ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
Tel. : 91 33 2288 9371
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Enduring Value

22nd June, 2022

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

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

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

Dear Sirs,

Report and Accounts for the financial year ended 31st March, 2022

We enclose, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Report and Accounts of the Company for the financial year ended 31st March, 2022 together with the Notice dated 18th May, 2022 convening the 111th Annual General Meeting (AGM) of the Company on 20th July, 2022.

The aforesaid Report and Accounts and AGM Notice are also being uploaded on the Company's corporate website **www.itcportal.com**.

Yours faithfully,
ITC Limited

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

Encl. as above.

Enduring Value

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

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

Business Responsibility and Sustainability Report

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Section A: General Disclosures

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Company**	L16005WB1910PLC001985
2.	**Name of the Company**	ITC Limited
3.	**Year of Incorporation**	1910
4.	**Registered office address**	Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071
5.	**Corporate office address**	
6.	**E-mail id**	enduringvalue@itc.in
7.	**Telephone**	+91 33 2288 9371
8.	**Website**	www.itcportal.com
9.	**Financial year for which reporting is being done**	2021-22
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), The Calcutta Stock Exchange Limited ('CSE')
11.	**Paid-up capital**	₹1232.33 crores (As on 31.03.2022)
12.	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report**	Ms. Madhulika Sharma Chief Sustainability Officer Madhulika.sharma@itc.in +91 33 2288 9371
13.	**Reporting boundary**	The financial disclosures made in this report are on a standalone basis, and are excerpted from the Company's Report and Accounts 2022. The data related to social performance is on a standalone basis. The environmental disclosures are based on performance of Company's Businesses, certain subsidiaries and associates, and key Third-Party Manufacturers (TPMs). The details are available in 'About this Report' section of ITC's Sustainability & Integrated Report 2022.

II. Products/services

14. Details of business activities:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	FMCG	Cigarettes: Cigarettes, Cigars etc.	39.68%
		Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Personal Care Products; Education and Stationery Products; Safety Matches and Agarbattis; Apparel.	27.01%
2.	Hotels	Hoteliering.	2.16%
3.	Agri Business	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	20.52%
4.	Paperboards, Paper & Packaging	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	10.63%

15. Products/Services sold by the entity:

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Cigarettes: Cigarettes, Cigars etc.	12003, 21002, 46307	39.68%
2	Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis; Apparel.	10202, 10304, 10308, 10402, 10501, 10502, 10504, 10509, 10611, 10612, 10712, 10732, 10733, 10735, 10740, 10750, 10792, 10795, 10796, 10798, 20231, 20233, 20234, 20236, 20237, 20239, 20293, 46491 46496, 46497, 46909, 47711	27.01%
3	Hoteliering	55101, 56101, 56301, 74909, 47110, 47190, 68200, 77400, 79900, 96010, 96020, 96905	2.16%
4	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	12001, 10202, 10209, 10302, 10304, 10406, 10611, 10795, 20213, 46201, 46207, 46301, 46305, 46306, 47300	20.52%
5	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	17015, 17016, 17093, 17022, 17029, 22203	10.63%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated.

The Company's Businesses and operations are spread across the country. Details of plant locations, including hotels owned/operated by the Company, are provided under sections 'Shareholder Information' in Company's Report and Accounts 2022, and 'About this Report' section of the Company's Sustainability & Integrated Report 2022.

17. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	Pan-India
International (No. of Countries)	ITC exports to over 100 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

FY 2021-22	15.77%
FY 2020-21	10.75%

c. A brief on types of customers

ITC is one of India's foremost private sector companies and a diversified conglomerate with 13 businesses spanning FMCG, Hotels, Paperboards, Paper & Packaging and Agri Businesses, and operates across both B2C and B2B segments.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

During FY 2021-22, the Company employed 49,342 employees, out of which 5,543 were female employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	23,829	21,568	91%	2,261	9%
2.	Other than Permanent (E)	25,513	22,231	87%	3,282	13%
3.	**Total employees (D + E)**	49,342	43,799	89%	5,543	11%
WORKERS						
4.	Permanent (F)	12,734	12,102	95%	632	5%
5.	Other than Permanent (G)	25,317	22,068	87%	3,249	13%
6.	**Total workers (F + G)**	38,051	34,170	90%	3,881	10%

Note: Definition of employee clustering is as under:
• Permanent Employees include Management, Non-Management and Workers • Other than Permanent Employees include Service Provider Personnel (SPP), Fixed Term Contract (FTC)/Fixed Term Retainer (FTR) (Management/Non-management, worker) • Permanent Workers include only Workers • Other than Permanent Workers include SPP, FTC (Worker) • Trainees and Apprentices not included in the Workforce

b. Differently abled Employees and workers:

During FY 2021-22, the Company employed 123 differently abled employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	25	21	84%	4	16%
2.	Other than Permanent (E)	98	69	70%	29	30%
3.	**Total differently abled employees (D + E)**	123	90	73%	33	27%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	17	15	88%	2	12%
5.	Other than Permanent (G)	32	31	97%	1	3%
6.	**Total differently abled workers (F + G)**	49	46	94%	3	6%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	16	2	12.50%
Key Managerial Personnel*	6	0	0

** Comprising Chairman & Managing Director, Wholetime Directors, Chief Financial Officer and Company Secretary*

20. Turnover rate for permanent employees and workers

In FY 2021-22, the overall attrition (voluntary separation, retirement, termination and abandonment of services) across employees was 10%. Gender-wise attrition stood at 9% for male employees and 18% for female employees.

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	18%	10%	7%	15%	8%	10%	19%	11%
Permanent Workers	6%	25%	7%	6%	22%	7%	7%	33%	8%

Note: The attrition amongst female workforce is higher due to personal and contextual reasons such as marriage, re-location, etc.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the Holding/Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/ Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity* (Refer Note)	Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)**
1	ITC Infotech India Limited	Subsidiary	100.00	Yes
2	ITC Infotech Limited	Subsidiary	100.00	No
3	ITC Infotech (USA), Inc.	Subsidiary	100.00	No
4	Indivate Inc.	Subsidiary	100.00	No
5	Surya Nepal Private Limited	Subsidiary	59.00	Yes
6	Technico Agri Sciences Limited	Subsidiary	100.00	Yes
7	Technico Pty Limited	Subsidiary	100.00	No
8	Technico Technologies Inc.	Subsidiary	100.00	No
9	Technico Asia Holdings Pty Limited	Subsidiary	100.00	No
10	Technico Horticultural (Kunming) Co. Limited	Subsidiary	100.00	No
11	Srinivasa Resorts Limited	Subsidiary	68.00	Yes
12	Fortune Park Hotels Limited	Subsidiary	100.00	No
13	Landbase India Limited	Subsidiary	100.00	Yes
14	Bay Islands Hotels Limited	Subsidiary	100.00	Yes
15	WelcomHotels Lanka (Private) Limited	Subsidiary	100.00	No
16	Russell Credit Limited	Subsidiary	100.00	No
17	Greenacre Holdings Limited	Subsidiary	100.00	No
18	Wimco Limited	Subsidiary	100.00	No
19	Gold Flake Corporation Limited	Subsidiary	100.00	No
20	ITC Investments & Holdings Limited	Subsidiary	100.00	No
21	MRR Trading & Investment Company Limited	Subsidiary	100.00	No
22	North East Nutrients Private Limited	Subsidiary	76.00	Yes
23	Prag Agro Farm Limited	Subsidiary	100.00	No
24	Pavan Poplar Limited	Subsidiary	100.00	No
25	ITC IndiVision Limited	Subsidiary	100.00	No
26	Espirit Hotels Private Limited	Joint Venture	26.00	No
27	Logix Developers Private Limited	Joint Venture	27.90	No
28	ITC Essentra Limited	Joint Venture	50.00	No
29	Maharaja Heritage Resorts Limited	Joint Venture	50.00	No
30	Gujarat Hotels Limited	Associate	45.78	Yes
31	International Travel House Limited	Associate	48.96	No
32	Russell Investments Limited	Associate	25.43	No
33	Divya Management Limited	Associate	33.33	No
34	Antrang Finance Limited	Associate	33.33	No
35	ATC Limited	Associate	47.50	Yes
36	Delectable Technologies Private Limited	Associate	27.34#	No

** held directly or through subsidiary companies.*
 # on a fully diluted basis.
Note: Refer Note 28(ii) of Consolidated Financial Statements forming part of Report and Accounts 2022, for further details on subsidiaries, associates and joint ventures.
*** For details, refer to 'About this Report' section of the Company's Sustainability & Integrated Report 2022.*

VI. CSR Details

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

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

(ii) Turnover of the Company for the year ended 31st March, 2022 - ₹ 59,101.09 crores

(iii) Net worth of the Company as at 31st March, 2022 - ₹ 60,545.55 crores (computed as per the Companies Act, 2013)

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No)	FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. ITC's Social Investments Programme (SIP) has a structured process of engaging with the communities to get feedback on the interventions and also understand if they have any views, issues, complaints and grievances related to these interventions. During FY 2021-22, no grievances were raised by the communities during such interactions.			
Shareholders and Investors	Yes. The Company has an Investor Service Centre ('ISC') which is registered with the SEBI as Category II Share Transfer Agent for providing in-house share registration and related services to the Shareholders and Investors. ISC has effective systems and processes in place to ensure prompt redressal of investor grievances, as follows: (a) The Head of Investor Service Centre of the Company is responsible for redressal of investor grievances. (b) The Company has a specific e-mail address earmarked for receiving investor complaints which is isc@itc.in. (c) The 'Investor Charter' of the Company and the status of investor complaints received by the Company are available on its website. (d) A Board Level Committee viz., the Security Holders Relationship Committee, has been mandated to oversee redressal of investor grievances, and review adherence to the service standards adopted by the Company in respect of its in-house share registration activities. (e) ISC has a 'Complaint Identification Policy' for identification of investor complaints. Further, ISC attends to shareholder/investor complaints within five working days, except where constrained by disputes or legal impediments. (f) Details of investor complaints received by the Company are filed on a quarterly basis with the Stock Exchanges where the Company's shares are listed, and with the SEBI on a half-yearly basis. During FY 2021-22, one complaint relating to delay in recording of Permanent Account Number of a Shareholder was received and promptly resolved. There were no shareholder/investor complaints pending for resolution at the end of the year.			

Employees and workers	Yes. To address employee concerns and complaints pertaining to human rights and labour practices, a Grievance Redressal Procedure with appropriate systems and mechanisms has been instituted across ITC units. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights. The implementation is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees. During FY 2021-22, there were 212 complaints received across the Businesses, and 206 such complaints were resolved. 6 are pending resolution at the close of the year.
Consumers, Shoppers & Retailers	Yes. Robust systems have been put in place across ITC Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner. A dedicated customer interactions team is in place to address any product related query/ complaint. Several communication channels like email, telephone number and feedback forms are provided to the consumers. In addition, the Company has an online reputation management team which interacts with consumers via social media channels, and responds to their queries in a real time manner. A Customer Relationship Management (CRM) platform has been implemented for capturing customer complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process related changes, and system enhancements for improving the CSAT (Customer Satisfaction) scores. During FY 2021-22, around 10,000 complaints were received across Businesses, and more than 97% of these were resolved as on 31st March, 2022.
Value Chain Partners	Yes. As per the Company's Code of Conduct for Suppliers and Service Providers, they are expected to bring to the notice of the manager concerned at ITC, any actual or suspected breach of the Code. Suppliers and Service Providers are encouraged to report any known or suspected improper behaviour of ITC employees. Such reports are treated in a confidential manner.

The Company policies are hosted on the website at https://www.itcportal.com/about-itc/policies/index.aspx

24. Overview of the entity's material responsible business conduct issues

In order to identify the material issues including environmental and social ones, and understand the relative importance of these issues to its stakeholders and ITC Businesses, the Company conducts materiality assessments, and accordingly devise specific action plans for addressing each material issue at regular intervals. Such assessments help in identifying key drivers for value creation over a period of time. In FY 2019-20, ITC engaged with a diverse set of internal and external stakeholders in order to update its materiality matrix. Going forward, ITC will continue to engage with its key internal and external stakeholders on an ongoing basis to ensure a more dynamic materiality assessment.

As a diversified enterprise, ITC continues to focus on a system-based approach to Business Risk Management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class Businesses that best match organisational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing talent and enhancing organisational capabilities through timely developmental inputs.

For more information on Risk Management Framework and ITC's materiality matrix, refer to the 'Risk Management Section' of the Report of the Board of Directors forming part of ITC's Report and Accounts 2022, and 'Strategic Risk Management' and 'Material Issues' sections of ITC Sustainability & Integrated Report 2022.

Section B: Management and Process Disclosures

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) **b. Has the policy been approved by the Board? (Yes/No)** **c. Web Link of the Policies, if available** **2. Whether the entity has translated the policy into procedures. (Yes/No)** **3. Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes, ITC is guided by a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements. To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of Sustainability Policies that are being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements. The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional/Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee has the overall responsibility to monitor and evaluate compliance with these Policies. The overall responsibility for implementation of ITC's CSR Policy rests with the Corporate Social Investments Programme (SIP) Team. The Policies covering these principles are available on the Company's corporate website www.itcportal.com under 'Our Policies' section.								
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ITC's manufacturing facilities have well-defined Environment, Health and Safety (EHS) and quality management systems in place, and are aligned with International Standards like ISO 14001: Environment Management System, OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems, SA 8000: Social Accountability, and FSSC 22000/ISO 22000/HACCP: Food Safety Management System. • ITC, with its commitment of procuring sustainable raw materials, endeavours to integrate sustainability in the supply chains of its products and services. ITC collaborates with national and international sustainability certification bodies on responsible sourcing certification of key agri raw materials. For instance, Agri Business continues to increase the scale and scope of crops covered under various sustainable farm certifications like Rainforest Alliance, Global G.A.P Certification, Fairtrade and USDA Organic.								

	• ITC's commitment to environmental stewardship is reflected in its role of pioneering the Green Building movement in India. 38 buildings of the Company have achieved Platinum certification USGBC (U.S. Green Building Council)/IGBC (Indian Green Building Council). As a testament to the Company's 'Triple Bottom Line' philosophy and 'Responsible Luxury' ethos, ITC Windsor, Bengaluru achieved the distinction of being the first hotel in the world to achieve LEED® Zero Carbon Certification. ITC Grand Chola, Chennai (largest hotel in the world to receive this) and ITC Gardenia, Bengaluru also received the LEED® Zero Carbon certification during the year. These properties are the first three hotels in the world to receive the LEED® Zero Carbon Certification. The Company's Hotels Business has also demonstrated high levels of resource efficiency by achieving the LEED® Platinum certification for its luxury collection hotels. • The Hotels Business continued to reinforce its commitment towards health & hygiene with 'WeAssure' – a programme designed in collaboration with medical professionals & disinfection experts to reassure guests and to provide best-in-class experience in hygiene and safety at the Company's iconic Hotels. The programme has received a Platinum Level certification from M/s. DNV. • ITC is also committed to getting all its sites in High Water Stressed Areas certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship) by 2035. ITC's Paperboards & Specialty Papers Business unit at Kovai was only the second facility in the world and the first in India to be awarded the AWS Platinum-level certification in FY 2019-20, the highest recognition for water stewardship in the world. For more information on Environment, Social, Occupational Health and Safety, Food Safety Certifications and Sustainable Farming Certifications, refer to 'Certifications' section of ITC Sustainability & Integrated Report 2022.
5. Specific commitments, goals and targets set by the entity with defined timelines, if any. **6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.**	In line with its Sustainability 2.0 agenda, ITC has set short-to-medium targets for key priority areas like climate change, water stewardship, plastic waste and circular economy, sustainable agriculture, biodiversity conservation and sustainable livelihoods. In line with the above, ITC's Businesses have targets for key performance indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation. In order to achieve these targets, all ITC Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap. For more information on annual performance against the Sustainability 2.0 targets, refer to 'Sustainability 2.0 Ambitions: 2030 Targets' section of ITC Sustainability & Integrated Report 2022.

Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). Please refer to the 'Chairman's Statement' section in ITC Sustainability & Integrated Report 2022.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At the highest level, the Board of Directors of the Company, led by the Chairman & Managing Director, has the primary role of trusteeship to protect and enhance shareholder value through strategic supervision of ITC. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth, and also in line with its Sustainability agenda. The CSR and Sustainability Committee of the Board, chaired by the Chairman & Managing Director, reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis. In addition, the Committee and the Board also review the progress of implementation of the Company's CSR Programmes, on a half-yearly basis. The Corporate Management Committee (CMC) of the Company is the management body responsible for compliance with the Sustainability Policies of the Company. The CMC has constituted the Sustainability Compliance Review Committee (SCRC), which monitors and evaluates compliance with these Policies and places a quarterly report thereon for review by the CMC. The Chief Executives of Divisions / Strategic Business Units (SBU), through members of the respective Management Committees, and Heads of Corporate Functions, are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division / SBU / Corporate Function, and communication of these Policies to the employees.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, as mentioned above, the CSR and Sustainability Committee of the Board, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental regeneration. The Committee also reviews the Business Responsibility and Sustainability Report of the Company, and recommends the same to the Board for adoption, and approves the Sustainability & Integrated Report of the Company. In addition, the Company has appointed a Chief Sustainability Officer (CSO) who is, inter alia, responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitor the progress on sustainability targets and facilitate the Businesses & Corporate Functions in implementing sustainability initiatives. The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress report backs on the Company's sustainability initiatives to the senior leadership of the Company.

10. Details of Review of NGRBCs by the Company:	
Subject for Review	Review of Principles undertaken by Director/ Committee of the Board/any other Committee and its frequency.
Performance against above policies and follow up action	As stated above, the SCRC is responsible for monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the CMC. The CSR and Sustainability Committee also reviews implementation of these Policies on an annual basis. The Chief Executives of Divisions/Strategic Business Units (SBU) and Heads of Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division/SBU/Corporate Function. During the year, most of the Sustainability Policies of the Company were comprehensively reviewed and updated to reflect the current practices followed by the Company and also taking into account the evolving industry practices & standards.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with applicable laws and regulations.
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	• ITC has been obtaining independent third-party assurance for its Sustainability Reports since 2004. In the reporting year, authenticity of the data and systems disclosed in the Sustainability & Integrated Report 2022 has been assured by M/s Deloitte Haskins & Sells LLP, an independent third party assurance provider. M/s Deloitte Haskins & Sells LLP have provided the assurance as per the International Standard for Assurance Engagements (ISAE) 3000 at the 'Reasonable Level'. • ITC has computed its greenhouse gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2006. The GHG inventory of FY 2021-22 has been verified by M/s Deloitte Haskins & Sells LLP at the 'Reasonable Assurance' level. • In addition to above, relevant third-party assessments and certifications are conducted across Business units periodically.

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	% of Persons in Respective Category Covered by the Awareness Programmes
Board of Directors	The Directors of the Company are briefed on the sustainability initiatives of the Company from time to time. The Directors are also updated on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislation & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.		
Key Managerial Personnel	The Company periodically updates and familiarises employees on the following: 1. ITC's Code of Conduct which covers aspects such as Corporate Governance & Good Corporate Citizenship 2. Whistleblower Policy of the Company 3. Sustainability Policies of the Company		
Employees other than BoD and KMPs			
Workers			

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):

Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

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 or 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

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Nil

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

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

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

ITC facilitates capacity building workshops for its key value chain partners to educate, and create shared awareness on key areas like human rights, labour practices and sustainability.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the ITC Code of Conduct requires the Directors, senior management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he / she has a close relationship, in relation to the Company's business. However, this is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

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

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The Company's state-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru is at the core of driving science-led product innovation to support and build ITC's portfolio of world-class brands. The LSTC team comprising over 350 highly qualified scientists, with over 900 patents applications filed, have a mandate to work on future-ready science platforms, design differentiated products to address unique needs and deliver superior benefits to Indian consumers.

Centres of Excellence in Biosciences, Agrisciences and Materials, and robust research platforms such as Beauty & Hygiene, Heath & Wellness, Agro-forestry & Crop Sciences, Sustainable Packaging materials continue to drive world-class innovation.

In pursuit of environmental excellence, all Business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. For more details on steps taken and efforts made towards conservation of energy, utilising alternate sources of energy, technology absorption and the expenditure incurred on Research and Development, refer to the 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors in the Company's Report and Accounts 2022.

₹in Crores

	FY 2021-22	FY 2020-21
Expenditure on R&D - Capital	20.17	12.12
Expenditure on R&D - Revenue	143.59	131.22
Total R&D Expenditure	**163.76**	**143.34**
Capital Investment on Energy Conservation Equipment	**12.22**	**20.22**

2. a. Does the entity have procedures in place for sustainable sourcing?

Yes, there are procedures in place for sustainable sourcing. ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. The Code reflects ITC's commitment to respect 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. ITC, with

its diverse and expanding portfolio of businesses, prioritises embedding sustainability and building resilience in the supply chain as part of its Sustainability 2.0 vision.

Farmers constitute a vital part of ITC's supply chain, and the close linkages between ITC's Businesses and Indian agriculture provides a unique opportunity to engage with farmers across the country and help address some of the sustainability challenges confronting them, and at the same time create sustainable and resilient Agri-value chains for ITC's Agri, FMCG and Paper Businesses.

Leveraging the Company's enterprise strengths and its large presence in rural communities, ITC has, over the years designed and implemented large scale programmes on sustainable agriculture. The focus of these interventions has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening regional water security and addressing the challenge of climate change and enhancing Agri-resilience.

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 'Next-Generation Agriculture' and 'Inclusive Value Chains' sections of ITC Sustainability & Integrated Report 2022.

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

The supply chains of most ITC's Businesses are vertically integrated, which facilitate optimum utilisation of raw materials, recycling of waste as well as efficient logistics operations. Farmers constitute a vital part of ITC's supply chain. Accordingly, the Company focuses extensively on enhancing the sustainability of its Agri-based supply chain. During FY 2021-22, ITC processed around 2,500 kilo tonnes of raw materials, out of which nearly 97% were sourced from Agro/Forestry based renewable sources.

ITC's leading Agri value chains are also certified as per renowned global standards like Rainforest Alliance (RFA), Global G.A.P Certification, Fairtrade, USDA Organic and India Organic.

Note: For more details on ITC's sustainable sourcing practices, refer to the 'Next-Generation Agriculture', 'Inclusive Value Chains' and 'Certifications' sections of ITC Sustainability & Integrated Report 2022.

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.

ITC has achieved Plastic Neutrality in FY 2021-22 by implementing an integrated solid waste management programme that incorporates unique and multidimensional initiatives. The Company collected and sustainably managed more than 54,000 tonnes of plastic waste across 35 States and Union Territories. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to achieve the milestone of Plastic Neutrality.

For more than a decade, the Company has been running a holistic 360° solid waste management programme that is based on the principles of a circular economy and encompasses the entire waste value chain.

ITC has adopted a multipronged approach to reduce plastic in the Company's operations spanning FMCG, Hotels, Paperboards and Packaging. This includes creating robust next generation environment friendly packaging solutions, mega-scale waste collection programmes under its flagship waste management initiative 'ITC WOW – Well Being Out of Waste' as well as focused interventions in rural areas; a culture of plastic-free operations - in line with its philosophy of 'Responsible Luxury' to eliminate single use plastic usage in ITC Hotels; and innovative models for sustainability which have plastic reduction and management at their core. Within its operations, ITC has been recycling more than 99% of the solid waste for more than a decade.

For further details, refer to the 'Sustainably Managing Waste' and 'Mission Sunehra Kal for Sustainable & Inclusive Growth' sections of ITC Sustainability & Integrated Report 2022.

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.

ITC is in compliance with the requirements of Plastic Waste Management Rules, 2016 and subsequent amendments.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

The Company has initiated Life Cycle Assessments (LCA) of its products and services since 2010 with an

objective to evaluate the impacts and identify areas for improvement in the value chain. So far, LCAs have been carried out for key product categories from Paperboards and Specialty Papers Business (Carte Lumina, Safire Graphik, Liquid Packaging Board etc.), Personal Care Products Business (Superia Soap) and Branded Packaged Foods Businesses (Bingo! Potato chips). LCA studies will continue to be used as a tool for assessing environmental footprint of products/services going forward.

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.

The Company has put in place robust guidelines and standards, that are benchmarked against international best practices, with defined Standard Operating Procedures (SOPs) for identifying and mitigating both social and environmental risks. LCA studies have also been carried out for some of the Company's key products 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, loading efficiencies in transportation. Studies conducted on the selected products also provided valuable insights which are duly considered for new product development and design. Several sustainable products were developed during the year. For example, Savlon Pichkiao (easy-squeeze pack), an innovative pump-free format that is completely reusable, refillable and easy to carry, and made with 22% less plastic compared to ordinary pump pack was launched last year. The pack also bagged the prestigious 'Diamond Finalist Award' at the Dow Packaging Innovation Awards 2021, demonstrating excellence across all the three criteria of the award – Sustainability, Technological Advancement and Enhanced User Experience.

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).

Nearly 97% of ITC's input material is sourced from renewable sources consisting primarily of pulpwood and other Agri products. During FY 2021-22, the Kovai Unit of ITC's Paperboards & Specialty Papers Business sourced over 85,000 tonnes of waste paper from external sources, which constituted over 75% of the Unit's total input materials.

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

During FY 2021-22, ITC expanded its plastic waste management programme across the country covering all plastic waste categories including rigids, flexibles and Tetra Pak packaging waste. The Company collected and sustainably managed more than 54,000 tonnes of plastic waste across 35 States and Union Territories. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to achieve the milestone of Plastic Neutrality. In FY 2020-21, more than 31,000 tonnes of post-consumer plastic waste from 24 States and Union Territories was collected and sustainably managed, which was equivalent to more than 80% of plastic packaging films (flexibles) utilised by ITC during FY 2020-21.

The Company also has mechanisms to recover expired, damaged and discarded products from the market. Depending on the product, both the product and the packaging material waste are sustainably recycled/safely disposed.

	FY 2021-22			FY 2020-21		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	Approx. 5,400 MT	Approx. 48,600 MT	-	Approx. 2000 MT	Approx. 29,000 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Please refer to responses to Question 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	% of Employees Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	21,568	21,568	100%	21,568	100%	-	-	9,466	44%	-	-
Female	2,261	2,261	100%	2,261	100%	2,261	100%	-	-	2,261	100%
Total	23,829	23,829	100%	23,829	100%	2,261	100%	-	-	2,261	100%

b. Details of measures for the well-being of workers:

Category	% of Workers Covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	12,102	12,102	100%	12,102	100%	-	-	-	-	-	-
Female	632	632	100%	632	100%	632	100%	-	-	632	100%
Total	12,734	12,734	100%	12,734	100%	632	100%	-	-	632	100%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	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	11%	19%	Y	-	-	Y

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.

Our establishments are accessible to the differently abled, and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

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 Policy on Diversity, Equity and Inclusion, which is available 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.

	Permanent Employees		Permanent Workers	
Gender	**Return to Work Rate**	**Retention Rate**	**Return to Work Rate**	**Retention Rate**
Male	-	-	-	-
Female	100%	98%	100%	100%
Total	100%	98%	100%	100%

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

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.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	As mentioned above
Permanent Employees	As mentioned above

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	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)
Total Permanent Employees	23,829	10,670	45%	24,070	10,490	44%
- Male	21,568	10,550	49%	21,883		
- Female	2,261	120	5%	2,187		
Total Permanent Workers	12,734	10,670	84%	13,035	10,490	80%
- Male	12,102	10,550	87%	12,461		
- Female	632	120	19%	574		

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:

*EHS Training all permanent employees for FY 2021-22 is 153,913 person-days training.

Category	FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees & Workers	Total of 25,586 person days training were imparted on EHS to employees & workers. 4,422 unique employees & workers attended skill upgradation training. 437 unique employees & workers attended mental wellbeing training.				

9. Details of performance and career development reviews of employees and workers.

Category	FY 2021-22		
	Total (A)	No. (B)	% (B/A)
Employees			
Male	21,568	16,418	76%
Female	2,261	2,051	91%
Total	23,829	18,469	78%
Workers			
Male	12,102	6,952	57%
Female	632	422	67%
Total	12,734	7,374	58%

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 such system?

Yes, ITC has implemented occupational health and safety management system.

The Company believes that a safe and healthy work environment is a pre-requisite for employee well-being, and the adoption of best practices in occupational health and safety have a direct impact on its overall performance. It helps in attracting and retaining quality talent, besides being the duty of the Company as a responsible corporate citizen.

ITC endeavours that Environment, Health & Safety (EHS) standards at all its units are ahead of applicable legislation and regulations, and Standards and Codes, and are benchmarked against international best practices across sectors in which it operates. ITC's approach to occupational health & safety standards is articulated in the Board approved Environment, Health and Safety Policy. It is based on an EHS management system that emphasises on enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators. Further, it promotes a culture of safety through behaviour change programmes and by providing appropriate training to employees as well as service providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

EHS requirements are integrated at the design stage for all new investments. Compliance with EHS standards during the construction phase 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. 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 to verify 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 ESIC.

11. Details of safety related incidents.

ITC reports its safety performance on two fronts – 'on-site' - referring to the place of work i.e. factory, hotel, office, etc. which is under direct operational control of ITC and 'off-site' - defined as places other than on-site while on official duty, which includes to and fro commute between residence and place of work. In FY 2021-22, the total on-site Lost Time Accidents (LTA) was 14 as compared to 12 in FY 2020-21. For details on 'off-site' LTAs, please refer to ITC Sustainability & Integrated Report 2022.

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

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person-hours worked)*	Employees	0.09	0.11
	Workers		
Total recordable work-related injuries**	Employees	11	12
	Workers		
No. of fatalities#	Employees	2	1
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	9	11
	Workers		

**# The data on LTIFR and no. of fatalities is for the combined workforce i.e. ITC employees and service providers' employees.*
*** ITC discloses total recordable work-related injuries as Lost Time Accident (LTA) - an accident due to which the injured is not able to come back to work in the next scheduled shift. Total recordable work-related injuries data shown above is for the combined workforce i.e. ITC employees and service providers' employees. (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, 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.
- Studies to assess the safety culture and efficacy of behaviour-based safety interventions will be conducted periodically.
- Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline.
- Embracing and leveraging the digital landscape for safety management system.

ITC will continue to identify solutions for strengthening the safety culture aligned with the goal of 'Zero Accidents'.

13. Number of complaints on the following made by employees and workers.

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

14. Assessments for the year:

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

	% of your Plants and Offices that were Assessed (by entity or Statutory Authorities or Third Parties)
Health and safety practices	100%
Working Conditions	100%

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

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

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full through a process of 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 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 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	5	4	5	4
Workers	3	4	3	4

On site 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 the pension benefits and post retiral medical benefits for those members of staff who qualify. Workers are provided pension benefits covered under the relevant statute.

5. Details on assessment of value chain partners on Health and safety practices and Working Conditions

ITC is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

ITC's Code of Conduct for Suppliers and Service Providers enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The Code upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights, and is shared and accepted by all supply chain partners and service providers.

ITC has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. ITC reserves the right to verify compliance with this Code at any time through appropriate audit and assessment mechanisms, including self-certification. ITC is also committed to reinforcing awareness of this Code amongst the Suppliers and Service Providers and to support them in this endeavour.

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 with the value chain partners, and periodic training is given to their concerned personnel.

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

Detailed investigations are carried out for accidents to identify the root causes, and to understand the measures required to prevent recurrence.

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 structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. ITC's engagement approach is anchored on the principles of materiality, completeness and responsiveness.

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

For details on ITC's Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of ITC Sustainability & Integrated Report 2022.

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

The Board approved Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, consumers, farmers, employees, local communities, suppliers,

Central and State Governments, regulatory bodies and the media.

For more details on consultation mechanisms and key issues discussed with the stakeholder groups, refer to 'Stakeholder Engagement' section of ITC Sustainability & Integrated Report 2022.

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.

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.

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, it 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 dialogue 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 policies and activities are presented below:

1. **Investors:** In addition to its ongoing interactions with analysts representing institutional equity investors on a regular basis post-results, the Company has, over the last two years, been supplementing its quarterly earnings press releases with detailed investor presentations. This is but one example of how the Company has refined its processes emanating from interactions with them. This year, the Company organised its first-ever 'Institutional Investors and Financial Analysts Day' for institutional investors, a well attended programme that drew participation from domestic as well as global investors, to provide deeper insights into ITC's Corporate Strategy and operating segments including, inter alia, their competitive strengths, unique value propositions and key drivers of growth and profitability. These initiatives have been much appreciated by the investor community. 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. Recognising the growing investor interest in this area and factoring in feedback from investor interactions, the Company also periodically reviews, refines and updates its ESG policies on the Company's portal, as it progresses towards its clearly-defined 2030 goals.

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

A portal called Aikyam, captures ideas and feedback provided by our partners, which are evaluated and taken forward by the business. This has enabled both product enhancements and process efficiencies.

Rapidly evolving consumer needs are constantly being monitored through social listening, in-depth immersions and are being carefully synthesised to transform into relevant solutions. Some examples are mentioned below:

- Launching of products like ITC Masterchef's 'IncrEdible' Plant-based range, a sustainable alternative to meat. This range supports consumers with vegan preferences, and also helps in reducing carbon footprint.
- Providing choices to consumers with specific needs like –
  - Aashirvaad Svasti Milk for lactose intolerant consumers.
  - Aashirvaad's Organic Range and Nature's Super Foods Range for consumers looking for healthier options.
- YiPPee! A Better World programme for children that entails a series of workshops for creating awareness on segregation at source, and arts and crafts sessions for teaching them how to make useful objects out of waste materials available at home.

3. Employees: ITC is committed to creating an inclusive, equitable and diverse workplace where every employee feels valued and included. This requires continuous engagement with employees and understand their experiences. This understanding enables ITC to refresh its policies, and ensures that the important enablers of inclusion, such as work-life balance, flexibility in work and benefits are addressed in a relevant, timely and effective fashion. A series of focused group discussions were conducted to understand the employee experiences whilst framing the policies on Gender Diversity, Equity and Inclusion. More than 150 employees (around 10% of the target population) were part of the discussions. The discussions gave rich insight about the priority issues such as flexible work arrangements and employee benefits across various life stages such as maternity. Such nuanced insights enabled the policies to effectively address the requirements of employees.

4. Community: A comprehensive stakeholder engagement exercise was first undertaken in 2015-16, wherein core areas were defined and needs of the communities residing in these areas, that is, factory and agri-catchments were identified and prioritised. It emerged that one of the overarching problems faced by the communities were related to lack of sustainable livelihoods today and tomorrow. Based on this, Core Area Perspective Plan (CAPP) was conceptualised and Two Horizons approach to address the needs of the community was developed and adopted.

During FY 2021-22, changes in emerging needs and priorities of communities was revisited through CAPP 2.0 by carrying out an exploratory exercise across **3,718 villages in 21 factory and 7 agri-catchments** with following objectives:

- To revisit coverage and community needs in the changed context;
- To assess reasons for not achieving the earlier planned outcomes (if any); and
- To re-strategise ITC'S Social Investments Programme (SIP) themes and approach based on the findings.

The CAPP 2.0 exercise was carried out by involving third party organisations and NGO partners under close supervision of SIP's state teams who were present during the data collection exercise. The assessment involved primary and secondary data collection using quantitative and qualitative tools through **6,771 Household Surveys, 169 Key Informant Interviews, 656 Focus Group Discussions and 168 Participatory Rural Appraisal Exercises.**

The above process ensures that stakeholder inputs, suggestions and needs are appropriately incorporated in SIP's interventions. For example, SIP's water stewardship programme initially focused on supply side augmentation through watershed development. However, it emerged during the interactions with stakeholders and through studies that a more comprehensive approach is required for drought proofing agriculture and achieving positive water balance. To address the issue, river basin level interventions were planned and demand side management of water use in agriculture was incorporated in the programme. Similarly, in SIP's Vocational Training programme, the trades are decided based on regular community feedback and market demand in specific geographical regions. For instance, demand for bedside nursing increased during the pandemic, hence training on bedside nursing trade was amplified. Similarly, based on the feedback received from students placed in various organisations, post-placement assistance was incorporated in the Vocational Training programme.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.

ITC's SIP adopts a bottom-up approach to identify and address the emerging needs of the community. Presented

hereunder are a few instances wherein changing community needs in unprecedented pandemic situation were addressed through modifications in ongoing programme components as well as through introducing entirely new activities under the programmes.

- **Digitalisation Activities:** The unprecedented situation created by the pandemic posed several challenges for SIP operations and necessitated a rethink and redesign of some interventions. The SIP team proactively addressed these challenges through contextual solutions and actions planned in consultation with key stakeholders. Currently, there are several tools in practice for Learning Management and for enablement of programme implementation.

a. Learning Management Systems have been developed in the form of web portal for training of teachers in West Bengal, vocational training of students in Assam, Karnataka and West Bengal, and training of Urban Local Bodies on Solid Waste Management in Uttar Pradesh.

b. Digital Platforms for Enabling Programme Implementation: Application (App) based training of Anganwadi workers on Mother & Child Healthcare in Assam and West Bengal, App for command area in Maharashtra, App for crop survey in Tamil Nadu, App for Soil and Moisture Conservation, and Swachh Mitra App for collection and reporting of daily waste data in Uttarakhand.

- **Smart Mom Intervention:** ITC's education programme adopted remote engagement activities with children after the first wave of COVID 19 pandemic that continued this year too. "Catch Up Campaign" was initiated where mohalla level learning camps were organised to build/rebuild foundational reading and math skills. Subsequently, when schools started re-opening, "Readiness campaign" was initiated to help children of grade 1 and 2, to get ready for school by leveraging community support of mothers. For this, mothers' groups were formed who were trained on Activity Based Learning method. Since the mothers required support for continuing Activity Based Learning at home, active women from these groups were selected as "Smart Moms" and were trained on the pedagogy to help other group members conduct learning activities for their children. This helped in continuing learning activities for children under Read India Programme despite disturbances of frequent lockdowns and school closures.

- **Small Ruminants Programme:** Diversification of livelihoods to build resilience as well as to support family income emerged as one of the prominent needs during engagement with rural women. Hence, a programme was initiated to build capacity of rural poor women for providing health assistance to small ruminants like goats. The programme not only provided a sustainable livelihood option to participating women, but also provided opportunities for living a dignified life, and contribute towards household income.

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	FY 2021-22		
	Total (A)	No. of Employees' Workers Covered (B)	% (B/A)
Employees			
Permanent	23,829	23,829	100%
Other than Permanent	25,513	23,513	100%
Total Employees	49,342	49,342	100%
Workers			
Permanent	12,734	12,734	100%
Other than Permanent	25,317	25,317	100%
Total Workers	38,051	38,051	100%

The awareness pertains to the ITC Code of Conduct.

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

Category	FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent	23,829			23,829	100%
Male	21,568			21,568	100%
Female	2,261			2,261	100%
Other than Permanent	25,513	**74%** of other than permanent employees are paid more than the minimum wage, and the remaining **26%** are paid equal to the minimum wage.			
Male	22,231				
Female	3,282				
Workers					
Permanent	12,734			12,734	100%
Male	12,102			12,102	100%
Female	632			632	100%
Other than Permanent	25,317	**74%** of other than permanent workers are paid more than minimum wage, and the remaining **26%** are paid equal to minimum wage.			
Male	22,068				
Female	3,249				

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median Remuneration/Salary/ Wages of Respective Category	Number	Median Remuneration/Salary/ Wages of Respective Category
Board of Directors (BoD)	14	₹ 76 Lakhs	2	₹ 76 Lakhs
Key Managerial Personnel*	6	₹ 568 Lakhs	-	-
Employees other than BoD and KMP	21,562	₹ 6.7 Lakhs	2,261	₹ 6.6 Lakhs
Workers#	12,102	₹ 4.4 Lakhs	632	₹ 1.9 Lakhs

** Comprising Chairman & Managing Director, Wholetime Directors, Chief Financial Officer and Company Secretary*

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

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No).

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has Policies on Human Rights which are applicable to all its employees and suppliers & 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 Sustainability Policies specially with respect to human rights and labour practices.

The Company has in place a 'Code of Conduct for Suppliers and Service Providers' across Businesses. The Suppliers and Service Providers have voluntarily accepted and adopted the Company's Code, which requires compliance with applicable laws relating to, inter alia, human rights, environmental conservation, and quality of products and services. A Grievance Redressal System to facilitate open and structured discussions is available at all units and locations to ensure that grievances related to labour practices and human rights are addressed and resolved in a fair and just manner.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	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	**2**	**0**	**All Resolved**	**2**	**1**	**Pending 1 was Resolved**
Discrimination at Workplace	Nil					
Child Labour						
Forced Labour/ Involuntary Labour						
Wages	-	-	-	-	-	-
Other Human Rights Related Issues						

Note: As mentioned above in the Section VII. Transparency and Disclosures Compliances Point 23-Complaints/Grievances, a total of 212 grievances pertaining primarily to clarification on incentive calculations were received.

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

ITC is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct.
ITC encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in ITC Report and Accounts 2022. Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

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

9. Assessments for the year:

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

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

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

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.

The ITC Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code covers ITC's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, ethical dealings with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption, and exemplary personal conduct. Any violation of the Code by an employee renders the person liable for disciplinary action. ITC has mechanisms to address human rights grievances/ complaints of all internal stakeholders. For details, refer to responses to Questions 5 and 7 under essential indicators (Principle 5).

For value chain partners, ITC has a 'Code of Conduct for Suppliers and Service Providers' covering relevant human rights aspects. 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. ITC constantly engages with the rightholders 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 coordinated a Human Rights impact assessment with an independent party, covering the entire leaf tobacco farm supply chain covering farmers from Andhra Pradesh and Karnataka region. The Human Rights Due Diligence process was aligned to UN Guiding Principles of Business and Human Rights, and focused on identifying human rights risks and impacts covering farmers, labourers and communities.

Following actions have been implemented by ITC based on the outcome of the assessment:

Training and Awareness on Human Rights: 184 Village level training programmes were conducted covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, Water, Sanitation And Hygiene (WASH), No Discrimination and other areas pertaining to human rights.

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

Farm Safety: ITC undertakes a holistic approach that addresses the farm safety challenges in Indian farming. Close to 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. In addition, 75,000 harvesting gloves were provided to labourers to shelter their hands while harvesting. Technology like drones were scaled up covering 3,550 acres minimising human interference while chemical spraying besides increasing the efficacy of operation and water saving.

For more information, refer to 'Inclusive Value Chain' section of ITC Sustainability & Integrated Report 2022.

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?

Our establishments are accessible to the differently abled, and we are continuously working towards improving infrastructure for eliminating barriers to accessibility.

4. Details on assessment of value chain partners for Human Rights.

ITC is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment.

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

ITC coordinated a Human Rights impact assessment covering the entire tobacco farm supply chain. For more details, refer to response to Question 1 (Principle 5) under leadership indicators.

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

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

Principle 6

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity.

In FY 2021-22, ITC units consumed 24,394 Terra Joules (TJ) of energy.

Parameter*	FY 2021-22	FY 2020-21
Total electricity consumption (A)	1,808	1,527
Total fuel consumption (B)	22,407	20,660
Energy consumption through other sources (C)	179	182
Total energy consumption (A+B+C)	24,394	22,369
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ/Crore INR)	413	465

**In Terra Joule (TJ)*

During FY 2021-22, ITC's total energy consumption saw an increase of 9%, despite a 24% increase in production at ITC's Paperboards & Specialty Papers Business that accounts for around 87% of ITC's total energy consumption.
The energy intensity (on per production basis) for all major Businesses is available in 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.
ITC's energy consumption data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

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 Specialty Papers Business and eleven Hotels of Hotels Business are covered under the PAT scheme. ITC has made significant investments in reducing energy consumption and, accordingly, the performance of the Company's units covered 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.

Details of the energy efficiency initiatives measures implemented during the year are included in 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors in ITC Report and Accounts 2022.

3. Provide details of the following disclosures related to water.

In FY 2021-22, ITC's total water intake was 33.7 million kilolitres (kl).

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in Million kilolitres)		
(i) Surface water	26.9	25.1
(ii) Groundwater	5.4	5.4
(iii) Third party water	1.4	1.2
(iv) Seawater/desalinated water	-	-
(v) Others	0.1	0.1
Total volume of water withdrawal (in Million kilolitres) (i + ii + iii + iv + v)	33.7	31.8
Total volume of water consumption (in Million kilolitres)	11.7	9.9
Water intensity per rupee of turnover (Water withdrawal/turnover) (kilolitre/Crore INR)	569	660

During FY 2021-22, ITC's total water intake saw an increase of 6%, despite a 24% increase in production at ITC's paper business that accounts for around 89% of ITC's total water intake.

The water intensity (on per production basis) for all major Businesses is available in 'Water Security for All' section of ITC Sustainability & Integrated Report 2022.

Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. The programme promotes the development and management of local water resources in water stressed areas by facilitating community participation in planning and implementing such measures, whilst building, reviving and maintaining water harvesting structures. The coverage of this programme currently extends to 40 districts of 16 States in India. During the year, ITC's watershed development projects covering over 1.3 million acres of land created a total Rainwater Harvesting potential (RWH) of over 46 million kl (cumulative), which is nearly four times the net water consumed by ITC's operations.

ITC's water withdrawal and consumption data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Water Security for All' section of ITC Sustainability & Integrated Report 2022.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

ITC's approach to water stewardship focuses on reducing water intake by utilising treated wastewater within the process, thereby reducing demand for fresh water. ITC units operate in line with the Consent to Operate (CTO) conditions.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please Specify Unit	FY 2021-22	FY 2020-21
NO_x	Tonnes	1,799	1,693
SO_x	Tonnes	3,203	2,600
Particulate Matter (PM)	Tonnes	637	655
Persistent Organic Pollutants (POP)	-	Not applicable	Not applicable
Volatile Organic Compounds (VOC)	-	Not applicable	Not applicable
Hazardous Air Pollutants (HAP)*	Tonnes	7	5

**The data is for Paperboards & Specialty Papers Business's Bhadrachalam Unit's Hydrogen Sulphide emissions (H_2S)*
ITC's air emissions data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Air Emissions Management' section of ITC Sustainability & Integrated Report 2022.

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

Parameter	Please Specify Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 if available)	kilo tonnes of CO_2 equivalent	1,258	1,172
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3 if available)	kilo tonnes of CO_2 equivalent	193	168
Total Scope 1 and Scope 2 emissions per rupee of turnover	tonnes of CO_2 /Crore INR	25	28

During FY 2021-22, ITC's GHG emissions (Scope 1+Scope 2) saw an increase of 8%, despite a 24% increase in production at ITC's Paperboards & Specialty Papers Business that accounts for around 80% of ITC's total GHG emissions (Scope 1+Scope 2).

The GHG emissions (Scope 1+Scope 2) intensity (on per production basis) for all major Businesses is available in 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

ITC's Paperboards & Specialty Papers Business has large scale forestry programmes promoting sustainable forests management with primary aim of securing pulpwood requirement for Business continuity. In addition to sequestering carbon, this programme benefits the stakeholders by improving productivity of wasteland, de-risking poor rural households by diversifying farm portfolios through promotion of tree-based farming. During FY 2021-22, this programme has sequestered 6,182 kilo tonnes of CO_2, which is more than 2 times the amount of CO_2 from ITC's operations.

ITC's GHG emissions (Scope 1 and Scope 2) data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

ITC has undertaken a target of 50% reduction in Specific GHG Emissions (% Reduction in GHG Emissions (Scope 1, 2) 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:

ITC Units are focusing on energy efficiency through process improvements and investing 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, agitators. In FY 2021-22, the investments in energy conservation equipment has resulted in energy savings of about 87 TJ, which is equivalent to around 10,900 tonnes of GHG emissions.

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

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

Renewable energy:

ITC has invested in renewable energy projects such as rooftop and offsite solar power, wind energy, and biomass power for meeting its energy requirements. These investments have helped ITC to achieve around 42% of its energy requirements from renewable sources.

In FY 2021-22, ITC commissioned 14.9 MW offsite solar project in Tamil Nadu that will cater to the electricity requirements for ITC's Hotels and manufacturing Units of Branded Packaged Foods Businesses, Paperboards & Specialty Papers Business and Packaging and Printing Business. This project will supply about 22 Million kWh and help ITC Units in Tamil Nadu to reach about 90% of its grid electricity requirements from renewables. Apart from supplying green electricity, it also includes a rainwater harvesting system that recharges about 2 million litres of water annually.

8. Provide details related to waste management by the entity.

Parameter (in kilo tonnes)	FY 2021-22	FY 2020-21
Plastic waste (A)*	-	-
E-waste (B)	0.071	0.051
Bio-medical waste (C)	0.018	0.017
Construction and demolition waste (D)	6.5	1.4
Battery waste (E)	0.3	0.3
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	20	18
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	699	664
Total (A+B + C + D + E + F + G + H)	726	684
Total waste recovered through recycling, reusing or other recovery operations		
(i) Recycled	715	672
(ii) Reused**	-	-
(iii) Other recovery operations	10	11
Total	725	683
Total waste disposed by nature of disposal method		
(i) Incineration	0.6	0.5
(ii) Landfilling	0.3	1
(iii) Other disposal operations	0	0
Total^	0.9	1.5

** Plastic waste is reported under Non-hazardous waste.*

*** Waste reused is reported under waste recycled.*

^ The difference between total waste generated and total waste disposal is the change in onsite storage.

In FY 2021-22, the Company continued to recycle over 99% of solid waste from its operations. In addition to this, the Company's Paperboards & Specialty Papers Business recycled over 85,000 tonnes of externally sourced post-consumer waste paper, thereby creating a positive environmental footprint. The Company also collected and sustainably managed 100% of its post-consumer plastic packaging waste.

ITC's waste data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Sustainably Managing Waste' section of ITC Sustainability & Integrated Report 2022

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

The Company has initiated measures across units to ensure waste minimisation, segregation of waste at source and recycling. For the past 15 years, the Company has been consistently recycling over 98% of solid waste generated at its units, and during the year, the recycling level reached 99.8%. In addition, over 85,000 MT of externally sourced post-consumer waste paper was used as raw material during the year.

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

For more details, refer to 'Chemical Safety Management' section of ITC Sustainability & Integrated Report 2022.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required.

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

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

Not applicable

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

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

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources

Parameter**	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)@	910	785
Total fuel consumption (B)#	9,099	8,280
Energy consumption through other sources (C)$	179	182
Total energy consumed from renewable sources (A+B+C)	10,188	9,247
From non-renewable sources		
Total electricity consumption (D)@	898	742
Total fuel consumption (E)#	13,308	12,380
Energy consumption through other sources (F)$	0	0
Total energy consumed from non-renewable sources (D+E+F)	14,206	13,122

@ This includes electricity from own wind or solar power plants, and purchased electricity.

 # This includes all fuels used within the premises including for onsite electricity generation.

$ This includes purchased steam.

*** In Terra Joules (TJ).*

ITC's Energy performance has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in Million kilolitres)		
(i) To Surface water	12.2	10.9
No treatment	-	-
With treatment – please specify level of treatment	Secondary	Secondary
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	-	-
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	9.8	10.9
- No treatment	-	-
- With treatment – please specify level of treatment	Tertiary	Tertiary
Total water discharged (in Million kilolitres)	22	21.8

ITC's water discharge data has been assured at the 'Reasonable Level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Water Security for All' section of ITC Sustainability & Integrated Report 2022.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

ITC has developed the water risk assessment methodology for identifying water stressed areas based on WRI Aqueduct's Baseline Water Stress and Central Ground Water Board's (India) groundwater block classification. Additionally, insights from stakeholder engagement were also considered. This holistic methodology allows ITC to cognise water risks in a comprehensive manner, and design mitigation strategy to address the identified risks. ITC's water stewardship goals are available in the section 'Sustainability 2.0 ambitions' of ITC Sustainability & Integrated Report 2022. The aggregated water withdrawal, consumption and discharge in areas of water stress is given below:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in Million kilolitres)		
(i) Surface water	26.9	25.0
(ii) Groundwater	0.2	0.2
(iii) Third party water	0.2	0.2
(iv) Seawater/desalinated water	0	0
(v) Others	0.05	0.04
Total volume of water withdrawal (in Million kilolitres)	27.3	25.5
Total volume of water consumption (in Million kilolitres)	6.6	4.9
Water discharge by destination and level of treatment (in Million kilolitres)		
(i) Into Surface water	11.5	10.4
No treatment	-	-
With treatment – please specify level of treatment	Secondary	Secondary
(ii) Into Groundwater	-	-
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	-	-
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties	9.2	10.2
No treatment	-	-
With treatment – please specify level of treatment	Tertiary	Tertiary
Total water discharged (in Million kilolitres)	20.7	20.6

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

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Kilo tonnes of CO_2 equivalent	318	237

The company has been progressively increasing the coverage of its Scope 3 emissions by including more Supply Chain partners in its reporting boundary. The scope of coverage for Scope 3 emission is mentioned in 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

While working towards reducing its emissions and greening its energy portfolio, ITC seeks to increase carbon sequestration by expanding forestry projects on wastelands. The Farm Forestry programme by ITC's Paperboards & Specialty Papers Business was started for promoting sustainable forests management practices in the value chain, and securing the supply of pulpwood for its paper mills. ITC's Social and Farm Forestry initiative has greened over 950,000 acres till date, with 76,608 acres of plantation added in FY 2021-22 resulting in 6,182 kilo tonnes of CO_2 getting sequestered during the year, which is equivalent to more than 2 times the amount of CO_2 emissions from ITC's operations.

ITC's Greenhouse Gas emissions (Scope 3) have been assured at the 'Reasonable level' by M/s Deloitte Haskins and Sells LLP. For more details, refer to 'Building Climate Resilience' section of ITC Sustainability & Integrated Report 2022.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities. (Refer response in above Essential Indicator 10)

Nil

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives.

The Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimising environmental impact. For details, refer to 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors in ITC Report and Accounts 2022, and 'Building Climate Resilience', 'Towards Water Security for All', 'Sustainably Managing Waste', 'Chemical Safety Management', 'Air Emissions Management' sections of ITC Sustainability & Integrated Report 2022.

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

Yes, ITC has a Business Continuity and Disaster Management Plan designed to address the threat of disruptions to business activities or processes. Business Continuity Planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats. It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident.

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

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. ITC, with its diverse and expanding portfolio of businesses, prioritises embedding sustainability and building resilience in the supply chain as part of its Sustainability 2.0 vision.

ITC's Code of Conduct for Suppliers and Service Providers enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. The Code is shared and accepted by all supply chain partners and service providers.

ITC has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. ITC reserves the right to verify compliance with this Code at any time through appropriate audit and assessment mechanisms, including self-certification. ITC is also committed to reinforcing awareness of this Code amongst the Suppliers and Service Providers and to support them in this endeavour.

ITC has identified material environmental impacts across its value chain, and has deployed various mitigation and adaptation strategies.

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 wastes generated.

For more details, refer to 'Next-Generation Agriculture' section of ITC Sustainability & Integrated Report 2022.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

ITC is guided by a comprehensive set of Board approved Sustainability Policies. The Policies outline the Company's commitment to high standards on environment and provide the necessary framework to address the direct environmental impacts of Company's own operations as well as progressively extend the efforts to its supply chain.

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 provide for compliance with accepted standards on issues related to EHS, human rights and labour practices, and third party manufacturers are periodically assessed to ensure compliance.

Farmers constitute a major portion of ITC's value chain, and accordingly the Company has deployed large scale programmes to both assess and address the environmental impacts across its key agri value chains. For example, ITC's leaf tobacco value chain is assessed as part of the global Sustainable Tobacco Programme (STP 2.0) which focuses on Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance. For more details, refer to the 'Next-Generation Agriculture' section of ITC Sustainability & Integrated Report 2022.

As a part of reporting for supply chain, ITC has instituted systems to report environmental data for key Third Party Manufacturing (TPM) units and plans to progressively expand its reporting boundary. ITC also supports its TPM units by providing knowledge support in specific areas like energy, water and waste management. Through monitoring and reporting of environmental related data, and through sharing of good practices, ITC aims to positively influence the performance of its supply chain partners.

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. During the year, 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
	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. Sector-wise matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.	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 & Industry, Associated Chambers of Commerce and Industry of India, and various other forums including regional Chambers of Commerce. 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.	For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2022.	-	-

Principle 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

None of the projects undertaken by ITC in FY 2021-22 required Social Impact Assessments (SIA).

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

ITC's Social Investments Programme (SIP) adopts a bottom-up approach by keeping community needs and priorities at the centre of all its interventions. Detailed and structured community engagements are planned periodically to revisit the changing needs of the community and the emerging priorities feed into designing 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 operations 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 guidelines 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 FY 2021-22, 20 stakeholder engagement meetings were held across Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, Uttarakhand and Bihar. Several suggestions were made by the community and discussions were held to provide possible solutions to relevant ones. However, no grievances were raised by the community pertaining to Corporate Social Responsibility related activities.

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

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/small producers	15.76%	19.39%
Sourced directly from within the district and neighbouring districts	45.73%	58.14%

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 spent (In INR)
Andhra Pradesh	Visakhapatnam	8,34,199
Assam	Baksa	27,98,809
Assam	Barpeta	27,99,339
Assam	Darrang	2,55,46,103
Assam	Dhubri	29,67,661
Assam	Goalpara	28,86,712
Bihar	Khagaria	6,25,000
Bihar	Muzaffarpur	12,61,759
Bihar	Araria	33,42,848
Bihar	Begusarai	83,07,671
Bihar	Katihar	37,82,457
Bihar	Sheikhpura	32,19,846
Bihar	Sitamarhi	32,30,309
Chhattisgarh	Sukma	48,94,704
Haryana	Nuh	61,64,624
Jharkhand	Pakur	32,28,506
Jharkhand	Sahibganj	2,96,313
Karnataka	Yadgir	49,24,663
Madhya Pradesh	Barwani	27,48,747
Madhya Pradesh	Chhatarpur	3,03,435
Madhya Pradesh	Damoh	2,41,89,169
Madhya Pradesh	Guna	12,48,252
Madhya Pradesh	Khandwa	25,23,607
Madhya Pradesh	Rajgarh	3,72,748
Madhya Pradesh	Singrauli	27,55,075
Madhya Pradesh	Vidisha	1,48,65,730
Maharashtra	Nandurbar	30,94,731
Odisha	Kalahandi	32,43,681
Odisha	Malkangiri	1,56,50,318
Odisha	Rayagada	32,43,643
Rajasthan	Baran	1,97,41,197
Rajasthan	Barmer	61,29,105
Rajasthan	Jaisalmer	88,16,420
Tamil Nadu	Virudhunagar	48,70,538
Telangana	Bhadradi Kothagudem	8,99,02,354
Telangana	Warangal	3,06,800
Uttar Pradesh	Bahraich	63,42,979
Uttar Pradesh	Balrampur	23,37,957
Uttar Pradesh	Chitrakoot	23,07,946
Uttar Pradesh	Sonbhadra	23,16,204
Uttarakhand	Haridwar	3,93,22,243
TOTAL		33,77,44,401

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No):

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

b. From which marginalised/vulnerable groups do you procure?

Please refer to response given in c.

c. What percentage of total procurement (by value) does it constitute?

The Social Forestry programme focuses on creating commercially viable land use options for small landholder farmers through tree-based farming to diversify income from land while ensuring food, fodder and fuelwood security. Till date, ITC's Social and Farm Forestry programme has together greened over 950,000 acres, generating about 173 million-person-days of employment.

Till date, ITC has received Forest Stewardship Council® - Forest Management (FSC®-FM) certification for over 1.25 lakh acres of plantations involving over 30,000 farmers. During FY 2021-22, over 320,000 tonnes of FSC® certified wood were procured from these certified plantations.

ITC encourages competency development among local vendors and its vendor base includes medium and small-scale enterprises that are proximate to its manufacturing locations. These initiatives are aligned to national priorities of 'Make in India', 'Atmanirbhar Bharat' as well. ITC also works in close partnership with small-scale units in businesses such as Safety Matches, and Education and Stationery Products. These partnerships have significantly enhanced capabilities and competitiveness of a number of units in these sectors.

For more details on the profile of the suppliers and key procurement by volume and value, refer to 'Next-Generation Agriculture' and 'Inclusive Value Chains' of ITC Sustainability & Integrated Report 2022.

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:

Objective	Initiatives	UoM	Target 2030	Achieved in FY 2021-22	Achieved till FY 2021-2022	Balance to achieve
Horizon I - Sustainable Livelihoods Today						
De-risk poor rural households by diversifying farm portfolios through the promotion of tree-based farming	Social Forestry#	Acres	6,30,000	30,700	4,25,000	2,05,000
Integrate diverse elements of the rural portfolio of initiatives into a Climate Smart Village approach	Climate Smart Village[1]#	Acres	30,00,000	8,20,000	8,20,000	21,80,000
Ensure water security for all stakeholders through watershed development & demand management	Watershed Development	Acres	22,00,000	1,01,000	13,30,000	8,70,000
	Water harvesting structures	Nos.	50,000	3,100	25,100	24,900
	Storage Potential#	Million KL	60	3.47	45.27	14.73
	Crop Water Use Efficiency#	Million KL	2,000	496.5	496.5	1,503.5
	Bio-Diversity Conservation#	Acres	10,00,000	89,000	1,33,000	8,67,000
Actively promote non-farm livelihood opportunities to diversify income portfolios of poor households	Women Economic Empowerment	Nos.	1,50,000	6,200	86,000	64,000
Horizon II - Creating Capabilities for Tomorrow						
Ensure that every child is in school and learning well through improvement in pedagogy and the learning environment	Improvement in learning outcomes	No. of children	13,00,000	55,000	8,64,000	4,36,000
	Infrastructure support to Government Schools and Anganwadi	Nos.	4,000	400	2,500	1,500
Align skills training to market demand to maximise employment of youth from our core areas	Vocational Training	No. of youths Enrolled	2,82,000	13,300	1,07,000	1,75,000
Reduce morbidity, especially amongst women and children, by promoting a clean and healthy environment	Toilets constructed	Nos.	40,000	1,251	39,400	600
	Solid Waste Management (SWM)	No. of Households & establishments	45,00,000	14,62,000	14,62,000	30,38,000

Note:

1 hectare = 2.47105 acres

 # These indicators contribute to five of Company's sustainability 2030 (S 2.0) commitments.

Please note that the area covered under Climate Smart Village Approach, Water Savings in Crop Water Use efficiency and Households covered under SWM report same numbers for annual and cumulative achievement.

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 through crop development and procurement activities; and
- Communities residing in close proximity to our manufacturing units, situated in urban and semi-rural locations.

The beneficiaries of ITC's CSR programmes from the stakeholder communities belong to the under privileged sections of the society, and are primarily small & marginal farmers who face the challenge of securing sustainable livelihoods. The challenge of securing sustainable livelihoods is addressed through the Two Horizon approach of making today's dominant source(s) of livelihoods sustainable; and creating capabilities for wealth generation and employment for tomorrow.

The Two Horizon strategy has necessitated an integrated approach to development involving several interventions. Presented below are the number of beneficiaries for key interventions and proportion of beneficiaries belonging to vulnerable and marginalised groups.

CSR Projects	No. of Persons Benefitted from CSR Projects (approximately)	% of Beneficiaries from Vulnerable and Marginalised Groups
1	2	3
Climate Smart Agriculture+	4,50,000#	SC/ST – 24%; Female – 18%
Water Stewardship+	21,000	SC/ST – 30%; Female – 17%
Social Forestry+	15,000	SC/ST – 17%; Female – 21%
Improved Animal Husbandry Practices+	31,000	SC/ST – 16%; Female – 5%
Support to Education	55,000	Children – 100%
Skilling of Youth	13,000	SC/ST – 32%; Female – 46%
Sanitation	23,000	SC/ST – 2%
Solid Waste Management	1.46 million	SC/ST – 18%
Mother and Child Health	5,90,000	89% - women, adolescents and children
Women Empowerment	5,50,000	100% women

+ Climate Smart Agriculture, Water Stewardship, Social Forestry and Improved Animal Husbandry Practices primarily focus on small and marginal farmers. Hence, almost entire coverage numbers qualify to be included under 'beneficiaries from vulnerable and marginalised groups'

 # excludes farmers covered under NITI Aayog partnership programme

Principle 9

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system is in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. In addition, the Company's Businesses have 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:

Products of the Company contain all relevant information as required under applicable laws.

3. Number of consumer complaints in respect of the following:

Robust systems have been put in place across ITC Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner. A dedicated consumer interactions team is in place to address any product related query/complaint. Several communication channels like email, telephone number and feedback forms are provided to the consumer. In addition, the Company has an online reputation management team which interacts with consumers via social media channels, and responds to their queries in a real time manner. A Customer Relationship Management (CRM) platform has been implemented for capturing complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process related changes and

system enhancements for improving the CSAT (Customer Satisfaction) scores.

During FY 2021-22, around 10,000 complaints were received across Businesses, and more than 97% of these were resolved as on 31st March, 2022.

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

Nil

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

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

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

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Please refer to response given in Question 3 (Principle 9).

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	https://www.itcportal.com/
ITC's Businesses	https://www.itcportal.com/businesses/index.aspx
ITCstore.in	https://itcstore.in
ITC Brandworld	https://www.itcportal.com/brands-microsite/default.aspx
"WeAssure" programme	https://www.itchotels.com/content/dam/itchotels/in/umbrella/documents/WeAssure-itc-hotels.pdf

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 & Integrated Report 2022.

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

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

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products /services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

As an integral part of ITC's consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses. For example, 'Appropriate Portion Guidance' based on Serve Size and Recommended Daily Amount (RDAs) has been initiated on front of the pack for enabling the consumers to know the nutritional attributes of the product, and thereby enabling them to make meaningful food choices. Also, claims which highlight the product's ingredient and nutritional attributes are being made on pack, in line with the applicable regulatory & legal guardrails.

For more information on Product Information, Labelling and Consumer Feedback Management, refer to 'Product Sustainability' section of ITC Sustainability & Integrated Report 2022.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil