



**ITC Limited**

Virginia House  
37 J. L. Nehru Road  
Kolkata 700 071, India  
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11<sup>th</sup> July, 2023

The Manager  
Listing Department  
National Stock Exchange of  
India Ltd.  
Exchange Plaza  
Plot No. C-1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400 051

The General Manager  
Dept. of Corporate Services  
BSE Ltd.  
P. J. Towers  
Dalal Street  
Mumbai 400 001

The Secretary  
The Calcutta Stock  
Exchange Ltd.  
7, Lyons Range  
Kolkata 700 001

Dear Sirs,

**Business Responsibility and Sustainability Report**  
**for the financial year ended 31<sup>st</sup> March, 2023**

We hereby enclose, in terms of Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report of the Company for the financial year ended 31<sup>st</sup> March, 2023, which also forms part of the Report and Accounts of the Company for the financial year 2022-23.

Yours faithfully,  
ITC Limited

(R. K. Singhi)  
Executive Vice President &  
Company Secretary

Encl. as above.



cc: Securities Exchange Commission  
Division of Corporate Finance  
Office of International Corporate Finance  
Mail Stop 3-9  
450 Fifth Street  
Washington DC 20549  
U.S.A.

cc: Societe de la Bourse de Luxembourg  
35A Boulevard Joseph II  
L-1840 Luxembourg



# Business Responsibility and Sustainability Report

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## Glossary

### ITC Divisions

ABD: Agri Business Division  
ESPB: Education & Stationery Products Business  
FBD: Foods Business Division  
HD: Hotels Division  
ITD: India Tobacco Division  
MAB: Safety Matches & Agarbattis  
PCPBD: Personal Care Products Business Division  
PPB: Packaging & Printing Business  
PSPD: Paperboards & Specialty Papers Division  
TM&D: Trade Marketing & Distribution

### ITC Specific Terms

CAPP: Core Area Perspective Plan  
CMC: Corporate Management Committee  
FTC: Fixed Term Contract  
FTR: Fixed Term Retainer  
ISC: Investor Service Centre  
ITCMAARS: ITC Meta Market for Advanced Agriculture and Rural Services  
LSTC: Life Sciences & Technology Centre  
MSK: Mission Sunehra Kal  
SBU: Strategic Business Unit  
SCRC: Sustainability Compliance Review Committee  
SIP: Social Investments Programme  
SPP: Service Provider Personnel  
TPMs: Third-Party Manufacturers  
WOW: Well Being Out of Waste

### General Terms

ABC: Agri-Business Centre  
ATNI: Access to Nutrition Initiative  
ASCI: Advertising Standards Council of India  
AWS: Alliance for Water Stewardship  
CSR: Corporate Social Responsibility  
ECF: Elemental Chlorine Free  
EHS: Environment, Health and Safety  
ESG: Environment, Social and Governance  
FPO: Farmers' Producer Organisation  
FSC®: Forest Stewardship Council®  
FSSAI: The Food Safety and Standards Authority of India  
GAP: Good Agricultural Practices  
GP: Gram Panchayat  
HACCP: Hazard Analysis and Critical Control Points  
LCA: Life-Cycle Assessment  
LEED: Leadership in Energy and Environmental Design  
MCH: Mother and Child Health  
MMU: Mobile Medical Unit  
MPSRLM: Madhya Pradesh State Rural Livelihood Mission  
MoU: Memorandum of Understanding  
NA: Not Applicable  
NGRBC: National Guidelines on Responsible Business Conduct  
NOP: National Organic Programme  
NPOP: National Programme for Organic Production  
PPP: Public-Private Partnership  
RFA: Rainforest Alliance  
SEBI: Securities and Exchange Board of India  
SEDEX: Supplier Ethical Data Exchange  
SC: Scheduled Caste  
ST: Scheduled Tribe  
SHG: Self Help Group  
SOP: Standard Operating Procedure  
STP: Sustainable Tobacco Programme  
UoM: Unit of Measurement

## Section A: General Disclosures

### I. Details of the Listed Entity:

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L16005WB1910PLC001985
2.	<b>Name of the Company</b>	ITC Limited
3.	<b>Year of Incorporation</b>	1910
4.	<b>Registered Office Address</b>	Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071
5.	<b>Corporate Office Address</b>	
6.	<b>E-mail Id</b>	enduringvalue@itc.in
7.	<b>Telephone</b>	+91 33 2288 9371
8.	<b>Website</b>	www.itcportal.com
9.	<b>Financial Year for which Reporting is Being Done</b>	2022-23
10.	<b>Name of the Stock Exchange(s) where Shares are Listed</b>	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and The Calcutta Stock Exchange Limited ('CSE')
11.	<b>Paid-up Capital</b>	₹1,242.80 crores (As on 31.03.2023)
12.	<b>Name and Contact Details of the Person who may be Contacted in Case of any queries on the BRSR Report</b>	Ms. Madhulika Sharma Chief Sustainability Officer Madhulika.sharma@itc.in +91 33 2288 9371
13.	<b>Reporting Boundary</b>	<p>The financial disclosures made in this report are on a standalone basis, and are excerpted from the Company's Report and Accounts 2023. The data related to social performance is on a standalone basis.</p> <p>The environmental disclosures are based on performance of Company's Businesses, certain subsidiaries and associates, and key Third-Party Manufacturers (TPMs). The details are available in 'About this Report' section of ITC Sustainability &amp; Integrated Report 2023.</p>

### II. Products/Services

#### 14. Details of Business Activities:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	<b>FMCG</b>	Cigarettes: Cigarettes, Cigars etc.	40.60%
		Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.	27.46%
2.	<b>Hotels</b>	Hoteliering.	3.70%
3.	<b>Agri Business</b>	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	17.72%
4.	<b>Paperboards, Paper &amp; Packaging</b>	Paperboards, Paper including Specialty Paper and Packaging including flexibles.	10.51%

**15. Products/Services sold by the entity:**

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Cigarettes: Cigarettes, Cigars etc.	12003, 21002, 46307	40.60%
2	Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.	10202, 10304, 10308, 10402, 10501, 10504, 10509, 10611, 10712, 10732, 10733, 10740, 10750, 10792, 10795, 10796, 10798, 20231, 20233, 20234, 20236, 20237, 20239, 20293, 46411, 46491, 46496, 46497, 46909	27.46%
3	Hoteliering	55101, 56101, 56301, 74909, 47110, 47190, 68200, 77400, 79900, 96010, 96020, 96905	3.70%
4	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	12001, 10209, 10304, 10406, 10611, 10795, 20213, 46201, 46207, 46301, 46305, 46306, 47300, 47737	17.72%
5	Paperboards, Paper including Specialty Paper and Packaging including flexibles.	17015, 17016, 17093, 17022, 17029, 22203	10.51%

**III. Operations**

**16. Number of Locations where Plants and/or Operations/Offices of the Entity are Situated.**

The Company's Businesses and operations are spread across the country. Details of plant locations, including hotels owned/operated by the Company, are provided under the section 'Shareholder Information' in Company's Report and Accounts 2023.

Location	Number of Plants	Number of Offices	Total
National	105	54	159
International	0	1	1

**17. Markets Served by the Entity**

**a. Number of Locations**

Location	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	110 Countries

**b. What is the Contribution of Exports as a Percentage of the Total Turnover of the Entity?**

FY 2022-23	14.98%
FY 2021-22	15.77%

**c. A Brief on Types of Customers**

ITC is one of India's foremost private sector companies and a diversified conglomerate with 12 businesses spanning FMCG, Hotels, Paperboards, Paper & Packaging and Agri Businesses, and operates across all the three sectors of the economy – Agri, Manufacturing and Services. The Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy in a relatively short period of time, represents an annual consumer spend of nearly ₹29000 crores and reach over 230 million households in India.

#### IV. Employees

##### 18. Details as at the End of Financial Year:

###### a. Employees and Workers (including Differently Aabled):

During FY 2022-23, the Company employed 49,824 employees, out of which 6,330 were female employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	23,725	21,337	90%	2,388	10%
2	Other than Permanent (E)	26,099	22,157	85%	3,942	15%
3	<b>Total Employees (D + E)</b>	<b>49,824</b>	<b>43,494</b>	<b>87%</b>	<b>6,330</b>	<b>13%</b>
<b>WORKERS</b>						
4	Permanent (F)	12,602	11,948	95%	654	5%
5	Other than Permanent (G)	25,987	22,061	85%	3,926	15%
6	<b>Total Workers (F + G)</b>	<b>38,589</b>	<b>34,009</b>	<b>88%</b>	<b>4,580</b>	<b>12%</b>

Note: Definition of employee clustering is as under:

• Permanent Employees include Management & Non-Management Employees and Workers • Other than Permanent Employees include Service Provider Personnel (SPP), Fixed Term Contract (FTC) and Fixed Term Retainer (FTR) (Management/ Non-management and Workers) • Permanent Workers include only Workers who are on the rolls of the Company • Other than Permanent Workers include SPP and FTC (Worker) • Trainees and apprentices have not been included in the Workforce

###### b. Differently abled Employees and Workers:

During FY 2022-23, the Company employed 294 differently abled employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	38	31	82%	7	18%
2	Other than Permanent (E)	256	189	74%	67	26%
3	<b>Total Employees (D + E)</b>	<b>294</b>	<b>220</b>	<b>75%</b>	<b>74</b>	<b>25%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	34	27	79%	6	18%
5	Other than Permanent (G)	98	88	90%	10	10%
6	<b>Total Workers (F + G)</b>	<b>132</b>	<b>115</b>	<b>87%</b>	<b>16</b>	<b>12%</b>

##### 19. Participation/Inclusion/Representation of Women

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	16	2	12.50%
Key Managerial Personnel*	5	0	0

\* Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary

##### 20. Turnover Rate for Permanent Employees and Workers

In FY 2022-23, the overall attrition (voluntary separation, retirement, termination and abandonment of services) across employees was 12%. Gender-wise attrition stood at 11% for male employees and 18% for female employees.

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female*	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	18%	12%	9%	18%	10%	7%	15%	8%
Permanent Workers	7%	21%	7%	6%	25%	7%	6%	22%	7%

\*Note: Primarily due to marriage and relocation

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. (a) Names of Holding/Subsidiary/Associate Companies/Joint Ventures (As on 31.03.2023)

S. No.	Name of the Holding/Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity*	Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)**
1.	ITC Infotech India Limited	Subsidiary	100.00	Yes
2.	ITC Infotech Limited	Subsidiary	100.00	No
3.	ITC Infotech (USA), Inc.	Subsidiary	100.00	No
4.	Indivate Inc.	Subsidiary	100.00	No
5.	ITC Infotech Do Brasil LTDA.	Subsidiary	100.00	No
6.	ITC Infotech Malaysia SDN. BHD.	Subsidiary	100.00	No
7.	ITC Infotech France SAS	Subsidiary	100.00	No
8.	ITC Infotech GmbH	Subsidiary	100.00	No
9.	Surya Nepal Private Limited	Subsidiary	59.00	Yes
10.	Technico Agri Sciences Limited	Subsidiary	100.00	Yes
11.	Technico Pty Limited	Subsidiary	100.00	No
12.	Technico Technologies Inc.	Subsidiary	100.00	No
13.	Technico Asia Holdings Pty Limited	Subsidiary	100.00	No
14.	Technico Horticultural (Kunming) Co. Limited	Subsidiary	100.00	No
15.	Srinivasa Resorts Limited	Subsidiary	68.00	Yes
16.	Fortune Park Hotels Limited	Subsidiary	100.00	No
17.	Landbase India Limited	Subsidiary	100.00	Yes
18.	Bay Islands Hotels Limited	Subsidiary	100.00	Yes
19.	WelcomHotels Lanka (Private) Limited	Subsidiary	100.00	No
20.	Russell Credit Limited	Subsidiary	100.00	No
21.	Greenacre Holdings Limited	Subsidiary	100.00	No
22.	Wimco Limited	Subsidiary	100.00	No
23.	Gold Flake Corporation Limited	Subsidiary	100.00	No
24.	ITC Integrated Business Services Limited (formerly known as ITC Investments & Holdings Limited)	Subsidiary	100.00	No
25.	MRR Trading & Investment Company Limited	Subsidiary	100.00	No
26.	North East Nutrients Private Limited	Subsidiary	76.00	Yes
27.	Prag Agro Farm Limited	Subsidiary	100.00	No
28.	Pavan Poplar Limited	Subsidiary	100.00	No
29.	ITC IndiVision Limited	Subsidiary	100.00	No
30.	ITC Fibre Innovations Limited	Subsidiary	100.00	No
31.	Espirit Hotels Private Limited	Joint Venture	26.00	No
32.	Logix Developers Private Limited	Joint Venture	27.90	No
33.	ITC Essentra Limited	Joint Venture	50.00	No
34.	Maharaja Heritage Resorts Limited	Joint Venture	50.00	No
35.	Gujarat Hotels Limited	Associate	45.78	Yes
36.	International Travel House Limited	Associate	48.96	No
37.	Russell Investments Limited	Associate	25.43	No
38.	Divya Management Limited	Associate	33.33	No
39.	Antrang Finance Limited	Associate	33.33	No
40.	ATC Limited	Associate	47.50	Yes
41.	Delectable Technologies Private Limited	Associate	33.42 <sup>#</sup>	No
42.	Mother Sparsh Baby Care Private Limited	Associate	22.00 <sup>#</sup>	No

\* Held directly or through subsidiary companies. <sup>#</sup> On a fully diluted basis.

Note: Refer Note 28(iii) of Consolidated Financial Statements forming part of Report and Accounts 2023 for further details on subsidiaries, associates and joint ventures. \*\* For details, refer to 'About this Report' section of ITC Sustainability & Integrated Report 2023.



**VI. CSR Details**

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No).**

Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

**(ii) Turnover of the Company for the year ended 31st March, 2023 - ₹69,480.89 crores**

**(iii) Net worth of the Company as on 31st March, 2023 - ₹66,685.93 crores (computed as per the Companies Act, 2013)**

**VII. Transparency and Disclosures Compliances**

**23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC).**

Stakeholder Group from whom Complaint is Received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for Grievance Redress Policy) *	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors and Shareholders	Yes	1	0	-	1	0	-
Employees and Workers	Yes. It is available through the ITC Intranet	144	8	-	212	6 (closed after 31st March 2022)	-
Customers	Yes	18,846	1,648	-	~10,000	~300	-
Value Chain Partners	Yes	-	-	-	-	-	-

\*The details of grievance redressal mechanisms for each stakeholder group are provided in the table below.

Stakeholder Group from whom Complaint is Received	Grievance Redressal Mechanism in Place
Communities	<p>In addition to all the ongoing and regular community interactions and stakeholder engagements, ITC has initiated a structured process to capture views, issues, complaints and grievances of community members pertaining to the operations of ITC's Social Investments Programme (SIP). During 2022-23, 66 such community engagements were held across all major states where SIP projects are implemented – Andhra Pradesh, Assam, Himachal Pradesh, Rajasthan, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Telangana, Uttar Pradesh, Uttarakhand, Bihar, Tamil Nadu and West Bengal. The sessions were conducted by ITC SIP team's State level managers. Meetings were Organised with community members in villages and urban catchments wherein the programme implementing NGOs were also present. All meetings were planned and reviewed by the SIP team at Head Office.</p> <p>No grievances pertaining to the interventions under ITC Social Investments Programme were recorded.</p> <p>The SIP state teams have taken cognizance of the relevant requests and expectations and appropriate actions have been incorporated in the plans for the upcoming year.</p>

<p><b>Investors and Shareholders</b></p>	<p><a href="https://www.itcportal.com/investor/index.aspx">https://www.itcportal.com/investor/index.aspx</a></p> <p>The Company has an Investor Service Centre ('ISC') which is registered with SEBI as Category II Share Transfer Agent for providing in-house share registration and related services to the shareholders and investors. ISC has effective systems and processes in place to ensure prompt redressal of investor grievances, as follows:</p> <p>(a) ISC has a 'Complaint Identification Policy' for identification of investor complaints. ISC attends to shareholder/investor complaints within three working days, except where constrained by disputes or legal impediments or other exceptional circumstances.</p> <p>(b) The Head of ISC is responsible for redressal of investor grievances.</p> <p>(c) The Company has a specific e-mail address earmarked for receiving investor complaints which is <a href="mailto:isc@itc.in">isc@itc.in</a>.</p> <p>(d) The 'Investor Charter' of the Company and the status of investor complaints received by the Company are available on its website at <a href="https://www.itcportal.com/about-itc/shareholder-value/investor-relations/investor-charter.aspx">https://www.itcportal.com/about-itc/shareholder-value/investor-relations/investor-charter.aspx</a> and <a href="https://www.itcportal.com/about-itc/shareholder-value/pdf/investor-complaint.pdf">https://www.itcportal.com/about-itc/shareholder-value/pdf/investor-complaint.pdf</a>, respectively.</p> <p>(e) A Board Level Committee viz., the Securityholders Relationship Committee, has been mandated to oversee redressal of investor grievances, and review adherence to the service standards adopted by the Company in respect of its in-house share registration activities.</p> <p>(f) Details of investor complaints received by the Company are filed on a quarterly basis with the Stock Exchanges where the Company's shares are listed, and with the SEBI on a half-yearly basis.</p>
<p><b>Employees and Workers</b></p>	<p>The Company, through its Grievance Redressal Policy, seeks to address employee concerns and complaints pertaining to human rights and labour practices. A Grievance Redressal Procedure with appropriate systems and mechanisms is available across ITC Units. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights. The implementation is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees of the Businesses.</p>
<p><b>Customers</b></p>	<p>The Company provides various avenues to customers for raising their grievances:</p> <ul style="list-style-type: none"> <li>• Web form on ITC's website: <a href="https://www.itcportal.com/contact-us.aspx">https://www.itcportal.com/contact-us.aspx</a></li> <li>• Customers can write to the following email addresses: <ul style="list-style-type: none"> <li>○ <a href="mailto:webmaster@itc.in">webmaster@itc.in</a></li> <li>○ <a href="mailto:contactus@itc.in">contactus@itc.in</a></li> </ul> </li> <li>• Customers can also raise their grievances via Brand-specific websites and/or social media handles</li> </ul>
<p><b>Value Chain Partners</b></p>	<p>As per the Company's Code of Conduct for Suppliers and Service Providers, they are expected to bring to the notice of the manager concerned at ITC, any actual or suspected breach of the Code. Suppliers and Service Providers are encouraged to report any known or suspected improper behaviour of ITC employees. Such reports are treated in a confidential manner.</p>

**24. Overview of the Entity's Material Responsible Business Conduct Issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1.	Climate Change	Risk	<p>Climate related physical and transitional disruptions may impact business operations, sourcing, supply chain and increase compliance costs.</p> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>• As average temperatures rise, extreme weather events are expected to grow in terms of severity and frequency which could have significant impact on the Company's operations, its physical assets and agri value chains. These may lead to complete or partial outage of operations. Further, these events may also adversely impact the availability and quality of agri raw materials and consequently, the production and sales of the Company's products</li> <li>• Vagaries of weather caused by climate change impact crop cycles, output and productivity can result in disruption of operations/ supply chain</li> <li>• Availability of water for own operations as well as farm value chains also can get impacted by erratic precipitation patterns</li> </ul>	<p><b>Physical Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Climate risk modelling for identifying high-risk/vulnerable sites and agri value chains, and undertaking detailed assessments for developing locally contextual adaptation plans, risk mitigation strategies and undertaking measures for improving climate resilience</li> <li>• Promotion of climate smart agriculture, and development of heat/drought tolerant and high yielding varieties to improve productivity by adopting micro region-specific agronomic practices</li> <li>- Micro segmentation of growing zones and developing appropriate package of practices and precision farming techniques to mitigate impact of weather.</li> <li>- Enhancing climate resilience of farmers through capacity building programmes including leveraging ITCMAARS app together with the FPO (Farmers' Producer Organisation) ecosystem, and supported by field demonstrations under Choupal Pradarshan Khets.</li> </ul>	-

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
			<ul style="list-style-type: none"> <li>• Besides physical risks, there are also transition risks associated with climate change, that can impact the Company's operations:</li> <li>- Additional levies may be imposed by regulatory authorities for emission/ water intensive industries to address climate change, which will lead to higher cost of compliance, and potential regulatory penalties and reputational risk in case of non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>- Comprehensive programmes on social forestry, soil and moisture conservation and biodiversity conservation.</li> <li>- Adoption of water stewardship approach to achieve water security for all stakeholders within the defined catchment areas of units located in high water stress areas.</li> <li>• Diversification and contingency planning of supply chain</li> <li>• Map risks arising out of climate crisis, build adaptive capacity and invest in mitigative measures to strengthen resilience across the value chain</li> </ul> <p><b>Transition Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Continue to focus on energy conservation, improving energy productivity and enhancing the share of renewables in ITC's total energy requirement as part of ITC's Sustainability 2.0 targets; strengthen enterprise sustainability and governance mechanisms for reviewing performance and progress against Sustainability 2.0 targets through the Sustainability Compliance and Review Committee (SCRC)</li> <li>• Adopt the Life-cycle Assessment (LCA) approach for identifying environmental impact across a product's lifecycle; leverage the same for sustainable design and product innovation</li> </ul>	

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
2	Product and Plastic Packaging	Risk	<p>Inability to comply with current or future regulation on plastic packaging and/or failure to meet commitments on packaging and the environment.</p> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>• Non-compliance to plastic waste management regulations could lead to imposition of environmental compensation, that may negatively impact Company's reputation; additionally, stricter government laws around usage of plastics including bans may give rise to multiple challenges such as redesign of product packaging, shelf life-related issues and product distribution issues</li> <li>• Disruptions in the supply chain for recycled plastic or plastic packaging substitutes as required by law, can impact the Company's ability to comply, produce and distribute products</li> <li>• Inability to provide sustainable alternatives could have a negative impact on consumer sentiment</li> </ul>	<ul style="list-style-type: none"> <li>• Going beyond compliance wherever possible:</li> <li>- Ensuring plastic neutrality ahead of regulatory targets through source segregation programmes, creating replicable, scalable and sustainable models of solid waste management, and developing viable recycling options for Multi-Layered Plastic (MLP) packaging.</li> <li>- Ensuring that 100% of packaging is reusable, recyclable or compostable/ biodegradable.</li> <li>• Partnering with upstream players and suppliers for ensuring supply of recycled plastic for meeting regulatory/market demand for increasing recycled content in plastic packaging</li> <li>• Harnessing the enterprise strengths of ITC (Life Sciences and Technology Centre, Paperboards &amp; Specialty Paper Division and Packaging and Printing Division) in driving cutting-edge innovation to offer sustainable alternatives to single-use plastics; pursue sustainable packaging initiatives like reduction in plastic packaging intensity, and improving recyclability of plastic packaging</li> </ul>	-

For more information on Risk Management Framework, refer to the 'Risk Management Section' of the Report of the Board of Directors & Management Discussion and Analysis forming part of ITC's Report and Accounts 2023, and 'Strategic Risk Management' section of ITC Sustainability & Integrated Report 2023.

## Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
<b>1. a. Whether your Entity's Policy/Policies Cover Each Principle and its Core Elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<p>ITC is guided by a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements.</p> <p>To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of Sustainability Policies that are being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.</p> <p>The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional/Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective teams. Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee comprising senior management has the overall responsibility to monitor and evaluate compliance with these Policies. The responsibility for implementation of ITC's CSR Policy rests with the Corporate Social Investments Programme (SIP) Team.</p>								
<b>b. Has the Policy been Approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web Link of the Policies, if available</b>	<a href="https://www.itcportal.com/about-itc/policies/index.aspx">https://www.itcportal.com/about-itc/policies/index.aspx</a>								
<b>2. Whether the Entity has Translated the Policy into Procedures? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the Enlisted Policies extend to your Value Chain Partners? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Not applicable	Yes	Yes
<b>4. Name of the National and International Codes/Certifications/Labels/Standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) Standards (e.g. SA 8000, OHSAS, ISO, BIS) Adopted by your Entity and Mapped to each Principle.</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	-	Food Safety Management System (FSSC 22000/ISO 22000/HACCP) Responsible Supply Chain Certifications like Rainforest Alliance (RFA) and Forest Stewardship Council® (FSC®)	OHSAS 18001/ ISO 45001: Occupational Health and Safety Management Systems	ISAE 3000	SA 8000: Social Accountability, United Nations Guiding Principles on Business and Human Rights, Sustainable Tobacco Programme, RFA, FSC®	ISO 14001: Environment Management System, Alliance for Water Stewardship (AWS), LEED Certification for Green Building, Zero Carbon, Zero Water	NGRBC	-	ATNI Framework, ASCI, FSSAI, ISO 9001, BRCS and Packaging Materials Global Standard, HACCP, Sedex, NPOP, NOP, Halal and Kosher
	For more information on Environment, Social, Occupational Health and Safety, Food Safety Certifications and Sustainable Farming Certifications, refer to 'Certifications' section of ITC Sustainability & Integrated Report 2023.								

<p><b>5. Specific Commitments, Goals and Targets set by the Entity with defined Timelines, if any.</b></p>	<p>In line with its Sustainability 2.0 agenda, ITC has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and circular economy, sustainable agriculture, biodiversity conservation and sustainable livelihoods. In line with the above, ITC's Businesses have targets for Key Performance Indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation. In order to achieve these targets, all ITC Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap.</p> <p><i>For more information on annual performance against the Sustainability 2.0 targets, refer to 'Sustainability 2.0 Ambitions: 2030 Targets' section of ITC Sustainability &amp; Integrated Report 2023.</i></p>																																				
<p><b>6. Performance of the Entity against the Specific Commitments, Goals and Targets along with reasons in case the same are not met.</b></p>																																					
<p><b>Governance, Leadership and Oversight</b></p>																																					
<p><b>7. Statement by Director Responsible for the Business Responsibility Report, Highlighting ESG Related Challenges, Targets and Achievements</b> <i>(listed entity has flexibility regarding the placement of this disclosure)</i> Please refer to the 'Chairman's Statement' section in ITC Sustainability &amp; Integrated Report 2023.</p>																																					
<p><b>8. Details of the Highest Authority Responsible for Implementation and Oversight of the Business Responsibility Policy(ies).</b></p>	<p>The CSR and Sustainability Committee of the Board, chaired by the Chairman &amp; Managing Director, reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis. In addition, the CSR and Sustainability Committee and the Board of Directors also review the progress of implementation of the Company's CSR Programmes on a half-yearly basis. The composition of the CSR and Sustainability Committee as on 31st March, 2023 is given below:</p> <table border="1" data-bbox="603 943 1433 1397"> <thead> <tr> <th>Sl. No.</th> <th>Name of the Director</th> <th>Designation/Nature of Directorship</th> <th>DIN of the Director</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>S. Puri (Chairman of the Committee)</td> <td>Chairman &amp; Managing Director</td> <td>00280529</td> </tr> <tr> <td>2.</td> <td>P. R. Chittaranjan</td> <td>Non-Executive Director</td> <td>09773278</td> </tr> <tr> <td>3.</td> <td>M. Gupta</td> <td>Non-Executive Director</td> <td>06638754</td> </tr> <tr> <td>4.</td> <td>S. Panray</td> <td>Non-Executive Director</td> <td>09251023</td> </tr> <tr> <td>5.</td> <td>N. Rao</td> <td>Independent Director</td> <td>06954879</td> </tr> <tr> <td>6.</td> <td>A. K. Seth</td> <td>Independent Director</td> <td>08504093</td> </tr> <tr> <td>7.</td> <td>M. Shankar</td> <td>Independent Director</td> <td>06374957</td> </tr> <tr> <td>8.</td> <td>D. R. Simpson</td> <td>Non-Executive Director</td> <td>07717430</td> </tr> </tbody> </table> <p>At the highest level, the Board of Directors of the Company has the primary role of trusteeship to protect and enhance shareholder value through strategic supervision of ITC. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth, and also in line with its Sustainability agenda.</p> <p>The Corporate Management Committee (CMC) of the Company is the management body responsible for compliance with the Sustainability Policies of the Company.</p> <p>The CMC has constituted the Sustainability Compliance Review Committee (SCRC), which monitors and evaluates compliance with these Policies and places a quarterly report thereon for review by the CMC. The Chief Executives of Divisions/ Strategic Business Units (SBUs), through members of the respective Management Committees, and Heads of Corporate Functions, are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division/SBU/Corporate Function, and communication of these Policies to the employees.</p> <p>In addition, the Chief Sustainability Officer (CSO) of the Company is, inter alia, responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating the Businesses &amp; Corporate Functions in implementing the sustainability initiatives. The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress reportbacks on the Company's sustainability initiatives to the senior leadership of the Company.</p>	Sl. No.	Name of the Director	Designation/Nature of Directorship	DIN of the Director	1.	S. Puri (Chairman of the Committee)	Chairman & Managing Director	00280529	2.	P. R. Chittaranjan	Non-Executive Director	09773278	3.	M. Gupta	Non-Executive Director	06638754	4.	S. Panray	Non-Executive Director	09251023	5.	N. Rao	Independent Director	06954879	6.	A. K. Seth	Independent Director	08504093	7.	M. Shankar	Independent Director	06374957	8.	D. R. Simpson	Non-Executive Director	07717430
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8.	D. R. Simpson	Non-Executive Director	07717430																																		



<p><b>9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.</b></p>	<p>Yes, as stated under (8) above, the CSR and Sustainability Committee of the Board, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation.</p> <p>The CSR and Sustainability Committee of the Board also reviews the Business Responsibility and Sustainability Report of the Company and recommends the same to the Board for adoption, and approves the Sustainability &amp; Integrated Report of the Company.</p>									
<p><b>10. Details of Review of NGRBCs by the Company:</b></p>										
	<p><b>Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee</b></p>					<p><b>Frequency (Annually/Half yearly/ Quarterly/Any other – please specify)</b></p>				
	<p><b>P1</b></p>	<p><b>P2</b></p>	<p><b>P3</b></p>	<p><b>P4</b></p>	<p><b>P5</b></p>	<p><b>P6</b></p>	<p><b>P7</b></p>	<p><b>P8</b></p>	<p><b>P9</b></p>	
<p><b>Performance Against Above Policies and Follow-up Action</b></p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	
	<p>As stated under (8) above, the Sustainability Compliance Review Committee is responsible for monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the CMC. The CSR and Sustainability Committee of the Board also reviews implementation of these Policies on an annual basis.</p> <p>The Chief Executives of Divisions/Strategic Business Units (SBU) and Heads of Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division/SBU/Corporate Function.</p>									
<p><b>Compliance with Statutory Requirements of Relevance to the Principles, and, Rectification of any Non-compliances</b></p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	
	<p>The Company is in compliance with applicable laws and regulations.</p>									
<p><b>11. Has the Entity Carried out Independent Assessment/Evaluation of the Working of its Policies by an External Agency? (Yes/No). If yes, provide name of the agency.</b></p>	<ul style="list-style-type: none"> <li>ITC has been obtaining independent third-party assurance for its Sustainability Reports since 2004, in the reporting year, authenticity of the data and systems disclosed in the Sustainability &amp; Integrated Report 2023 has been assured by an independent third-party assurance provider; the assurance has been provided as per the International Standard for Assurance Engagements (ISAE) 3000 at the 'Reasonable Assurance' level</li> <li>ITC has computed its Green House Gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2018; the GHG inventory of FY 2022-23 has been verified at the 'Reasonable Assurance' level by an independent third-party assurance provider</li> <li>In addition to the above, relevant third-party assessments and certifications are conducted across Business Units periodically</li> </ul>									



## Section C: Principle-wise Performance Disclosure



### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total Number of Training and Awareness Programmes Held	Topics/Principles covered under the Training and its Impact	%age of Persons in Respective Category covered by the Awareness Programmes
Board of Directors	8	<ul style="list-style-type: none"> <li>The Directors of the Company are briefed on the sustainability initiatives of the Company from time to time. The Directors are also updated on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislation &amp; economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions</li> <li>During the financial year 2022-23, the Directors and KMP of the Company were briefed/updated on the following:                             <ol style="list-style-type: none"> <li>Business Plan of the Company for the ensuing years.</li> <li>CSR initiatives of the Company.</li> <li>Diversity and Inclusion at ITC.</li> <li>E-Commerce and New Routes to Market.</li> <li>Talent Retention and Engagement at ITC.</li> <li>Update on IT Business.</li> <li>Field visit to Sehore, Madhya Pradesh, to experience the ITC-MAARS Project and other social investment projects.</li> </ol> </li> <li>In addition to the above, the Directors of the Company attended a 'Strategy Session' where the Company's overall strategy, including ITC Sustainability 2.0 vision and goals, were discussed/reviewed</li> </ul>	
Key Managerial Personnel (other than Directors)			
Employees other than BoD and KMPs	11 (types of training)	Health and Safety,** ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*
Workers	11 (types of training)	Health and Safety,** ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*

\*Note: All Employees/Workers are covered under at least one of the topics

\*\*Detailed training programmes on various health and safety sub-elements are also provided

2. Details of Fines/Penalties/Punishment/Award/Compounding fees/Settlement Amount Paid in Proceedings (by the Entity or by Directors/KMPs) with Regulators/Law Enforcement Agencies/Judicial Institutions, in the Financial Year, in the following format (Note: The Entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					

Non-Monetary				
	NGRBC Principle	Name of the Regulatory/Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment				
Punishment				
Nil				

3. Of the Instances Disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where Monetary or Non-Monetary action has been appealed.

Case Details	Name of the Regulatory/Enforcement agencies/Judicial Institutions
Not applicable	Not applicable

4. Does the Entity have an Anti-corruption or Anti-bribery Policy? If yes, Provide details in brief and if available, Provide a web-link to the policy.

The Company's Code of Conduct covers aspects relating to anti-corruption and anti-bribery. In terms of the said Code, the Company believes in conducting its business in a transparent manner and does not indulge in bribery or corruption. The ITC Code of Conduct can be accessed on the Company's corporate website at <https://www.itcportal.com/about-itc/values/index.aspx#sectionb5>

Further, in terms of the Company's Code of Conduct for Suppliers and Service Providers, all Suppliers and Service Providers of the Company are required to avoid any actual or potential conflicts of interest in their business dealings with the Company that could create a perception of unfairness or lead to uncompetitive favours, and are also required to disclose any such situation of conflict of interest, including involvement or interest of any employee of the Company or his/her immediate family members in their business. The said Code can be accessed on the Company's corporate website at <https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#coc-vendor>

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any Law Enforcement Agency for the charges of Bribery/Corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of Complaints with regard to Conflict of Interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil	-	Nil	-

7. Provide details of any Corrective Action taken or underway on issues related to Fines/Penalties/Action taken by Regulators/Law Enforcement Agencies/Judicial Institutions, on cases of Corruption and Conflicts of Interest.

Not Applicable

## Leadership Indicators

1. Awareness Programmes conducted for Value Chain Partners on any of the Principles during the Financial Year:

ITC facilitates capacity building workshops for its key value chain partners to educate, and create shared awareness on key areas like human rights, labour practices and sustainability. All ITC businesses have identified Critical Tier-1 Suppliers based on aspects like buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the aforesaid set of identified Critical Suppliers.

Total Number of Awareness Programmes held	Topics/Principles covered under the Training	%age of Value Chain Partners covered (by Value of Business done with such Partners) under the Awareness Programmes
4	<ul style="list-style-type: none"> <li>• Environmental Compliance</li> <li>• Fair Business Practices</li> <li>• Corporate Governance and Ethics</li> <li>• Occupational Health and Safety</li> <li>• Fair Labour Practices and Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• 60% of the identified Critical Tier-1 suppliers</li> </ul>

**2. Does the Entity have Processes in place to avoid/ manage Conflict of Interests involving Members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the ITC Code of Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial

transaction, or (b) an employee is in a position to benefit someone with whom he/she has a close relationship, in relation to the Company’s business. However, this is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

Further, the Directors of the Company are required to disclose to the Board, on an annual basis, whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.



**Principle 2**

**Businesses should provide Goods and Services in a manner that is Sustainable and Safe.**

**Essential Indicators**

**1. Percentage of R&D and Capital Expenditure (CapEx) Investments in Specific Technologies to improve the Environmental and Social Impacts of Product and Processes to total R&D and CapEx Investments made by the Entity, respectively.**

The Company’s state-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru is at the core of driving science-led product innovation to support and build ITC’s portfolio of world-class brands.

ITC LSTC’s research and development initiatives are equipped with world-class scientific platforms and centres of excellence that deliver improvements in environmental and social impacts, some of which are summarised below -

**Agroforestry and Crop Sciences:** Agroforestry, one of LSTC’s key expertise, involves working on tree improvement by using contemporary research tools for Eucalyptus, Casuarina, Corymbia, and Subabul species. LSTC has released several new clones for all the four species, aimed at improving productivity and catering to the sourcing needs of ITC’s paper business. Last year, 6 million new clones with improved productivity were distributed to farmers.

**Sustainable Packaging & Material Sciences:** This vertical works on reducing the impact of single-use plastics and plastic packaging by focussing on suitable alternatives, improving recyclability of multi-layered plastic packaging, and increasing the use of recycled content, thereby reducing the carbon footprint of packaging.

**Health, Wellness and Nutrition:** Health and Wellness platform focuses on multiple aspects of human health stratified across age, gender, specific health concerns as well as uniqueness of the Indian consumer. LSTC, over the last decade, has been instrumental in creating scientifically validated solutions catering to areas such as diabetes, cardiovascular health, weight management, gut health, immunity, brain health, women’s health, kids’ health, targeted nutrition as well as various concerns associated with ageing. Solutions range from delivering benefits in various product formats including nutraceuticals. Scientific due diligence as well as clinical efficacy has helped in generating health claims and in providing nutrition, nourishment, health and wellness to the Indian consumer.

₹ in crores

	FY 2022-23	FY 2021-22
Expenditure on R&D – Capital	9.67	20.17
Expenditure on R&D – Revenue	161.31	143.59
Total R&D Expenditure	170.98	163.76
Capital Investment on Energy Conservation Equipment	18.93	12.22

**2. a. Does the Entity have Procedures in place for Sustainable Sourcing?**

Yes, there are procedures in place for sustainable sourcing. ITC has a Board approved Policy on ‘Sustainable Supply Chain and Responsible Sourcing’ and a ‘Code of Conduct for Suppliers and Service Providers’. The Code reflects ITC’s commitment to environmental conservation, business integrity and human rights across the supply chain. It upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights. All suppliers are encouraged to fully comply with the Code.

Additionally, ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, focus of ITC’s interventions in agri value chains has been largely around improving farmer livelihoods, increasing

agricultural productivity, strengthening regional water security, and addressing the challenge of climate change and enhancing resilience. ITC’s key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic, USDA Organic, Bio-Suisse etc. These certifications specify environmental and social standards for agricultural practices, and help ensure sustainability, traceability and transparency across value chains.

*Note: For more details on ITC’s sustainable sourcing practices pertaining to key agri value chains and key value chain partners like third-party manufacturers, refer to ‘Sustainable Agriculture’ and ‘Sustainable Supply Chain and Responsible Sourcing’ sections of ITC Sustainability & Integrated Report 2023.*

**b. If yes, what percentage of inputs were sourced sustainably?**

ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, farmers constitute a vital part of ITC’s supply chain and the Company engages with farmers to ensure adoption of sustainable agriculture practices. ITC’s key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic, USDA Organic and Bio-Suisse.

*Note: For more details on ITC’s sustainable sourcing practices pertaining to key agri value chains, refer to ‘Sustainable Agriculture’ section of ITC Sustainability & Integrated Report 2023.*

**3. Describe the Processes in place to Safely Reclaim your Products for Reusing, Recycling and Disposing at the end of Life, for (a) Plastics (including Packaging) (b) E-waste (c) Hazardous Waste and (d) Other Waste.**

	Description of Processes
Plastics (including Packaging)	ITC achieved Plastic Neutrality in FY 2021-22 by implementing an integrated solid waste management programme that incorporates unique and multi-dimensional initiatives including the Company’s flagship waste management initiative ‘ITC WOW – Well Being Out of Waste’. In FY 2022-23, the Company collected and sustainably managed more than 60,000 tonnes of plastic waste across 36 States and Union Territories. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to maintain the milestone of Plastic Neutrality. ITC has been recycling more than 99% of the solid waste generated through its operations including plastic waste for more than a decade.
E-waste	Not applicable
Hazardous Waste	Not applicable
Other Waste	All ITC Units have established systems and procedures to ensure that waste is disposed through authorised agencies in line with applicable regulations.

*Note: For further details, refer to the ‘Towards Circularity’ section of ITC Sustainability & Integrated Report 2023.*

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, ITC is in compliance with the requirements of Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016 (as amended).

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its Products (for Manufacturing Industry) or for its Services (for Service Industry)?**

The Company initiated Life Cycle Assessments

(LCA) of its products and services in 2010 with an objective to evaluate the impacts and identify areas for improvement in the value chain. So far, LCAs have been carried out for key product categories from Paperboards & Specialty Papers Business, Personal Care Products Business, and Branded Packaged Foods Businesses.

In FY 2022-23, LCAs on Classmate Notebook, Savlon Powder Handwash, Savlon Liquid Handwash and Nimyle Floor Cleaner were initiated (details provided in the table below). Additionally, during the year, capacity building programmes were conducted for practitioners across ITC businesses in order to further strengthen the application of LCA tools and methodologies for sustainable product design.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/No) If yes, Provide the web-link.
46496	Classmate Notebook	-	Cradle-to-grave	Yes	No
20237	Savlon Powder Handwash	-	Cradle-to-grave	Yes	No
20237	Savlon Liquid Handwash	-	Cradle-to-grave	Yes	No
20239/ 46491	Nimyle Floor Cleaner	-	Cradle-to-gate	Yes	No

**2. If there are any significant Social or Environmental Concerns and/or risks arising from Production or Disposal of your Products/Services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

No significant social or environmental risks were identified from the LCA studies carried out.

**3. Percentage of Recycled or Reused Input Material to Total Material (by Value) used in Production (for Manufacturing Industry) or providing Services (for Service Industry).**

During FY 2022-23, the Kovai Unit of ITC's Paperboards & Specialty Papers Business sourced nearly 84,000 tonnes of waste paper from external sources, which constituted over 73% of Unit's total input materials. Additionally, some of ITC's Personal Care Products utilised recycled plastic in packaging during the year.

Indicate Input Material	Recycled or Re-used Input Material to Total Material	
	FY 2022-23	FY 2021-22
Waste Paper used in Kovai Mill	Recycled Paper used: ~ 84,000 tonnes	85,000 tonnes
Use of Recycled Plastic Content	Savlon Glycerine Soap Wrapper with 70% PCR (Post-consumer Recycled Plastic) in PET layer. Fiama Handwash Portfolio with 50% PCR PET Bottles.	-



**4. Of the Products and Packaging Reclaimed at End of Life of Products, amount (in Metric Tonnes) Reused, Recycled, and Safely Disposed.**

During FY 2022-23, the Company collected and sustainably managed more than 60,000 tonnes of plastic waste across 36 States and Union Territories. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to sustain its plastic neutrality status for the second year in a row.

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (Including Packaging)	-	Approx. 27,500 tonnes	Approx. 32,500 tonnes	-	Approx. 5,400 tonnes	Approx. 48,600 tonnes
E-waste	NA*	NA	NA	NA	NA	NA
Hazardous Waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

\*NA: Not applicable

**5. Reclaimed Products and their Packaging Materials (as Percentage of Products sold) for each Product Category.**

Please refer responses to Question 3 and 4 above.



Creative Visualisation | Serving Suggestion



## Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

### Essential Indicators

#### 1. a. Details of Measures for the Well-being of Employees:

Category	% of Employees Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	21,337	21,337	100%	21,337	100%	-	0%	9,389	44%	-	-
Female	2,388	2,388	100%	2,388	100%	2,388	100%	-	-	2,388	100%
<b>Total</b>	<b>23,725</b>	<b>23,725</b>	<b>100%</b>	<b>23,725</b>	<b>100%</b>	<b>2,388</b>	<b>100%</b>	<b>9,389</b>	<b>44%</b>	<b>2,388</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	22,157	21,952	99%	22,072	100%	-	0%	-	-	-	-
Female	3,942	3,921	99%	3,938	100%	3,939	100%	-	-	3,939*	100%
<b>Total</b>	<b>26,099</b>	<b>25,873</b>	<b>99%</b>	<b>26,010</b>	<b>100%</b>	<b>3,939</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>3,939</b>	<b>100%</b>

\*Note: Eligible employees

#### b. Details of Measures for the Well-being of Workers:

Category	% of Workers Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	11,948	11,948	100%	11,948	100%	-	0%	-	-	-	0%
Female	654	654	100%	654	100%	654	100%	-	-	654	100%
<b>Total</b>	<b>12,602</b>	<b>12,602</b>	<b>100%</b>	<b>12,602</b>	<b>100%</b>	<b>654</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>654</b>	<b>100%</b>
<b>Other than Permanent Workers</b>											
Male	22,061	21,886	99%	21,996	100%	-	0%	-	-	-	0%
Female	3,926	3,912	100%	3,926	100%	3,926	100%	-	-	3,926	100%
<b>Total</b>	<b>25,987</b>	<b>25,798</b>	<b>99%</b>	<b>25,922</b>	<b>100%</b>	<b>3,926</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>3,926</b>	<b>100%</b>

#### 2. Details of Retirement Benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with the Authority (Y/N/N.A.)	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with the Authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%*	Y	100%	100%	Y
ESI	12%*	20%*	Y	11%	19%	Y

\*Note: Covers all eligible employees

#### 3. Accessibility of Workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As part of its commitment to enhancing diversity, ITC places particular emphasis on representation and inclusion of differently abled persons. Some of our

premises have infrastructure that include the following features:

- Elevators enabled with Braille signages for persons with visual difficulty
- Ramps, tactile pavers and handrails to facilitate movement of persons with motor disability
- Accessible parking places
- Accessible washrooms

**4. Does the Entity have an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has a Policy on Diversity, Equity and Inclusion which clearly articulates its emphasis on Equal Opportunity.

The said Policy clearly states ITC's commitment towards providing equal opportunity. It also emphasises the Company's Zero Tolerance Policy on discrimination, inter alia, on the grounds of disability.

The aforesaid Policy can be accessed at <https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#EqualOpportunity>

**5. Return to Work and Retention Rates of Permanent Employees and Workers that took Parental Leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work	Retention Rate	Return to Work	Retention Rate
Male	100%	100%	-	-
Female	100%	85%	100%	93%
<b>Total</b>	<b>100%</b>	<b>86%</b>	<b>100%</b>	<b>93%</b>

**6. Is there a Mechanism available to Receive and Redress Grievances for the following Categories of Employees and Worker? If yes, give details of the mechanism in brief.**

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	<p>Yes, ITC's Grievance Redressal Procedure is available to employees and workers. The objective of the policy is to facilitate open and structured discussion on employees' work-related grievances with the intent of ensuring that the grievance is dealt with in a fair and just manner whilst being in compliance with the Company's policies. ITC's open-door practices encourage an amicable and fair resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority, and attempt to arrive at a resolution before invoking a formal grievance redressal mechanism.</p> <p>In Unionised Units, grievances of workmen are also taken up for discussion by Union Office Bearers and resolved through dialogue with human resources managers and other designated managers. Units also have Committees with joint representation of workers and managers, which address grievances raised by one or more workers. In addition, many Units have forums where workers interact with the unit leadership team in small groups and share any suggestions or grievances they may have, for resolution.</p> <p>The Company's Whistleblower Policy is also applicable to all permanent employees.</p>
Other than Permanent Workers	<p>The Company also has a Whistleblower Policy which encourages all employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or reputation. In terms of the said Policy, the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. This Policy can be accessed on the Company's corporate website at <a href="https://www.itcportal.com/whistleblower-policy">https://www.itcportal.com/whistleblower-policy</a></p>
Permanent Employees	Same as stated for Permanent Workers.
Other than Permanent Employees	Same as stated for Other than Permanent Workers.



**7. Membership of Employees and Workers in Association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total Employees/Workers in Respective Category (A)	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (B)	% (B/A)	Total Employees/Workers in Respective Category (C)	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	23,725	10,222	43%	23,829	10,670	45%
- Male	21,337	10,113	47%	21,568	10,550	49%
- Female	2,388	109	5%	2,261	120	5%
<b>Total Permanent Workers</b>	12,602	10,222	81%	12,734	10,670	84%
- Male	11,948	10,113	85%	12,102	10,550	87%
- Female	654	109	17%*	632	120	19%

\*A vast majority of the women workers are based in manufacturing Units which currently do not have union representation. These are Units that were commissioned in the recent past.

ITC believes that all employees are important stakeholders in the enterprise, and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. It is ITC's policy:

- To respect the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management
- To ensure that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with ITC's core values

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	21,337	9,914	46%	6,464	30%	21,568	7,019	33%	4,199	19%
Female	2,388	877	37%	832	35%	2,261	586	26%	273	12%
<b>Total</b>	<b>23,725</b>	<b>10,791</b>	<b>45%</b>	<b>7,296</b>	<b>31%</b>	<b>23,829</b>	<b>7,605</b>	<b>32%</b>	<b>4,472</b>	<b>19%</b>
<b>Workers</b>										
Male	11,948	6,832	57%	4,052	34%	12,102	5,188	43%	2,731	21%
Female	654	524	80%	150	23%	632	414	66%	0	0%
<b>Total</b>	<b>12,602</b>	<b>7,356</b>	<b>58%</b>	<b>4,202</b>	<b>33%</b>	<b>12,734</b>	<b>5,602</b>	<b>44%</b>	<b>2,731</b>	<b>21%</b>

Note: The above includes formal Induction training on joining and refresher trainings (Once in 3 years). Other forms of EHS trainings on the job, like safety briefings, tool box talks, drills etc. which would have covered most of the employees and workers have not been included.

**9. Details of Performance and Career Development Reviews of Employees and Workers.**

Category	FY 2022-23			FY 2021-22		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	21,337	17,560	82%	21,568	16,418	76%
Female	2,388	2,283	96%	2,261	2,051	91%
<b>Total</b>	<b>23,725</b>	<b>19,843</b>	<b>84%</b>	<b>23,829</b>	<b>18,469</b>	<b>78%</b>
<b>Workers</b>						
Male	11,948	8,171	68%	12,102	6,952	57%
Female	654	549	84%	632	422	67%
<b>Total</b>	<b>12,602</b>	<b>8,720</b>	<b>69%</b>	<b>12,734</b>	<b>7,374</b>	<b>58%</b>

**10. Health and Safety Management System:**

**a. Whether an Occupational Health and Safety Management System has been implemented by the Entity? (Yes/No). If yes, the coverage of such system?**

Yes, ITC has implemented an occupational health and safety management system in all its Factories, Hotels, Offices and Warehouses. ITC endeavours that Environment, Health & Safety (EHS) standards at all its Units are ahead of applicable legislation and regulations, Standards and Codes, and are benchmarked against international best practices across sectors in which it operates. ITC's approach to occupational health & safety standards is articulated in the Board approved Environment, Health and Safety Policy. It is based on an EHS management system that emphasises on enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators.

Further, it promotes a culture of safety through behaviour change programmes and by providing appropriate training to employees as well as service providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

EHS requirements are integrated at the design stage for all new investments. Compliance with EHS standards during the construction phase is ensured by implementing project EHS management systems. In the operation phase of ITC Units, Hotels, Warehouses and Offices, it is ensured through established EHS management systems with designated roles and responsibilities for competent resources.

**b. What are the Processes used to identify Work-Related Hazards and Assess Risks on a Routine and Non-routine basis by the Entity?**

ITC has identified the EHS Risk Management framework as one of the integral steps towards building a robust safety management system in all its Factories, Hotels, Offices and Warehouses. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its facilities. Shop floor processes in this regard include hazard spotting tours, suggestion schemes, daily briefings and periodic EHS committee meetings in which employees participate. In addition, all ITC Units undergo periodic Environment, Health & Safety audits at the Business as well as Corporate level which endeavours to identify additional latent risks besides verifying compliance with standards. Several national awards and certifications acknowledge ITC's commitment and efforts towards providing a safe and healthy workplace to all.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. A system is in place across ITC Factories, Hotels and Offices for workers to spot and report work-related hazards, and offer suggestions for improvements.

Necessary training is given to all employees in recognising hazards and issues. Joint inspections by management representatives and employees on the shop floor are also carried out at regular intervals, and respective corrective and preventive measures are undertaken to mitigate the identified risks. In order to create an open and transparent safety culture across ITC Units, employees are encouraged to participate and discuss safety related issues in forums like periodic EHS Committee meetings and Departmental Open Forums.

**d. Do the Employees/Worker of the Entity have access to Non-occupational Medical and Healthcare Services? (Yes/No)**

Yes, permanent employees and their family members have access to the Company provided or Company supported medical benefits. Workers have access to medical benefits through Company provided group insurance policies, Company funded medical support and where applicable, statutory benefits under the Employees' State Insurance Act.

**11. Details of Safety Related Incidents.**

ITC reports its safety performance on two fronts – 'on-site' — referring to the place of work i.e. Factory, Hotel, Office, etc. which is under direct operational control of ITC and 'off-site' - defined as places other than on-site while on official duty, which includes to and fro commute between residence and place of work. In FY 2022-23, the total on-site Lost Time Accidents (LTAs) was 12 as compared to 11 in FY 2021-22. For details on 'off-site' LTAs, please refer to ITC Sustainability & Integrated Report 2023.

Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures to prevent recurrence. The learnings from all accidents are disseminated across the organisation, and a formal compliance is also obtained.

Safety Incident/ Number	Category	FY	FY
		2022-23	2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)*	Employees	0.07	0.09
	Workers	0.12	
Total recordable work-related injuries*	Employees	4	11
	Workers	8	
No. of fatalities*	Employees	0	2
	Workers	1	
High consequence work-related injury or ill-health (ex- cluding fatalities)*	Employees	0	9
	Workers	1	

\*Employees mean workforce who are under the payroll of ITC Limited and workers means the workforce who are employees of service providers (Trainees/Apprentices not included).

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

In line with the Company’s Environment, Health and Safety Policy, safety as a value-led concept has been institutionalised by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture. ITC has put in place comprehensive health and safety protocols for the safety and well-being of its stakeholders. ITC endeavours that EHS standards at all its Units are ahead of applicable legislations, regulations, and Standards and Codes, and are benchmarked against international best practices across the diverse sectors in which it operates.

ITC continues to strengthen its safety processes, adopting globally recognised best practices, and ensuring that facilities are designed, constructed, operated and maintained in an inherently safe manner.

ITC continues to undertake efforts for creating a safe working environment and a strong safety culture by:

- Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections and pre-commissioning audits, thereby strengthening the engineering control measures through ‘design for safety’ principles
- Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively
- Implementing behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances
- Adoption of keystone behaviours by individual Units to demonstrate collective commitment and create a shared vision of safety and discipline
- Embracing and leveraging the digital landscape for safety management system

ITC continues to identify solutions for strengthening the safety culture aligned with the goal of ‘Zero Accidents’.

**13. Number of Complaints on the following made by Employees and Workers.**

Employees are encouraged to report work area related safety issues through various programmes like hazard identification processes, suggestion schemes and EHS Committees.

	FY 2022-23			FY 2021-22		
	Filed during the Year	Pending Resolution at the end of Year	Remarks	Filed during the Year	Pending Resolution at the end of Year	Remarks
Working Conditions	134	8		212	6 (resolved after 31st March 2022)	
Health & Safety	7	0		0	0	

**14. Assessments for the Year:**

Most of ITC’s manufacturing locations are covered under the OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems. Compliance to safe working conditions is an essential aspect of EHS management systems. In addition, all ITC Units undergo periodic Environment, Health & Safety audits at the Business/Division level as well as at Corporate level, to verify compliance with Standards and Corporate Guidelines.

	% of your Plants and Offices that were assessed (by Entity or Statutory Authorities or Third Parties)
Health and Safety Practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Internal audits of ITC Units at Divisional as well as Corporate level are being conducted on a periodic basis. Corrective and preventive measures are taken based on the findings. Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence. Accident investigation findings with corrective and preventive measures form part of the report presented to the Corporate Management Committee (monthly) and the Board (quarterly). The learnings from all accidents are disseminated across the organisation at periodic intervals and a formal compliance obtained.

## Leadership Indicators

### 1. Does the Entity extend any Life Insurance or any Compensatory Package in the Event of Death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the unfortunate event of the death of an employee including workers, the Company extends financial support to family members of the employee.

### 2. Provide the Measures undertaken by the Entity to ensure that Statutory Dues have been Deducted and Deposited by the Value Chain Partners.

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full through periodic audits and controls.

### 3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected Employees/Workers*		No. of Employees/Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment*	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	5	0	5
Workers	2	3	1	3

\*Onsite Accidents

### 4. Does the Entity provide Transition Assistance Programmes to Facilitate Continued Employability and the Management of Career Endings Resulting from Retirement or Termination of Employment? (Yes/No)

ITC continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities where sought. The Company has in place a programme called 'Making New Choices' for retiring staff. In addition, the Company provides pension benefits and post-retiral medical benefits for those members of staff who qualify. Workers are provided with pension benefits covered under the relevant statute.

### 5. Details on Assessment of Value Chain Partners on Health and Safety Practices and Working Conditions.

ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

Health and safety audits conducted at ITC's own manufacturing sites cover all contract workers within ITC's operational premises.

Additionally, ITC has initiated a third-party desktop assessment of its Critical Tier 1\* suppliers which includes key aspects on Occupational Health and Safety, amongst other assessment criteria.

\*All ITC businesses have identified Critical Tier-1 suppliers based on buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified critical suppliers.

	% of Value Chain Partners (by Value of business done with such Partners) that were Assessed	
	Contract Workers within ITC Premises (Manpower Service Providers)	Other Suppliers/Vendors
Health and Safety Practices	100%	Third Party Desktop Assessment of Critical Suppliers
Working Conditions		

### 6. Provide details of any Corrective Actions taken or underway to address Significant Risks/Concerns arising from Assessments of Health and Safety Practices and Working Conditions of Value Chain Partners.

ITC's Sectoral EHS Guidelines are shared by Businesses with their value chain partners, and periodic training is given to their concerned personnel.

Periodic audits by ITC are conducted for some of its key value chain partners against the sectoral EHS guidelines. Corrective and preventive measures are recommended based on the audit findings.



## Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

#### 1. Describe the Processes for Identifying Key Stakeholder Groups of the Entity.

In line with the Board approved Policy on Stakeholder Engagement, ITC has evolved a structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. ITC's engagement approach is anchored on the principles of materiality, completeness and responsiveness.

The engagement approach takes into cognisance the fact that each stakeholder group is unique and has a distinctive set of priorities. Insights gathered from stakeholder engagements, help validate the Company's performance and shape new perspectives.

*For details on ITC's Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of ITC Sustainability & Integrated Report 2023.*

#### 2. List Stakeholder Groups Identified as Key for your Entity and the Frequency of Engagement with each Stakeholder Group.

The Board approved Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, consumers, farmers, employees, local communities, suppliers, Central and State Governments, regulatory bodies and the media.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of Engagement (Annually/Half-yearly/Quarterly/ others – please specify)	Purpose and Scope of Engagement including Key Topics and Concerns raised during such Engagement
Providers of Financial Capital	No	<i>For more details on consultation mechanisms and key issues discussed with the stakeholder groups, refer to 'Strengthening Relationships with All Stakeholders' section of ITC Sustainability &amp; Integrated Report 2023.</i>		
Government and Regulatory Authorities	No			
Customers	No			
Employees	No			
Farmers	Yes			
Value Chain Partners	No			
Media	No			
Civil Society	No			
Local Communities	Yes			

### Leadership Indicators

#### 1. Provide the Processes for Consultation between Stakeholders and the Board on Economic, Environmental, and Social Topics or if Consultation is delegated, how is feedback from such Consultations provided to the Board.

ITC believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. In this context, the Company has

laid down a four layered mechanism to deal with the aspect of stakeholder engagement.

The Board, through the CSR and Sustainability Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CMC before the CSR and Sustainability Committee. The CMC in turn has constituted the Sustainability Compliance Review Committee,



comprising of senior members of management, which evaluates and monitors compliance with the Policies formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

**2. Whether Stakeholder Consultation is used to Support the Identification and Management of Environmental, and Social Topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, the Company anchors stakeholder engagement on the following principles:

- a) Materiality – Prioritised consideration of the economic, environmental and social impacts identified to be important to the stakeholders as well as the organisation.
- b) Completeness – Understanding key concerns of stakeholders and their expectations.
- c) Responsiveness – Responding coherently and transparently to such issues and concerns.

The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across Businesses and Units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across Businesses, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships, which have stood the test of time. Select examples of how stakeholder inputs have been incorporated into ITC's policies and activities are presented below:

**1. Investors:** The Company engages extensively with the investor ecosystem i.e. analysts representing institutional equity investors, fund/portfolio managers in top FIIs, Domestic Mutual Funds, FPIs, Private Insurance Companies etc. During the year, more than 200 interactions including meetings, participation in physical and virtual conferences, calls, etc. were undertaken with the investor ecosystem. The Company continues to communicate quarterly performance takeaways through press releases, followed by presentations and post-result calls with analysts. Key highlights of the performance are also being shared with all shareholders by e-mail. The Investors section

of the Company's website is also being updated on an ongoing basis. The Company is well-recognised for its ESG credentials, and is acknowledged as one of the pioneers of adopting the Triple Bottom Line philosophy in India. Based on requests, the Company engaged on one-on-one basis with ESG specialists of fund houses/ brokerages covering, inter alia, progress towards achieving its ambitious Sustainability 2.0 goals by 2030. These initiatives have been much appreciated by the investor ecosystem.

**2. Customers & Value Chain Partners:** Customers, Consumers and Value Chain Partners are some of ITC's core stakeholders. Various tech-enabled avenues have been deployed to constantly receive feedback and ideas from these stakeholders.

A specialised team, 'Team Synthesis', has progressively evolved from being a 'Customer Interactions' team to a 'Customer Experience' team to 'Stakeholder Experience Team', and now into a 'Stakeholder Experience Management Team'. In its current avatar, in addition to keeping customer centricity as the base, SOPs and policies are designed and implemented in such a manner that the experience of all stakeholders is taken into equitable consideration. This has not just helped in achieving better experience for customers as well as the employees but has also made every stakeholder accountable for the team's and the organisation's growth. Rapidly evolving consumer needs are constantly being monitored through social listening, in-depth immersions and are being carefully synthesised to transform into relevant solutions. A few key initiatives that demonstrate the above are:

- The entire customer experience process has been incentivised for the associates, team leaders as well as for the Quality Analysts (QAs) in such a manner that each month they accumulate points for their monthly performance based on objective parameters like ideation (KAIZEN) and initiatives taken beyond the assigned tasks to improve the process continuously; this provides an enabling environment for them to perform better
- The scenarios related to matters like environment, product, packaging, ergonomics, and quality engineering, highlighted by customers are answered by respective brand teams, and any new or unique scenario highlighted is shared with the respective stakeholders as a VOC (Voice of Customer)

**3. Community:** Some of the examples where inputs received from stakeholders were incorporated into interventions are mentioned below.

Forming large-scale long-term partnerships with Government to amplify reach and scale is one of the core tenets of Social Investment Programme's implementation approach. In this case, stakeholder feedback received through consultations and interactions were appropriately incorporated during renewal/extension of the partnership. During the year, some Public-Private Partnerships (PPPs) with government ended and discussions were initiated on what changes and additions need to be considered in the next phase of partnership. Two such examples are shared below:

- After completion of first phase of partnership with NITI Aayog for Aspirational Districts Programme, there were detailed deliberations with NITI Aayog, District Administration and Krishi Vigyan Kendras, based on which scope for the second phase of partnership was finalised; it was decided that in this phase, the activities that were directly done by ITC in the first phase now need to be internalised by the Government and ITC should focus primarily on taking up pilots for new emerging areas that will set direction for replication of those models; subsequently, an agreement was done for the second phase partnership incorporating the same covering 27 Districts across 8 States
- In Assam, ITC was working in the area of Mother & Child Health and Nutrition in two districts – Kamrup and Darrang and had successfully demonstrated its approach; in consultation with Department of Women and Child Development, it was decided that there is a need to replicate the approach at a larger scale; accordingly, an MoU was signed with the Department during FY 2022-23 to cover 8 Districts of the State including 7 Aspirational Districts, wherein the Government will replicate the approach with ITC's knowledge support

### **3. Provide details of instances of Engagement with, and Actions taken to, address the Concerns of Vulnerable/Marginalized Stakeholder Groups.**

ITC's SIP adopts a bottoms-up approach to identify and address the emerging needs of the community. Presented hereunder are few instances wherein changing community needs were addressed either through modifications in ongoing programme components or by introducing entirely new interventions.

- **Liquid Waste Management:** Requirement for liquid waste management emerged as one of the priority areas of community during the Core Area Perspective Plan (CAPP) 2.0 exercise; during the year, ITC had entered into a partnership with the Department of Drinking Water and Sanitation, Government of India, through India Sanitation Coalition (ISC), FICCI; under the partnership, ITC aims to create 36 Light House's Gram Panchayats in various States, under which liquid waste management is one of the major components; these Panchayats are now being assisted to plan solutions like soak pits, and stabilisation ponds, to address liquid waste problem in their areas
- **Mobile Medical Units (MMUs):** Healthcare emerged as another priority area for community during CAPP 2.0 exercise; in order to ensure access and availability of curative and preventive healthcare to rural communities, ITC Swaasth Kiran programme was initiated, wherein Mobile Medical Units were deployed in Saharanpur and Munger districts in collaboration with local Health Department; these MMUs visit the villages and provide doorstep consultation to the rural communities
- **Linkages of Farmers to Social Security Schemes:** Farmers being one of the most vulnerable population are prone to social and climatic shocks; hence, building resilience amongst the farmer community is of utmost importance, as it not only provides a cushion against such shocks, but also helps in improving risk taking appetite of farmers; with this view, farmer beneficiaries under the Climate Smart Agriculture programme were linked to six identified government schemes on the basis of needs – PM Kisan, Crop Insurance, Soil Health Card, Kisan Credit Card, Pension Scheme and institutional channels like e-NAM (National Agriculture Market) for selling of produce; over 9.5 lakh linkages with such schemes were enabled during the year benefitting over 3.8 lakh farmers
- **Credit Linkage to Agri-business Centers (ABC):** Access to institutional credit emerged as one of the key needs of farmers in Andhra Pradesh as they were otherwise struggling with high interest loans from informal sources; to address the specific need, banking institutions were mobilised and credit linkage of ABCs through banks was planned and executed helping them in availing low interest loans



## Principle 5

Businesses should respect and promote human rights.

### Essential Indicators

1. Employees and Workers who have been provided Training on Human Rights Issues and Policy(ies) of the Entity, in the following format:

	2022-23			2021-22		
	Total (A)	No. of Employees/ Workers Covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers Covered (D)	% (D/C)
<b>Employees</b>						
Permanent	23,725	23,725	100%	23,829	23,829	100%
Other than Permanent	26,099	26,099	100%	25,513	25,513	100%
<b>Total Employees</b>	<b>49,824</b>	<b>49,824</b>	<b>100%</b>	<b>49,342</b>	<b>49,342</b>	<b>100%</b>
<b>Workers</b>						
Permanent	12,602	12,602	100%	12,734	12,734	100%
Other than Permanent	25,987	25,987	100%	25,317	25,317	100%
<b>Total Workers</b>	<b>38,589</b>	<b>38,589</b>	<b>100%</b>	<b>38,051</b>	<b>38,051</b>	<b>100%</b>

2. Details of Minimum Wages paid to Employees and Workers, in the following format:

Category	2022-23					2021-22				
	Total (A)	Equal to Minimum Wage No. (B)	% (B/A)	More than Minimum Wage No. (C)	% (C/A)	Total (D)	Equal to Minimum Wage No. (E)	% (E/D)	More than Minimum Wage No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>23,725</b>	<b>41</b>	<b>0.2%</b>	<b>23,684</b>	<b>99.83%</b>	<b>23,829</b>	<b>0</b>	<b>0%</b>	<b>23,829</b>	<b>100%</b>
Male	21,337	40	0.2%	21,297	99.8%	21,568	0	0%	21,568	100%
Female	2,388	1	0%	2,387	100%	2,261	0	0%	2,261	100%
<b>Other than Permanent</b>	<b>26,099</b>	<b>8,819</b>	<b>34%</b>	<b>17,280</b>	<b>66%</b>	<b>25,513</b>	<b>6,677</b>	<b>26%</b>	<b>18,836</b>	<b>74%</b>
Male	22,157	6,571	30%	15,586	70%	22,237	4,777	21%	17,460	79%
Female	3,942	2,248	57%	1,694	43%	3,276	1,900	58%	1,376	42%
<b>Workers</b>										
<b>Permanent</b>	<b>12,602</b>	<b>41</b>	<b>0.3%</b>	<b>12,561</b>	<b>100%</b>	<b>12,734</b>	<b>0</b>	<b>0%</b>	<b>12,734</b>	<b>100%</b>
Male	11,948	40	0.3%	11,908	100%	12,102	0	0%	12,102	100%
Female	654	1	0.2%	653	100%	632	0	0%	632	100%
<b>Other than Permanent</b>	<b>25,987</b>	<b>8,819</b>	<b>34%</b>	<b>17,168</b>	<b>66%</b>	<b>25,513</b>	<b>6,677</b>	<b>26%</b>	<b>18,640</b>	<b>73%</b>
Male	22,061	6,571	30%	15,490	70%	22,237	4,777	21%	17,291	78%
Female	3,926	2,248	57%	1,678	43%	3,276	1,900	58%	1,349	41%



**3. Details of Remuneration/Salary/Wages, in the following format:**

	Male		Female	
	Number	Median Remuneration/ Salary/Wages of Respective Category (in INR)	Number	Median Remuneration/ Salary/Wages of Respective Category (in INR)
Board of Directors (BoD)	14	99.45 lakhs	2	98.50 lakhs
Key Managerial Personnel*	5	844 lakhs	-	-
Employees other than BoD and KMP	21,332	7.2 lakhs	2,388	8.5 lakhs
Workers#	11,948	5.0 lakhs	654	2.4 lakhs

\* Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary

# Female workers are primarily in newer Units or have just commenced their careers.

**4. Do you have a Focal Point (Individual/Committee) Responsible for Addressing Human Rights Impacts or issues caused or contributed to by the Business? (Yes/No).**

Yes. ITC has a long-standing commitment to human rights and it is reflected in its Code of Conduct. The Company has policies on human rights which are applicable to its employees, suppliers and service providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO). The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on human rights and decent work place. All ITC contracts for the construction of hotels, factories and property upgrades incorporate the environment, health, safety and human rights clauses, including workplace environment and compliance of labour practices and are supervised by ITC managers for adherence.

Human Rights related policies of the Company are available on the ITC Portal. These include ITC Code of Conduct, Policy on Freedom of Association, Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, and Policy on Diversity, Equity & Inclusion. The implementation of these Policies is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees of the respective Businesses.

**5. Describe the Internal Mechanisms in place to Redress Grievances related to Human Rights Issues.**

ITC's open door practices encourage amicable resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority and attempt to arrive at a resolution. If grievances persist, employee can fill up the Grievance Redressal Form and submit to the concerned HR Manager.

The process of registering a grievance is by filling up a grievance form and submitting it to the concerned HR Manager which is then evaluated and analysed and a resolution is arrived and communicated to the employee. The grievance redressal guidelines and necessary forms are available on the Company intranet where employees can access the same directly.

The ITC Whistleblower Policy (the Policy) encourages Directors and employees of the Company to promptly bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such reported incidents in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

The Policy is available at <https://www.itcportal.com/about-itc/values/index.aspx#sectionb5>

**6. Number of Complaints on the following made by Employees and Workers:**

	FY 2022-23			FY 2021-22		
	Filed during the Year	Pending Resolution at the end of Year	Remarks	Filed during the Year	Pending Resolution at the end of Year	Remarks
Sexual Harassment	1*	0		2	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	2	0		0	0	
Other Human Rights Related Issues	0	0		0	0	

*\*ITC has a zero-tolerance approach to any behaviour that constitutes sexual harassment. There are Internal Complaints Committees to examine and investigate any complaints. In the past, where investigations have indicated any violations, appropriate disciplinary actions have been taken, reinforcing the Company's stated position and helping create an environment free of any harassment.*

**7. Mechanisms to Prevent Adverse Consequences to the Complainant in Discrimination and Harassment Cases.**

ITC is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. ITC encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. As part of the policy, the complainant will not suffer any harassment, retaliation or adverse employment condition upon this reporting. The policy is made aware to all employees through regular training and awareness on the subject and confidentiality clauses are clearly stated. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

**8. Do Human Rights Requirements form part of your Business Agreements and Contracts? (Yes/No)**

Yes, contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS, human rights and labour practices. Additionally, ITC has a 'Code of Conduct for Suppliers and Service Providers'. This requires suppliers to comply with applicable laws, labour standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. All Suppliers are expected to meet the requirements of this Code. ITC also expects its Suppliers to hold their business associates to the same standards as enshrined in this Code.

**9. Assessments for the Year:**

	% of your Plants and Offices that were Assessed (by Entity or Statutory Authorities or Third Parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at Workplace	100%
Wages	100%
Others-please specify	

*\*The Company has Policies on Human Rights which are applicable to all its employees and value chain partners. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO).*

**10. Provide details of any Corrective Actions taken or underway to Address Significant Risks/Concerns Arising from the Assessments at Question 9 above.**

Please refer to response to Question 9 of Principle 5 under essential indicators.

**Leadership Indicators**

**1. Details of a Business Process being Modified/ Introduced as a Result of Addressing Human Rights Grievances/Complaints.**

The ITC Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code covers ITC's

commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, ethical dealings with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption, and exemplary personal conduct.

ITC constantly engages with the rightsholders and stakeholders across the supply chain for devising programmes that support Human Rights and Social Development in an integrated manner. An illustrative example for ITC's leaf tobacco value chain is presented below.

ITC coordinates Human Rights impact assessment with an independent party for its farm value chains. The Human Rights Due Diligence focusses on identifying human rights risks and impacts covering farmers, labourers and communities.

Some of the actions undertaken as an outcome of the assessment are:

**Training and Awareness on Human Rights:** 350 Village level training programmes were conducted covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, Water, Sanitation and Hygiene (WASH), No Discrimination and other areas pertaining to Human Rights.

**Human Rights Manual in Vernacular Language:** Released the industry first Human Rights Do's and Don'ts in farm supply chain. The manual assists as a ready reckoner for ITC employees working in farm, the farmers with whom ITC partners and the labourers engaged by the farmers.

**Farm Safety:** Close to 1,000 farmers have been provided with Personal Protective Equipment (PPE) kits for safe spraying of chemicals and Secured Storage Box for safe storage of chemicals were provided to 2,000 farmers. Drone Technology was scaled up covering 5,535 acres minimising human interference while chemical spraying besides increasing the efficacy of operation and water saving.

*For more information, refer to 'Sustainable Supply Chain and Responsible Sourcing' section of ITC Sustainability & Integrated Report 2023.*

**2. Details of the scope and coverage of any Human Rights Due Diligence conducted.**

The scope and coverage of Human Rights Due Diligence extends to own operations including manufacturing locations, Hotels, offices and value chain partners.

**3. Is the Premise/Office of the Entity accessible to Differently Abled visitors, as per the Requirements of the Rights of Persons with Disabilities Act, 2016?**

Most of our establishments are accessible to the differently abled persons (including visitors), with facilities like Persons with Disabilities (PWD) friendly entrance, wheelchair, braille systems, and tactile pavers etc. Accessible washroom is available at the ground floor for the visitors.

**4. Details on Assessment of Value Chain Partners for Human Rights.**

Contracts with the service providers include clauses conforming to ITC's Human Rights Policies and EHS guidelines. ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

ITC periodically coordinates third party Human Rights impact assessment for the entire tobacco farm supply chain. Additionally, ITC has initiated a third-party desktop assessment of its Critical Tier 1\* suppliers which includes key aspects on Human Rights, including sexual harassment, discrimination at workplace, child labour, forced labour, wages, among others.

*\*All ITC businesses have identified Critical Tier-1 suppliers based on buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified Critical Suppliers.*

For more details, refer to response to Question 1 (Principle 5) under leadership indicators.

	% of Value Chain Partners (by Value of Business done with such Partners) that were Assessed	
	Contract Workers within ITC Premises (Manpower Service Providers)	Third-party Manufacturers
Sexual Harassment	100%	100%
Discrimination at Workplace		
Child Labour		
Forced Labour/ Involuntary Labour		
Wages		
Others – please specify		

*\*The Company has Policies on Human Rights which are applicable to all its employees and value chain partners. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of Human Rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO).*

**5. Provide details of any Corrective Actions taken or underway to Address Significant Risks/Concerns arising from the assessments at Question 4 above.**

Please refer to responses to Questions 1 and 4 of Principle 5 under Leadership Indicators.



## Principle 6

Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of Total Energy Consumption (in Joules or multiples) and Energy Intensity.

In FY 2022-23, ITC Units consumed 26,885 Terra Joules (TJ) of energy.

Parameter	FY 2022-23	FY 2021-22
Total Electricity Consumption (A)	2,061	1,808
Total Fuel Consumption (B)	24,635	22,407
Energy Consumption through other Sources (C)	189	179
Total Energy Consumption (A+B+C)	26,885	24,394
Energy Intensity Per Rupee of Turnover (Total energy consumption/turnover in rupees) (GJ/Crore INR)	387	413

ITC's energy consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Climate Change' section of ITC Sustainability & Integrated Report 2023.

#### 2. Does the Entity have any Sites/Facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Three Units of ITC's Paperboards and Speciality Papers Business and twelve Hotels of Hotels Business are covered under the PAT scheme. ITC has made significant investments in reducing energy consumption and, accordingly, the performance of the Company's Units covered far exceeds the energy efficiency targets

fixed under the PAT scheme. The Bhadrachalam Unit is the first pulp and paper mill and the second unit in the country overall, to be rated GreenCo Platinum+ by CII, as part of Green Company rating system. Additionally, Kovai Unit is also rated GreenCo Platinum+ by CII, as part of Green Company rating system.

*Details of the energy efficiency initiatives measures implemented during the year are included in 'Disclosure on Conservation of Energy and Technology Absorption' section of the Report of the Board of Directors & Management Discuss and Analysis in ITC Report and Accounts 2023.*

#### 3. Provide Details of the following Disclosures related to Water.

In FY 2022-23, ITC's Total Water Intake was 34.5 million kilolitres (kl).

Parameter	FY 2022-23	FY 2021-22
Water Withdrawal by Source (in million kilolitres)		
(i) Surface Water	27.1	26.9
(ii) Groundwater	5.5	5.4
(iii) Third Party Water	1.9	1.4
(iv) Seawater/Desalinated Water	0	0
(v) Others	0.1	0.1
Total Volume of Water Withdrawal (in million kilolitres) (i + ii + iii + iv + v)	34.5	33.7
Total Volume of Water Consumption (in million kilolitres)	14.5	11.7
Water Intensity Per Rupee of Turnover (Water Withdrawal/Turnover) (kilolitre/Crore INR)	497	569

Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. The programme promotes the development and management of local water resources in water-stressed areas by facilitating community participation in planning and implementing such measures, whilst building, reviving and maintaining water-harvesting structures. The coverage of this programme currently extends to 45 Districts of 16 States in India. During the year, ITC's watershed development projects covering over 1.47 million acres of land created a total rainwater harvesting potential (RWH) of nearly 50 million kl (cumulative), which is over three times the net water consumed by ITC's operations.

*ITC's water withdrawal and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Water Security' section of ITC Sustainability & Integrated Report 2023.*

**4. Has the Entity Implemented a Mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

ITC's approach to water stewardship focuses on reducing water intake by utilising treated wastewater within the process, thereby reducing demand for fresh water. ITC Units have put in place necessary systems to comply with the Consent To Operate (CTO) conditions including Zero Liquid Discharge, where applicable.

**5. Please provide details of Air Emissions (other than GHG Emissions) by the Entity.**

Parameter	Please Specify Unit	FY 2022-23	FY 2021-22
NO <sub>x</sub>	Tonnes	2,382	1,799
SO <sub>x</sub>	Tonnes	3,602	3,203
Particulate Matter (PM)	Tonnes	825	637
Persistent Organic Pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)*	Tonnes	8	7

*\*The data is for Paperboards & Specialty Papers Business's Bhadrachalam Unit's Hydrogen Sulphide emissions (H<sub>2</sub>S) ITC's air emissions data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Air Emissions Management' section of ITC Sustainability & Integrated Report 2023.*

**6. Provide details of Greenhouse Gas Emissions (Scope 1 and Scope 2 Emissions) & its Intensity.**

Parameter	Please Specify Unit	FY 2022-23	FY 2021-22
Total Scope 1 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Kilo tonnes of CO <sub>2</sub> equivalent	1,355	1,258
Total Scope 2 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Kilo tonnes of CO <sub>2</sub> equivalent	241	193
Total Scope 1 and Scope 2 Emissions Per Rupee of Turnover	Tonnes of CO <sub>2</sub> /Lakh INR	23	25

ITC's Paperboards & Specialty Papers Business has large-scale farm forestry programmes promoting sustainable forest management with primary aim of securing pulpwood requirement for Business continuity. ITC also has a large-scale Social Forestry programme, which, in addition to sequestering carbon, also benefits the stakeholders by improving productivity of wasteland, and de-risking poor rural households by diversifying farm portfolios through promotion of tree-based farming. During FY 2022-23, the farm and social forestry programmes have together sequestered nearly six million tonnes of CO<sub>2</sub>, which is more than two times the amount of CO<sub>2</sub> generated from ITC's operations.

*ITC's GHG emissions (Scope 1 and Scope 2) data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Climate Change' section of ITC Sustainability & Integrated Report 2023.*

**7. Does the Entity have any Project related to reducing Green House Gas Emission? If Yes, then provide details.**

ITC has undertaken a target of 50% reduction in Specific GHG Emissions (% Reduction in Scope 1 & 2 emission per Unit of Production) by 2030 as part of its Sustainability 2.0 ambitions. Accordingly, actions are being undertaken to reduce greenhouse gas emissions by investing in energy efficiency and increasing share of renewable energy.

**Energy Efficiency:**

All ITC Units focus on energy efficiency through process improvements and investment in new technologies. Over the years, ITC has implemented measures like installation of Vapour Absorption Machines (VAM), Automation in tube cleaning system of Heating, Ventilation and Air Conditioning (HVAC), and installation of energy efficient equipment such as chillers, AHUs, motors, fans, pumps, and agitators. In FY 2022-23, the investments in energy conservation equipment have resulted in energy savings of more than 200 TJ, which is equivalent to over 24,000 tonnes of GHG emissions.

In line with ITC's focus on accelerating digitalisation across Businesses, ITC's Paperboards and Specialty Papers Business is implementing several transformative projects leveraging Industry 4.0 technologies across key business areas, to enhance productivity, reduce carbon footprint,

achieve strategic cost efficiencies and superior product performance.

Some of the major projects undertaken by ITC's Paperboards and Specialty Papers Business as part of its Digital Transformation Programme include process debottlenecking and throughput improvement for productivity and Overall Equipment Effectiveness (OEE), process capability improvement leading to reduction in defects and resource optimisation.

**Renewable Energy:**

ITC has invested in renewable energy projects, for both renewable electricity and renewable thermal requirements. ITC has commissioned five biomass boilers, primarily at Foods Business, in the current year thereby replacing existing fossil fuel fired boilers. This initiative has led to significant improvement in renewable thermal energy share of ITC's Foods Business (from 22% to 45%). In addition, ITC has also invested in several solar electricity projects. Among them was capacity augmentation of offsite solar power plant at Tamil Nadu from 14.9 MW to 17.9 MW. With investments over the years, ITC has increased its renewable energy capacity to 178 MW. Based on the investments in renewable electricity and renewable thermal projects, ITC has been able to its increase its renewable energy share to 43% despite significant expansion in scale.

**8. Provide details Related to Waste Management by the Entity.**

Total waste generated is mentioned in rows (A) to (H)

Parameter (in Kilo tonnes)	FY 2022-23	FY 2021-22
Plastic waste (A)*	-	-
E-waste (B)	0.110	0.071
Bio-medical Waste (C)	0.015	0.018
Construction and Demolition Waste (D)	5.9	6.5
Battery Waste (E)	0.2	0.3
Radioactive Waste (F)	0.001	0
Other Hazardous Waste. Please specify, if any. (G)	18	20
Other Non-hazardous Waste Generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	689	699
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>713</b>	<b>726</b>
<b>Total waste recovered through recycling, re-using or other recovery operations</b>		
(i) Recycled	702	715
(ii) Re-used**	-	-
(iii) Other recovery operations	11	10
<b>Total</b>	<b>713</b>	<b>725</b>
<b>Total waste disposed by nature of disposal method</b>		
(i) Incineration	0.6	0.6
(ii) Landfilling	0.5	0.3
(iii) Other disposal operations	0.1	0
<b>Total</b>	<b>1.3</b>	<b>0.9</b>

\* Plastic waste is reported under Non-hazardous waste

\*\* Waste re-used is reported under waste recycled



In FY 2022-23, the Company continued to recycle over 99% of solid waste from its operations. In addition to this, the Company's Paperboards & Specialty Papers Business recycled nearly 84,000 tonnes of externally sourced post-consumer waste paper, thereby creating a positive environmental footprint. The Company also collected and sustainably managed more than 100% of its post-consumer plastic packaging waste.

*ITC's waste data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Towards Circularity' section of ITC Sustainability & Integrated Report 2023*

**9. Briefly describe the Waste Management Practices Adopted in your Establishments. Describe the Strategy Adopted by your Company to Reduce Usage of Hazardous and Toxic Chemicals in your Products and Processes and the Practices Adopted to Manage such Waste**

The Company has initiated measures across Units to ensure waste minimisation, segregation of waste at source and recycling. During the year, the recycling level reached 99.8%. In addition, nearly 84,000 tonnes of externally sourced post-consumer waste paper was used as raw material during the year.

ITC follows a proactive approach to manage hazardous chemicals by actively looking for alternatives, which not only helps keep its operations safe but also ensures safest products for customers. This approach is demonstrated in pioneering practices implemented by ITC like Elemental Chlorine Free (ECF) bleaching, and ozone bleaching technology in India in its Paper Business, and switching from solvent based inks to water-based ones in its Packaging and Printing Business.

*For more details, refer to 'Chemical Safety Management' section of ITC Sustainability & Integrated Report 2023.*

**10. If the Entity has Operations/Offices In/Around Ecologically Sensitive Areas (such as National Parks, Wildlife Sanctuaries, Biosphere Reserves, Wetlands, Biodiversity Hotspots, Forests, Coastal Regulation Zones etc.) where Environmental Approvals/Clearances are Required.**

ITC's existing operations/offices comply with applicable environmental regulations of the Country, and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards in line with guidelines issued by the Ministry of Environment, Forest and Climate Change, Government of India.

**11. Details of Environmental Impact Assessments of Projects Undertaken by the Entity based on Applicable Laws, in the Current Financial Year.**

Not applicable

**12. Is the Entity Compliant with the Applicable Environmental Law/Regulations/Guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such Non-compliances.**

ITC's existing operations/offices comply with applicable environmental regulations of the Country, and operate as per CTO conditions from the Central and State Pollution Control Boards.

**Leadership Indicators**

**1. Provide Break-up of the Total Energy Consumed (in Joules or Multiples) from Renewable and Non-renewable Sources**

Parameter**	FY 2022-23	FY 2021-22
<b>From Renewable Sources</b>		
Total Electricity Consumption (A) <sup>Ⓐ</sup>	977	910
Total Fuel Consumption (B) <sup>#</sup>	10,339	9,099
Energy Consumption Through other Sources (C) <sup>§</sup>	189	179
Total Energy Consumed from Renewable Sources (A+B+C)	11,505	10,188
<b>From Non-renewable Sources</b>		
Total Electricity Consumption (D) <sup>Ⓐ</sup>	1,085	898
Total Fuel Consumption (E) <sup>#</sup>	14,296	13,308
Energy Consumption Through other Sources (F) <sup>§</sup>	0	0
Total Energy Consumed from Non-renewable Sources (D+E+F)	15,381	14,206

<sup>Ⓐ</sup> This includes electricity from own wind or solar power plants, and purchased electricity.

<sup>#</sup> This includes all fuels used within the premises including for onsite electricity generation.

<sup>§</sup> This includes purchased steam.

\*\* In Terra Joules (TJ)

*ITC's Energy performance has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Climate Change' section of ITC Sustainability & Integrated Report 2023.*

*ITC's overall consumption of renewable energy has increased by 13%, taking up the overall share of renewable energy to 43% as compared to 42% in previous year despite significant increase in production footprint.*

**2. Provide the Following Details Related to Water Discharged:**

Parameter	FY 2022-23	FY 2021-22
Water Discharge by Destination and Level of Treatment (in million kilolitres)		
(i) To Surface Water	11.7	12.2
No Treatment	0	0
With Treatment – please specify level of Treatment	Secondary	Secondary
(ii) To Groundwater	0	0
No Treatment	NA	NA
With Treatment – please specify level of Treatment	NA	NA
(iii) To Seawater	0	0
No Treatment	NA	NA
With Treatment – please specify level of Treatment	NA	NA
(iv) Sent to third-parties	8.3	9.8
No Treatment	0	0
With Treatment – please specify level of Treatment	Tertiary	Tertiary
Total Water Discharged (in million kilolitres)	20.0	22.0

ITC's water discharge data has been assured at the 'Reasonable Level' by an independent third-party assurance provider. For more details, refer to 'Water Security' section of ITC Sustainability & Integrated Report 2023.

**3. Water Withdrawal, Consumption and Discharge in Areas of Water Stress (in Kilolitres).**

ITC has developed the water risk assessment methodology for identifying water stressed areas based on WRI Aqueduct's Baseline Water Stress and Central Ground Water Board's (India) groundwater block classification. Site level assessment for water stress sites is done periodically using the above assessment framework and sites for interventions are prioritised on the basis of stakeholder consultation and business needs. ITC's water stewardship goals are available in 'Sustainability 2.0 Ambitions' section of ITC Sustainability & Integrated Report 2023.

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the Area: Kapurthala, Saharanpur, Ranjangaon, Kothagudem, Bengaluru and Kovai
- (ii) Nature of Operations: Manufacture of FMCG products and Paperboards & Specialty Papers
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water Withdrawal by Source (in million kilolitres)</b>		
(i) Surface Water	27.1	26.9
(ii) Groundwater	0.1	0.2
(iii) Third Party Water	0.4	0.2
(iv) Seawater/Desalinated Water	0	0
(v) Others	0.04	0.05
Total volume of Water Withdrawal (in million kilolitres)	27.8	27.3
Total volume of Water Consumption (in million kilolitres)	9.3	6.6
Water Discharge by Destination and Level of Treatment (in million kilolitres)		
(i) Into Surface Water	10.7	11.5
No Treatment	0	0
With Treatment – please specify level of Treatment	Secondary	Secondary
(ii) Into Groundwater	0	0
No Treatment	NA	NA
With Treatment – please specify level of Treatment	NA	NA
(iii) Into Seawater	0	0
No Treatment	NA	NA
With Treatment – please specify level of Treatment	NA	NA
(iv) Sent to third-parties	7.7	9.2
No Treatment	0	0
With Treatment – please specify level of Treatment	Tertiary	Tertiary
Total Water Discharged (in million kilolitres)	18.5	20.7



**4. Please Provide Details of Total Scope 3 Emissions & its Intensity**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 Emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Kilo tonnes of CO <sub>2</sub> equivalent	295	318
Total Scope 3 Emissions Per Rupee of Turnover		-	-

The Company has been progressively increasing the coverage of its Scope 3 emissions by including more Supply Chain partners in its reporting boundary. The scope of coverage for Scope 3 emission is mentioned in 'Climate Change' section of ITC Sustainability & Integrated Report 2023.

*ITC's Greenhouse Gas emissions (Scope 3) have been assured at the 'Reasonable Level' by an independent third-party assurance provider.*

*For more details, refer to 'Climate Change' section of ITC Sustainability & Integrated Report 2023.*

**5. With Respect to the Ecologically Sensitive Areas Reported at Question 10 of Essential Indicators above, Provide Details of Significant Direct & Indirect Impact of the Entity on Biodiversity in such areas along-with Prevention and Remediation activities. (Refer Response in above Essential Indicator 10)**

Nil

**6. If the Entity has Undertaken any Specific Initiatives or used Innovative Technology or Solutions to improve Resource Efficiency, or Reduce Impact due to Emissions/Effluent Discharge/Waste Generated, please Provide details of the same as well as outcome of such Initiatives.**

The Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimising environmental impact. For details, refer to 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors & Management Discussion and Analysis in ITC Report and Accounts 2023, and 'Climate Change', 'Water Security', 'Towards Circularity', 'Chemical Safety Management', and 'Air Emissions Management' sections of ITC Sustainability & Integrated Report 2023.

**7. Does the Entity have a Business Continuity and Disaster Management Plan?**

Yes, Business Continuity Plans have been made comprehensive to include all facets of operations, and are being tested at pre-determined intervals. These Plans have been duly approved by the Management Committees of the respective Businesses.

Designed to address the threat of disruptions to business activities or processes, Business continuity and resilience planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats.

It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident.

**8. Disclose any Significant Adverse Impact to the Environment, Arising from the Value Chain of the Entity. What Mitigation or Adaptation Measures have been taken by the Entity in this Regard.**

ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. The Code is shared and accepted by all supply chain partners and service providers. ITC has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements.

Additionally, ITC facilitates its value chain partners in handling any adverse impacts.

For example, managing hazardous chemicals is not only important within ITC factories, but also in the supply chain. Within the supply chain, farmers working with hazardous pesticides is an area of special attention. ITC's approach is to eliminate or reduce the use of hazardous pesticides. Intensive training is conducted on Integrated Pest Management (IPM), which helps adopt a holistic approach in reducing pesticide usage as well as substituting such pesticides with nature-based solutions. The training programmes also cover the safe handling of pesticides used and the responsible management of waste generated.

**9. Percentage of Value Chain Partners (by Value of Business done with Such Partners) that were assessed for Environmental Impacts.**

Key value chain partners like third-party manufacturers are encouraged to adopt management



practices detailed under International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Environment, Health and Safety (EHS) Guidelines. Contract manufacturing agreements also include aspects of EHS. Systems are in place for monitoring and reporting on key Third-Party Manufacturers' (TPMs) environmental performance, including energy, water and waste management.

ITC's leading Agri value chains are assessed for certification standards such as, Forest Stewardship Council® (FSC)®, Rainforest Alliance, Sustainable

Tobacco Programme (STP 2.0), GAP, etc. These standards, among others, also include environmental criteria. Additionally, ITC has initiated a third-party desktop assessment of its Critical\* Tier 1 suppliers which includes key aspects on Environmental compliance and management practices.

*\*All ITC businesses have identified Critical Tier-1 suppliers based on buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified Critical suppliers.*







## Principle 7

**Businesses, when Engaging in Influencing Public and Regulatory Policy, should do so in a manner that is Responsible and Transparent.**

### Essential Indicators

#### 1 a. Number of Affiliations with Trade and Industry Chambers/Associations.

ITC's Policy on Responsible Advocacy (<https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx>) provides the framework for necessary interface with Government/Regulatory Authorities on matters concerning various sectors in which the Company operates. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. The Company works with apex industry institutions that are engaged in policy advocacy as well as various other forums. The Company had active affiliations with 89 such trade and industry chambers/associations.

#### b. List the Top 10 Trade and Industry Chambers/Associations (determined based on the total members of such body) the Entity is a Member of/Affiliated to.

S. No.	Name of the Trade and Industry Chambers/Associations	Reach of Trade and Industry Chambers/Associations (State/National)
1	ASSOCHAM	National
2	All India Management Association	National
3	Confederation of Indian Industry	National
4	Madras Management Association	State
5	Indian Merchants Chamber of Commerce	National
6	Mahratta Chamber of Commerce, Industries & Agriculture	State
7	PHD Chamber of Commerce & Industry	National
8	Bombay Management Association	State
9	Federation of Indian Chambers of Commerce & Industry	National
10	Retailers Association of India	National

**2. Provide Details of Corrective Action Taken or Underway on Any Issues Related to Anti-competitive Conduct by the Entity, based on Adverse Orders from Regulatory Authorities.**

The Company has not engaged in any anti-competitive conduct.

**Leadership Indicators**

**1. Details of Public Policy Positions Advocated by the Entity.**

S. No.	Public Policy Advocated	Method Resorted for such Advocacy	Whether Information Available in Public Domain? (Yes/No)	Frequency of Review by Board (Annually/Half-yearly/Quarterly/ Others – please specify)	Web Link, if available
1.	<p>The Company's Policy on Responsible Advocacy approved by the Board provides the framework for necessary interface with Government/ Regulatory Authorities on matters concerning various sectors in which the Company operates.</p> <p>Sector-wise matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.</p>	<p>The Company works with apex industry institutions that are engaged in policy advocacy, like the Confederation of Indian Industry, Federation of Indian Chambers of Commerce &amp; Industry, Associated Chambers of Commerce and Industry of India, and various other forums including regional Chambers of Commerce</p> <p>The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.</p>	For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2023.	Annually	-





## Principle 8

Businesses Should Promote Inclusive Growth and Equitable Development.

### Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) of Projects Undertaken by the Entity Based on Applicable Laws, in the Current Financial Year.

None of the projects undertaken by ITC in FY 2022-23 required Social Impact Assessments (SIA).

Name and brief details of project	SIA Notification No.	Date of Notification	Whether Conducted by Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/No)	Relevant Web link
Not Applicable					

#### 2. Provide Information on Project(s) for which Ongoing Rehabilitation and Resettlement (R&R) is being Undertaken by your Entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

#### 3. Describe the Mechanisms to Receive and Redress Grievances of the Community.

ITC's Social Investments Programme (SIP) adopts a bottom-up approach by keeping community needs and priorities at the center of all its interventions. Detailed and structured community engagements are planned every 4-5 years to revisit the changing needs of the community and the emerging priorities which feed into designing of new interventions and re-designing of ongoing and new programmes.

Further, regular community interactions are undertaken by the internal state level programme teams and the implementing partners to discuss, identify and address any issues, complaints and grievances of the community members pertaining to the interventions of Social Investments Programme.

SIP has also formalised and internalised the process of undertaking and recording such community interactions in-line with the new SEBI requirements on Business Responsibility and Sustainability Reporting.

Such discussions not only focus on complaints and grievances, but also on providing resolution in a time bound manner. During 2022-23, 66 such community engagements were held across all major states where SIP programmes are implemented. No grievances

pertaining to the commitments of programmes were recorded. Largely, requests and demands were raised during these meetings for further expansion of scope of existing programmes. The SIP state teams have taken cognisance of all the relevant concerns and applicable actions have been incorporated in plans for the upcoming year.

Details on mechanisms to receive and redress grievances of the community are also provided under Question 23 of Section A - Part VII of this Report.

#### 4. Percentage of Input Material (inputs to Total Inputs by Value) Sourced from Suppliers.

	FY 2022-23	FY 2021-22
Directly Sourced from MSMEs/Small Producers	18.81%	15.76%
Sourced Directly from within the District and Neighbouring Districts	53.40%	45.73%

### Leadership Indicators

#### 1. Provide Details of Actions taken to Mitigate any Negative Social Impacts Identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable



**2. Provide the following Information on CSR Projects Undertaken by your Entity in Designated Aspirational Districts as Identified by Government Bodies:**

State	Aspirational District	Amount (Rs. In Lakhs)
Telangana	Bhadradi Kothagudem	1024.44
Uttarakhand	Haridwar	604.24
Assam	Darrang	292.11
Rajasthan	Baran	252.37
Madhya Pradesh	Vidisha	243.99
Odisha	Malkangiri	225.64
Madhya Pradesh	Damoh	156.05
Uttar Pradesh	Chandauli	115.95
Bihar	Begusarai	112.35
Chhattisgarh	Sukma	89.69
Uttar Pradesh	Bahraich	88.17
Multiple* (15 States)	Multiple*	1117.64

\*Spends in balance 52 Aspirational Districts of the total 63 where ITC had CSR projects

**3. a. Do you have a Preferential Procurement Policy where you give Preference to Purchase from Suppliers Comprising Marginalised/Vulnerable Groups? (Yes/No):**

The Board approved Policy on Sustainable Supply Chain and Responsible Sourcing defines the supply chain partners which includes farmers. ITC is committed to collaborating with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change, water stress and other extreme weather events. ITC is also raising awareness and working with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

**b. From which Marginalised/Vulnerable Groups do you Procure?**

Farmers including women farmers and small landholders have been identified as marginalised/vulnerable group.

**c. What Percentage of Total Procurement (by value) does it Constitute?**

During FY 2022-23, ITC consumed nearly 2,000 Kilo tonnes of agri raw materials, which is nearly 71% of overall raw materials' consumption.

**4. Details of the Benefits Derived and Shared from the Intellectual Properties Owned or Acquired by your Entity (in the current Financial Year), based on Traditional Knowledge.**

Not Applicable

**5. Details of Corrective Actions Taken or Underway, based on any Adverse Order in Intellectual Property Related Disputes wherein usage of Traditional Knowledge is Involved.**

Not Applicable

**6. Details of Beneficiaries of CSR Projects:**

In the social sector, the two most important stakeholders of ITC are:

- Rural communities with whom the Company's agri-businesses have forged long and enduring partnerships; and
- Communities residing in close proximity to our manufacturing Units, situated in urban and semi-rural locations

The beneficiaries of ITC's CSR programmes mostly belong to the under privileged sections of the society and small & marginal farmers who face the challenges of securing sustainable livelihoods. These challenges are addressed through the **Two Horizon approach of making today's dominant source(s) of livelihoods sustainable; and strengthening capabilities for tomorrow.**

The Two Horizon strategy ensures an integrated approach to development involving several interventions. Presented ahead are the total number of approximate beneficiaries for key interventions and estimated proportion of beneficiaries belonging to vulnerable and marginalised groups.



CSR Projects	No. of Beneficiaries from CSR Projects (2022-23)	% of Beneficiaries from Vulnerable and Marginalised Groups
Climate Smart Agriculture	7.4 lakhs <sup>#</sup>	SC/ST – 21%; Female – 20%
Water Stewardship	32,400	SC/ST – 25%; Female – 22%
Social Forestry	8,795	SC/ST – 25%; Female – 26%
Improved Animal Husbandry Practices	79,400	SC/ST – 19%; Female – 60%
Support to Education	2.5 lakhs	Children – 100%; ~50% girl children
Skilling of Youth	14,400	SC/ST – 34%; Female – 46%
Sanitation	6,930	SC/ST – 5%
Waste Management	25.3 lakhs	SC/ST – 18%
Mother and Child Health and Nutrition	6.8 lakhs	100% - women, adolescents and children
Women Empowerment	8.1 lakhs*	100% women

<sup>#</sup> excludes farmers covered under NITI Aayog partnership programme

\* includes Self Help Group (SHG) members and Madhya Pradesh State Rural Livelihoods Mission SHG members

The table ahead presents the 2030 targets for key initiatives undertaken by SIP and achievement made till FY 2022-23 to demonstrate that the progress on the targets are on track.

Objective	Initiatives	UoM	Target 2030	Achieved till FY 2022-23
<b>Horizon I - Sustainable Livelihoods Today</b>				
Climate Smart Agriculture for Climate Risk Assessments, Climate Change Adaptation, and Actions for Sustainable Improvement of Yields and Incomes	Climate Smart Agriculture Area <sup>1</sup>	Lakh Acres	40	23.4
	Climate Smart Village Area (Sub-part of above) <sup>1#</sup>	Lakh Acres	30	10
Natural Resources Management to Conserve and Replenish Natural Resources Critical for Agriculture	Watershed Development	Lakh Acres	22	14.7
	Water Harvesting Structures (including Groundwater Recharge Structures)	Nos.	50,000	28,300
	Storage Potential <sup>#</sup>	Million KL	60	48.9
	Crop Water Use Efficiency <sup>#</sup>	Million KL	2,000	780
	Bio-Diversity Conservation <sup>#</sup>	Lakh Acres	10	2.9
Livelihood Diversification to Improve Incomes and De-risk Livelihoods from Climate Change	On-farm Diversification – Social Forestry <sup>#</sup>	Lakh Acres	6.3	4.56
	Off-farm Diversification - Livestock-based Livelihood Strengthening	Household Coverage (Lakhs)	10	4.68
Institutional Support for Risk Mitigation and Reduction of Costs of Cultivation	Link Farmers with Government programmes	No. of Linkages (Lakhs)	50	9.5
	Agri Business Centres	Nos.	2,000	916
	Farmer Producer Organisations	Nos.	4,000	1,150

Objective	Initiatives	UoM	Target 2030	Achieved till FY 2022-23
<b>Horizon II - Creating Capabilities for Tomorrow</b>				
Support to Education for Improving Quality of Education and Creating Conducive Learning Environment	Improvement in Learning Outcomes – Children Covered	No. in Lakhs	15	11
	Infrastructure Support to Government Schools and Anganwadis	Nos.	4,000	3,321
Skilling of Youth for Enabling Livelihood and Employability	Vocational Training – Youth Trained	No. in Lakhs	2.25	1
Provide Access to Sanitation and Waste Management Services to Improve Habitats	Household Toilets Constructed	No.	40,000	39,600
	Waste Management (SWM) – Households Covered excluding under WOW	No. of Households (Lakhs)	45	25.3
Provide Healthcare and Nutrition services to Women and Children	Beneficiaries Covered under MCH Programme	No. in Lakhs	12	6.8
Empowering Women for Reduction in Economic and Social Discrimination	Women Covered through Livelihood and other Microenterprises	No. in Lakhs	2.5	1.2

Note:

<sup>1</sup> Figures on Climate Smart Village and Climate Smart Agriculture area pertains to scale in that FY

<sup>#</sup> These indicators also contribute to five of the Company's Sustainability 2030 (S 2.0) commitments





## Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the Mechanisms in place to Receive and Respond to Consumer Complaints and Feedback.

A well-established system is in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. In addition, the Company's Businesses have dedicated consumer response cells to respond to their queries and receive feedback on products to enable continuous improvement of its products and services.

#### 2. Turnover of Products/Services as a Percentage of Turnover from all Products/Service that Carry Information about:

All products/services of the Company contain relevant information as required under applicable laws.

#### 3. Number of Consumer Complaints in respect to the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the Year	Pending resolution at end of Year		Received during the Year	Pending resolution at end of Year	
Data Privacy	0	0	A Customer Relationship Management (CRM) platform has been implemented for capturing complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process-related changes and system enhancements for improving the CSAT (Customer Satisfaction) scores.	During FY 2021-22, around 10,000 complaints were received across Businesses, and more than 97% of these were resolved as on 31st March, 2022.		
Advertising	13	0				
Cyber-security	0	0				
Delivery of Essential Services*	521	0				
Restrictive Trade Practices*	726	0				
Unfair Trade Practices*	13	0				
Others*	17,573	1,648				

\*Definition of complaints under various categories is given below

Category	Complaints Related to
Delivery of Essential Services	Availability Related
Restrictive Trade Practices	Quantity and Weightage Related, Duplicate Pack
Unfair Trade Practices	High Pricing (Product sold above MRP)
Others	Product Quality Related Complaints, Service Related Complaints Against Distributor/Retailer/Salesmen, Availability led Complaints, and Complaints Made on Account of Fraudulent Calls/E-mails Offering ITC's Distributorship

#### 4. Details of Instances of Product Recalls on Account of Safety Issues:

Nil

	Number	Reasons for recall
Voluntary Recalls	Nil	Not Applicable
Forced Recalls	Nil	Not Applicable

**5. Does the Entity have a Framework/Policy on Cyber Security and Risks related to Data Privacy? (Yes/No) If available, provide a web-link of the policy.**

A Cyber Security Committee, chaired by the Chief Information Officer, is in place to provide specific focus on cyber security related risks, with the primary responsibility of tracking emerging practices and technologies and providing suitable recommendations for enhancing security of the IT systems and infrastructure. The Chief Information Officer is responsible for ensuring that the Cyber Security systems remain effective and contemporary. He also participates in the meetings of the Risk Management Committee of the Company, whenever matters related to Cyber Security are considered.

ITC's Information Management Policy defines the framework/policy on cyber security and risks related to data privacy. ITC's Privacy Policy is part of Information Management Policy and is published on ITC Portal (please refer to <https://www.itcportal.com/about-itc/policies/privacy-policy.aspx>).

**6. Provide details of any Corrective Actions taken or underway on Issues relating to Advertising, and Delivery of Essential Services; Cyber Security and Data Privacy of Customers; Re-occurrence of Instances of Product Recalls; Penalty/Action taken by Regulatory Authorities on Safety of Products/Services.**

Robust systems have been put in place to identify the issues faced by the consumers and ensure timely resolution of the same. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

**Leadership Indicators**

**1. Channels/Platforms where Information on Products and Services of the Entity can be Accessed (provide web link, if available).**

Products/Initiative	Link
ITC Corporate Website	<a href="https://www.itcportal.com/">https://www.itcportal.com/</a>
ITC's Businesses	<a href="https://www.itcportal.com/businesses/index.aspx">https://www.itcportal.com/businesses/index.aspx</a>
ITCstore.in	<a href="https://itcstore.in">https://itcstore.in</a>
ITC Brandworld	<a href="https://www.itcportal.com/brands-microsite/default.aspx">https://www.itcportal.com/brands-microsite/default.aspx</a>
"WeAssure" Programme	<a href="https://www.itchotels.com/content/dam/itchotels/in/umbrella/documents/WeAssure-itc-hotels.pdf">https://www.itchotels.com/content/dam/itchotels/in/umbrella/documents/WeAssure-itc-hotels.pdf</a>

**2. Steps taken to Inform and Educate Consumers about Safe and Responsible Usage of Products and/or Services.**

All Businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products and services.

*For more information, refer to 'Product Sustainability' section of ITC's Sustainability & Integrated Report 2023.*

**3. Mechanisms in place to Inform Consumers of any Risk of Disruption/Discontinuation of Essential Services.**

The Company has necessary mechanisms in place to inform consumers if any major discontinuation happens.

**4. Does the Entity Display Product Information on the Product over and above what is Mandated as per Local Laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your Entity Carry out any Survey with**

**regard to Consumer Satisfaction relating to the major Products/Services of the Entity, Significant Locations of Operation of the Entity or the Entity as a whole? (Yes/No)**

As an integral part of ITC's consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses. ITC's Businesses have an established system for monitoring customer satisfaction and it ensures that their feedback is addressed in a systematic manner.

*For more information on Product Information, Labelling and Consumer Feedback Management, refer to 'Product Sustainability' section of ITC Sustainability & Integrated Report 2023.*

**5. Provide the following Information relating to Data Breaches:**

**a. Number of Instances of Data Breaches along with Impact.**

Nil.

**b. Percentage of Data Breaches involving Personally Identifiable Information of Customers.**

Nil.