

Code of Conduct for Suppliers and Service Providers

ITC's Code of Conduct for Suppliers and Service Providers ("the Code") reflects the Company's commitment to respect human rights across the supply chain. This Code upholds the spirit outlined in the United Nations Guiding Principles on Business and Human Rights. All of ITC's Suppliers and Service Providers are expected to meet the requirements of this Code.

This Code requires that Suppliers and Service Providers and their facilities comply with applicable laws, environmental regulations, respect human rights including minimum wages, occupational health and safety, as required by applicable laws and meet the requirements of this Code. Visit <http://www.itcportal.com/sustainability/index.aspx> for more information on ITC's commitment to sustainability. ITC provides products and services of superior quality and value by sourcing its technologies, equipment, inputs and finished goods from international and Indian manufacturers and suppliers. ITC also expects that Suppliers and Service Providers will hold their business associates to the same standards as contained in this Code.

I. Labour Practices

ITC recognises and respects that its Suppliers and Service Providers are independent entities and the exclusive employers of their respective employees. ITC expects that the Suppliers and Service Providers will comply with all the prevailing labour legislations at all times, including the following:

A. Child Labour

Suppliers and Service Providers shall not engage child labour.

B. Anti-Discrimination, Fair Treatment and Anti-Harassment

Suppliers and Service Providers shall promote and maintain a workplace free from discrimination and prevent harassment, and treat their employees with fairness, dignity and respect. They shall not discriminate against their employees based on their caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status, political or religious affiliation, trade union membership, etc. They shall provide appropriate safeguards to prevent and remediate such incidents, if any.

C. Forced Labour

Suppliers and Service Providers should not use forced or bonded labour in any form.

D. Safe and Healthy Working Conditions

Suppliers and Service Providers are expected to comply with applicable laws and endeavour to make the workplace, machinery, equipment and processes free from risk (including fire safety) to ensure personal safety of any person working in such workplace or with access to such equipment and process. Suppliers and Service Providers shall ensure, at a minimum, adequate access to potable water and sanitary facilities, lighting and ventilation. Suppliers and Service Providers shall manage all health and safety risks in order to prevent occupational injuries and illnesses.

For all work carried out in the Company's premises, Suppliers and Service Providers shall maintain safe and hygienic working conditions in accordance with the ITC's 'HANDBOOK ON HEALTH AND SAFETY AT WORK' which has been issued to them.

II. Environment and Resource Efficiency

Suppliers and Service Providers shall comply with applicable laws and endeavour to adopt resource efficient practices along with environment-friendly technologies, and shall endeavour to align to Company's Policy on Resource Efficiency concerning the protection of the environment. Suppliers and Service Providers shall monitor and manage environmental aspects including GHG emissions, water, waste and biodiversity, wherever relevant and possible.

III. Quality Management

Suppliers shall have processes and management systems for providing products and services of superior quality, aligned with recognised national and international standards, and ITC's requirements, as applicable.

IV. Human Rights and Grievance Redressal

ITC requires its business partners to establish a human rights compliant business environment at their workplace. ITC expects its Suppliers and Service Providers to establish processes for mapping / monitoring progress on human rights performance.

Suppliers and Service Providers shall have well-defined systems for capturing and addressing grievances raised by internal and external stakeholders.

V. Business Integrity

Suppliers and Service Providers should always be ethical in all aspects of their business, including their relationships, practices, sourcing & operations, and comply with the applicable laws in this regard.

Suppliers and Service Providers shall comply with the following:

A. Conflict of Interest

Suppliers and Service Providers shall avoid any actual or potential conflicts of interest in their business dealings with ITC that could create a perception of unfairness or lead to uncompetitive favours, and shall disclose to ITC any such situation of conflict of interest, including involvement or interest of any employee of ITC or his / her immediate family members in their business.

B. Anti-Bribery and Anti-Corruption

ITC expects that its Suppliers and Service Providers, in their dealings with ITC, do not indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision. ITC expects that its Suppliers and Service Providers shall endeavour to have a policy pertaining to anti-corruption and anti-bribery. ITC expects and seeks confirmation in its commercial and contractual terms that Suppliers and Service Providers will not offer or promise or provide any benefit, either in cash or in kind, to any employee or any relative / associate of any employee of ITC or of any of its associate companies, in order to facilitate their existing or future business with ITC.

C. Hospitality and Gifts

ITC prohibits offering of hospitality or gifts to influence business decisions. Hospitality or gifts exchanged, if any, during the course of business, as social and customary gestures, should be nominal in nature.

D. Anti-Competition and Anti-Trust

Suppliers and Service Providers shall comply with all applicable anti-trust and anti-competition laws, as relevant.

VI. Reporting of Breaches

Suppliers and Service Providers shall bring to the notice of the manager concerned at ITC, any actual or suspected breach of this Code.

Suppliers and Service Providers are encouraged to report any known or suspected improper behaviour of ITC employees. Such reports will be treated confidentially without fear of retaliation.

VII. Assessments

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. ITC reserves the right to verify compliance with this Code at any time through appropriate audit and assessment mechanisms, including self-certification. Suppliers and Service Providers shall undertake corrective actions identified during assessments, if any. In case of persistent non-compliance with the Code of Conduct and lack of commitment towards undertaking corrective actions, ITC reserves the right to disengage with such Suppliers and Service Providers.

ITC shall reinforce awareness of this Code amongst the Suppliers and Service Providers and shall support them in this endeavour.