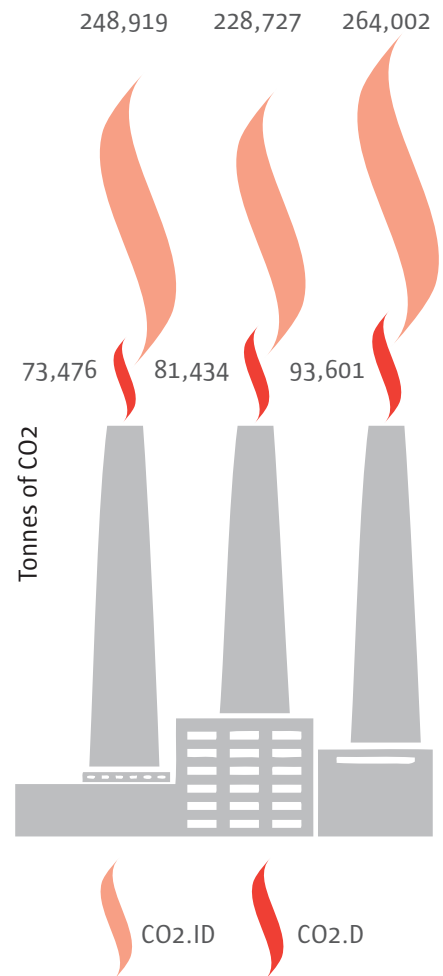


Energy intensity

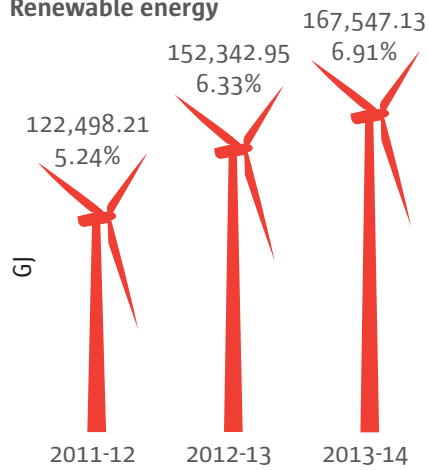


Our total absolute energy consumption during the year has increased by 7.52% due to the new hotels which began operations this year. However, we were successful in maintaining our energy intensity per room night almost similar to last year on account of our continual focus on energy efficiency.

Total GHG Emissions

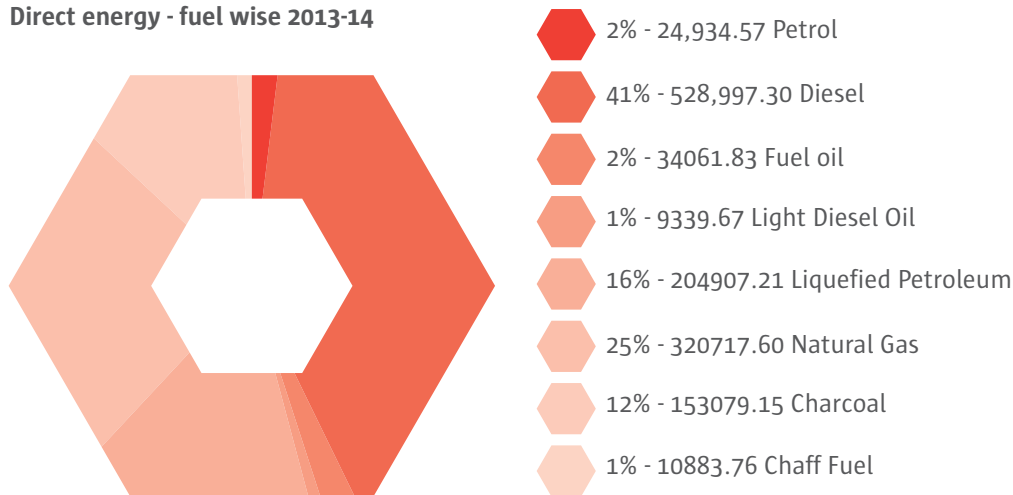


Renewable energy



We continue to focus our efforts on renewable energy use. This year, we have increased the percentage of renewable energy to 6.91% of total energy use. Use of renewable energy has been integrated with energy planning and budgets and hotels across brands are continually exploring ways and means by which they can maximize this potential.

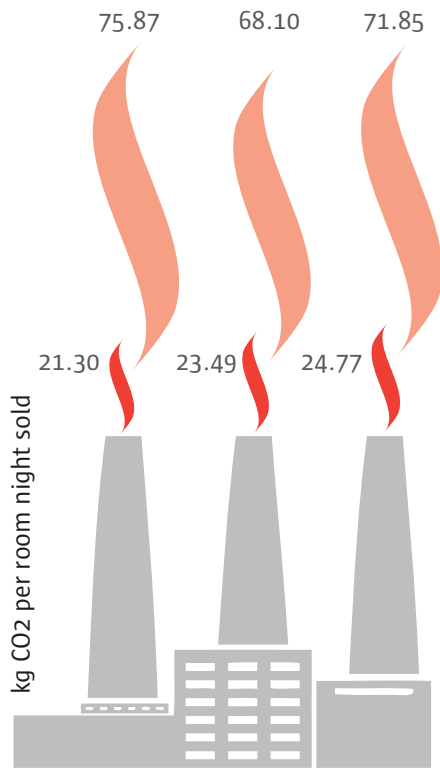
Direct energy - fuel wise 2013-14



We generate energy from direct sources such as Diesel, Petrol, Liquefied Petroleum Gas, Piped Natural Gas, Fuel Oil, Light Diesel Oil and Charcoal while solar, biogas and biomass are the main sources for direct renewable energy. Indirect energy is primarily sourced from electricity grids while Agro power and Hydro power are main sources of renewable indirect energy.



Total GHG Emissions Intensity



Our GHG emissions intensity has increased by 5.5% compared to last year despite maintaining similar energy intensity as last year. This was primarily due to the change in grid emission factor released by Central Electricity Authority which has increased due to the higher thermal based generation capacity addition in India.

Focus on energy efficiency

Energy efficiency has been one of the key focus areas at hotels to manage their energy needs and minimize environmental impact. Energy audits are being conducted in phased manner across hotels to identify opportunities for energy efficiency. Many hotels have initiated projects on change of lighting from CFL bulbs to LEDs while the new built hotels have incorporated energy efficiency at the design stage itself. Regular and preventive maintenance of high-energy consuming equipment helps us reduce energy load by plugging in efficiency losses, retrofitting old and obsolete equipments and reducing redundancy of additional equipments. Initiatives are also taken in the kitchen area to optimize energy and fuel consumption. Our continual focus on energy efficiency has helped us save 65,918 GJ energy during the year and avoid 12,851 tCO2 emissions

59 Hotels using renewable based energy

- All Ginger Hotels
- Gateway, Ahmedabad
- Gateway, Airport Garden, Colombo
- Gateway, Chennai
- Gateway, Conoor
- Gateway, Nasik
- Gateway, Surat
- Gateway, Varanasi
- Gateway, Vijayawada
- Gateway, Visakhapatnam
- Rambagh Palace, Jaipur
- Taj Banjara, Hyderabad
- Taj Coromandel, Chennai
- Taj Clubhouse, Chennai
- Taj Deccan, Hyderabad
- Taj Lake Palace, Udaipur
- Taj Mahal, New Delhi
- Taj Palace, New Delhi
- Taj Wellington Mews, Mumbai
- Taj West End, Bengaluru
- Umaid Bhawan Palace, Jodhpur
- Usha Kiran Palace, Gwalior
- Vivanta by Taj, Ambassador, New Delhi
- Vivanta by Taj, Begumpet, Hyderabad
- Vivanta by Taj, Connemara, Chennai
- Vivanta by Taj, Fishermen's Cove, Chennai
- Vivanta by Taj, Hari Mahal, Jodhpur
- Vivanta by Taj, Surya, Coimbatore
- Vivanta by Taj, Trivandrum
- Vivanta by Taj, Yeshwantpur, Bangalore



Usha Kiran Palace is known for its grandeur and has witnessed many changes over its 120-year-old history. The legacy continues but what powers this palace today is not the conventional energy but natural solar power sourced through open access supply.





At Bandhavgarh, Taj Safaris and &Beyond partnered with Madhya Pradesh forest officials to relocate 50 Gaurs four years ago. This has been a highly successful endeavour in balancing forest eco-systems with 41 new birth and stabilized food chain.

Our hotels are increasingly looking towards growing own vegetables and herbs to manage costs and enhance customer delight by serving them freshest of vegetables and herbs. Many of our hotels have herb gardens which serve the hotels with different vegetables and herbs.

Organic waste like kitchen waste and horticulture waste constitute significant proportion of waste generated across our hotels. We strive to maximise the potential of composting this waste by recycling

and reusing it reuse. This year we generated 9,289 tons of kitchen waste and 2,977 tons of horticulture waste. The concerted efforts taken by our hotels have enabled us to compost around 30% of this waste through vermi-composting and anaerobic / aerobic digestion to generate bio-gas and manure, as compared to 16% last year. Paper waste of 1,442 tons is sold to scrap paper vendors. To ensure safe disposal, burnt oil and waste lubricant oil of 151.89 KL was disposed during the year through authorised vendors. The other contributors to our waste footprint include bottles, containers, metal scrap, electrical and electronic waste, batteries and debris generated during hotel renovation. Depending upon the category of waste, we use appropriate methods to ensure its safe disposal. Electrical waste like fused bulbs, tubes, switches, kitchen appliances and electronic waste like computer parts and television parts are disposed in an environmentally safe manner through authorised e-waste recyclers.



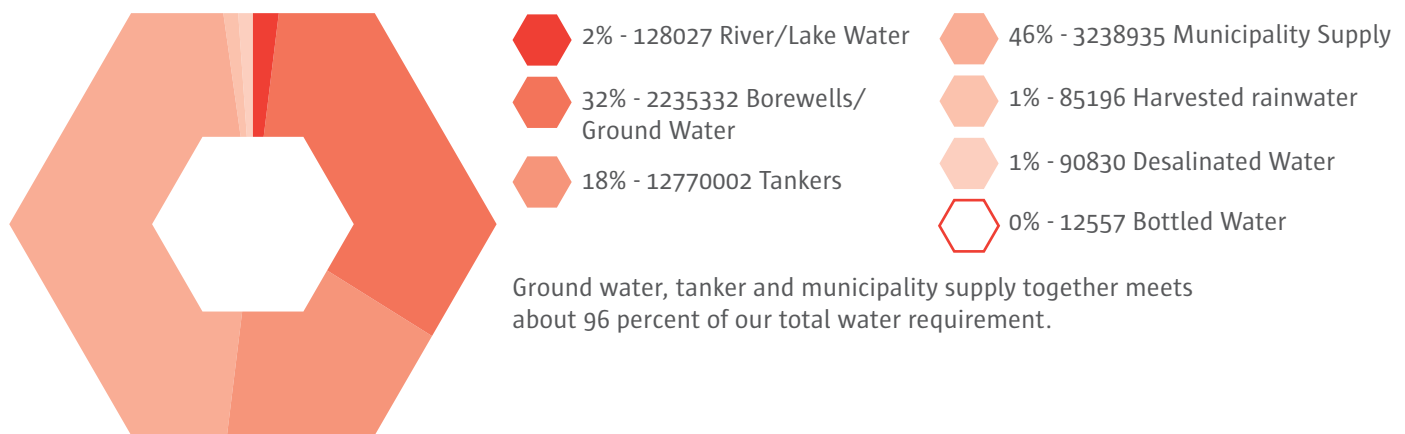
Water management

Water is a critical resource for our operations. We strive to judiciously utilise water while maximising water harvesting, recycling and reuse. Rivers, lakes, sea, tankers, municipality supply, harvested rain water and ground water serve as primary source of water withdrawal for our hotels. Rainwater harvesting systems are in place at many of our hotels to reduce the fresh water intake.

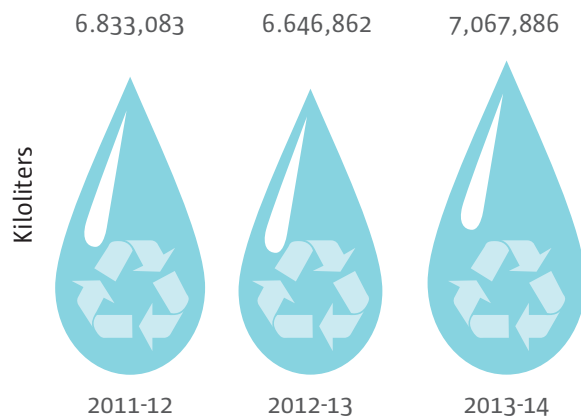


Water bottling plant at Taj Exotica, Maldives

Water consumption (in kilo liters) 2013-14



IHCL Water Consumption



This year we recycled / reused 2.18 million kiloliters of water which is equivalent to 33% of our total water consumption. We have discharged 2.12 million kiloliters of treated water outside the hotels' premises, 11.6% less compared to last year.

IHCL Water Intensity



We continue to focus our efforts on water management. This year, we were able to reduce of water intensity per room night sold by 4.2% despite adding new hotels by focusing on water recycling and reuse. 35 of our hotels have rainwater harvesting systems while the number of hotels with zero-discharge outside hotel has risen to 40 from 38.





41 Zero water discharge hotels

- Gateway, Airport Garden, Colombo
- Gateway, Agra
- Gateway, Chikmagalur
- Gateway, Hubli
- Gateway, Jaisalmer
- Gateway, Jodhpur
- Gateway, Khajuraho
- Gateway, Madurai
- Gateway, Nashik
- Gateway, Vadodara
- Gateway, Varanasi
- Gateway, Varkala
- Rambagh Palace, Jaipur
- Taj Bengal, Kolkata
- Taj Falaknuma Palace, Hyderabad
- Taj Lake Palace, Udaipur
- Taj Lands End, Mumbai
- Taj Palace, Delhi
- Taj Wellington Mews, Mumbai
- Taj West End, Bangalore
- Umaid Bhawan Palace
- Vivanta by Taj, Usha Kiran Palace, Gwalior
- Vivanta by Taj, Aurangabad
- Vivanta by Taj, Bentota, Sri Lanka
- Vivanta by Taj, Begumpet, Hyderabad
- Vivanta by Taj, Bekal, Kerala
- Vivanta by Taj, Coral Reef, Maldives
- Vivanta by Taj, Dal View, Srinagar
- Vivanta by Taj, Exotica, Goa
- Vivanta by Taj, Fisherman's Cove, Chennai
- Vivanta by Taj, Fort Aguada, Goa
- Vivanta by Taj, Gomti Nagar, Lucknow
- Vivanta by Taj, Hari Mahal, Jodhpur
- Vivanta by Taj, Holiday Village, Goa
- Vivanta by Taj, Kovalam
- Vivanta by Taj, Kumarakom, Kerala
- Vivanta by Taj, Malabar, Cochin
- Vivanta by Taj, Madakeri, Coorg
- Vivanta by Taj, Sawai Madhopur lodge
- Vivanta by Taj, Surya, Coimbatore
- Vivanta by Taj, Trivandrum

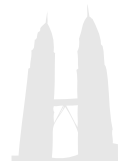
35 hotels with rain water harvesting

- Gateway, Chennai
- Gateway, Chikmanglur
- Gateway, Ernakulam
- Gateway, Coonoor
- Gateway, Khajuraho
- Gateway, Madurai
- Gateway, Mangalore
- Gateway, Nashik
- Gateway, Vadodara
- Gateway, Varanasi
- Gateway, Varkala
- Rambagh Palace, Jaipur
- St. James Court, London
- Taj Banjara, Hyderabad
- Taj Bengal, Kolkata
- Taj Coromandel, Chennai
- Taj Deccan, Hyderabad
- Taj Exotica, Maldives
- Taj Lands End, Mumbai
- Taj Mahal, Delhi
- Taj Palace, Delhi
- Taj Wellington Mews, Mumbai
- Taj West End, Bengaluru
- Umaid Bhawan Palace, Jodhpur
- Usha Kiran Palace, Gwalior
- Vivanta by Taj, Ambassador, New Delhi
- Vivanta by Taj, Connemara, Chennai
- Vivanta by Taj, Fisherman's Cove, Chennai
- Vivanta by Taj, Gomti Nagar, Lucknow
- Vivanta by Taj, Hari Mahal, Jodhpur
- Vivanta by Taj, Malabar, Cochin
- Vivanta by Taj, Sawai Madhopur Lodge
- Vivanta by Taj, Surya, Coimbatore
- Vivanta by Taj, Trivandrum
- Vivanta by Taj, Yeshwantpur





ENABLING PARTNERSHIPS, INCLUSIVE GROWTH



We believe that hospitality industry, as a part of travel and tourism industry, plays a vital role in enhancing the economic activity of a destination, bringing some of the lesser known destinations on the global tourism map and an thereby improving the standard of living among local communities. Taj passionately upholds the tradition of ‘Giving Back to communities’, laid down by our founder Mr. Jamsetji Tata. Over the decades, we have played a decisive role in not only contributing to development of Indian tourism but, also making a positive societal impact positive societal impact through our community development agenda.

We proactively reach out to our target communities under our CSR theme of ‘Building Sustainable Livelihoods’ through a strategic and focused approach. Our key CSR programmes are as follows:

1. Facilitate skill development for less-privileged youth:

- Partnering with Government ITIs, reputed Voluntary Organizations and other like-minded organizations to bridge the gap between organized job market and rural/less-educated/less-exposed youth seeking long-term livelihood options
- Enable candidates from marginalized sections like differently-abled, Scheduled Castes and Scheduled Tribes to gain access to training and employment opportunities in hospitality industry

2. Promote indigenous arts, crafts, culture and social enterprise:

- Facilitate awareness, visibility and venue for exhibition and sale of artifacts, performances of local artisans/craftsmen and culture troupes with an aim of reviving traditional arts
- Encourage purchases of artifacts, gift-items, other products for business-use from indigenous artisans and craftsmen
- Support income generation projects run by small scale entrepreneurs, Self Help Groups, NGOs, social enterprises

Based on business core-competencies, Taj partners with like-minded Governmental and Non-Governmental Organizations in ‘identified locations’ to train and certify school dropouts and those from marginalized backgrounds in areas ranging from cookery. Trades ranging from cookery, bakery,



house-keeping to food and beverage services and allied soft skills like spoken English, personality development, grooming and on-the-job exposure are offered as a part of these 3-6 months courses aimed at immediately employability.

As per the Tata commitment to Affirmative Action, Taj consciously chooses to reach out to locations with high density of SC/ST population.

Taj hotels led the hotel industry's participation in the now national skill training scheme 'Hunar se Rozgar Tak' for trades in hotel operations by piloting the process at our New Delhi Hotels. All our hotels, where the scheme is relevant, duly complete training stipulated & even beyond stipulated less privileged candidates through our own voluntary sector partnerships.

The Tata values and wisdom in Giving Back to the society have long since shaped the Taj ethos of employee volunteering and involvement in community service. This year your company recorded 7,153 active volunteers, having spent 1,49,308 hrs of their volunteering time towards the causes we support.

We believe the human touch that evolves in the person transcends across the organization, making Taj an organization with a culture of warmth and personal touch! The employee benefits from volunteering range from personal development to leadership skills to ability to influence and motivate others towards a common goal! We have renewed our commitment to promoting the 'spirit of volunteering' through our campaign for 'Give Back' and are keen to open up opportunities for volunteering to our guests as well in years to come.



In our endeavour to offer livelihood support to indigenous artisans, we have rendered support to the Toda community - a small pastoral tribe who live on the isolated Nilgiri plateau (Ooty) of Southern India. The community is well known for its embroidered garments. This fine intricate work is usually made by the women who use red and black threads on a white background. In an effort to support and keep alive the rich culture of this tribe, we have provided a space in our hotels so that they can sell their products. By offering them opportunities to sell their wares, the Toda tribe have been able to flourish and improve their economic status as they are able to reach out to a large number of clients and guests, including foreigners who are impressed by the uniqueness and distinct nature of their products.





Impact of our 'Key' Programmes in 013-14:

Since the commencement of our 'CSR Hospitality Skill Training Programs' in 2009, 97% of over 12,000 underprivileged candidates trained across our 36 skill training centers in partnership with NGOs and ITIs have secured productive jobs across different hotels and restaurant groups within the country. Our CSR projects have helped not only us, but the larger hospitality industry employ sincere, hard working, talented and skilled candidates, who are trained through Taj supported skill training centers. This year, in particular, we trained and certified 5,101 youth.



Based on the theme of focusing on economic development for marginalized communities around our properties and building their livelihoods; our hotels partner with small scale entrepreneurs, women's Self Help Groups and NGOs' income generation projects to source select goods and services (like supplies of fresh fish, vegetables, laundry bags, honey, candles, gift items for guests, table napkins, dusters, dry snacks, pickles and allied services like 'roti-making' and peeling onions and garlic, etc. required for hotel operations). This year responsible purchases of this nature worth over INR 21.5 million were undertaken from such alternative vendors and Self Help Groups.

The Taj group has always considered itself a custodian of Indian tradition and strived to provide sustainable livelihood opportunities for artisans and weavers to promote this quintessential heritage and craftsmanship. We provide our brand platform to showcase indigenous art, crafts and culture to the world, while encouraging the artisans who keep

these traditions alive. Under our Corporate CSR mandate of "Building Sustainable Livelihoods", we work towards facilitating awareness and revival of indigenous arts, enhance visibility amongst discerning markets and buyers by providing a platform for exhibition and sale of artifacts as well as performances by local artisans/craftsmen and culture troupes. Some of the arts and cultures we support are stone carving, bidri work, lacquered wood toy making, bagru printing, wood carving, chikan work, pottery, filigree, sandalwood carving, ikkat, brocade and jade saree weaving, glass blowing, kathputli shows, Rajasthani cultural performances, Baiga and Gond tribal dances, other region-specific cultural shows and so on. We encourage purchase of 'quality' gift-items, products for business-use from artisans, small-scale entrepreneurs and NGOs. Over 1,370 artisans and culture troupe members are supported through initiatives across the group.



Qawali performance at our Taj Falaknuma Palace is an enthralling experience for our guests who witness one of the old Indian musical traditions. We have uniquely intertwined our community development agenda to provide this customer delight experience by supporting artisans from Rajasthan to perform in-house. The troupe, which has artists from marginalised sections of society, was a three member team when they first started at Taj Falaknuma Palace and now has expanded to seven member team. The troupe leader also trained 25 members back in Rajasthan who now perform in Delhi, Rajasthan and Mumbai.



The Taj Group (including non-IHCL properties) supported CSR programmes by investing over INR 52.9 million in CSR projects across locations, over and above extending core competencies through knowledge support, volunteering and personal involvement of our leaders in shaping public policy and Governance in areas relevant to trade, commerce and tourism.



Over 40 less underprivileged youth from cloud burst disaster affected remote areas in Uttarakhand have been trained and certified in hospitality skills through the Taj skill certification centre in Jaipur. All of them have been helped with job placements across hotel industry – including many of our Taj hotels!



INDEPENDENT ASSURANCE STATEMENT

To the Management of The Indian Hotels Company Limited, Mandlik House, Mandlik Road, Colaba, Mumbai, Maharashtra 400 001

KPMG was engaged by The Indian Hotels Company Limited ('IHCL', 'the Company') to provide assurance on IHCL's 2013-14 Corporate Sustainability Report ('the Report'), in line with the "Limited Assurance" requirements of ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information by International Federation of Accountants' (IFAC) International Standard for Assurance Engagements

Assurance scope

The scope of assurance covers data and information on economic (excluding financial), environmental and social indicators presented by IHCL in the Report for the financial year 2013-14, in line with the requirements of GRI – G3.1 guidelines on sustainability reporting.

Specific limitations and exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Act on behalf of management in reporting to Board of Directors, or Audit Committee
- Develop/ prepare of source documents

- Verify the Company's financial performance indicators
- Verify the Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company

For the locations that were not visited, we confirmed that the data provided by the hotels was correctly reported and aggregated at corporate office, but did not verify the underlying reliability of this data on site.

Standards and reporting criteria

We conducted our work in accordance with ISAE 3000. We conducted our engagement in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Work undertaken

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated. We have undertaken:

- An evaluation of the existence and operation of the systems and methods used to collect and collate the selected performance data presented in the Report. We also tested the reliability of underlying data and information for the selected performance parameters within the scope of our assurance;
- Conducting assurance visits to domestic hotels and audio conferences with international hotels as below:

Site Visits

- › Delhi – Taj Mansingh, Vivanta by Taj Ambassador, Vivanta by Taj Gurgaon, Ginger East Delhi
- › Bengaluru – Gateway Hotel, Taj SATS
- › Pune - Vivanta by Taj Blue Diamond Pune, Ginger
- › Nashik - Gateway Hotel, Ginger



- › Varanasi - Gateway Hotel
- › Mumbai - Taj Wellington Mews, Taj SATS

Audio Conference

- › South Africa - Taj Cape Town
- › Sri Lanka – Vivanta by Taj Bentota, Vivanta by Taj Samudra, Gateway
- › Bengaluru –Taj West End, Vivanta by Taj Yashwantpur
- › Jodhpur – Umaid Bhawan Jodhpur
- › Madhya Pradesh– Vivanta by Taj Usha Kiran Palace, Gateway hotel
- › Kolkata – Gateway hotel

- Checking the Reports’ content to ensure consistency with the GRI application level requirements of A+;
- A review of the Report draft to ensure there are no disclosures that are misrepresented or inconsistent with our findings.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the data and information in the Report for the reporting period, in all material aspects, is not fairly represented in accordance with the reporting criteria

Key observations

Without affecting the conclusion presented above, we would like to

draw readers’ attention to the following:

- The Report presents six critical sustainability issues of material significance to the company and its stakeholders
- The company has increased its use of renewable energy and has made progress in the area of water management
- The company is in the process of establishing company-wide targets on key sustainability performance indicators and present progress in the future reports.

There is an opportunity to further strengthen IHCL’s sustainability data management systems including adherence to compliance requirements at hotel-level in order to enhance consistency and reliability of data and information.

- The company can further conduct specific training and awareness sessions on sustainability at the hotel-level for a better understanding of the reporting requirements.
- Based on our review the Report meets the A+ application level criteria of GRI G3.1 guidelines.

Responsibilities

The management of IHCL is responsible for preparing the Report and the information and statements within it. IHCL’s management is also responsible for identification of stakeholders and material issues, for

defining commitments with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Our responsibility is to express our conclusions in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and financial information and with experience in similar engagements in the hospitality sector.

This report is made solely to IHCL in accordance with the terms of our engagement. Our work has been undertaken so that we might state to IHCL those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than IHCL for our work, for this report, or for the conclusions we have reached.



Santhosh Jayaram

Technical Director

Climate Change and Sustainability Services

KPMG India

14th August 2014



GRI / UNGC / NVG-SEE Content Index

Section Name	GRI Indicators Covered	Additional Information	UNGC Principles	NVG-SEE Principles
Destinations	3.1,3.3,3.5,3.8,4.1 2			
Building an ultimate destination	1.1			
Company Profile	2.1-2.3,2.5,2.7,3.6			
Matter that matter	4.1-4.7,4.9,4.10,4.13,DMA HR,DMA SO,LA13,HR3,SO2,SO3,SO4		Principle 1,2 – Human Rights Principle 10-Anti-Corruption	Principle 1 – Ethics, Transparency and Accountability
Listen, feel, act	1.2,3.5,4.4,4.14-4.17			Principle 4 – Stakeholder Engagement, Principle 7 – Policy advocacy
Optimizing revenues	DMA EC,EC1,EC9			
	2.10,DMA PR,PR5,PR8			Principle 9 – Customer value
<<Developing human capital>>	DMA EC,DMA LA,DMA HR,EC7,LA1,LA2,LA3,LA4,LA5,LA10,LA11,LA12		Principle 3,4,5,6 - Labour	Principle 3 – Employee well-being
Safe havens	DMA LA,LA6,LA7,LA8			
Nurturing the environs	4.11,DMA EN,EC2,EN1-EN30		Principle 7,8,9 - Environment	Principle 2 – Product lifecycle sustainability, Principle 6 - Environment
Enabling partnerships, inclusive growth	DMA SO,EC6,EC8,EC9,LA11,SO1,			Principle 8 – Inclusive growth and equitable development
Assurance Statement	3.13			
GRI / UNGC / NVG-SEE Content Index	3.12			
Glossary				





Our Annual Report 2013-14 is accessible at
<http://www.tajhotels.com/About-Taj/Investor-Relations/Annual-Reports.html>

Our Corporate Sustainability Report 2012-13 is accessible at
<http://www.tajhotels.com/About-Taj/Company-Information/Communication-on-Progress-new.pdf>

Our Corporate Sustainability Report 2011-12 is accessible at
<http://www.tajhotels.com/About-Taj/Company-Information/8th-Corporate-Sustainability-Report.pdf>





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