

ITC's Double Materiality Analysis

The world is nearing the halfway mark towards 2030, widely regarded as the 'Decade of Action' and rightly so as it aligns with the deadline to meet the UN Sustainable Development Goals. It is also the outer limit allotted by climate scientists before which meaningful progress needs to be made towards avoiding the irreversible impacts of climate change.

Considering the significance of this period, it is pertinent to review the existing list of ESG (Environmental, Social, and Governance) topics that matter to ITC's stakeholders. For this, the Company undertook a "Double Materiality" assessment in FY 2023-24 that not only considered ESG topics that can reasonably be expected to trigger material financial effects

for the Company "Financial Materiality" but also those topics that may entail actual or potential, positive or negative impacts on people or the environment, i.e., ITC's stakeholders "Impact Materiality". This approach is aligned with the recommendations of GRI Standards 2021.

Material issues

Material issues are one of the key inputs for medium- and long-term planning. The sensitivity of an issue to stakeholders and ITC, in terms of both **impact materiality** and **financial materiality**, forms the basis of the double materiality analysis, which in turn guides the processes for identifying, managing, and devising specific action plans for addressing them.

ITC's approach to managing each material issue has been presented throughout this Report.

As part of the double materiality assessment process

~120 stakeholder voices were captured



~45 external stakeholders

representing sustainability experts, civil society organisations, B2B customers, third-party manufacturers, logistics partners, media, and institutional investors

>70 internal stakeholders

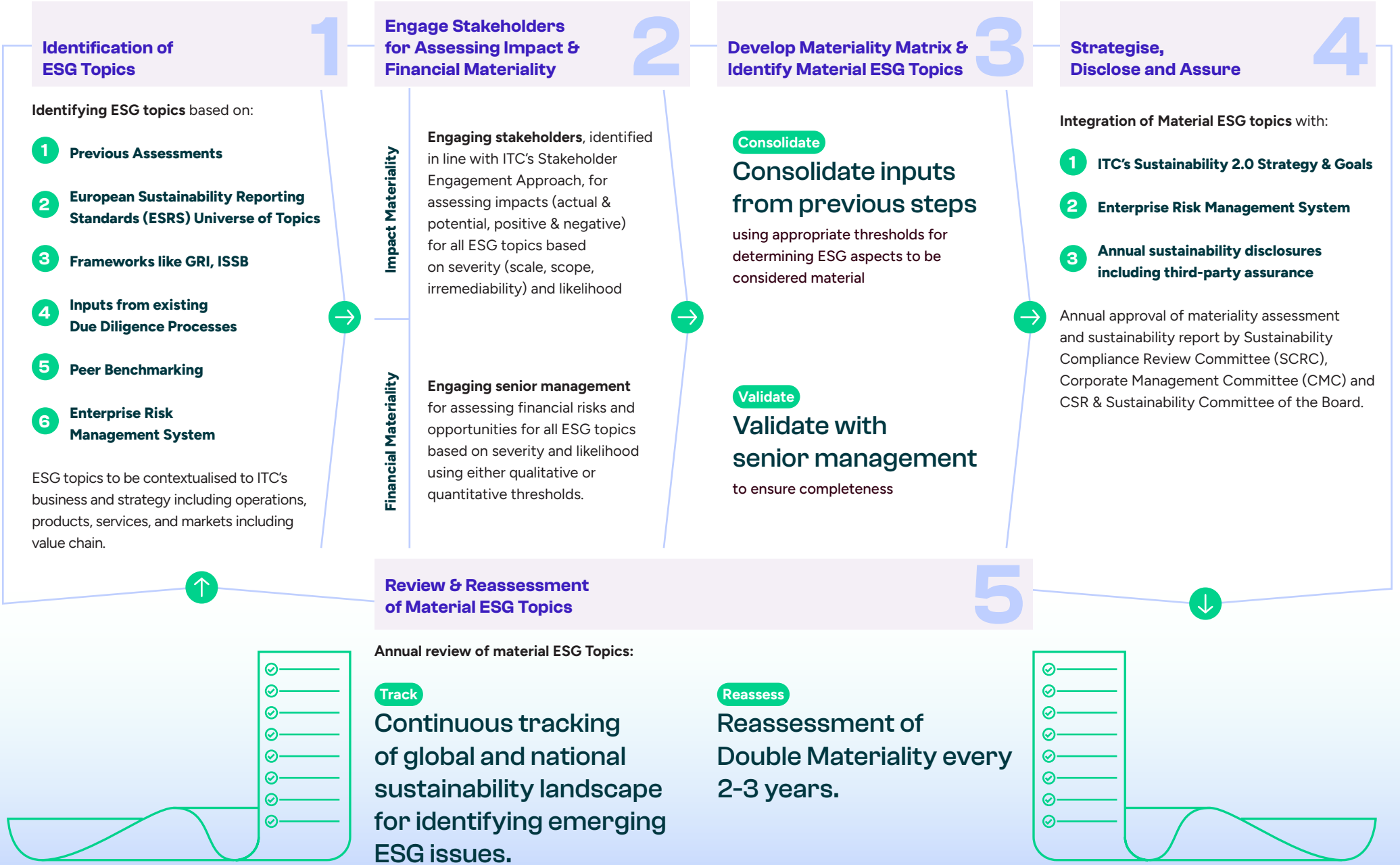
covering sustainability practitioners and senior management representatives from across ITC Businesses

In addition to this, ITC commissioned a pan-India consumer sustainability survey in 2023 across its key national markets to capture the views of

1,750 consumers

These were also considered in the double-materiality assessment

ITC's Step-by-step Approach for Assessing Double Materiality



Material Issues

- 1 Brand and Reputation

- 2 Nature and Biodiversity

- 3 Data Security and Privacy

- 4 Climate Smart Agriculture

- 5 Ethics and Governance

- 6 R&D and Innovation

- 7 Net Zero and Climate Transition

- 8 Circularity and Sustainable Packaging

- 9 Product Stewardship

- 10 Water Stewardship

- 11 Sustained Stakeholder Value Creation

Impact Materiality



Financial Materiality

Materiality Matrix