

## 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	5	<p>The Directors 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.</p> <p>During the financial year 2023-24, the Directors and KMP of the Company were briefed/updated on the following:</p> <p>(a) Overview of the Company's businesses and ITC's globally acknowledged sustainability initiatives provided to newly appointed Directors.</p> <p>(b) Review by the CSR and Sustainability Committee of the implementation of the Sustainability Policies, including framework and approach relating thereto.</p> <p>(c) CSR initiatives including the Company's CSR Programmes and Sustainability 2.0 Vision &amp; roadmap.</p> <p>(d) Strategy of Corporate Communications covering external stakeholders like media.</p> <p>(e) Periodic review of the Company's businesses.</p>	100%
Key Managerial Personnel (other than Directors)			
Employees other than BoD and KMPs	11*	Health and Safety**, ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*
Workers	11*	Health and Safety**, ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*

\*11 Types of training programmes conducted, wherein all Employees/Workers were covered under at least one of the topics

\*\*Detailed training programmes on various health and safety sub-elements were 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	Nil			
Punishment				

\* The above disclosure has been made in accordance with the Company's Policy for determination of materiality of events and information for disclosure to the Stock Exchanges.

**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

**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:

(a) 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. If any such instance arises, the Suppliers and Service Providers 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.

(b) all Suppliers and Service Providers, in their dealings with the Company, are prohibited to indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision. The Company expects and seeks confirmation in its commercial and contractual terms that Suppliers and Service Providers have not offered or promised or provided any benefit, either in cash or in kind, to any employee or any relative / associate of any employee of the Company or of any of its associate companies, in order to facilitate their existing or future business with the Company.

The said Code of Conduct for Suppliers and Service Providers 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 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	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.**

**8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	43.50	40.60

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.29%	0.21%
	b. Number of trading houses where purchases are made from	57	56
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	82.94%	81.02%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	80.40%	74.99%
	b. Number of dealers/distributors to whom sales are made	6718	6198
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	7.41%	8.10%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	3.17%	2.46%
	b. Sales (Sales to related parties/Total Sales)	2.70%	3.31%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.96%	-
	d. Investments (Investments in related parties/Total Investments made)	18.08%	15.32%

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

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
5	<ul style="list-style-type: none"> <li>Environment, Social, Governance (ESG) Landscape: Global &amp; Indian including National Guidelines on Responsible Business Conduct (NGRBC) Principles and SEBI's BRSR Core Value Chain Reporting Requirements</li> <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>	100% identified Critical Tier-1 value chain partners

**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 whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. In addition, an annual confirmation is sought from the Directors in this connection. For the financial year 2023-24, all Directors of the Company have confirmed that they did not, either 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.**

Details of investment in specific technologies to improve the environmental and social impacts of product and processes (“Specific R&D” and “Specific Capex”) are as follows:

	FY 2023-24	FY 2022-23
Specific R&D to total R&D (Refer Note 1)	13.3%	14.0%
Specific Capex to total Capex (Refer Note 2)	30.0%	40.3%

#### Note 1: R&D

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 not only help deliver superior differentiated value to consumers but also 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 productivity improvement of trees 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, 12.8 million new clones with improved productivity were distributed to farmers. Crop sciences team is involved in development of crops such as Tobacco, Wheat and Potato that would help in meeting

targets of climate resilience and farmer profitability with enhanced yield and quality.

**Sustainable Packaging & Material Sciences:** This vertical works on reducing the impact of single-use plastics and plastic packaging by focusing on suitable alternatives, improving recyclability of multi-layered plastic packaging, and increasing the use of recycled content, thereby reducing the carbon footprint of packaging. LSTC is deeply engaged in developing innovative packaging solutions by improving functional barrier properties of paper, paper board and flexibles.

**Health, Wellness and Nutrition:** 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.

Apart from the above, various businesses of the Company also engage in focussed interventions in the areas of crop development, plastic substitution, sustainable packaging etc.

#### Note 2: Capex investments

Specific Capex include investments in the areas of renewable energy, green buildings, energy efficient equipment, pollution control equipment, water management and treatment system (including rain water harvesting) etc.

*For more details, refer to ‘Report of the Board of Directors & Management Discussion and Analysis’ section forming part of ITC’s Report and Accounts 2024.*

**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 and Bio-Suisse. 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 and Climate Resilient Agriculture’ and ‘Sustainable Supply Chain and Responsible Sourcing’ sections of ITC Sustainability Report 2024.*

**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 and key value chain partners like third-party manufacturers, refer to ‘Sustainable and Climate Resilient Agriculture’ and ‘Sustainable Supply Chain and Responsible Sourcing’ sections of ITC Sustainability Report 2024.*

**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 first 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 2023-24, the Company collected and sustainably managed more than 70,000 tonnes of plastic waste across the Country. 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. More than 99% of the solid waste generated in ITC’s operations including plastic waste is sent for recycling.
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 Report 2024.*

**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)?**

In line with the overall strategy to embed principles of sustainability into the various stages of product or service life cycle, ITC 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. LCA studies have been carried out for some of the

Company's key products from Paperboards and Specialty Papers Business, Personal Care Products Business, Branded Packaged Foods Business and Matches & Agarbattis Business for identifying additional opportunities to reduce environmental impact across the value chain. These assessments have enabled identification of concrete solutions towards more efficient packaging designs, and loading efficiencies in transportation. Studies conducted on the selected products also provided valuable insights which are duly considered for new product development and design.

Additionally, during the year, capacity building programmes were conducted for practitioners across ITC Businesses and LSTC in order to further strengthen the application of LCAs at product design stage itself including interventions related to using alternative raw materials/formulations, manufacturing processes, and packaging, and minimising use phase and end-of-life impacts.

Details of LCAs done in the last two years is given below:

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
17016	CFKE Paperboard	-	Cradle-to-gate	Yes	No
17016	OmegaBev Vio Paperboard	-	Cradle-to-Gate with end-of life	Yes	No
20238/46491	Mangaldeep Sandal Agarbatti	-	Cradle-to-Grave	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 2023-24, the Kovai Unit of ITC's Paperboards & Specialty Papers Business sourced nearly 89,000 tonnes of waste paper from external sources, which constituted over 71% of Unit's total input materials. Additionally, ITC continues to integrate recycled plastic content in packaging across its leading brands.

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Waste Paper used in Kovai Mill	Recycled Paper used: ~ 89,000 tonnes	Recycled Paper used: ~ 84,000 tonnes
Use of Recycled Plastic Content	Recycled plastic content used in packaging: ~ 170 tonnes <ul style="list-style-type: none"> <li>Mangaldeep Zip Lock Packs with 20% PCR (Post-consumer Recycled Plastic)</li> <li>Savlon Wet wipes with 70% PCR in PET Layer</li> <li>Engage EPS portfolio with 50% PCR PET Bottles</li> </ul>	Recycled Plastic content used in packaging: ~98 tonnes <ul style="list-style-type: none"> <li>Savlon Glycerine Soap Wrapper with 70% PCR in PET layer.</li> <li>Fiama Handwash Portfolio with 50% PCR PET Bottles.</li> </ul>

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

During FY 2023-24, the Company collected and sustainably managed more than 70,000 tonnes of plastic waste across the Country. 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 third year in a row.

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	~ 31,000 tonnes	~39,000 tonnes	-	~ 27,500 tonnes	~ 32,500 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 Questions 3 and 4 above.



**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	Total (A)	% of Employees Covered by									
		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	21,804	21,804	100%	21,804	100%	NA	NA	10,324	47%*	-	-
Female	2,763	2,763	100%	2,763	100%	2,763	100%	NA	NA	2,763	100%
<b>Total</b>	<b>24,567</b>	<b>24,567</b>	<b>100%</b>	<b>24,567</b>	<b>100%</b>	<b>2,763</b>	<b>100%</b>	<b>10,324</b>	<b>47%</b>	<b>2,763</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	25,729	25,559	99%	25,560	99%	NA	NA	NA	NA	-	-
Female	4,950	4,876	99%	4,876	99%	4,950	100%	NA	NA	4,950	100%
<b>Total</b>	<b>30,679</b>	<b>30,435</b>	<b>99%</b>	<b>30,436</b>	<b>99%</b>	<b>4,950</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>4,950</b>	<b>100%</b>

\*The Company offers paternity leave to all eligible male employees in managerial cadre

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

Category	Total (A)	% of Workers Covered by									
		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	11,966	11,966	100%	11,966	100%	NA	NA	486	4%	-	-
Female	779	779	100%	779	100%	779	100%	NA	NA	779	100%
<b>Total</b>	<b>12,745</b>	<b>12,745</b>	<b>100%</b>	<b>12,745</b>	<b>100%</b>	<b>779</b>	<b>100%</b>	<b>486</b>	<b>4%</b>	<b>779</b>	<b>100%</b>
<b>Other than Permanent Workers</b>											
Male	25,518	25,496	99.9%	25,468	99.8%	NA	NA	NA	NA	-	-
Female	4,868	4,847	99.6%	4,847	99.6%	4,868	100%	NA	NA	4,868	100%
<b>Total</b>	<b>30,386</b>	<b>30,343</b>	<b>99.9%</b>	<b>30,315</b>	<b>99.8%</b>	<b>4,868</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>4,868</b>	<b>100%</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-**

	FY 23-24	FY 22-23
<b>Cost incurred* on well-being measures as a % of total revenue of the company</b>	0.1%	0.1%

\*Includes cost of accident insurance, health insurance, maternity leave benefit, paternity leave benefit, day-care facility cost.  
Note: Reporting for permanent employees including permanent workers, management and non-management staff of the Company. The other than permanent employees and workers include those deployed through Service Providers and their wages including well-being measures are provided by the service providers.

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

Benefits	FY 2023-24			FY 2022-23		
	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	10%*	17%*	Y	12%*	20%*	Y
Others, please specify	NA	NA	NA	NA	NA	NA

\*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. Most of the divisional head-quarters have enabling infrastructure such as:

- 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 emphasizes 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%	87%	NA	NA
Female	100%	93%	100%	92%
<b>Total</b>	<b>100%</b>	<b>88%</b>	<b>100%</b>	<b>92%</b>



**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
<b>Permanent Workers</b>	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. 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. The Company's Whistleblower Policy is also available for the permanent employees.
<b>Other than Permanent Workers</b>	The Whistleblower Policy of the Company 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>
<b>Permanent Employees</b>	Same as stated for Permanent Workers.
<b>Other than Permanent Employees</b>	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 2023-24			FY 2022-23		
	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>	24,567	10,372	42%	23,725	10,222	43%
- Male	21,804	10,215	47%	21,337	10,113	47%
- Female	2,763	157	6%	2,388	109	5%
<b>Total Permanent Workers</b>	12,745	10,372	81%	12,602	10,222	81%
- Male	11,966	10,215	85%	11,948	10,113	85%
- Female	779	157	20%*	654	109	17%*

*\*A vast majority of 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 2023-24					FY 2022-23				
	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	21,804	12,174	56%	11,524	53%	21,337	9,914	46%	6,464	30%
Female	2,763	1,409	51%	1,673	61%	2,388	877	37%	832	35%
<b>Total</b>	<b>24,567</b>	<b>13,583</b>	<b>55%</b>	<b>13,197</b>	<b>54%</b>	<b>23,725</b>	<b>10,791</b>	<b>45%</b>	<b>7,296</b>	<b>31%</b>
<b>Workers</b>										
Male	11,966	9,007	75%	6,591	55%	11,948	6,832	57%	4,052	34%
Female	779	685	88%	592	76%	654	524	80%	150	23%
<b>Total</b>	<b>12,745</b>	<b>9,692</b>	<b>76%</b>	<b>7,183</b>	<b>56%</b>	<b>12,602</b>	<b>7,356</b>	<b>58%</b>	<b>4,202</b>	<b>33%</b>

Note: The above includes formal Induction training upon 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 2023-24			FY 2022-23		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	21,804	19,690	90%	21,337	17,560	82%
Female	2,763	2,712	98%	2,388	2,283	96%
<b>Total</b>	<b>24,567</b>	<b>22,402</b>	<b>91%</b>	<b>23,725</b>	<b>19,843</b>	<b>84%</b>
<b>Workers</b>						
Male	11,966	9,852	82%	11,948	8,171	68%
Female	779	728	93%	654	549	84%
<b>Total</b>	<b>12,745</b>	<b>10,580</b>	<b>83%</b>	<b>12,602</b>	<b>8,720</b>	<b>69%</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 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, the Company 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 as well as in operation phase of ITC units, Hotels, Warehouses and Offices is ensured by implementing project EHS management systems and through established EHS management systems with designated roles and responsibilities for competent resources, respectively.

**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.**

Safety Incident/Number**	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0.07
	Workers	0.09	0.12
Total recordable work-related injuries	Employees	3	4
	Workers	7	8
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

\*Including the contract workforce  
\*\*Onsite accidents

Note: For Question 11, Employees include only permanent employees, permanent workers and other than permanent employees whereas workers include only SPPs (Service Providers Personnel. 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 will continue 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.
- Identifying 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 2023-24			FY 2022-23		
	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	12	1 (resolved after March 2024)		134	8 (resolved after March 2023)	
Health & Safety	0	0		7	0	

**14. Assessments for the year:**

	% 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 of Directors (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), who have been are 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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	2	0	1

\*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, as per requirements of the relevant statute.

**5. Details on assessment of value chain partners:**

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers /value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. 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 conducts 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 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 set of identified critical suppliers.*

% of value chain partners (by value of business done with such partners) that were assessed	
	Critical Tier-1 Suppliers
Health and safety practices	40%
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 identifying and engaging with its key stakeholders across the value chain. 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.

*Note: For details on ITC's Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of ITC Sustainability Report 2024.*

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

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	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 Report 2024		
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 (SCRC), comprising senior members of management, which evaluates and monitors compliance with the Policy formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

The Company has a practice of periodically assessing employee engagement through a Company-wide survey. Since 2016, the Company has made a concerted effort to assess and improve engagement. The impact is visible in the consistent improvement of engagement over the years.

**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. The Company hosted its second 'Investor Day' event for the investor community to provide deeper insights into ITC's Corporate Strategy and operating segments including inter alia, the 'ITC Next Strategy' which incorporates Sustainability 2.0 as a significant strategic pillar of the organisation. The event was hosted in hybrid mode with over 100 physical attendees and 400+ overall attendees. The Company continues to communicate quarterly performance takeaways through press releases and detailed Investor presentations along with post-result calls with analysts. Key highlights of the performance are also being shared with the 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.

**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 certain points for their monthly performance based on objective and quantitative parameters. This has given the primary stakeholders (the associates) an opportunity to perform better. The parameters include factors like ideation (KAIZEN) and initiatives taken beyond tasks to improve the process continuously.
- The scenarios related to matters like environment, product, packaging, ergonomics, quality engineering, etc. highlighted by the customers are answered as per the respective brand teams, and any new or unique scenario highlighted by the customers is shared with the respective stakeholders as a VOC (Voice of Customer).

**3. Community:** Presented ahead are some of the instances where inputs received from stakeholders were incorporated into interventions.

Core Area Perspective Plan (CAPP) is done in ITC's catchments to understand the need of the communities and design the interventions basis that. A comprehensive community needs assessment was earlier undertaken in 2015-16 in ITC's core areas, that is, factory and agri-catchments. Basis this the CAPP 1.0 was developed. Whilst we keep revisiting the needs, basis regular stakeholder engagements, CAPP 2.0 was taken up in FY 2021-22 which also focussed on ITC's core catchments across 21 factories and 7 agri locations. The objectives of CAPP 2.0 were to:

- Revisit coverage and community needs in the changed external context;
- Assess reasons for not achieving the earlier planned outcomes (if any); and
- Re-strategise MSK themes and approach based on the findings

As a follow up to the second CAPP 2.0 done in FY 2021-22, household surveys are conducted every year on a lower sample to re-assess and reaffirm the continued relevance of the needs identified and accordingly cognise for the same in the future plans. In FY 2023-24, over 6,000 households across 4 states were covered.

Forming large-scale long-term partnerships with Government to amplify reach & scale is one of the core tenets of SIP's implementation approach. In this case, stakeholder feedback was received

through consultations and interactions and they were duly incorporated during renewal/extension of the partnership. During the year, some 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:

- In Madhya Pradesh, Climate Smart Village (CSV) programme is being implemented in 1,500 villages by ITC directly. Considering the need for replicating CSVs across the state, ITC organised field visits for the State Agricultural Department. Post visits, discussions were taken up on how can CSV model be replicated by the Government. ITC presented its CSV approach to Department's state and district level officials. Post the meetings, an MoU was signed to replicate ITC's CSV model in the entire state starting with six districts in Phase-1. The CSV approach will be replicated by the Government staff with ITC's support for capability building. On-ground delivery of the programme has since been initiated.
- In Andhra Pradesh, ITC was working with Women Development and Child Welfare in the area of Early Childhood Education and Care (ECCE) in 13 districts. ITC trained Integrated Child Development Services (ICDS) Supervisors who in turn cascaded the training to Anganwadi Sevikas. After successfully implementing the programme in 13 districts, it was decided that there is a need to replicate the approach to entire state. Accordingly, a MoU was signed with the Department during FY 2023-24 to expand the partnership to the entire state.

### **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 a few instances wherein changing community needs were addressed either through modifications in ongoing programme components or by introducing entirely new interventions.

- ITC through the skill training centres provides vocational training to unemployed youth from marginalised sections to help them get livelihood opportunities. In Pune, unemployed women from two villages were not able to travel to the skill centre as traveling cost was high, which they were not able to bear. During mobilisation meetings, the community requested if training can be provided in a nearby place. To overcome the challenge, ITC started a temporary community level vocational skilling centre in their villages itself. 27 youth from these villages including 20

women were trained in electrical trade with all required equipment and standards.

- In ITC catchments, toilets have been constructed and catchments were declared Open Defecation Free (ODF) by the Government, but many of the earlier constructed toilets are single pit. During meetings, the community expressed requirement of double pit toilets as their single pit toilet may get filled up in the coming year and thus toilet will become non-usable. In a twin pit toilet, once one pit is filled up, second pit is used and desludging is done for faecal sludge management in first pit. To address this, ITC worked with the local Swachh Bharat Mission team and helped needy households to retrofit another pit to their existing toilet. This intervention would thus help in sustaining the ODF status of the area.

- ITC has been working with Watershed Development Department of Karnataka as part of its partnership for drought proofing programme for last three years. In the current year, there was severe drought in North Karnataka districts which required additional support. ITC immediately geared up to respond to the issue by designing and implementing drought support interventions in three North Karnataka districts – Balagavi, Kalaburagi and Yadgir. ITC provided critical irrigation support using rain guns, liquid fertiliser application through drones, renovation of open wells and water bodies, and fodder support to feed the animals. Approximately 2,200 poor households were benefited covering 3,000 acres, who could save their rabi crop, ensure survival of their animals and also had income generation opportunities in the village itself.

- In Kapurthala district of Punjab, ITC has been implementing Crop Residue Management programme since 2018, to help farmers not to burn paddy crop residue and to incorporate stubble into soil in order to improve soil health. However, over a period of time, farmers realised that in addition to adding stubble into soil, there is also a need for options to sell stubble (ex-situ solutions) and generate income. Considering this need, a small pilot was taken up in 2022-23 with 10 rural entrepreneurs which was extended to 73 entrepreneurs in 2023-24. These entrepreneurs handled 1,900 tons of residue which was sold for fodder and ethanol purposes. A workshop was also organised in December 2023, to make the farmers aware of various ex-situ marketing solutions available. Solutions discussed included Biofuel, Bio-ethanol, Building material, Biogas, Biochar, Pellets, Kitchen and tableware. The solutions which were of interest to farmers were listed out and are being pursued in the field by connecting farmers and rural entrepreneurs with the specific buyers/end-users.





## 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:

Category	2023-24			2022-23		
	Total (A)	No. of Employees/ Workers Covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers Covered (D)	% (D/C)
<b>Employees</b>						
Permanent	24,567	24,567	100%	23,725	23,725	100%
Other than Permanent	30,679	30,679	100%	26,099	26,099	100%
<b>Total Employees</b>	<b>55,246</b>	<b>55,246</b>	<b>100%</b>	<b>49,824</b>	<b>49,824</b>	<b>100%</b>
<b>Workers</b>						
Permanent	12,745	12,745	100%	12,602	12,602	100%
Other than Permanent	30,386	30,386	100%	25,987	25,987	100%
<b>Total Workers</b>	<b>43,131</b>	<b>43,131</b>	<b>100%</b>	<b>38,589</b>	<b>38,589</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage (C)	% (C/A)	Total (D)	Equal to Minimum Wage (E)	% (E/D)	More than Minimum Wage (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>24,567</b>	<b>310</b>	<b>1%</b>	<b>24,257</b>	<b>99%</b>	<b>23,725</b>	<b>41</b>	<b>0.2%</b>	<b>23,684</b>	<b>99.83%</b>
Male	21,804	278	1%	21,526	99%	21,337	40	0.2%	21,297	99.8%
Female	2,763	32	1%	2,731	99%	2,388	1	0%	2,387	100%
<b>Other than Permanent</b>	<b>30,679</b>	<b>10,963</b>	<b>36%</b>	<b>19,716</b>	<b>64%</b>	<b>26,099</b>	<b>8,819</b>	<b>34%</b>	<b>17,280</b>	<b>66%</b>
Male	25,729	8,274	32%	17,455	68%	22,157	6,571	30%	15,586	70%
Female	4,950	2,689	54%	2,261	46%	3,942	2,248	57%	1,694	43%
<b>Workers</b>										
<b>Permanent</b>	<b>12,745</b>	<b>310</b>	<b>2%</b>	<b>12,435</b>	<b>98%</b>	<b>12,602</b>	<b>41</b>	<b>0.3%</b>	<b>12,561</b>	<b>99.7%</b>
Male	11,966	278	2%	11,688	98%	11,948	40	0.3%	11,908	99.7%
Female	779	32	4%	747	96%	654	1	0.2%	653	99.8%
<b>Other than Permanent</b>	<b>30,386</b>	<b>10,870</b>	<b>36%</b>	<b>19,516</b>	<b>64%</b>	<b>25,987</b>	<b>8,819</b>	<b>34%</b>	<b>17,168</b>	<b>66%</b>
Male	25,518	8,217	32%	17,301	68%	22,061	6,571	30%	15,490	70%
Female	4,868	2,653	54%	2,215	46%	3,926	2,248	57%	1,678	43%

**3. a. Details of remuneration/salary/wages**

**Median remuneration / wages:**

	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)	13	1,11,00,000	3	1,07,50,000
Key Managerial Personnel*	5	8,25,79,405	-	-
Employees other than BoD and KMP	21,799	7,14,281	2,763	7,03,725
Workers	11,966	5,08,615	779	2,10,163 <sup>#</sup>

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

<sup>#</sup> The majority of female workers are employed in new manufacturing units. Since a significant majority of these recruits are new entrants, the median remuneration appears lower.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages paid	10%	10%

Note: Pertains to permanent employees that include permanent workers, management and non-management staff.

**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 workplace. 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, employees 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 2023-24			FY 2022-23		
	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	5	0		1	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		2	0	
Other Human Rights Related Issues	0	0		0	0	

*Note: 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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	5	1
Complaints on POSH as a % of female employees/workers	0.18%	0.04%
Complaints on POSH upheld	5	1

*Note: Pertains to permanent employees which includes permanent workers, management and non-management staff*

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

ITC is committed to a workplace free from 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. All employees are made aware of this Policy 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.

**9. 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.

**10. 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	-

*Note: 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).*

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Please refer to response to Question 10 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.

ITC's Code of Conduct for its employees as well as Suppliers and Service Providers, is adopted by the Board. The Code covers ITC's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, relationships 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. Sustainable Tobacco Programme 2.0 is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on environmental, social and governance elements. The programme focuses on 8 themes demanding leaf suppliers' commitment on – Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance. The Human Rights Due Diligence focusses on identifying human rights risks and impacts covering farmers and communities. Some of the actions undertaken as an outcome of the assessment are:

**Training and Awareness on Human Rights:** Training and Awareness on Human Rights organised in 361 villages covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, WASH, No Discrimination and other areas pertaining to Human Rights.

**Farm Safety:** ITC undertakes a holistic approach that address the farm safety challenges in farming. 5,000 farmers have been provided with Personal Protective Equipment (PPE) kits for safe spraying of chemicals and Secured Storage Box for safe storage of chemicals was provided for 3,600 farmers. Technology like Drones were scaled up covering 11,560 acres minimising human interference while chemical spraying, besides increasing the efficacy of operation and water saving.

For enabling easy access to drinking water, ITC established community level water plants which are operated on a self-sustaining model. 9 new Reverse Osmosis plants were established in FY 2023-24 taking the total current operational plants to 169 units, which provide safe drinking water to over 2.2 lakh rural people.

### 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 for the visitors.

### 4. Details on assessment of value chain partners:

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers / value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. 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 tobacco farm supply chain. Additionally, ITC conducts third-party desktop assessment of its Critical Tier - 1\* suppliers which includes key aspects on Human Rights, Labour Rights and Occupational Health and Safety, amongst other assessment criteria.

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
	Critical Tier-1 Suppliers*
Sexual Harassment	40%
Discrimination at work-place	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

\*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 set of identified critical suppliers.

### 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 the following format:

Parameter (All quantities in TJ except where specified)	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	1,083	968
Total fuel consumption (B)	11,910	10,337
Energy consumption through other sources (C)	175	189
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>13,168</b>	<b>11,494</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,011	1,023
Total fuel consumption (E)	12,058	14,234
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>13,069</b>	<b>15,257</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>26,237</b>	<b>26,751</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/Revenue from operations) (in Giga Joules/Crore INR)	374	381
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed/Revenue from operations adjusted for PPP) (in GJ/Million USD)	856	862
<b>Energy intensity in terms of physical output*</b> (in GJ/tonne of production)	23.01	23.59
Energy intensity (optional) – the relevant metric may be selected by the entity		

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for energy intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 80% of ITC's total energy consumption. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2024.

ITC's energy consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

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. The details of Units under PAT scheme is available at <https://beeindia.gov.in/en/programmesperform-achieve-trade/pat-notifications>

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.

Note: 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 Discussion and Analysis in ITC Report and Accounts 2024.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in million kilolitres)</b>		
(i) Surface water	28.2	27.2
(ii) Groundwater	5.2	4.8
(iii) Third party water	1.7	1.8
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in million kilolitres) (i + ii + iii + iv + v)</b>	35.1	33.8
<b>Total volume of water consumption</b> (in million kilolitres) (Total water withdrawal – total water discharged)	13.3	13.8
<b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations) (in kilolitres/Crore INR)	189	197
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/Revenue from operations adjusted for PPP) (in kilolitres/Million USD)	433	446
<b>Water intensity in terms of physical output*</b> (in kilolitres/tonne of production)	8.33	8.87
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for water intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for ~70% of ITC's total water consumption. For data of other Divisions, refer to 'Water Security' section of ITC's Sustainability Report 2024.

There is a reclassification of 'Rainwater' under 'surface water' and 'externally supplied waste water' under 'third party' for FY 2023 data, without any change in total water withdrawal.

ITC's water withdrawal and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

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. As on 31st March 2024, ITC's watershed development projects covering over 1.6 million acres of land created a total rainwater harvesting potential (RWH) of nearly 55 million kl (cumulative), which is over four times the net water consumed by ITC's operations.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in million kilolitres)</b>		
(i) To Surface water	11.5	11.7
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	10.4	8.3
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
<b>Total water discharged (in million kilolitres)</b>	<b>21.9</b>	<b>20.0</b>

ITC's water discharge data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

**5. 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. 35 Units of ITC including 13 hotels have achieved zero effluent discharge.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Tonnes	2,345	2,380
SOx	Tonnes	2,390	3,600
Particulate matter (PM)	Tonnes	562	705
Persistent organic pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)*	Tonnes	8.4	8

\*The data is for PSPD Bhadrachalam Unit's Hydrogen Sulphide emissions (H<sub>2</sub>S)

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (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	1,141	1,350
<b>Total Scope 2 emissions</b> (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	231	231
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tonnes of CO <sub>2</sub> equivalent/ Crore INR	20	22
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tonnes of CO <sub>2</sub> equivalent/ Million USD	45	51
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output*</b>	tonnes of CO <sub>2</sub> equivalent/ tonne of production	1.10	1.29
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for Scope 1 and Scope 2 emission intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 75% of ITC's total Scope 1 and Scope 2 emissions. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2024.

ITC's GHG emissions (Scope 1 and Scope 2) data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

ITC's PSPD 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 2023-24, the Farm and Social Forestry programmes have together sequestered over 5.5 million tonnes of CO<sub>2</sub>.

**8. 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 2023-24, the investments in energy conservation equipment have resulted in energy savings of about 500 TJ, which is equivalent to over 50,000 tonnes of GHG emissions.

In line with ITC's focus on accelerating digitalisation across Businesses, ITC's PSPD 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 PSPD 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 invested in several solar electricity projects during the year. Augmentation of Renewable Energy assets with commissioning of two offsite solar power plants, of capacity 13.5 MW in Uttar Pradesh and 14.5 MW in Karnataka. With investments over the years, ITC has increased its renewable energy capacity to over 200 MW. Based on the investments in renewable electricity and renewable thermal projects, ITC has been able to increase its renewable energy share to 50%, seven years ahead of its 2030 target.

**9. Provide details related to waste management by the entity, in the following format:**

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

Parameter (in kilo tonnes)	FY 2023-24	FY 2022-23
Plastic waste (A)*	-	-
E-waste (B)	0.09	0.11
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)#	12	6
Battery waste (E)	0.13	0.15
Radioactive waste (F)	-**	0.001
Other Hazardous waste. Please specify, if any. (G)	22	18
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	696	682
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>730</b>	<b>706</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	10	10
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/Revenue from operations adjusted for PPP)	24	23
<b>Waste intensity in terms of physical output<sup>&amp;</sup></b> (in tonnes of waste generated/tonne of production)	0.64	0.63
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	-	-
Total waste recovered through recycling, re-using or other recovery operations		
(i) Recycled	714	695
(ii) Re-used***	-	-
(iii) Other recovery operations	12	11
<b>Total</b>	<b>726</b>	<b>705</b>
Total waste disposed by nature of disposal method		
(i) Incineration	0.5	0.6
(ii) Landfilling	1.3	0.4
(iii) Other disposal operations	0.4	0.1
<b>Total</b>	<b>2.2</b>	<b>1.1</b>

\* Plastic waste is reported under Non-hazardous waste

\*\* Insignificant quantity of radioactive waste was generated.

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

# Construction and Demolition (C&D) waste: There is an increase in C&D waste on account of multiple new Projects being executed across ITC.

& Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for waste intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 80% of ITC's total waste generation. For data of other Divisions, refer to 'Towards Circularity' section of ITC's Sustainability Report 2024.

ITC's waste data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

In FY 2023-24, ITC continued to recycle over 99% of waste from its operations. In addition to this, the Company's PSPD recycled over 89,000 tonnes of externally sourced 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.



**10. 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 over 99%. In addition, over 89,000 tonnes of externally sourced 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.

*Note: For more details, refer to 'Chemical Safety Management' section of ITC Sustainability Report 2024*

**11. 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.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Proposed Mill Expansion Plan (MEP) to increase Paper/Board capacity at ITC Limited, PSPD Unit Bhadrachalam	EIA Notification 2006	September, 2023	Yes	Yes	<a href="https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FTG%2FIN D1%2F444107%2F2023&amp;proposal=9432522">https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FTG%2FIN D1%2F444107%2F2023&amp;proposal=9432522</a>

**13. 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. 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 Report 2024.

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 2023-24	FY 2022-23
<b>Water withdrawal by source (in million kilolitres)</b>		
(i) Surface water	28.1	27.2
(ii) Groundwater	0.1	0.1
(iii) Third party water	0.5	0.5
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in million kilolitres)	28.7	27.8
<b>Total volume of water consumption (in million kilolitres)</b> <b>(Total water withdrawal – Total water discharged)</b>	8.4	9.3
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover) (in kilolitre/crore INR)	121	132
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in million kilolitres)</b>		
(i) Into Surface water	10.5	10.7
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	9.8	7.7
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
<b>Total water discharged (in million kilolitres)</b>	<b>20.3</b>	<b>18.5</b>

*ITC's water withdrawal, discharge and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.*

**2. Please provide details of total Scope 3 emissions & its intensity**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (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	253	295
Total Scope 3 emissions per rupee of turnover	Tonnes of CO <sub>2</sub> equivalent/crore INR	3.60	4.21
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

The scope of coverage for Scope 3 emission is mentioned in 'Climate Change' section of ITC Sustainability Report 2024.

*Note: The Scope 3 emission for FY 2023-24 has reduced due to lower exports of some of the Agri commodities and substituting imported raw materials with domestically sourced raw materials.*

**3. With respect to the ecologically sensitive areas reported at Question 11 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 11. For details on the Company's approach to Biodiversity Management, refer to 'Biodiversity Management' section of ITC Sustainability Report 2024.

**4. 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 2024, and 'Climate Change', 'Water Security', 'Towards Circularity', 'Chemical Safety Management', and 'Air Emissions Management' sections of ITC Sustainability Report 2024.

**5. Does the entity have a business continuity and disaster management plan?**

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

**6. 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 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.

**7. 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), G.A.P., etc. These standards, among others, also include environmental criteria. Additionally, ITC conducts third-party assessment of its Critical Tier-1\* suppliers on an ongoing basis, and this assessment covers key aspects on environmental compliance and management practices. 40% of ITC's Critical Tier-1 suppliers have been assessed so far.

*\*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>	<p>For more details, refer to 'Report of the Board of Directors &amp; Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2024.</p>	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.

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	Amount 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 as the key driver 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 2023-24, 42 such community engagements were held across all major states where SIP programmes are implemented. 6 grievances (mainly as requests for further interventions and scope of improvement) were reported. 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 25 of Section A of this Report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	24.99%	17.65%
Directly from within India	92.41%	91.64%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	10%	11%
Semi-urban	15%	15%
Urban	17%	17%
Metropolitan	58%	57%

Note: Pertains to permanent employees which includes permanent workers, management and non-management staff

## 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	Bhadradri Kothagudem	1,082.08
Uttarakhand	Haridwar	592.00
Madhya Pradesh	Vidisha	266.60
Assam	Darrang	241.12
Odisha	Malkangiri	226.34
Rajasthan	Baran	212.73
Rajasthan	Jaisalmer	195.77
Bihar	Begusarai	125.11
Haryana	Nuh	121.16
Karnataka	Yadgir	92.23
Chhattisgarh	Sukma	89.85
Madhya Pradesh	Damoh	86.35
Multiple* (12 States)	Multiple*	974.19

*\*Spends in balance 50 Aspirational Districts of the total 62 where ITC had CSR projects*

**3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /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 marginalized /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 2023-24, ITC consumed over 2.4 million tonnes of agri raw materials, which is nearly 72% 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 (2023-24)	% Of Beneficiaries From Vulnerable And Marginalised Groups
Climate Smart Agriculture	10.50 Lakhs#	SC / ST – 19%; Female – 19%
Natural Resources Management -Water Stewardship	60,600	SC / ST – 11%; Female – 22%
On-Farm Livelihood Diversification - Social Forestry	10,800	SC / ST – 34%; Female – 28%
Off-Farm Livelihood Diversification - Improved Animal Husbandry Practices	2.33 Lakhs	SC / ST – 19%; Female – 40%
Support to Education	4.10 Lakhs	Children – 100%; ~50% Girl Children
Skilling of Youth	12,500*	SC / ST – 31%; Female – 49%
Improving Health & Sanitation -Household Sanitation	6,600	SC / ST – 5%
Improving Health & Sanitation - Waste Management	25 Lakhs	SC / ST – 1.2%
Improving Health & Sanitation -Mother and Child Health and Nutrition	14.61 Lakhs	100% - Women, Adolescents And Children
Women Empowerment	8.17 Lakhs**	100% Women

# Excludes farmers covered under NITI Aayog partnership programme or any other PPPs

\* Includes 1,300 candidates who were trained through other centres after mobilisation by ITC.

\*\* includes Self Help Group (SHG) members and Financial Literacy programme SHG members

The table ahead presents the 2030 targets for key initiatives undertaken by SIP and progress made till FY 2023-24, which indicates that the progress is on track.

Objective	Initiatives	UoM	Target 2030	Achieved till FY 2023-24
<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	27.94
	Climate Smart Village Area (Sub-part of above) <sup>1#</sup>	Lakh Acres	30	19
Natural Resources Management to conserve and replenish natural resources critical for agriculture	Natural Resources Management - Water Stewardship	Lakh Acres	22	16.38
	Water harvesting structures (including ground water recharge structures)	Nos.	50,000	32,400



Objective	Initiatives	UoM	Target 2030	Achieved till FY 2023-24
	Storage Potential <sup>#</sup>	Million KL	60	54.26
	Crop Water Use Efficiency <sup>#</sup>	Million KL	2,000	1,090
	Bio-Diversity Conservation <sup>#</sup>	Lakh Acres	10	4.70
Livelihood Diversification to improve incomes and de-risk livelihoods from climate change	On-farm livelihood Diversification – Social Forestry <sup>#</sup>	Lakh Acres	6.30	4.90
	Off-farm livelihood diversification - Improved Animal Husbandry Practices	Household Coverage (Lakhs)	10	7
Institutional Support for risk mitigation and reduction of costs of cultivation	Link farmers with Government programmes	No. of Linkages (Lakhs)	50	24.75
	Agri Business Centres	Nos.	2,000	1,158
	Farmer Producer Organisations	Nos.	4,000	1,660
<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	20	15.31
	Infrastructure support to Government Schools and Anganwadis	Nos.	4,000	3,914
Skilling of youth for enabling livelihood and employability	Vocational Training – Youth trained	No. in Lakhs	2.25	1.12
Provide access to sanitation and waste management services to improve habitats	Improving Health & Sanitation - Household Toilets constructed	Nos.	40,000	43,804
	Improving Health & Sanitation - Waste Management (SWM)	No. of Households (Lakhs)	75	50.59
Provide healthcare and nutrition services to women and children	Beneficiaries covered under Maternal Child Health & Nutrition programme	Nos. in Lakhs	15	14.61
Empowering women for reduction in economic and social discrimination	Women covered through livelihood and other microenterprises	Nos. in Lakhs	2.50	1.92

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 continues to be 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 a dedicated consumer response cell to respond to their queries and receive feedback on products so as to be able to continuously improve upon its products and services.

#### 2. Turnover of products and/ 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 of the following:

	FY 2023-24		Remarks	FY 2022-23		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	-	0	0	-
Advertising	15	1		13	0	
Cyber-security	0	0		0	0	
Delivery of essential Services*	591	135		521	0	
Restrictive Trade Practices*	967	38		726	0	
Unfair Trade Practices*	28	8		13	0	
Others*	20,394	1,829		17,573	1,648	

\*Definition of complaints under various categories is given below

Category	Complaints Related to
Delivery of Essential Services	The Company is not engaged in the delivery of essential services. These complaints are in relation to availability of the Company's goods and services.
Restrictive Trade Practices	Quantity and weightage related, duplicate pack and complaints made on account of fraudulent calls/e-mails offering ITC's distributorship
Unfair Trade Practices	High pricing (product sold above MRP)
Others	Product quality related complaints, service-related complaints against distributor/ retailer/ salesperson

#### 4. Details of instances of product recalls on account of safety issues:

	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, led by the Chief Information Officer (CIO), is established to focus specifically on cyber security risks. Its primary responsibility is to monitor emerging practices and technologies and provide recommendations to

enhance the security of the organisation's IT systems and infrastructure. The Chief Information Security Officer (CISO), a recently added role within the organisation, ensures that the cyber security systems remain effective and up-to-date. Further, the CIO actively participates in meetings of the Risk Management Committee whenever matters related to cyber security are discussed.

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.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches:** Nil
- b. Percentage of data breaches involving personally identifiable information of customers:** Nil
- c. Impact, if any, of the data breaches:** Nil

## 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 Brands	<a href="https://www.itcportal.com/brands-microsite/default.aspx">https://www.itcportal.com/brands-microsite/default.aspx</a>
Bingo! on Instagram	<a href="https://www.instagram.com/bingo_snacks/">https://www.instagram.com/bingo_snacks/</a>
YiPPee! on Instagram	<a href="https://www.instagram.com/sunfeast_yippee/">https://www.instagram.com/sunfeast_yippee/</a>
Aashirvaad on Instagram	<a href="https://www.instagram.com/aashirvaad/">https://www.instagram.com/aashirvaad/</a>
Sunfeast Dark Fantasy on Instagram	<a href="https://www.instagram.com/sunfeastdarkfantasy/">https://www.instagram.com/sunfeastdarkfantasy/</a>
Mom's Magic on Instagram	<a href="https://instagram.com/sfmomsmagic/">https://instagram.com/sfmomsmagic/</a>
Classmate on Instagram	<a href="https://instagram.com/classmatebyitc/">https://instagram.com/classmatebyitc/</a>
ITC: Creating Enduring Value for India	<a href="https://youtu.be/VwnE4eN_BTk">https://youtu.be/VwnE4eN_BTk</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 Sustainability Report 2024.*

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company is not engaged in providing essential services. However, the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens in

relation to its products and services.

**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.

*Note: For more information on Product Information, Labelling and Consumer Feedback Management, refer to 'Product Sustainability' section of ITC Sustainability Report 2024.*



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## Independent Practitioners' Reasonable Assurance Report

### To the Directors of ITC Limited

**Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core attributes<sup>1</sup> (called 'Identified Sustainability Information' (ISI)) of ITC Limited (the 'Company') for the period 1 April 2023 to 31 March 2024.** The ISI is included in the Business Responsibility and Sustainability Reporting of the Company for the period 1 April 2023 to 31 March 2024.

### Opinion

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the Identified Sustainability Information (refer to Appendix 1) for the period 1 April 2023 to 31 March 2024 has been prepared in accordance with the reporting criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core (refer Annexure 1)	1 April 2023 to 31 March 2024	<ul style="list-style-type: none"> <li>- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR).</li> <li>- Guidance notes for BRSR format issued by SEBI.</li> </ul>

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

In our opinion, the Company's Identified Sustainability Information for the period 1 April 2023 to 31 March 2024, subject to reasonable assurance is prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and basis of preparation set out in Section A: General Disclosure 13 of "Business Responsibility and Sustainability Report" section of Annual Report FY 2023-24 of the Company.

### Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

<sup>1</sup> Notified by SEBI vide circular number **SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023**



We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the Identified Sustainability Information and assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance opinion on the Identified Sustainability Information does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our assurance on the Identified Sustainability Information, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the Identified Sustainability Information or our knowledge obtained in the assurance, or otherwise appears to be materially misstated.

#### **Other matter**

The BRSR for the period from 1 April 2022 to 31 March 2023 was not subject to limited/reasonable assurance engagement and, accordingly, we do not express an opinion/conclusion, or provide any assurance on such information.

Our opinion/conclusion is not modified with respect to this matter.

#### **Intended use or purpose**

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR Core attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

#### **Responsibilities for the identified Sustainability Information (ISI)**

The management of the Company acknowledge and understand their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the ISI that is free from material misstatement, whether due to fraud or error;



- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the reporting criteria;
- disclosure of the applicable criteria used for preparation of the ISI in the relevant report/statement;
- preparing/properly calculating the ISI in accordance with the reporting criteria;
- ensuring the reporting criteria is available for the intended users with relevant explanation;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- responsible for providing the details of the management personnel who takes ownership of the ISI disclosed in the report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgments and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the reporting criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those charged with governance are responsible for overseeing the reporting process for the Company's ISI.

### **Inherent limitations in preparing the ISI**

The preparation of the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

### **Our responsibilities**

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance on the sustainability disclosures in the BRSR Core are free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria in line with the section above.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- Reporting our reasonable assurance opinion to the Directors of ITC Limited.



### Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the “Scope of Assurance”.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from 1 April 2023 to 31 March 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

### Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the Information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the reasonable assurance information;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the Company;
- performing substantive testing of data related to ISI, limited to 20 operational locations of the Company:  
and
- evaluated the overall presentation of the information subject to reasonable assurance.

A handwritten signature in blue ink, appearing to read 'Shetty', is written over a faint, light blue grid pattern.

**Shivananda Shetty**  
Partner

**KPMG Assurance and Consulting Services LLP**

Date: 15-June-2024

Place: Mumbai



Annexure – 1

**BRSR Core attributes**

BRSR Indicator	Type of Assurance
P1 E8- Number of days of accounts payable	Reasonable
P1 E9-Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Reasonable
P3 E1c- Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Reasonable
P3 E11- Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities	Reasonable
P5 E3b- Gross wages paid to females as % of wages paid	Reasonable
P5 E7- Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld	Reasonable
P6 E1- Details of total energy consumption (in Joules or multiples) and energy intensity,	Reasonable
P6 E3- Provide details of following disclosures related to water: water withdrawal by source, volume of water consumption, water intensity metrics	Reasonable
P6 E4- Provide following details of water discharged: water discharge by destination and level of treatment.	Reasonable
P6 E7- Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity	Reasonable
P6 E9- Provide details related to waste management by the entity	Reasonable
P8 E4- Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	Reasonable
P8 E5- Job creation in smaller towns	Reasonable
P9 E7- Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable