

## **Policy on Deforestation**

### **Philosophy**

ITC aims for 'Zero Deforestation' and endeavors to source agri commodities and wood from sustainable sources. This Policy applies to own business operations and shall be progressively extended to key suppliers and value-chain partners.

### **Policy**

It is ITC's Policy:

1. To comply with applicable deforestation-related regulations across its operations;
2. To strive to engage supply chain members who comply with applicable laws and regulations related to deforestation;
3. To recognise and respect the rights of local communities, and engage / collaborate with them and farmers for safeguarding natural forests;
4. To institute a system of assessing deforestation risks in the supply chain, and implementing appropriate mitigation measures;
5. To work towards undertaking ecological restoration projects such as afforestation.

For key commodities, it is ITC's Policy:

#### **Timber:**

1. To aim to source timber from sustainable sources;
2. To engage with farmers and stakeholders in creating awareness, and promoting wood & fuel self-sufficiency through ITC's afforestation programmes;
3. To encourage farmers in implementing energy conservation measures;
4. To explore and aim to adopt appropriate alternative curing technologies to reduce dependency on fuelwood in the tobacco supply chain;
5. To promote the usage of alternative fuels, such as agri waste by farmers, to reduce dependency on fuelwood and to encourage its traceability in the supply chain;
6. To work towards procuring FSC® certified pulpwood from plantations in line with customer requirements.

**Farm Crops:**

1. To aim to procure farm crops from sustainable sources;
2. To encourage farmers to adopt sustainable practices aligned with certification standards such as Rain Forest Alliance, Global GAP, Fairtrade and other similar standards, wherever applicable.

**Governance and Implementation**

- a. ITC has appropriate systems and processes in place to ensure compliance with the Policy and with statutory provisions, as applicable, including processing of grievances for redressal. It shall be the responsibility of the Divisional / SBU Chief Executives, through members of the respective Management Committees, to ensure progressive implementation of the Policy and its communication to the employees.
- b. Compliance with the Policy will be regularly monitored and evaluated by the Sustainability Compliance Review Committee (SCRC) of the Corporate Management Committee (CMC). The report of the SCRC will be reviewed by the CMC.
- c. The CSR and Sustainability Committee of the Board will supervise the implementation of this Policy and will annually review the progress of its implementation.