

SHAPING THE FUTURE

INNOVATIVE. INCLUSIVE. IMPACTFUL.

Executive Summary

2023

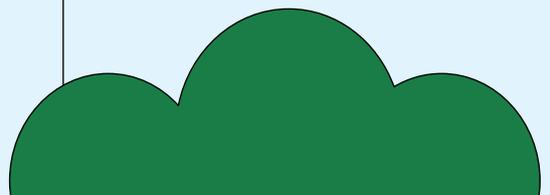
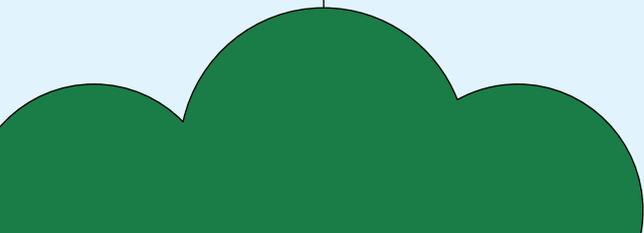
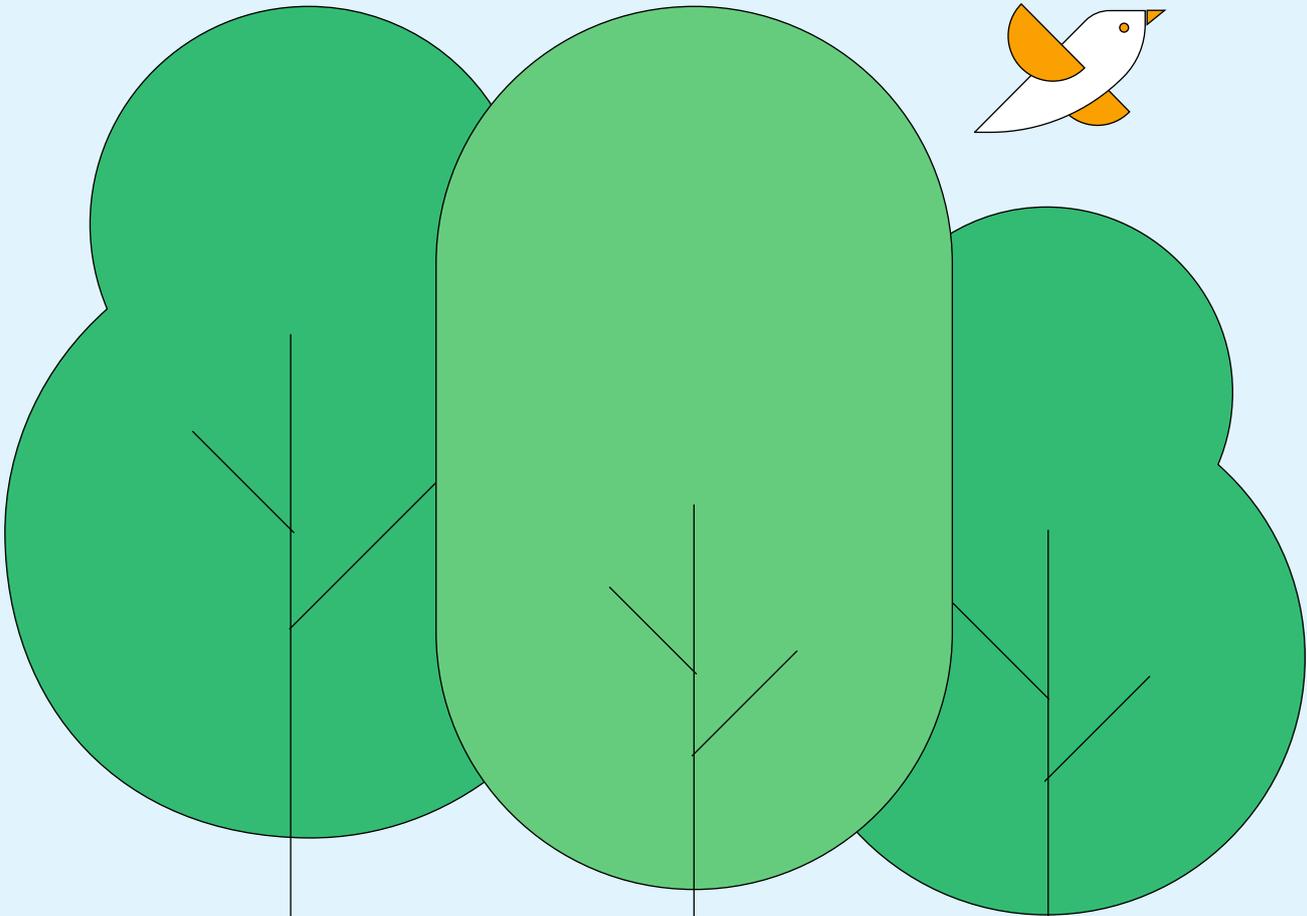
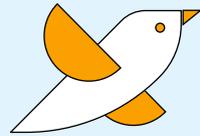
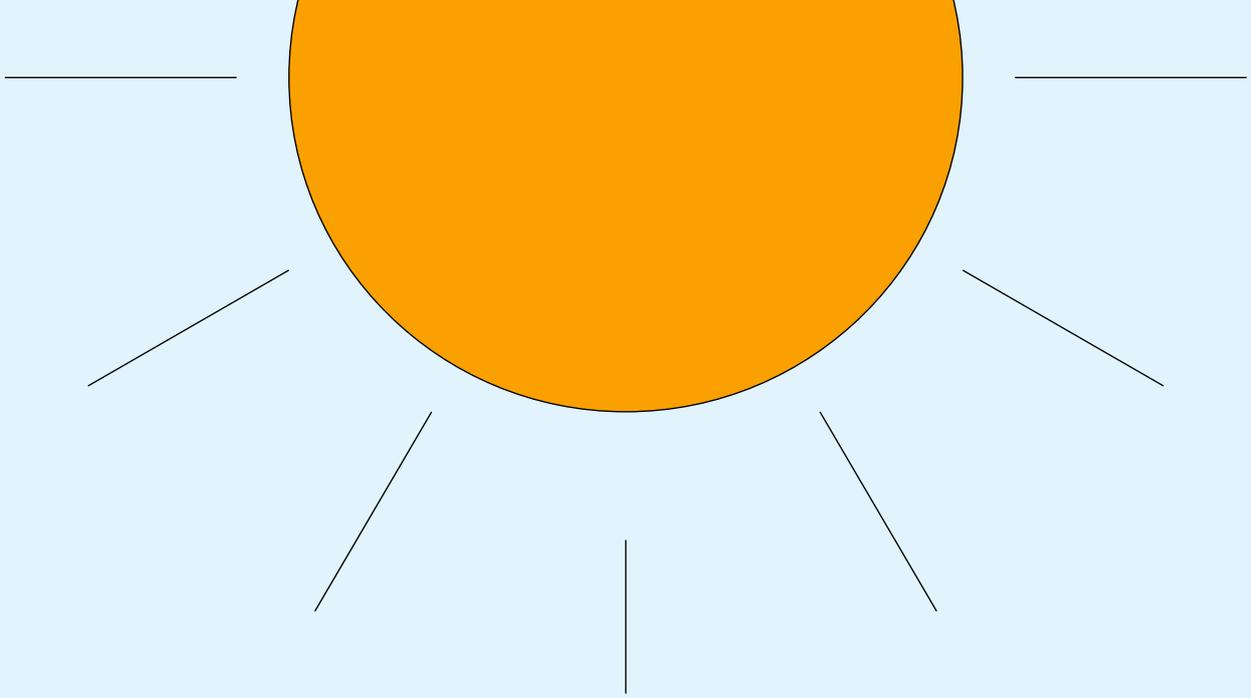
SUSTAINABILITY



Building Back Better



Enduring Value



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Chairman's Message



Sanjiv Puri

Chairman & Managing Director

It is with a deep sense of satisfaction and pride that I present ITC's 20th Sustainability Report, combined this year again with our Integrated Report, now in its sixth year. As in the previous years, this report has received the "In Accordance" rating of GRI Standards and is externally verified by Deloitte Haskins & Sells.

ITC's sustainability performance continues to be acknowledged across the globe. We have sustained our 'AA' rating by MSCI-ESG, for the 5th consecutive year. We have also featured in the Dow Jones Sustainability Emerging Markets Index. Additionally, ITC has been rated 'A -' at the Leadership Level for Climate Change, Supply Chain and Water Security by CDP.

Two Glorious Decades of Sustainability Reporting

This Report marks a momentous occasion in ITC's sustainability journey as we complete 2 decades of reporting. The theme "Shaping the Future" encapsulates the pathways that we have defined to pursue our vision of "Responsible Competitiveness" and contribute to a world that's greener and cleaner while supporting livelihoods at scale. It is immensely heartening that ITC is today recognised as a global exemplar in sustainability, having achieved many a milestone over the years with multi-dimensional interventions that have been innovative, inclusive and impactful. It is a matter of pride that our innovative business models have enabled ITC to achieve the global environmental distinction of being carbon, water and solid waste re-cycling positive enterprise for over 18, 21 and 16 years respectively and support sustainable livelihoods of over 6 million people. It is immensely satisfying that the first 12 LEED Zero Carbon hotels in the world and the first 2 LEED Zero Water properties are ITC Hotels. ITC's Foods unit at Malur became Asia's first food processing facility to be awarded the AWS Platinum level certification, the highest recognition for

water stewardship in the world, which follows a similar achievement for our Paperboards Unit in Kovai, the first site in India and the first paper mill in the world to achieve this certification. ITC Sankhya in Bengaluru became the first data centre in the world to be awarded the LEED Zero Carbon certification. ITC has also implemented large-scale interventions for empowerment of farmers and rural communities. Today, many corporates are mainstreaming sustainability - some even embracing it as their core brand identity. However, it is evident that our collective efforts need to be scaled up further to address the risks posed by the mounting sustainability threats.

A world in permacrisis

We live today in a world of permacrisis and uncertainty. Unprecedented change is upon us given the mega threats of geopolitical dynamics, existential climate crisis, reglobalisation as well as technological advancements and digital acceleration. The consequences are starkly visible- be it in supply chain disruptions, structural inflation, the danger of food and livelihood security and indeed widening inequality. Terming 2023 as the year of 'polycrisis', the World Economic Forum has called out several areas, like climate change, food and energy shortages, etc, where the world is at an inflection point.

The threats of livelihood generation and growing inequalities are also making societies vulnerable. The stark inequalities of income and wealth are reflected in the fact that the top 1% of the world's adults own around 48% of total global wealth, while the bottom 53% own around 1%. Nearly 345 million people face acute food insecurity worldwide. Such challenges are threatening the very fabric of society, triggering dissonance and unrest. As reports have pointed out, between 2011 and 2019, there was significant increase in riots, general strike and anti-government demonstrations around the world.

Climate change has spiralled into an existential threat, despite the heightened awareness and efforts by nations across the globe. Its impact is borderless. The recent IPCC Synthesis Report on Climate Change has warned that current policies could take global warming to 3.2°C rise by 2100. To limit temperature rise to 1.5°C, emissions would have to be reduced by at least 43% by 2030 compared to 2019 levels, and at least 60% by 2035. New research suggests climate change could push up to 132 million people into extreme poverty by 2030. Between 2030 and 2050, climate change can cause approximately 250,000 additional deaths per year from malnutrition, malaria, diarrhoea and heat stress alone. The WEF Global Risks Report 2023 has highlighted that climate change and related issues are the top 3 risks in terms of severity facing the world in the next decade. The IPCC has pointed out that globally nearly 3.6 billion people were 'dangerously exposed and vulnerable to climate impacts.

We are already witnessing the catastrophic effects of climate change. In 2022, Europe experienced the worst drought since the Middle Ages, resulting in the loss of thousands of lives. Rivers ran at historic low levels compromising agri yields and disrupting supply chains. Drought-stricken waters of river Danube ran so low that 20 hulks of explosives-laden German warships sunk during World War Two were exposed. Erratic rainfall also led to devastating floods across the world. A cyclone of record-breaking duration devastated parts of south-eastern Africa.

India is also reeling under the effects of climate change. In 2023, the country experienced its hottest February in the past 122 years. The IPCC report has warned that India is among the countries that face the highest risk from climate change related events like heat waves to cyclones and displacement. India experienced extreme weather events on 84 of the 120 days in the first four months of 2023. Cities like Kolkata, Mumbai, Chennai, Goa and Kochi will be adversely affected by sea-level rise.

Pathways to Greener, Cleaner and Inclusive World

The enormous environmental and social challenges make it evident that progress cannot take place unless we redefine our strategies for growth and competitiveness to make sustainability and inclusivity the core of business transformation. Reimagining a cleaner and greener future will necessitate giant strides in transitioning to a net zero economy together with large-scale adaptation measures. The world over, nations and policymakers are accelerating mitigation and decarbonisation initiatives to battle climate change. However, it is clear that breaching 1.5 degrees is an inevitability in the short term. Therefore, solutions for better adaptation must find equal focus as mitigation measures. The IPCC report has emphasised 'climate resilient development' that integrates adaptation and mitigation to safeguard against the inevitable climate hazards. A sustainable future will also necessitate adoption of green technologies, implementation of nature-based solutions, building resilience while simultaneously scaling up investments in R&D to define new pathways to address climate risks. R&D and Innovation, particularly in agriculture and hard-to-abate sectors, joint efforts in carbon capture, usage and storage, green energy and mobility will enable a cost-efficient energy transition. Collaboration among nations and enterprises, removal of barriers to knowledge sharing and transfer of technology including intellectual property rights will ensure a just transition, particularly for developing nations.

It is indeed heartening to note how India is leading in climate action. The nation ranks first among all G20 members in terms of overall climate performance in the Climate Performance Index. India's updated NDCs also reinforce its commitment to climate action. India has already forged a global collaboration "One Sun, One World, One Grid" to promote solar energy. A National Hydrogen Mission has also been

launched. India's G20 presidency, with the theme of "One Earth, One Family, One Future" which is extremely relevant in today's context, also provides the nation with a huge opportunity to lead the world in climate action and promote a new dimension of global progress through collaboration.

ITC – Vision and Strategy

It is ITC's firm belief that businesses exist to serve society. Enterprises with their immense and multi-dimensional resources can play a significant role in alleviating societal challenges. In their own enlightened self-interest, corporates must not only be agile, consumer centric and innovative, but also purpose-driven and responsibly competitive.

Inspired by its credo of Nation First: Sab Saath Badhein, ITC has made sustainable and inclusive growth the bedrock of its corporate strategy. ITC has crafted innovative business models that work towards building economic, environmental and social capital as a unified strategy. ITC's large-scale programmes address the challenges of climate change with focus on both mitigation and adaptation measures, replenish the environment, create sustainable livelihoods and empower rural communities. ITC is now actively working towards Sustainability 2.0, an agenda which reimagines sustainability under the pressing challenges of climate change and social inequity. The goals envisaged in S2.0 will further strengthen ITC's large-scale efforts to combat climate change, enable the transition to a net zero economy, work towards ensuring water security for all, restore biodiversity through adoption of nature-based solutions, create an effective circular economy for post-consumer packaging waste and scale up programmes that support large-scale sustainable livelihoods.

ITC's Climate Action

Recognising the urgent need to combat climate change for building a more secure future, ITC has crafted a comprehensive climate action plan



Chairman's Message

that includes pursuing a low carbon growth strategy through extensive decarbonisation programmes across its operations and value chains, increasing the share of renewable energy, reduction of specific energy, adoption of circular economy models, construction of green buildings and greening logistics. Accelerating adaptation efforts, ITC is building climate resilience by promoting regenerative agriculture practices in agri value chains and stepping up nature-based solutions, among others.

ITC has undertaken comprehensive climate risk assessments with the help of climate experts to identify site-specific solutions for adaptation and the same is also being spearheaded to enable mitigation measures.

Building Climate Resilience in Agriculture

One of our major efforts is the Climate Smart Agriculture programme that aims to de-risk farmers from erratic weather events through the promotion of Climate Smart Agriculture practices. The initiative focuses on promoting high yielding & climate resilient crop varieties, adoption of appropriate mechanisation, reduction in stubble burning, and provision of institutional services. The initiative has benefitted 740,000 farmers, covering 2.3 million acres in 17 states. As per a study of 43 villages across 3 states in the first phase, 70% of the villages have moved into the High-Resilience, High-Yield category. GHG emissions of select crops reduced by 13% to 66% as per assessment done in 2021. Net returns of farmers increased upto 90%, over a period of five years from 2016 to 2021. We expect to achieve our target of making 3 million acres climate-resilient much ahead of time.

In order to sharp target research and crop development efforts aligned to the changing conditions in the identified climate hot spots, ITC has been undertaking climate risk modelling across key agri value chains. ITCMAARS, the 'phygital' ecosystem with FPOs at the core, are supported by field

demonstrations, which enable farmers to adopt recommended practices to combat the threat of climate change.

It would be appropriate to make a special mention of ITC Mission Millets, a programme that we have launched recently, recognising the immense benefits of the crop for the planet, the farmer and the consumer. ITC Mission Millets encompasses development of a 'good-for-you' foods portfolio, implementation of sustainable farming systems as well as enhancing consumer awareness on the benefits of millets, a nutritionally superior food option. Indeed, with low carbon and water footprint, greater resilience to high temperatures and the ability to grow in poor soils, millets are a comprehensive answer for sustained food security in the face of drought, water shortage and climate change. Millets are nutrient-dense super foods that are rich in protein, fibre, calcium, iron, vitamins and can help address micronutrient deficiency in developing countries. ITC Mission Millets is aligned to the Government's vision to introduce India's 'super-grain' to the global audience.

Biodiversity

ITC has also spearheaded a holistic Biodiversity Conservation programme that aims to protect and enrich biodiversity, including in catchments linked to its agri value chains. The focus of the programme is on reviving ecosystem services provided to agriculture such as natural regulation of pests, pollination, nutrient cycling, soil health retention and genetic diversity, which have witnessed considerable erosion over the past few decades. We also involve communities in landscape restoration & rehabilitation of degraded plots. I am pleased to announce that we have restored 290,000 acres in 12 States. We are committed to restoring degraded village commons & pasturelands and enrich biodiversity across 1 million acres by 2030.

Water Stewardship

Currently, 54% of India is confronted with high water stress and almost 600 million people are at higher risk of surface-water

supply disruptions. Given the critical role water plays in sustaining life and agriculture, ITC has implemented an integrated water stewardship programme that includes both demand side and supply side management initiatives. ITC's Integrated Watershed Development Programme has cumulatively covered around 1.47 million acres of water-stressed area, benefitting over 400,000 people. Over 28,000 water harvesting structures have been built, creating storage capacity of over 48.9 million kl of water in our catchment areas. In addition, to reduce water use in agriculture, we have launched a focused demand side management programme that has led to potential water savings of over 780 million kl. ITC has also undertaken 4 river basin regeneration projects, including one in the river Ghod in Maharashtra which turned water positive in 5 years. ITC's water stewardship programme is aligned to the Government initiatives of 'Jal Shakti Abhiyan' and 'More Crop Per Drop'.

ITC also works to maximise water-use efficiency across its operations through adoption of water-efficient technologies, minimising water withdrawal, enhancing recycling and reuse, and continuous reduction in specific water intake. Today, it is a matter of great pride that ITC's unit at Malur became the first foods processing facility in Asia to be awarded the AWS Platinum level certification, the highest recognition for water stewardship in the world. ITC's Kovai unit was the first site in India and the first paper mill in the world to achieve this AWS Platinum certification. We aim to get all water-stressed sites AWS Platinum certified by 2035.

Decarbonisation and Green Infrastructure

ITC has adopted a low carbon growth path through extensive decarbonisation efforts. During the year, around 43% of ITC's total energy requirements were met from renewable sources. In addition, 12 ITC units met more than 90% of their electrical energy requirements from renewable sources. ITC is at the forefront of Green Infrastructure movement in India with 40 Platinum certified green buildings.

12 of ITC's hotels were the first in the world to be LEED Zero Carbon certified while ITC Mughal in Agra and ITC Sonar in Kolkata are the first two hotels in the world to be LEED Zero Water certified.

In addition, ITC's largescale Afforestation initiatives, besides mitigating the impact of increasing levels of GHG emissions, help green degraded wasteland, prevent soil erosion, and enhance organic matter content in soil. Cumulatively, ITC has greened more than 1 million acres, generating over 190 million 8 person-days of employment among small and marginal farmers.

Circular Economy and Sustainable Packaging

Waste management has assumed critical importance in the past decade or so, posing increasing pressure on landfills, clogging rivers and polluting oceans. For more than a decade, ITC has implemented a unique Well-being Out of Waste (WOW) programme that has covered over 22 million citizens in over 5.5 million households. It has promoted sustainable livelihood for over 17,750 waste collectors.

To tackle the growing challenge of plastic waste, ITC has spearheaded a first-of-its-kind Multi-Layer Plastic collection and recycling programme in Pune. ITC has sustained its plastic neutrality status for the 2nd year in a row by collecting and sustainably managing more than 60,000 tonnes of plastic waste in 2022-23. In addition, ITC's Paperboards and Specialty Papers Division has been relentlessly developing sustainable packaging solutions on laminated and moulded fibre platforms. Our sustainable products portfolio comprises recyclable paperboards, 'FiloPack' and 'FiloServe', and biodegradable paperboards, 'OmegaBev' and 'OmegaBarr', which are alternatives to plastic coated containers, cups and other deep freeze applications. To replace plastic containers in Food delivery, we have introduced the paperboard-based 'IndoBowl'. We also innovated the 'WrapWell' food wrapping paper roll, which is food-grade and eco-friendly. In the

Personal Care space, ITC's brands such as Vivel and Fiama are progressively adopting recyclable packaging options.

ITC - Supporting Livelihoods

Rural India is home to two-thirds of the country's population. Aligned to the national priorities of empowering rural communities, ITC has adopted a 2-horizon approach to support livelihood generation and inclusive growth. While the first horizon aims at securing and strengthening the dominant sources of livelihood through extensive programmes for farmer empowerment, the second focuses on building capabilities for the future in areas such as primary education, vocational training, women empowerment, healthcare and so on. It is a matter of immense satisfaction that over the years, women are playing a larger role in ITC's Social Investments Programme, branded Mission Sunehra Kal. Our women focused initiatives catalyse a range of gainful opportunities in areas such as economic empowerment, agri-entrepreneurship, financial inclusion, skilling, health and well-being. These multi-dimensional interventions have reached out to over 5 million women so far across different parts of the country.

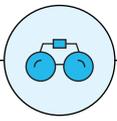
Towards a better future – Building a Competitive, Climate Positive & Inclusive Enterprise

A few years ago, when the disruptions and devastations caused by the pandemic jolted the world into reimagining the future, ITC orchestrated an extensive strategy reset titled 'ITC Next', strengthening its vision to become a Competitive, Climate Positive and Inclusive enterprise. Accordingly, we are providing accelerated impetus to digital transformation, agile and purposeful innovation, resilient supply chains, talent empowerment as well as sustainability leadership. Recognising that the mega trends of digital and sustainability will be the defining pivots of competitiveness, we are pursuing business opportunities that lie in the intersection of these trends and our enterprise strengths. Examples include ITCMAARS that bring the power

of digital revolution to farmers, tech-enabled cloud kitchens in the food service space, sustainable packaging solutions with innovative plant-based moulded fibre technology, focussing on plastic substitution. With its bold Sustainability 2.0 agenda, ITC remains committed to making a meaningful contribution across all the three sectors of the economy – Agri, Manufacturing and Services, while strengthening its status as a sustainability exemplar and a competitive enterprise.

As we move into the future, it will be our constant endeavour to dial up our efforts to build an exemplary Indian enterprise that will create sustained value for all our stakeholders and shape pathways to building a brighter future for the generations to come. We will look forward to your support, as always.

Sanjiv Puri
Chairman & Managing Director,
 ITC Limited



ITC At A Glance

ITC is one of India's foremost private sector companies with a diversified presence in FMCG, Hotels, Packaging, Paperboards & Specialty Papers, Agri-Business and Information Technology.

Driven by the 'Nation First: Sab Saath Badhein' philosophy and the abiding strategy of 'Responsible Competitiveness', ITC has brought about transformational change in society by pursuing innovative business models that synergise creation of shareholder value with social and natural capital. This strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making ITC a global exemplar in 'Triple Bottom Line' performance.

₹69,480.89 crores
Gross Revenue

₹18,573.31 crores
Profit After Tax



Fast Moving Consumer Goods

With over 25 mother brands, ITC's FMCG businesses are present in:

Cigarettes

Branded Packaged Foods

Education and Stationery Products

Personal Care Products

Incense Sticks and Safety Matches



Hotels

ITC's Hotels Business is a trailblazer in 'Responsible Luxury'.

It is one of India's pre-eminent and fastest growing hospitality chains with 120 hotel properties and over 11,500 rooms under four distinct brands - 'ITC Hotels' in the Luxury segment, 'Welcomhotel' in the premium segment, 'Fortune' in the Mid-market to Upscale segment and 'WelcomHeritage' in the Leisure & Heritage segment.

Further expanding its footprint, the Business launched two new brands in the previous year - 'Mementos' in the Luxury Lifestyle segment and 'Storii' in the Premium segment, targeting new age travellers looking for varied experiences.



Paperboards and Packaging

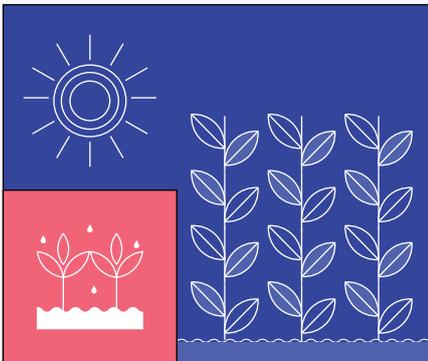
ITC's Paperboards and Specialty Papers Business is a leader in the Value-Added Paperboards (VAP) segment.

The Business is also a leading player in the eco-labelled products segment as well as the premium recycled paperboards space.

ITC's Packaging & Printing Business is a leading provider of superior value-added packaging solutions leveraging its comprehensive capability-set spanning multiple technology platforms coupled with in-house cylinder making and blown film manufacturing lines.

12
Future Ready Businesses
across 5 Segments

23,725
Full Time Employees



Agri Business

A pioneer in rural transformation, ITC is one of India's largest exporters of agri commodities.

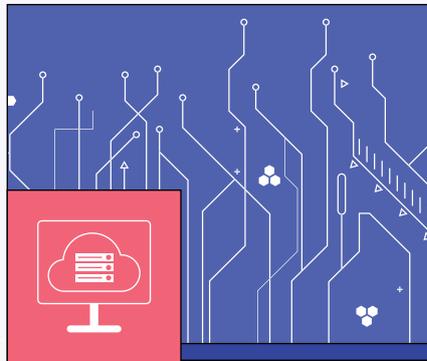
The scale of operations encompass over 4.5 million tonnes of annual volume throughput in 22 states and over 20 agri-value chains.

The Business aims to scale up its value-added portfolio across categories like organic, food safe, attribute specific, as well as medicinal & aromatic plants.

ITC's e-Choupal initiative empowers over 4 million farmers.

ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform will bring the power of digital technologies to farmers

The Business is powering NextGen Agriculture through value addition, digital adoption and climate smart agriculture.



Information Technology

ITC Infotech – a wholly-owned subsidiary of ITC.

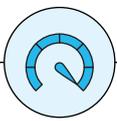
Leading global technology services and solutions provider with presence in 40 countries.

Partner of choice for customers in their Digital Transformation and Software as a Service (SaaS) adoption journey.

A Bouquet of leading FMCG Brands

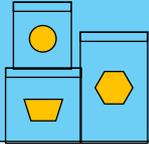
	#1 in Branded Atta	Atta, Salt & Spices
	#1 in Cream Biscuits	Biscuits & Cakes
	#1 in Bridges Segment	Bridges, Potato chips & Namkeen
	#2 in Noodles	Noodles & Pasta
	#1 in Notebooks	Educational & Stationery products
	#1 in Dhoop, #2 in Agarbattis	Matches, Dhoop & Agarbatti
	#2 in Floor Cleaner	Floor Cleaner

Source: Nielsen, Kantar Household Panel



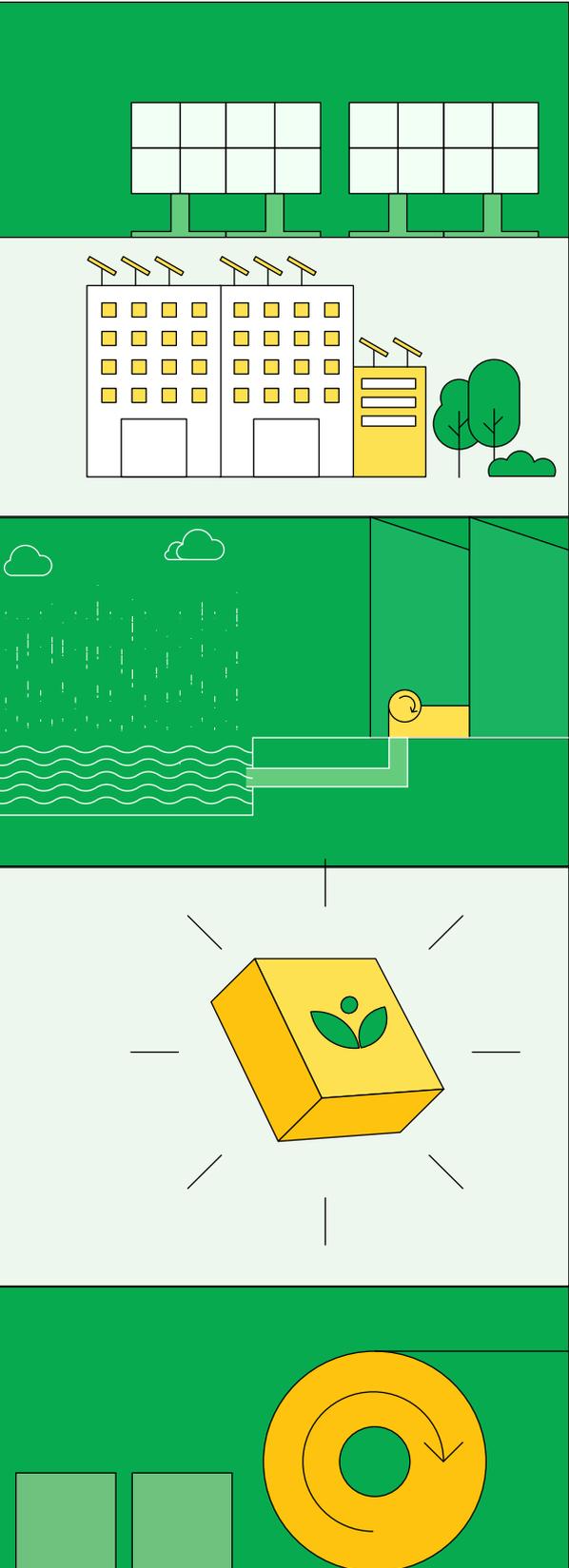
Triple Bottomline Performance FY 2022-23

Economic

₹ 69,480.89 crores Gross Revenue	90+ New Products Launched 
₹1,830 billion Contribution to the National Exchequer (over the last five years)	25+ World Class Indian Brands 
₹4,76,614 crores Market Capitalisation (as on 31 st March, 2023)	800+ Patents Application filed
22.7% Total Shareholder Returns (CAGR over the last 2 decades)	400+ Scientists at state-of-the- art ITC Life Sciences and Technology Centre (LSTC)

Environmental

~43% Total Energy from Renewable sources
40 Buildings of the Company are Platinum rated green buildings by USGBC-LEED/IGBC (as on 31 st March, 2023)
49+ million KL Total Rainwater Harvesting Potential Created, till date 
Sustaining Plastic Neutrality for 2 nd Year in a Row
99% Total solid waste generated in ITC units was either reused or recycled



Social

94%

Employees are proud to work at ITC, as per Employee Satisfaction Score

6+
million

Sustainable Livelihoods supported Programmes

100%

Managerial staff find ITC's Training Programmes exceeding their expectations

190
million

Person-days of Employment Generated through Social and Farm Forestry Initiatives

68 units

with 'Zero On-site Lost Time Accident' performance

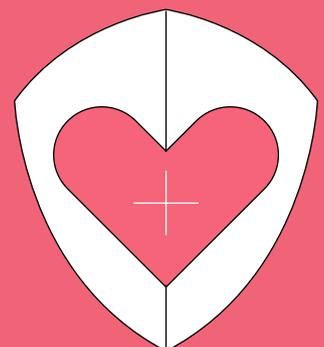
5+
million

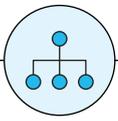
Households Covered through ITC's Solid Waste Management Programmes, till date

Globally Benchmarked Safety Performance:

0.019

Injury Rate





Strategic Framework

Strategic Framework

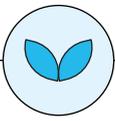
Driven by the vision of being an Agile, Future ready and Consumer Centric enterprise, ITC's Corporate Strategy is anchored around 6 key pillars of creating Multiple Drivers of Growth, focussing on Purposeful Innovation and R&D, bringing in structural interventions across each element of the supply chain for Agility, Resilience and Efficiency, nurturing World-class talent, and crafting new business models at the intersection of Digital and Sustainability, leveraging institutional strengths. ITC's Corporate

Strategy leverages the competitive advantages based on strong foundation of institutional strengths. The Company believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. At ITC, this paradigm is called '**Responsible Competitiveness**' - an abiding strategy that focuses on extreme competitiveness but in a manner that replenishes the environment and creates sustainable livelihoods. The Company's innovative business models synergise the building

of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making ITC a global exemplar in '**Triple Bottom Line**' performance.

ITC's governance, strategy and business actions are guided by its Vision, Mission and Values.

<p>Vision Sustain ITC's position as one of India's most valuable corporations through world-class performance, creating growing value for the Indian economy and the Company's stakeholders.</p>	 <p>Multiple Drivers of Growth</p>
<p>Mission To enhance the wealth-generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.</p>	 <p>Innovation and R&D</p>
<p>Values ITC's Core Values are aimed at developing a customer-focused, high performance organisation which creates value for all its stakeholders:</p> <ul style="list-style-type: none"> • Trusteeship • Excellence • Customer focus • Innovation • Respect for people • Nation orientation 	 <p>Agile, Resilient and Efficient Supply Chains</p>
	 <p>Sustainability 2.0</p>
	 <p>Harnessing power of Digital</p>
	 <p>World-class talent</p>



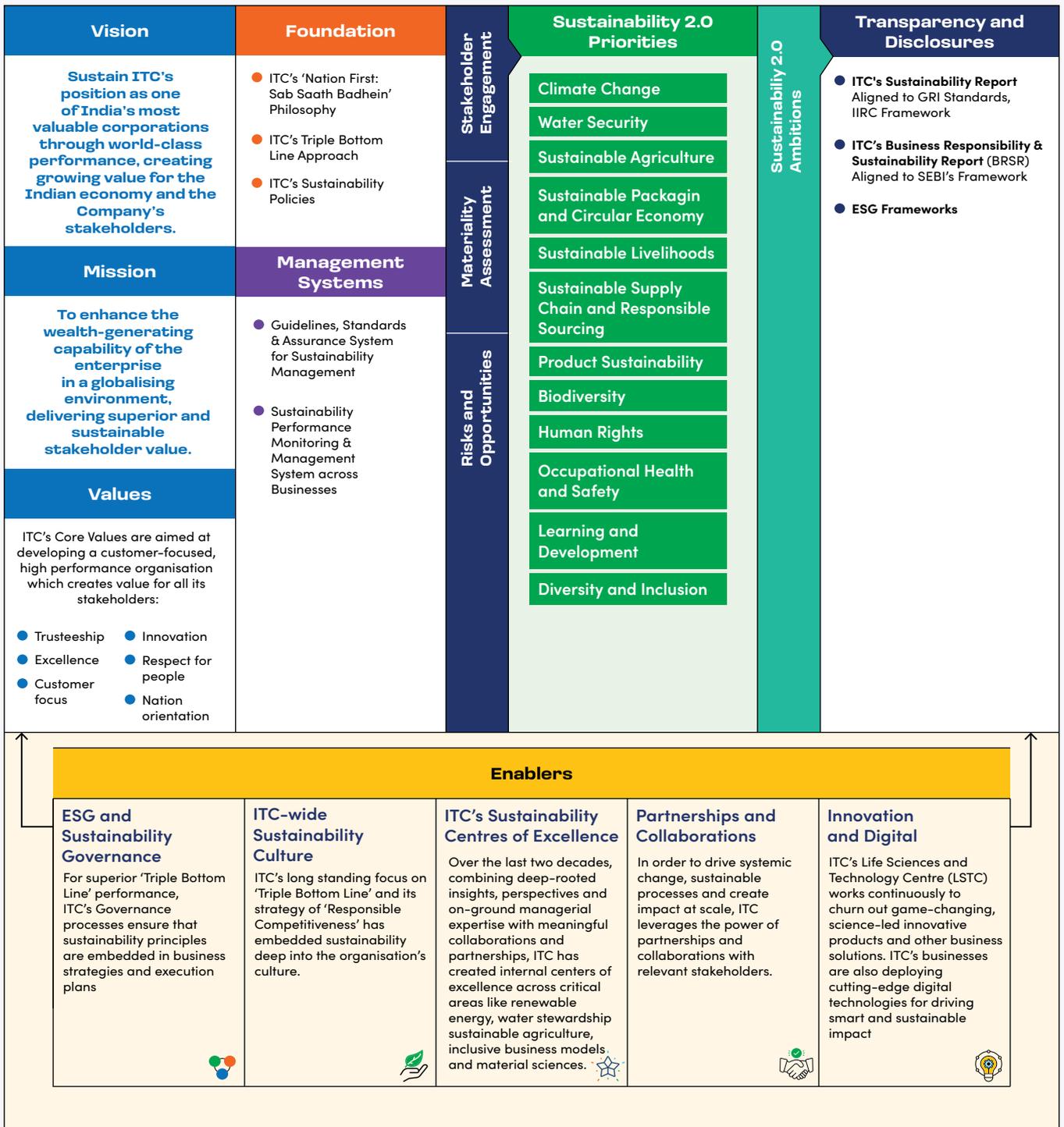
Sustainability 2.0

ITC is actively working towards Sustainability 2.0, an agenda which reimagines sustainability, which reimagines sustainability under the pressing challenges of climate change and social inequity. Sustainability 2.0 calls

for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy

for post-consumer packaging waste. It also entails protecting and restoring biodiversity and ecosystem services through adoption of nature-based solutions.

Sustainability 2.0 Management Framework





Climate Change

The sixth Assessment Report (AR6) by United Nation's Intergovernmental Panel on Climate Change (IPCC) states that the global temperatures have already increased by 1.1 degree Celsius resulting in significant increase in both frequency and severity of extreme weather events globally. This is further corroborated by the fact that in 2022, India experienced an extreme weather event in one or more parts of the country on 314 out of 365 days*. Consequently, Climate Change has emerged as an existential risk requiring coordinated efforts from all stakeholders. Industry needs to accelerate its actions towards not only decarbonising faster, but also adapting to the worst impacts of climate change.

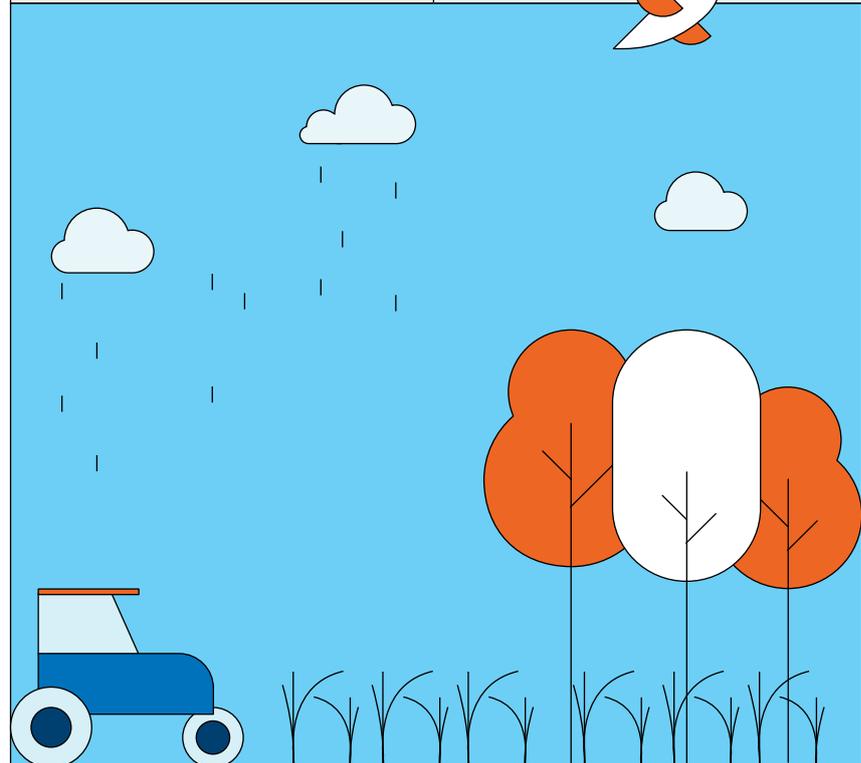
ITC's operations including factories, warehouses and hotels are spread across the country, and depend on agri and forestry-based value chains for sourcing key raw materials. Accordingly, Company's approach focusses on mitigation of both transition risks as well physical risks of climate change, and effective climate risk management also offers opportunities for ITC to become a future-ready climate resilient organisation.

ITC is pursuing a multi-pronged climate strategy as a part of its Sustainability 2.0 vision. This strategy addresses transition risks through extensive decarbonisation across the value chain, and physical risks through implementation of location-specific adaptation strategies for vulnerable sites and value chains.

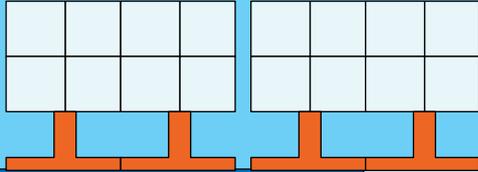
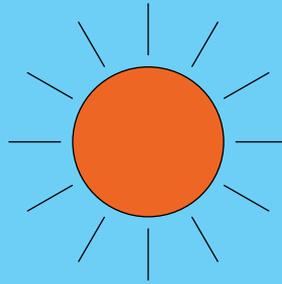
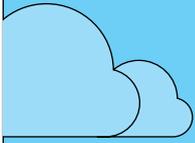
* India's Atlas on Weather Disasters by Centre for Science and Environment (CSE) and Down to Earth (DTE)

Approach

Decarbonisation Across Value Chain	Building Climate Resilience across the Value Chain
Renewable Energy	Climate proofing ITC's extensive manufacturing base and key agri value chains
Specific Energy Reduction	
Future-ready green infrastructure	Region and crop-specific adaptation strategies
Regenerative & Climate Smart Agriculture	Leveraging comprehensive science-based climate risk assessments
Sustainable Packaging	
Green Logistics	
Large scale nature-based carbon sequestration programmes	
Sustainable Product Innovation	
Managing Post-Consumer Plastic Packaging Waste	



Highlights



43%

of ITC's energy is from renewable sources

40

Buildings of the Company are Platinum rated green buildings by USGBC-LEED/IGBC (as on 31st March, 2023)

12

ITC units met more than 90% of their electrical energy requirements from renewable sources in FY 2022-23

12

Hotels and one data centre are certified as LEED Zero Carbon buildings (as on 31st March, 2023)

100% renewable electricity consumption at Bollaram Paper Mill

With investments over the years, ITC has installed

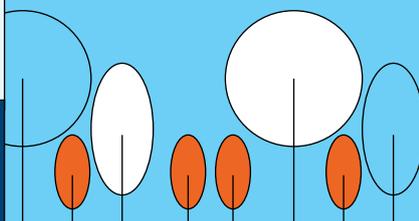
>1 million acres

under forest cover with more than 90,000 acres of plantation being added during the year that resulted in:

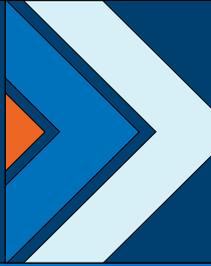
178MW

of renewable energy assets across States

Sequestration of ~6 million tonnes CO₂



Road Ahead



Climate change is undoubtedly the defining issue of the 21st century. ITC is committed to scaling its efforts for combatting climate change and enabling the transition to a Net Zero economy.

This will involve:

Accelerated Decarbonisation:

- Accelerating towards achieving ITC's Sustainability 2.0 goals through continued investment in green infrastructure and energy efficient technologies.
- While ITC has already taken on ambitious targets, the Company is working towards estimating its full value chain emissions including Scope 3, and developing a Net Zero plan covering all major businesses.

Climate Adaptation Strategy:

- Enhance the understanding of potential impacts of climate change on ITC's operations and its value chain through science-based climate risk assessments
- Develop and implement robust and inclusive adaptation strategies for own operations and value chain in consultation with key stakeholders - farmers, NGO's and local Governments, thereby ensuring a climate resilient future for everyone.

Disclosures:

- Transparently communicate ITC's approach, strategy and performance on climate change to key stakeholders including investors through disclosures aligned with the Task Force on Climate Related Financial Disclosures (TCFD) framework.

Partnerships and Collaboration:

- Promote thought leadership and industry-wide collaboration on climate change through 'CII-ITC Centre of Excellence for Sustainable Development'



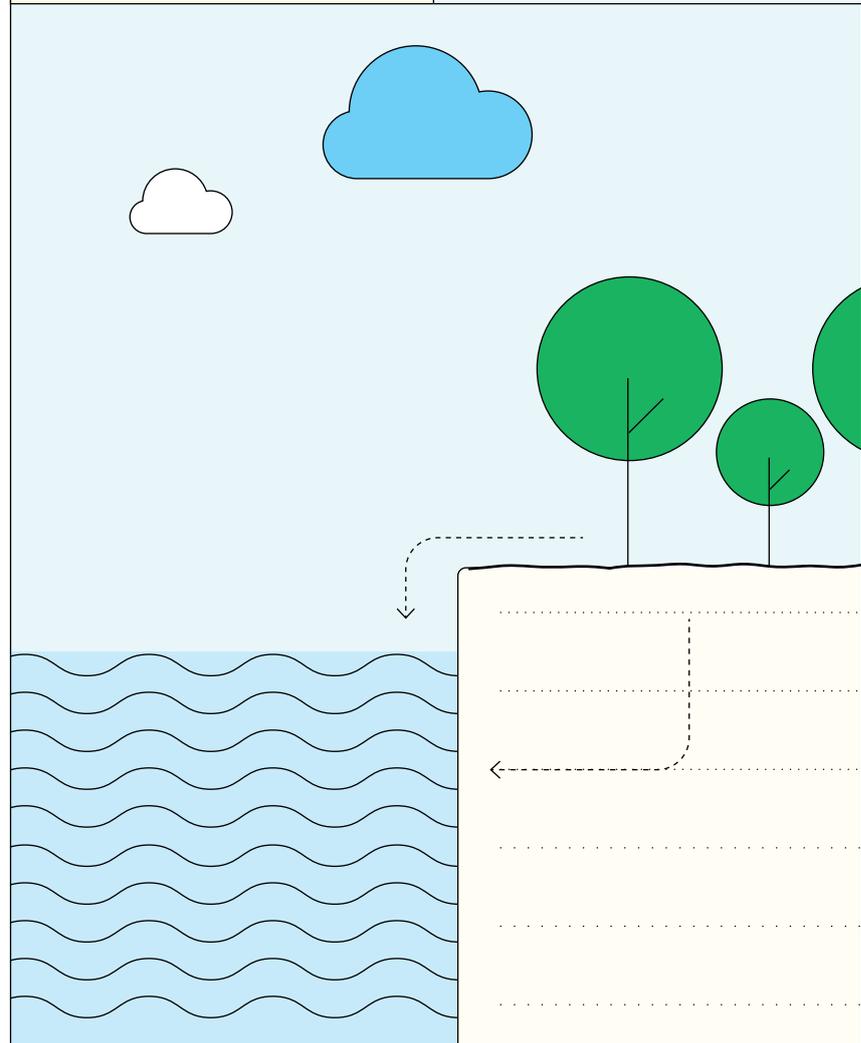
Water Security

Factors like rapid growth in population, urbanisation and water-intensive patterns of growth coupled with climate change have a significant impact on availability, quality as well as access to water around the world. In India, the situation is further exacerbated on account of dependence on an increasingly erratic monsoon, rapidly depleting groundwater resources driven by growth in population as well as over consumption across agricultural and industrial sectors, and rampant changes in land-use patterns.

ITC's operations, spread across the country, have dependency on continuous availability of water for continuous operation of its manufacturing units. Besides direct water consumption, ITC's operations are also dependent on multiple agri-value chains. Hence, ensuring water availability not only for its own operations but also for catchments from where agri commodities are sourced, is of utmost significance. Accordingly, ITC's Sustainability 2.0 approach endeavours to ensure water security for all stakeholders in its catchments. Farmers constitute a vital part of ITC's supply chain, and the Company facilitates farmers to conserve and replenish water by promoting water-efficient agronomical practices like micro irrigation techniques that save water during cultivation along with working with them for creating infrastructure for harvesting rainwater.

Approach

Demand-Side Management	Supply-Side Augmentation
<p>Improve water use efficiencies in agriculture in collaboration with farmers and local communities.</p>	<p>Identification of high water stressed areas, implementation of integrated watershed level programmes at river basin level to augment water availability in the entire catchment.</p>
<p>Maximise water use efficiency across ITC's operations including critical value chain partners (third party manufacturers).</p> <ul style="list-style-type: none"> Adoption of water-efficient technologies, minimising water withdrawal, enhancing Recycling and Reuse, continuous reduction in specific water intake. 	<p>Working with farmers for creating rainwater harvesting structures for enhancing the availability of water in core agri catchments</p>



Highlights

Integrated Watershed Development Projects across 45 districts of 16 States in India benefiting over

1.47 million acres



Total rainwater harvesting potential (RWH) of nearly

50 million kl

(cumulative) created, which is over 3 times the net water consumed by ITC's operations in FY 2022-23

Water Use Efficiency Improvement. All Businesses progressing towards meeting S2.0 target of

40%

reduction in specific water intake by 2030

46%, 18%, 18% reduction in specific water intake (2022-23 Vs. 2018-19) across Foods, Paper and Hotels Businesses respectively, which constitute ~98% of ITC's total water consumption

ITC is working on 4 River Basin Revival Programmes to achieve Water Positive Status in those River Basin/ Sub Basin Areas spread over

11 lakh acres

across 4 States

ITC's Foods unit at Malur - First foods processing facility in Asia to be awarded the Alliance for Water Stewardship (AWS) Platinum level certification, the highest recognition for water stewardship in the world

ITC Mughal & ITC Sonar - First two hotels in the world to receive the LEED ZERO Water certification by US Green Building Council

Road Ahead

Demand side Management:

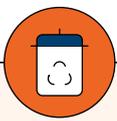
- Continued efforts to minimise fresh water consumption, while maximising reuse and recycling of treated effluent across all manufacturing units and hotels
- Working with farmers to reduce water consumption through water efficient irrigation and farm practices.
- Periodic site-level vulnerability assessment to identify high water stressed sites, and deployment of interventions for mitigating water stress.

Supply Side Management:

- Strengthen the integrated watershed management programme, and further expand coverage in line with S2.0 targets.

Continuous Assessment for Validating the Efficacy of Interventions:

- Expand coverage of Alliance for Water Stewardship (AWS) Certification for all facilities in high water-stress areas by 2035.



Waste Management & Circularity

According to the latest Circularity Gap Report, the global economy has achieved only 7.2% circularity. Which means, of the 100+ billion tonnes (World Resources Institute) of resources that enter the global economy every year, more than 90% of materials is either wasted, lost or remain unavailable for reuse. Even in India, waste generation has risen considerably due to increasing population, rapid urbanisation and rising consumption levels. This coupled with inadequate source segregation and lack of infrastructure has culminated in a massive waste management problem especially with respect to plastic waste.

Given ITC's significant presence in the FMCG space, plastic packaging is utilised for safely delivering Company's world-class products to its consumers. Therefore, in addition to sustainably managing waste generated within manufacturing facilities, management of post-consumer plastic packaging waste and making packaging more sustainable are also key elements of ITC's Sustainability 2.0 Vision. As a leading Paperboards, Paper & Packaging company, ITC is also leading the way by introducing more recyclable and sustainable packaging solutions in the market including innovative paperboard-based renewable plastic substitution solutions

Approach

Packaging Waste Plastic Neutrality & Sustainable Packaging Strategy	Process Waste Sustainable Waste Management across Operations
<p>Ensuring sustainable waste management and plastic neutrality:</p> <ul style="list-style-type: none"> Running behavioral change programmes to ensure segregation of waste at source. Creating replicable, scalable & sustainable models of solid waste management Enabling the creation of viable recycling options for post-consumer multi-layered plastic packaging waste 	<p>Segregation of waste at source, and channelising it to suitable recycling streams.</p>
<p>Sustainable Packaging Strategy:</p> <ul style="list-style-type: none"> Ensuring 100% of packaging is reusable, recyclable or compostable/biodegradable. Optimising packaging by progressive reduction in plastic packaging intensity, introducing recycled content in plastic packaging and leveraging Life Cycle Assessments Exploring sustainable alternatives to plastics - Complete or partial substitution of plastics with sustainable alternatives and exploring paper as a substrate of packaging 	<p>Reducing specific waste generation at all ITC Units through constant monitoring and improvement of material utilisation efficiency</p>
	<p>Utilisation of Post-consumer Waste Paper as Raw Material at ITC's Paperboards and Specialty Papers Units</p>

ITC MasterChef Frozen Snacks: Transitioned to 100% Mono Material PE Laminate from Multi Layered PET/PE Laminate in select variants



Aashirvaad Iodized Salt: Transitioned to 100% Mono Material PE Laminate from Multi Layered PET/PE Laminate in select variants



Sunfeast Yippee! Power Up Noodles: Transitioned to 100% Mono Material PP Laminate (Outer Pack and Inner Sachet) from Multi Layered PET/PE Laminate Outer Pack and PET/Met PET/PE Inner Sachet.



B Natural Juices with 25% Recycled Content Shrink Wrap in Secondary Packaging.



Highlights

'Well-Being Out of Waste' (WOW) programme

covering 2.2 crore citizens, 64,000 MT dry recyclable waste collected from 1,270 wards during FY 2022-23.

Mission Sunehra Kal's Solid Waste Management programme, covers 18 districts in 10 states:

Collected over 2.6 lakh MT waste during FY 2022-23 and thus reduced waste going to landfill.

5+ million

Households Covered through ITC's Solid Waste Management Programmes

Sustaining Plastic Neutrality for 2nd Year in a Row:

In FY 2022-23, the Company collected and sustainably managed more than 60,000 tonnes of plastic waste across 36 States and Union Territories

Engage Cologne in 100% Paper-based Recyclable Cartons after complete elimination of 12-micron Metallised PET Film Layer



Savlon Glycerine Soap Wrapper with 70% PCR (post-consumer recycled plastic) in PET Layer



Fiama Handwash Portfolio with 50% PCR PET Bottles



Bundling Shrink Wrap used for Secondary Packaging Applications in Personal Care Business with 50% Recycled Plastic Content



Vivel Ved Vidya Soap with 100% Recyclable Packaging



Road Ahead

Accelerating the Implementation of Sustainable Packaging Strategy

- Ensuring that 100% of Packaging is Reusable, Recyclable or Compostable/Biodegradable
- Utilise internal synergies to develop and utilise sustainable packaging alternatives
- Leverage life-cycle approach for evaluating alternative packaging solutions
- Scale up ITC's innovative sustainable packaging solutions portfolio.

Sustaining Plastic Neutrality and Continue to Recycle more than 100% of the Waste Generated across Operations

- Continue to scale up ITC's sustainable solid waste management models
- Continue to redesign processes and eliminate waste to the extent possible
- Continue working on segregation of waste at source, and recycling more than 100% of the waste generated in operations



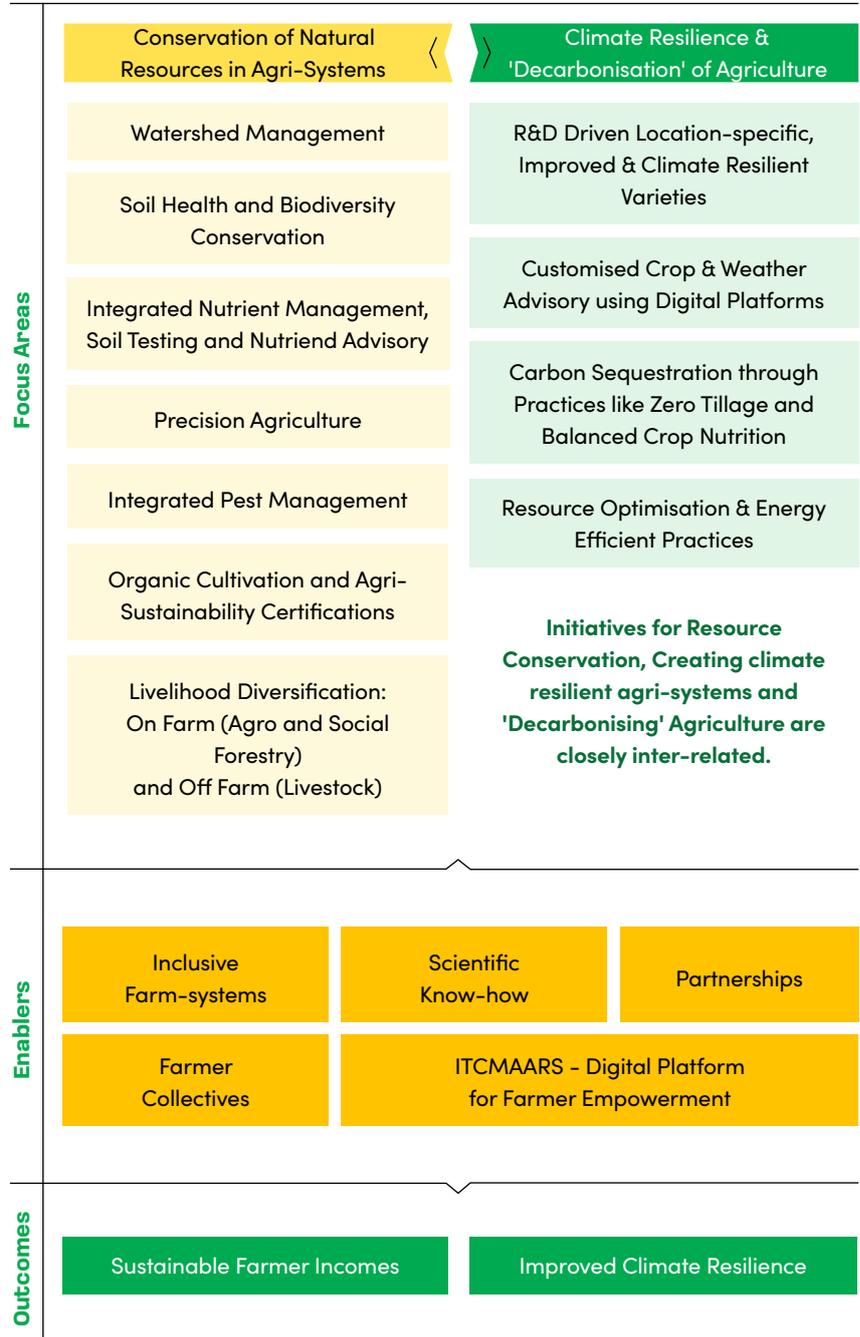
Sustainable Agriculture

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. With the burgeoning evident impacts of climate change on agricultural productivity, and a constant deterioration in the state of natural ecosystems, sustainable and climate resilient agriculture for ITC entails adoption of science and innovation for conserving natural resources and at the same time enhancing climate resilience and decarbonising agriculture. For the Indian farmer, this means supporting sustainable livelihoods while enhancing their resilience.

ITC is focussed on developing 'climate-smart' agriculture systems that address the environmental and social impacts of climate change and enable its agri-value chains to withstand the changing climatic patterns and extreme weather events, such that the losses to farmers get minimised in a bad year, and they experience relatively higher gains in a good year. At the same time, ITC is also focussing on building new and diverse farm value chains for crops like millets for improving climate adaptability and ensuring food security. ITC's initiatives for increasing agricultural productivity in a sustainable manner are scientifically planned and follow the key principles of 'regenerative agriculture'. Farmer wellbeing stays at the core of ITC's portfolio of large-scale farm interventions. ITC works towards creating an enabling environment for farmers by providing technical assistance and extension services for improving yields, streamlining access to input markets including credit through aggregation, establishing market linkages, and extend assistance to transition to sustainable practices.

Approach

Sustainable and Climate Resilient Agriculture



Highlights



**9,458
acres**

of farms across ITC's Agri Value Chains covered under Sustainable Certifications like Organic, Rain Forest Alliance (RFA), Global GAP and Fairtrade

ITCMAARS (Meta Market for Advanced Agricultural Services) – a crop agnostic 'phygital' eco-system has now been launched in 9 States with over

500,000

farmers empowered through 1100+ FPOs

ITC launched 'Mission Millets' for Sustained Food Security and Enhanced Climate Resilience

ITC's Climate Smart Agriculture programme covered 2.3 million acres impacting over

740,000

farmers during the year across 17 States

Sustainability 2.0 Target: Promote Climate Smart Village approach in core agri-business catchments on

**3 million
acres**

of land by 2030

Road Ahead

A more sustainable and resilient agriculture sector will be at the core of India's net zero roadmap and climate change agenda. ITC, with its deep linkages to rural India and agri value chains, and sustained long term interventions with Indian farmers, is committed to accelerating the sustainable transformation of Indian agriculture. As part of its Sustainability 2.0 vision, ITC's approach will focus on entail:

Climate Risk Assessments for Key Agri Value Chains: ITC will continue to utilise advanced climate modelling tools for identifying hot spots and major climate hazards impacting key crop value chains across various scenarios and time horizons. Based on the findings, location-specific and farmer-centric solutions will be curated improving the adaptive capacity of farm value chains and farmers.

Promotion and Development of Climate Smart Varieties: ITC's state-of-the-art Life Sciences and Technology Centre (LSTC), equipped with world class scientific platforms and centres of excellence including Agroforestry and Crop Sciences, is at the forefront of leading R&D efforts towards building climate smart varieties. This will be supplemented with collaborations with various national and international research institutes, and technology deployment for sustainable and climate-smart agricultural practices.

Scaling up Sustainable & Climate Smart Agriculture Programmes for Indian Farmers: ITC will strengthen its engagement with farmers for conserving natural resources, building climate resilience and decarbonising the agri sector, while focussing on supporting sustainable livelihoods and enhancing national food security. ITC is targeting to promote climate smart village approach in core agribusiness catchments across 3 million acres by 2030.



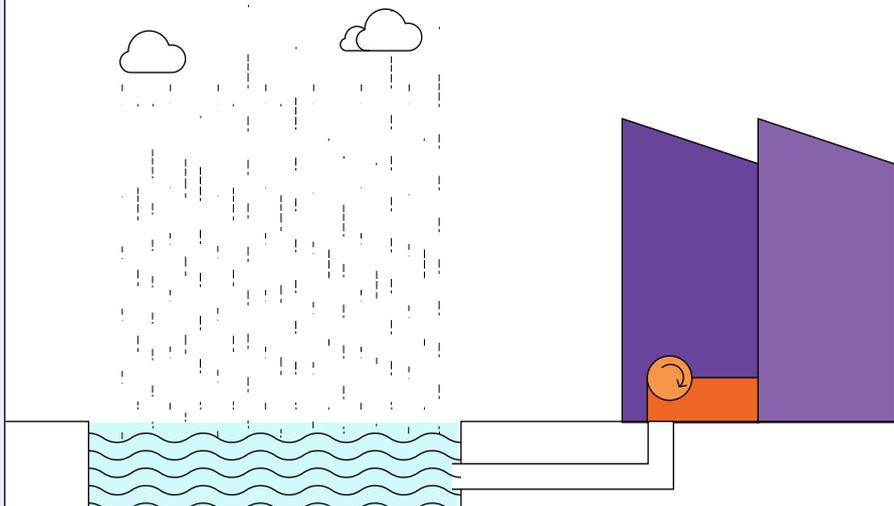
Biodiversity Management

Biodiversity provides essential resources and ecosystem services for ensuring long-term sustainability of nature-dependent businesses. These include resources like water, key raw materials, agri commodities, and ecosystem services like recycling of nutrients, ensuring soil fertility, control of local micro-climate, regulation of local hydrological processes and organisms in the ecosystem among others. Besides depending on nature, businesses, through their operations, can also impact nature in many ways and hence bear responsibility for its protection. The role of businesses in protecting biodiversity has also been highlighted in the Kunming-Montreal Global Biodiversity Framework (GBF) adopted at the United Nations Biodiversity Conference (COP15).

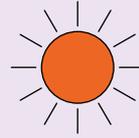
ITC's operations and value-chains too depend on nature, and accordingly location-specific and contextual biodiversity management plans are developed and implemented across key locations. Given the linkages between agriculture and the essential ecosystem services that nature provides, ITC recognises that the preservation and nurturing of biodiversity is crucial for long-term sustainability of its business, and is committed to conducting its operations in a manner that protects, conserves and enriches biodiversity in line with the Board-approved Policy on Biodiversity Conservation. As part of ITC's Sustainability 2.0 Vision, ITC also recognises the potential of nature-based solutions for carbon sequestration and building climate resilience, and prioritises actions to minimise impacts across realms of land, freshwater and atmosphere, and manage dependencies in a sustainable manner.

Approach

Assessing Nature-Related Risks & Opportunities	Managing Biodiversity impacts in line with the Mitigation Hierarchy
<p>Conducting Biodiversity Risk and Opportunity Assessments across:</p> <ul style="list-style-type: none"> • Operations near key biodiversity & eco-sensitive areas • Core agri catchments covering key crop value-chains 	<p>Implementing Robust Environmental Management System across locations</p>
<p>Assessing other biodiversity linked risks like:</p> <ul style="list-style-type: none"> • Water risk assessment using science-based hydrogeological studies across sites located in high water stressed areas • Climate risk assessments 	<p>Location-specific and Contextual Biodiversity Management Plans & Initiatives:</p> <ul style="list-style-type: none"> • Large-scale ecosystem restoration and sustainable agriculture programmes in agri-catchments • Community-based biodiversity conservation initiatives • Large-scale soil & moisture conservation programme • Sustainable forest management • Climate change adaptation plans
	<p>Deforestation-free value chains</p>
	<p>Implementation relevant global standards and certification like Forest Stewardship Council (FSC) and Alliance for Water Stewardship (AWS)</p>



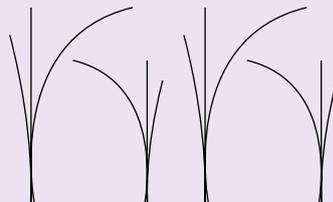
Highlights



Higher Carbon Stocks across ITC's biodiversity conservation plots.
(As per a study covering 1 lakh+ acres across different agro-climatic zones):

Above ground carbon stocks were higher in the range of 15% to 148%

Average soil organic carbon was higher in the range of 20% to 38% (compared to control areas)



ITC's Biodiversity Conservation initiative has covered over

290,000 acres

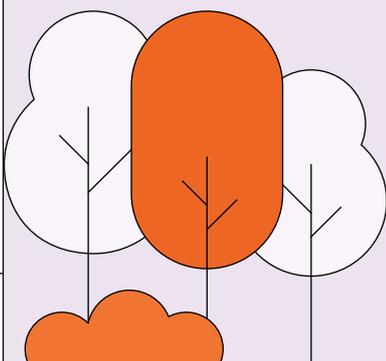
of land till date

Cover 1 million acres Sustainability 2.0 Target (2030)

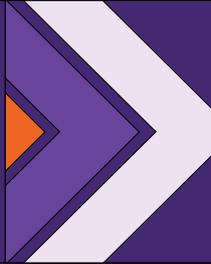
ITC's Paper and Specialty Papers Division committed to principles of Forest Stewardship Council (FSC):

During FY 2022-23, over 426,000 tonnes of FSC® certified wood were procured from these certified plantations.

24% of the wood consumed by ITC is (FSC®-FM) certified.



Road Ahead



In the backdrop of the landmark COP 15 of the Convention on Biodiversity and the 2030 targets adopted by nations, ITC is committed to:

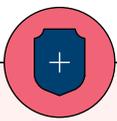
Managing Biodiversity Impacts and Dependencies: ITC will systematically map the impacts and dependencies including the underlying nature-related risks and opportunities across key locations and value chains. The Company will continue to manage the impacts in line with the mitigation hierarchy.

Meeting 2030 Sustainability 2.0

Commitments: Continue to expand ITC's large-scale programmes for conserving and replenishing nature by expanding the climate smart village approach to over 3 million acres, watershed development to over 2.2 million acres, social and farm forestry programmes to over 1.5 million acres, and biodiversity conservation to over 1 million acres by 2030.

TNFD aligned Nature-related

Disclosures: ITC will adopt the Locate, Evaluate, Assess and Prepare (LEAP) approach enshrined in the upcoming Task Force on Nature-Related Financial Disclosures (TNFD) framework for strengthening its nature-related disclosures.



Occupational Health & Safety

ITC continues to believe that a safe and healthy work environment is a prerequisite for employee wellbeing, 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.

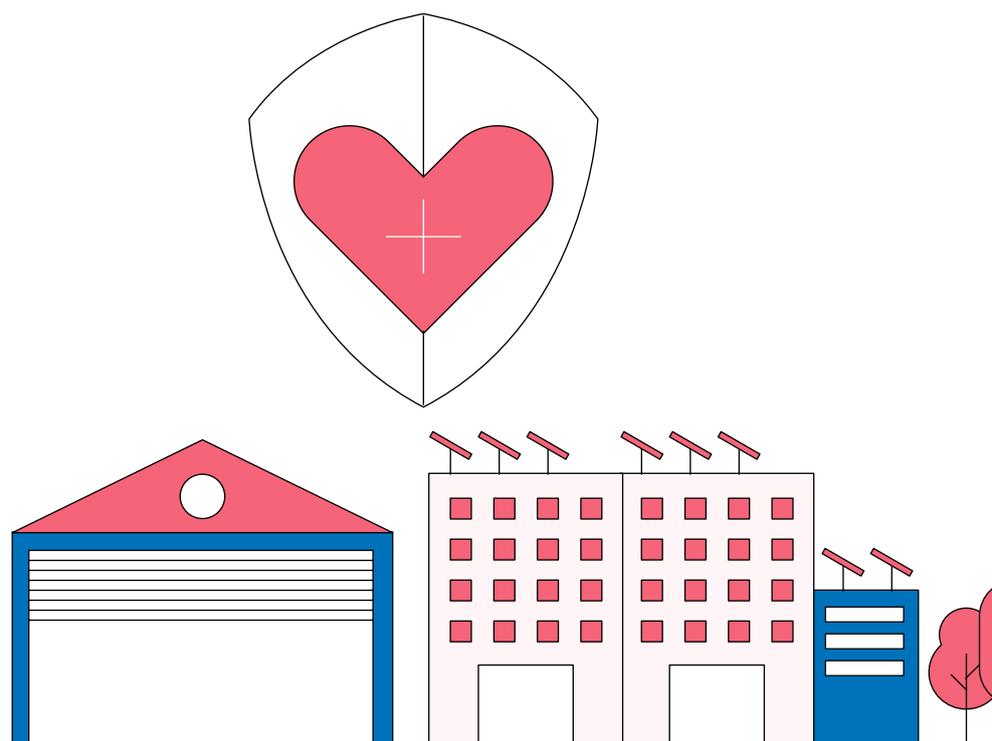
ITC endeavours that Environment, Health & Safety (EHS) standards at all its units are ahead of legislation, regulations and codes of practice and are benchmarked against international best practices. ITC's approach to occupational health & safety standards is articulated in the Board approved EHS Policy. 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.

ITC has identified the EHS risk management framework as one of the integral steps towards building a robust safety management system.

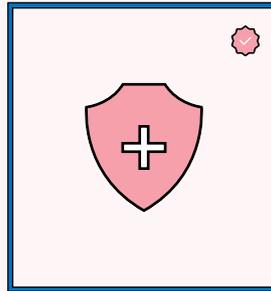
To incorporate safety deeper into ITC's operational practices and achieve the 'Zero Accident' goal, the Company's Safety strategy rests on two pillars: 'Safety by Design' and 'Safety by Culture'.

Approach

Safety by Design	Safety by Culture
Integrating best-in-class engineering standards in the design and in project execution stage of all investments in the built environment.	Design Thinking methodologies to Drive behavioural changes so that safety is ingrained in the culture of the organisation across operating units
Aspects such as fire safety, electrical safety, material handling, machine safety, people and material flows, etc. are evaluated in detail at the design stage and the necessary requirements as per best in class Standards and practices are incorporated.	Use of tools such as a structured conversation with workers on 'Safe and Unsafe' acts, supplemented by adoption of keystone behaviours by individual unit

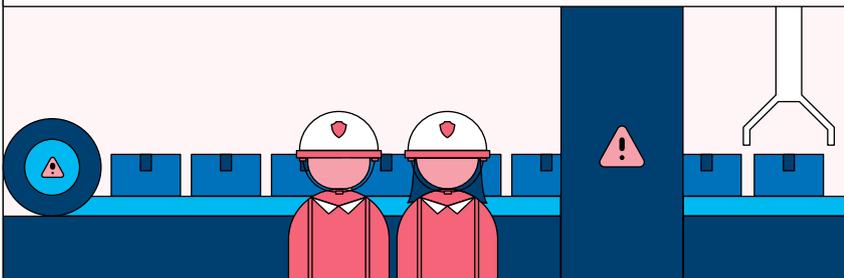


Highlights



ITC's Paperboards and Specialty Papers Division (PSPD) has pioneered the use of Design Thinking principles for seamless integration of safety in business operations.

Digitisation of EHS Management with the objective of improving integration of safety with operation, was implemented through an enterprise wide roll out of a versatile software.



Globally benchmarked safety performance:

'On-site' Safety': FY 2022-23: Lost Time Accidents (LTA) -14, Lost Day Rate (LDR) – 15.6¹, Injury Frequency Rate (LTIFR)² – 0.019 is one of the best among global peers.

'Off-site' Safety: FY 2022-23: Lost Time Accidents (LTA) – 16

68 Units achieved "Zero On-Site Lost Time Accident" status in 2022-23, out of which, 45 units, held on to the "Zero On-site Lost Time Accident" performance, since 2018-19

¹Loss of person-days accounted for as per IS 3786:1983 due to fatalities/amputation. In 2022-23, there was one on-site fatality.

²LTIFR (Lost Time Injury Frequency Rate) as per OSHA (Occupational Safety & Health Administration, USA).

Road Ahead

Committed to Achieve the 'Zero Accident' Goal:

- Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections and pre-commissioning audits, thereby strengthening of engineering control measures through 'design for safety' principles
- Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively
- Progressively covering businesses under various behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances.
- Studies will continue to be conducted to assess the safety culture and efficacy of behaviour-based safety interventions.
- Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline.
- Leveraging the digital landscape for safety management system.

ITC will continue to assess its safety performance by tracking both leading and lagging indicators, and identify solutions for strengthening the safety culture accordingly.



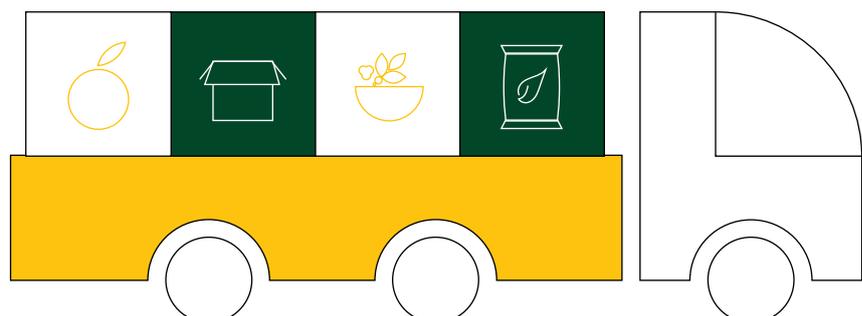
Sustainable Supply Chain and Responsible Sourcing

Global supply chains continue to evolve across industries with rising digitalisation, integration of sustainability and strong emphasis on responsible sourcing. Massive supply chain disruptions experienced around the world in recent years, some of which were rooted in unprecedented climate change-related events, have brought supply chain sustainability even more to the fore. Additionally, the global movement towards net zero, and the underlying thrust on mapping and mitigating Scope 3 emissions is also driving massive supply chain transformations. Given the complexity and scale of supply chains, technology is emerging as a key enabler for exercising oversight, demonstrating traceability and driving meaningful action across the value chain. Addressing these trends is therefore key to building resilience and embedding sustainability in the supply chain.

ITC, with its diverse and expanding portfolio of businesses, is working towards scaling up its sustainable supply chain initiatives as part of its Sustainability 2.0 Vision. ITC has a Board-approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' that lays down the foundation for ITC's engagement with its suppliers including farmers, third party manufacturers, service providers, transporters, suppliers of agriculture/non-agriculture materials and capital goods, franchisees, dealers and distributors.

Approach

Advocate	
Continuous engagement with value chain partners for raising awareness and building their capacity on ITC's sustainable supply chain philosophy, expectations and compliance requirements, and emerging and relevant sustainability topics.	
Assess	
Identification of sustainability risks and opportunities through ongoing assessment of key value chain partners.	
Conducting third party assessments in line with international standards and obtaining certifications like Sustainable Tobacco Programme, Rain Forest Alliance and Forest Stewardship Council®.	
Implementing systems and processes for enabling supply chain oversight, transparency and traceability.	
Address	
Implementing measures for addressing identified risks and opportunities: <ul style="list-style-type: none">• Technical support for adoption of management practices as per International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Corporate Environment, Health and Safety (EHS) Guideline.• Implementing a bouquet of regenerative and sustainable agriculture interventions across agri-value chains that support ITC's leading brands.• Providing grievance redressal mechanism for suppliers, and addressing their grievances, if any.	



Highlights

ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – ‘Phygital’ Eco-system for Empowering Farming by Delivering Hyperlocal and Personalised Solutions by Synergistically integrating NextGen Agri-technologies

Sustainable Farm Certifications in Place for Key Agri Commodities:

Rainforest Alliance, Forest Stewardship Council, Global G.A.P. (Good Agriculture Practices), Union for Ethical Bio Trade (UEBT), Fairtrade, Certified Organic and NPOP, NOP and EU certifications.

Processes in Place for Ongoing ESG Assessment of identified Critical Tier-1 Suppliers

>86%

Raw materials and Stores & Spares Locally Procured over the Years, consistently.

In FY 2023,

60%

of ITC’s identified Critical Tier-1 Suppliers were trained on ESG and ITC’s Code of Conduct

~84%

of the fibre produced in Bhadrachalam is from Wood sourced from ITC’s Social and Farm Forestry initiatives.

All four manufacturing units of the PSPD have obtained the FSC® Chain of Custody certification and have complied with all the requirements during the year, thereby sustaining ITC’s position as the leading supplier of FSC® – certified paper and paperboards in India.

During FY 2022-23, ITC processed around

2,732 Kilo Tonnes

of raw materials, out of which around 97% were from agro/forestry based renewable sources

Road Ahead

ITC’s sustainable supply chain and responsible sourcing initiatives focus on integrating evolving sustainability requirements across the value chain for both de-risking as well leveraging opportunities for building a more resilient value chain. Going forward ITC will focus on scaling up its efforts towards:

- **Building Capacity of Value Chain Partners:** ITC Businesses will scale up their engagement with their respective partners including suppliers, third-party manufacturers and farmers through focussed trainings on material sustainability aspects .
- **Conducting Structured Sustainability Assessments of Key Suppliers:** Periodic due-diligence and third-party assessments enabled by tech-based solutions for ensuring effective tracking and implementation of corrective actions.
- **Partnering with Key Suppliers on their Sustainability Journey:** Jointly working with suppliers for progressively implementing identified corrective and preventive measures, and enabling sustainability across their operations.



Product Sustainability

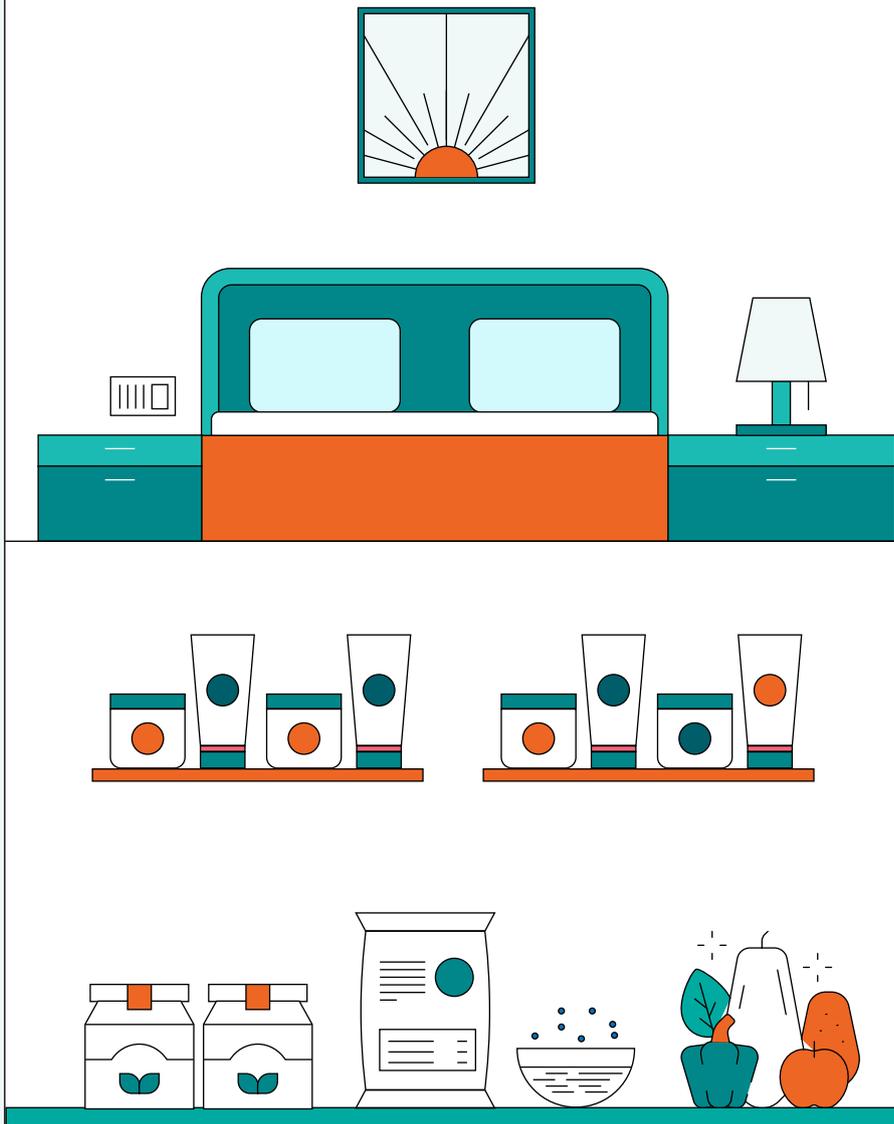
Consumer trends around the world are signalling a shift towards a rise in the uptake of sustainable products across existing (B2B, B2C) as well as emerging channels (D2C). While the COVID-19 pandemic brought about major and rapid changes in consumer behaviour and lifestyles, resulting in heightened demand for hygiene, health, immunity and well-being related products and services, numerous consumer surveys over the last few years suggest that these, and other trends related to environmental and social attributes of products are expected to sustain and amplify.

Even the road to net zero will necessarily require businesses to integrate sustainability in their products and services, and empower their consumers to make more sustainable choices.

Identified as a fundamental driver of future growth, sustainable product innovation is a key pillar of ITC's Sustainability 2.0 Vision. As India's leading conglomerate operating across various consumer segments, ITC continues to leverage its Life Sciences and Technology Centre's (LSTC) strong innovation engine to build a robust portfolio of world-class products and purpose-led brands that address evolving consumer needs and trends. Company's endeavour has been to introduce innovative and sustainable products and services that integrate sustainability across the life cycle – from sustainable design, formulation and sourcing to sustainable manufacturing, packaging, and responsible use-phase and end-of-life management. As a steward of product responsibility, the Company follows stringent global standards of quality, safety and transparency. ITC manufacturing units and hotels have state-of-the-art facilities with internationally benchmarked quality management systems.

Approach

Sustainable Product Innovation	Product Responsibility and Stewardship
<p>Fuelling Innovation – Leveraging ITC's Life Sciences and Technology Centre (LSTC)</p> <ul style="list-style-type: none"> • Building purpose-led brands powered by agile innovation platforms of LSTC. 	<p>Quality, Safety & Transparency</p> <ul style="list-style-type: none"> • Global quality, and health & safety standards and certifications for delivering world-class products and services. • Best practices related to product information, labelling, responsible marketing, data privacy and compliance management. • Consumer feedback management
<p>Leveraging Life Cycle Assessment Approach</p> <ul style="list-style-type: none"> • Building a sustainable product portfolio 	



Highlights

~95%

(98 out of 103) of the manufacturing locations (including third party manufacturing units) are certified as per recognised global standards like FSSC 22000/ ISO 22000/ HACCP. Certification of the remaining 5 units is planned in FY 2023-24.

ITC Hotels' guest satisfaction level/Index, known as 'WoW Ratio' for FY 2022-23 stood at

90.78%

ITC Hotels was recognised as the best Luxury Hotel Chain for the 4th consecutive year at 'Travel + Leisure India's Best Awards 2022'.

ITC's Nutrition First strategy of Help India Eat Better to deliver on key commitments on developing Healthier Product Portfolio, Affordable & Accessible Product Strategies, Food System Transformation initiatives under Sustainable Development and Employee Wellness initiatives.

>90

new products anchored on the vectors of Health & Nutrition, Hygiene, Protection & Care, and Convenience & On-the-Go were launched across target markets during the year

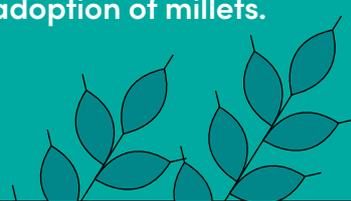
ITC's vibrant portfolio of over 25 world-class Indian brands represents an annual consumer spend of over

₹29,000 crores

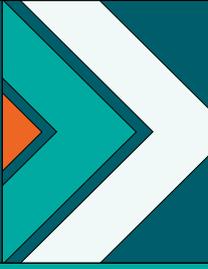
in FY23. The Company's products reach over 230 million households in India.

Packaging and Printing Business - Adjudged winner at the prestigious WorldStar Global Packaging Awards.

Promotion of ITC's Mission Millets – a transformative and cohesive approach to build awareness and adoption of millets.



Road Ahead



As part of its Sustainability 2.0 Vision, ITC is committed to:

Sustainable Product Innovation

- Continue to drive world-class innovation by leveraging LSTC's Centres of Excellence in Biosciences, Agri-sciences & Materials sciences, and future-ready platforms such as Beauty & Hygiene, Health & Wellness, Agro-forestry, Crop Sciences, Consumer and Sensory Sciences and Sustainable Materials & Packaging
- Expanding ITC's sustainable product portfolio by leveraging LCAs across key categories, and deep consumer insights gathered using new age technologies.

Product Responsibility & Stewardship

- Continue to implement global best practices and standards on quality, safety and transparency.
- To further establish Food System Transformation leadership across key areas of management.





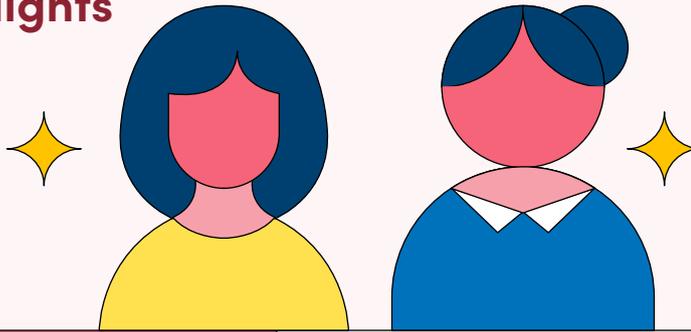
Sustainable Livelihoods

'Mission Sunehra Kal' (MSK) is the umbrella brand for the mosaic of mutually reinforcing interventions under ITC's Social Investments Programme (SIP) and is managed by a dedicated team spread across regions of India. Additionally, various CSR programmes are also implemented by business divisions in their areas of expertise.

Approach



Highlights

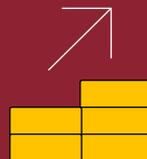


The programme for 'Ultra-poor Women' has been operational in 3 districts of Madhya Pradesh, Telangana and Uttar Pradesh during FY 2023 and has cumulatively impacted more than 32,600 women.

ITC won the 16th Edition of CII – National Awards for Excellence in Water Management under the category 'Beyond the Fence' for its Ghod River Basin Project

ITC's Farm and Social forestry programmes have together greened over

10.4 lakh acres
till date

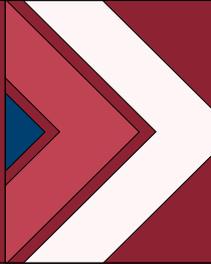


ITC's Financial Literacy and Financial Inclusion partnership programme in Madhya Pradesh has trained over 2.13 lakh SHGs with over 20.7 lakh members till March 2023. Out of these, over 16.9 lakh women linked to government schemes like Bank Accounts, Insurance, Investments, Pension, etc.

Mother and Child Nutrition

Over 5.6 lakh beneficiaries were covered under Mother and Child Health initiative, through more than 2,100 awareness camps to improve the health-nutrition status of women, adolescents and children

Road Ahead



ITC's CSR programmes follow a bottom-up approach and keep community needs and priorities at the centre while also focussing upon organisational and national priorities. Programme priorities are defined by three key drivers with certain level of overlaps and alignment in needs and priorities of each of the identified stakeholders.

Organisational Priorities and strategic pillars including those aligned to Sustainability 2.0;

National Priorities; and

Community Priorities identified through Core Area Perspective Plan (CAPP) 2.0 study and other surveys and engagements

The convergence of the needs and priorities of the stakeholders will continue to be the basis to further strengthen ITC's Two Horizon approach and make it more holistic and comprehensive, with special focus on vulnerable and underprivileged sections of society including women.

The programmes will focus on amplifying the outcomes through synergistic effect by convergence of benefits received by a household under multiple interventions, thus creating model habitations.



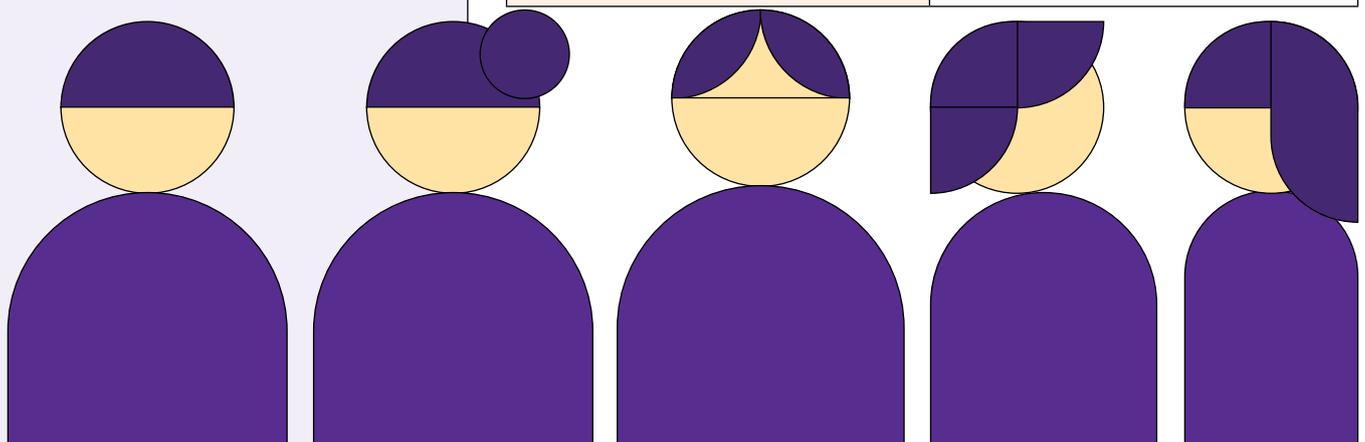
Human Rights

ITC has a long-standing commitment to human rights and it is reflected in its Code of Conduct for its employees and Suppliers and Service Providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO).

The Company is committed to Respecting and Remediating Human Rights for employees and workers within its operational premises and beyond its fence. There are oversight mechanisms, and preventive measures for its suppliers and vendor partners, also. ITC also has in place, dedicated policies and channels for handling grievances of its key stakeholders.

Approach

Protecting Human Rights in Own Operations	Upholding Human Rights in the Supply Chain
<p>The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on human rights and ensuring an inclusive workplace. All ITC contracts for the construction and upgrade of hotels, factories, ITC warehouses, housing colonies, incorporate the environment, health, safety and human rights clauses, including workplace environment and compliance of labour practices, and are supervised by ITC managers for 100% adherence.</p>	<p>ITC's Code of Conduct for Vendors and Service Providers enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. This Code is shared and accepted by all supply chain partners and service providers. In FY 2022-23, ITC engaged 1,304 service providers (within and outside premises) and all contracts with the service providers included clauses that conformed to ITC's Human Rights Policies and EHS guidelines.</p>



ITC's Policies on Fair Labour Practices

Prohibition of Child Labour and Forced Labour

In line with ITC's unflinching commitment to good labour practices, it is ensured that no person below the age of eighteen years is employed by any Business. Forced or compulsory labour is strictly prohibited in all ITC units and so is the association with vendors and suppliers who employ child and/or forced labour.

Freedom of Association

ITC recognises and respects the right of its employees to exercise or refrain from exercising the freedom of association and collective bargaining. During the last year, over 10,700 employees were covered under the collective bargaining process across India.

Related Policies

- ITC's Code of Conduct
- Policy on Freedom of Association
- Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace
- Policy on Diversity, Equity & Inclusion

Highlights



In FY 2022-23,

10,000+

employees were covered under the collective bargaining process across India.

ITC conducts human rights due diligence in farm supply chain to identify the human rights challenges and impacts covering farmers, labours and communities in Tobacco regions.

Road Ahead

ITC will continue its efforts on capacity building of all concerned internal and external stakeholders on Human Rights. ITC's due-diligence processes for vendors and supplier partners on Human Rights issues will be further strengthened for mitigating any potential human rights issues. ITC aims to further build upon the expertise on field engagement with farmers and follow international standards for fair practices in our agri practices. Moreover, ITC is also strengthening its grievance redressal systems for all value-chain partners.

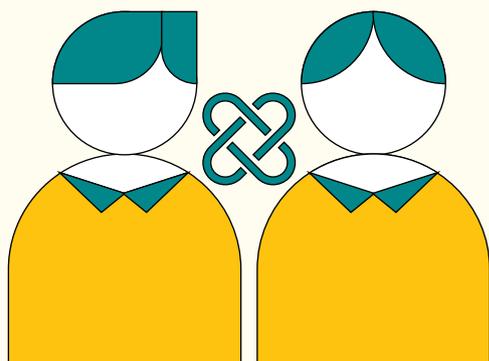


Diversity, Equity and Inclusion

ITC is committed to enhancing gender diversity and participation of the differently-abled in the workforce, and where needed, will undertake supportive actions in the spirit of equity at the workplace. Such concerted actions span three vectors, namely:

1. Representation
2. Inclusion & Enablement
3. Commitment and Assurance

ITC believes that diversity at workplace creates an environment conducive to engagement, alignment, innovation and high performance. This is achieved by a policy that ensures diversity and non-discrimination across the Company. ITC is also committed to enhancing gender diversity and participation of the differently-abled in the workforce, and where needed, will undertake supportive actions in the spirit of equity at the workplace.

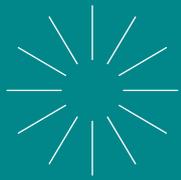
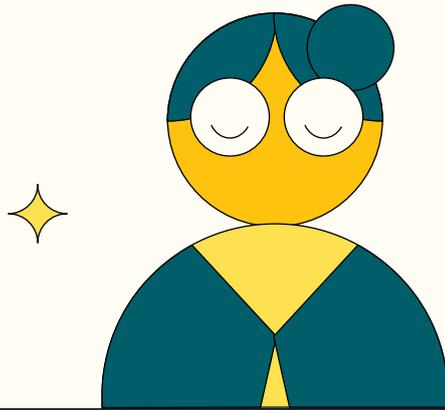


Approach

Policies & Programmes on Diversity, Equity & Inclusion	Prevention, Prohibition and Redressal of Sexual Harassment
Offering flexible work arrangements, extended child care leave, travel support for infants and care-givers	Processes and mechanisms in place to ensure issues such as sexual harassment, if any, are addressed effectively.
Paternity leave, same gender partner medical benefits	All employees undergo sensitisation training and internal redressal committees are in place across Businesses.
Secure transport, infrastructure support	
Sensitisation programmes, formation of Employee Resource Groups and the commitment and sponsorship of leaders	
Programmes for promoting women workforce in manufacturing.	

Inclusion of the Specially-abled	Grievance Redressal
Collaborating with external partners to recruit differently abled persons, and where feasible, encouraging their deployment with business associates across the value chain.	Grievance Redressal Procedure with appropriate systems and mechanisms has been instituted across ITC units.
ITC's workplaces and policies are designed to empower differently-abled employees	

Highlights

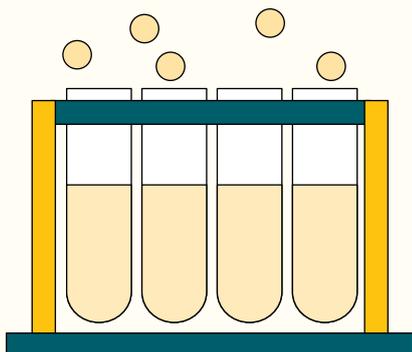


ITC's recruitment of talent from premier campuses reflects diversity ratios superior to the prevailing norm in such institutions.

ITC's Hotels Division is amongst the leading employers in the industry with regard to women representation as well as a significant employer of the differently abled.

Integrated Consumer Goods Manufacturing and Logistics (ICML) of Pudukottai and Medak with women representation at 79% and 97 % of the on-roll labour force respectively.

The Life Science and Technology Centre is another exemplar of gender diversity with **44%** of its workforce being women.



Road Ahead

ITC will continue to direct its efforts and human capital investments towards sustaining its position as one of India's most valuable employers, strengthening engagement of the workforce, fostering a competitively superior, performance-driven culture and remaining future-ready.



Learning & Development

ITC has assiduously built a culture of continuous learning, innovation and collaboration by providing leading-edge learning and development support to managers which is vital to strengthening competitive advantage and helping employees realise their full potential. The emphasis is on providing experiential learning through on-the-job assignments, an enabling & supportive environment and promoting learning agility.

The Company has a structured Developmental Planning System that dovetails with the guiding principle of ensuring equal opportunity for all employees to access skills and capability building investments at the workplace.

Approach

Capability Platforms for Future-ready Businesses

ITC has identified four capability vectors relevant to making its businesses future-ready – Business Critical Strategic Competencies, Leadership Development, Organisation Identity and Pride, and Diversity, Equity and Inclusion.

Best-in-class learning is offered comprising a blend of classroom training, self-paced online learning, coaching, mentoring and on-the-job training.

To promote learning anytime and anywhere, ITC encourages employees to leverage its subscription with various online course platforms.

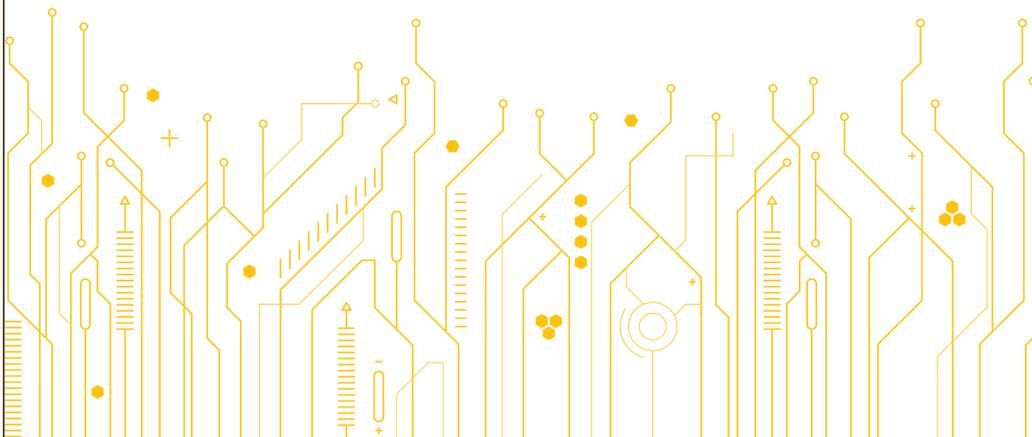
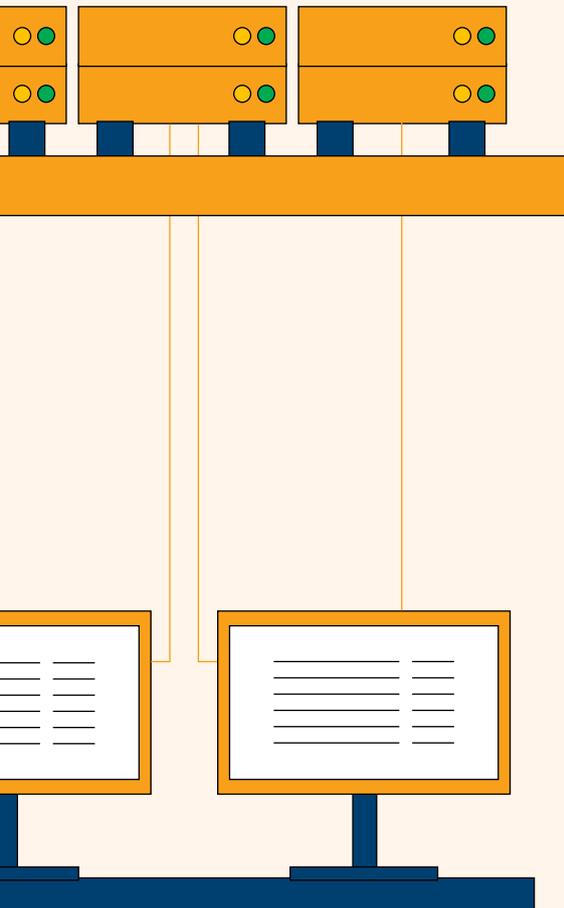
Collaboration with Leading Global Institutes, Experts

ITC also partners with institutes of global prominence such as INSEAD, and Rice University and domestic and international experts to customise programs for its managers.

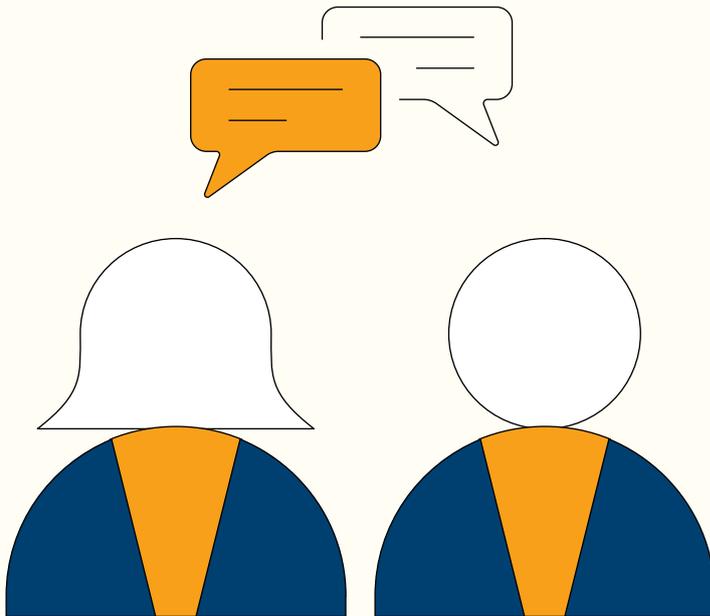
Building Digital Capability

ITC made significant investment in strengthening the digital skill with comprehensive programs in Digital Marketing, Data and Analytics Capability among others.

The 'Young Digital Innovators Lab', mentored by a senior manager, provides opportunities for managers with a passion for applying the power of technology to build competitive advantage and solve business challenges.



Highlights



Some key capability development programs undertaken during the year

- Business Leadership Program
- Full Funnel Marketing
- Data Science and Analytics
- Marketing in a Digital World
- Business Planning
- Development programmes for women managers
- Recruiting Right
- Gender Sensitisation and Unconscious Bias workshops

95% Managerial staff find the trainings exceeding their expectations

In FY 2022-23, there were

>11 lakh hours

of formal training provided to permanent and other than permanent employees, collectively, across the Company

Road Ahead

Comprehensive offerings across four vectors, the ease of accessing top-of-the-shelf content, and high focus on application have all contributed to consistently high organisational learning effectiveness metrics. The talent development practices help create, foster, and strengthen the capability of human capital to deliver critical outcomes on the vectors of strategic impact, operational efficiency, and capital productivity while reimagining consumer experience, business model transformation, and employee experience.

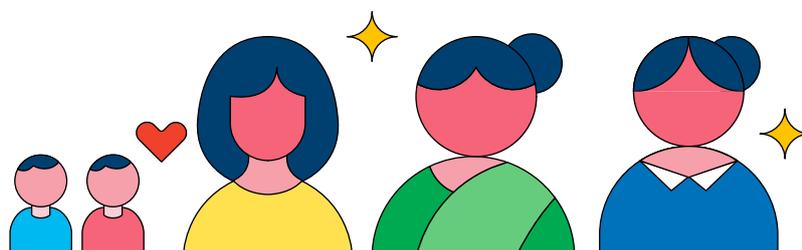


Contribution to UN SDGs

The company's triple bottom line philosophy is deeply embedded into its Corporate Strategy thus enabling innovative business models which create economic, environmental and social capital and contribute favourably to United Nation's Sustainable Development Goals (UN SDGs). ITC's Sustainability 2.0 ambitions and priorities are aligned to UN SDGs Targets, and a mapping of the Sustainability 2.0 priorities and contribution of major related interventions to the UN SDGs targets is given below

SDG	SDG Target	Select Interventions by ITC
	1.2: Reduce poverty 1.3: Social protection systems for all	<p>ITC's 'Triple Bottomline' approach has enabled support for sustainable livelihoods for 6 million people till date and has a target to support 10 million sustainable livelihoods by 2030.</p> <p>The Two Horizon approach focusses on social and economic empowerment of the vulnerable especially those residing in rural areas, or urban areas with inadequate infrastructure, that includes small / marginal farmers, women and girls, children & youth. The interventions provide protection from poverty, diseases, unhealthy environment and climate change.</p> <p><i>Refer 'Mission Sunehra Kal for Sustainable & Inclusive Growth' section of this report.</i></p>
	1.4: Equal rights to economic resources to vulnerable	<p>The Women Economic Empowerment Programme has benefitted around 1.2 lakh women including 32,600 Ultra-Poor Women till date and has a target of enhancing the support for 1.5 lakh women by 2030.</p> <p>Additionally, 20.7 lakh women have been covered under financial literacy interventions resulting in enhanced linkages to savings, insurance, social security and credit.</p>
	1.5: Build resilience of poor and vulnerable	<p>The Sustainable Agriculture intervention covering over 23 Lakh Acres, and Farm & Social Forestry programmes covering over 10 Lakh Acres till date have enabled higher returns to farmers and also diversification of farm portfolios of small / marginal farmers and rural households.</p>
	2.2: End all forms of malnutrition	<p>ITC's Mother and Child Health initiative is aligned to the 'Saksham Anganwadi and Poshan 2.0' programme and addresses the challenges of malnutrition in children, adolescent girls, pregnant women and lactating mothers.</p> <p>ITC Foods Business' Four Pillar Model with its core purpose of "Help India Eat better" is centred on 1) Value-added Product Portfolio, 2) Sustainable Food Ecosystem, 3) Healthy Communities and 4) Employee and Consumer Awareness.</p>
	2.3: Agricultural productivity & incomes	<p>ITC's 'Baareh Mahine Hariyali' intervention has enabled multiplication of farm incomes with benefits rendered to over 200,000 farmers till date and over 35,000 farmers reporting doubling of their incomes, with a target to cover 1 million farmers progressively.</p> <p>ITCMAARS provides assorted agricultural and allied services to farmers on the digital platform. From supply of seeds and fertilisers and services like soil testing to weather forecast and marketing. It has been launched in 9 States with over 5 lakh farmers empowered through 1,100+ FPOs.</p>
	2.4: Sustainable food production system and resilient agriculture	<p>The Climate Smart Agriculture interventions spread over 23 Lakh Acres have benefitted over 7.4 lakh farmers. The Climate Smart Village programme is targeting to cover 30 Lakh Acres by 2030. These interventions have resulted in significant increase in farmer returns.</p>
	3.1: Reduce the global maternal mortality	<p>The 'Mother and Child Health' (MCH) initiatives aimed at improving the health-nutrition status of women, adolescents and children has benefitted over 5.6 lakh beneficiaries.</p> <p>8 Mobile Medical Units (MMU), 4 each in Saharanpur & Munger were operational during the year. More than 57,000 individual engagements were made with community members across 690 villages during the year.</p>
	3.2: End preventable deaths of new-borns and children under 5 years of age	
	3.4: Reduce premature mortality	

SDG	SDG Target	Select Interventions by ITC
	3.7: Ensure universal access to sexual and reproductive health-care services	ITC's 'Swasthya Choupal Initiative', for creating awareness on sanitation, menstrual and personal hygiene, family planning, diarrhoea prevention and nutrition, and providing access to related products has had an outreach to nearly 1.16 lakh women and adolescent girls during FY 2022-23 through 430 women Village Health Champions (VHCs).
	4.1: Quality education & learning outcomes 4.2: Quality early education	<p>The Primary Education Programme has enabled improvement in Learning Outcomes for over 11 lakh children till date.</p> <p>Operational in 32 districts of 12 States, the Support to Education programme covered over 2.5 lakh children in FY 2022-23. As part of this, the Read India Programme aims to provide quality education and improve learning levels of children.</p> <p>During the year, over 14,400 government school teachers and Anganwadi Sevikas were also trained on child-friendly pedagogy under Support to Education programme.</p> <p>125 Supplementary Learning Centres (SLCs) were operational during the year for mainstreaming of out of school children. Over 2,000 children were mainstreamed during the year taking cumulative total to over 10,000 children mainstreamed into regular education system.</p>
	4.3: Quality vocational education 4.4: Vocational skills & jobs 4.5: Education & vocational training for vulnerable	<p>The vocational programme has trained over 1 lakh youth on market-relevant skills till date with a target of covering 2.25 lakh youths by 2030. Training is provided in skills that are in demand in the market, and includes practical training to enhance employability.</p> <p>During enrolment, the focus is on girls and youth from the socially challenged sections of the society. In FY 2022-23, 34% of the youth enrolled were from the SC/ST communities and 46% were female students.</p>
	4.7 Knowledge and skills to promote Sustainable Development	Training to employees on various sustainable development aspects including sustainability, health and safety. In FY 2022-23, there were 11 lac hours of formal (behavioural and technical) training provided to employees across the Company.
	4.8: Gender sensitive education	<i>Refer SDG Target 5.1 & 5.5</i>
		5.1 End of discrimination against women
5.5: Equal opportunities for leadership 5a: Women's right to ownership 5b: Technology for women empowerment		<p>Women-focused Leadership Development Programmes.</p> <p>ITC's interventions that focus on access to information and products related to finances, livelihood interventions, and access to physical resources like water and livestock.</p> <p>Use of digital tools in areas like education, financial literacy and maternal / child health which help women not only as beneficiaries but also as influencers.</p>





Contribution to UN SDGs

SDG	SDG Target	Select Interventions by ITC
 6 CLEAN WATER AND SANITATION	6.1: Safe drinking water 6.2: Access to sanitation and hygiene	Creating facilities and infrastructure for improving access to safe drinking water. Cumulatively, 157 community toilets and over 39,600 household toilets have been constructed till March, 2023, benefitting over 1.15 lakh people.
	6.3: Reducing pollution, treatment, recycling and safe reuse 6.4: Increase water-use efficiency across all sectors	ITC Businesses target 40% reduction in Specific Water Intake by 2030. The ITC's Paper Mill at Kovai is Second facility in the world and the first in India to be awarded the Alliance for Water Stewardship (AWS) Platinum-level certification in 2019-20. In FY 2022-23, ITC's Foods unit at Malur became the first foods processing facility in Asia to be awarded the AWS Platinum level certification. The target is to have AWS certification of 8 sites by 2023-24 and all high-risk sites by 2035-36. The Demand Side Management of water in Agriculture has benefitted farmers across 11.8 Lakh Acres till date, resulting in an estimated potential savings of 780 million kl of water in a year with a target of 2,000 million kl of water savings (annually) by 2030.
	6.5: Integrated Water Resource Management	The Integrated Watershed Development Project is spread across 45 Districts of 16 States in India. Over 14.7 Lakh Acres covered and over 28,300 water harvesting structures have been created, resulting in 48.9 million kl of rainwater harvesting (RWH) potential till date. The target is to create 50,000 water harvesting structures over 22 Lakh Acres, resulting in an RWH potential of 60 million kl by 2030
	6.a & 6.b: Capacity building & community participation	Strengthening grassroots level water governance through creation of over 4,290 water-user groups with more than 69,600 members till date. Similar such institutions have been created in other interventions also.
 7 AFFORDABLE AND CLEAN ENERGY	7.2: Share of renewable energy	43% of total energy consumption from renewable sources in FY 2022-23 with target of 50% by 2030. 47% of electricity requirements sourced from renewable sources in FY 2022-23 with target of 100% by 2030. 12 ITC units met more than 90% of their electrical energy requirements from renewable sources in FY 2022-23.
	7.3: Improvement in energy efficiency	Efficiency Improvement across ITC Businesses with a target of 50% reduction in Specific GHG Emissions, and 30% reduction in Specific Energy Consumption by 2030.
 8 DECENT WORK AND ECONOMIC GROWTH	8.2: Achieve higher levels of economic productivity	ITC's vibrant and synergistic portfolio of businesses with a growing presence across all three sectors of the economy – agriculture, manufacturing and services. <ul style="list-style-type: none"> For FY 2022-23, Gross Revenue at ₹ 694.81 billion increased by 17.6%, while EBITDA increased by 26.5% to ₹ 239.44 billion. Profit Before Tax and Exceptional items at ₹ 246.78 billion grew by 24.4% over previous year and Profit After Tax stood at ₹ 187.53 billion (previous year ₹ 150.58 billion). Total Comprehensive Income for the year stood at ₹ 187.83 billion (previous year ₹ 156.32 billion). Earnings Per Share for the year stood at ₹ 15.15 (previous year ₹ 12.22). Apart from creation of employment opportunities through core operations, ITC's interventions also provide livelihood / supplementary income opportunities including for women in rural India.
	8.3: Job creation	
	8.5: Full and productive employment for all	

SDG	SDG Target	Select Interventions by ITC
	8.6: Reduce youth unemployment	<p>ITC, with its diversified presence across all three sectors of the economy – Agriculture, Manufacturing and Services, and a pan-India operational footprint of 200+ Manufacturing Locations and 113 Hotels, creates both direct and indirect employment opportunities for youth of the Country.</p> <p>In FY 2022-23, ITC employed 37,736 full-time employees, of which 2005 in the Leaf Tobacco Business were engaged on a seasonal basis owing to the nature of the business. During this period, approximately 26,908 service provider employees were also engaged with ITC.</p> <p><i>Refer SDG Target 4.3, 4.4 & 4.5</i></p>
	8.7: Measures to reduce child labour, forced labour	<p>ITC's Board-approved Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, and Code of Conduct for Suppliers and Service Providers.</p>
	8.8: Protect labour rights and safe work environment	<p>Policies and practices in place to ensure enforcement of labour rights across the value chain: Board-approved Code of Conduct, Policy on Freedom of Association, Policy on Diversity, Equity and Inclusion, Policy on Environment, Health and Safety, and Code of Conduct for Suppliers and Service Providers.</p> <p>Comprehensive EHS strategy founded on two pillars: 'Safety by Design' and 'Safety by Culture'. EHS standards, that are benchmarked against international best practices across sectors in which ITC operates, implemented across all Units.</p> <p>Best-in-class engineering standards for all investments to embed safety from design stage.</p>
	8.9: Sustainable Tourism	<p>ITC Hotels with its highest standards of hygiene and safety, portfolio of world-class properties, iconic cuisine brands and best-in-class service levels anchored on 'Responsible Luxury' ethos.</p>
	9.1: Affordable and equitable access 9.2: Inclusive and sustainable Industrialisation	<p>ITC's interventions enable equitable access to natural resources like water, physical resources like toilets, school infrastructure, financial resources like loans / credits and knowledge on agriculture, education, and health.</p> <p>200+ manufacturing locations across India.</p> <p>10 State-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) across India, with focused smart manufacturing interventions leveraging automation and Industry 4.0 technologies to drive operational efficiencies, yield and energy management and further enhance safety and quality.</p>
	9.3: Increase access of small-scale enterprises, integrate into value chains	<p>ITC's diverse portfolio of products is anchored on inclusive agri and forestry value chains with nearly 97% of raw materials being agri/forestry based, sourced from farmers.</p>
	9.4: Adoption of clean and environmentally sound technologies	<p>Large scale investments in energy conservation and renewable energy projects along with exploring innovative technologies in line with ITC's 2030 Sustainability 2.0 Goals.</p> <p>Pioneer in the green building movement, with 40 buildings having received Platinum certification by USGBC/IGBC.</p> <p>Capacity augmentation of offsite solar power plant at Tamil Nadu from 14.9 MW to 17.9MW.</p>
	9.5: Enhance scientific research and encourage innovation	<p>State-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru, with over 400 highly qualified scientists and over 800 patents filed till date.</p> <p>R&D expenditure in last five years of ₹806 crores during FY 2022-23</p>



Contribution to UN SDGs

SDG	SDG Target	Select Interventions by ITC
	10.1: Income growth of the bottom 40 per cent of the population 10.2: Empower and promote the social, economic and political inclusion of all	<p><i>Refer SDG Target 1.2, 1.4, 2.3, 2.4, 4.1, 4.2, 4.3, 4.4 & 4.5</i></p> <p><i>Refer SDG 1.3</i></p>
	10.3: Ensure equal opportunity	<p>As part of its commitment to enhancing diversity, ITC places particular emphasis on representation and inclusion of women and the differently-abled persons through concerted actions.</p> <p>This includes initiatives and efforts to enhance representation of women in the selection pool, collaborating with external partners to recruit differently abled persons, and where feasible, encouraging their deployment with business associates across the value chain.</p> <p>For instance, ITC is amongst the leading employers in the hospitality industry on gender diversity and an employer of People with Disabilities.</p> <p><i>Refer SDG Target 5.1 & 5.5</i></p>
	11.4: Protect and safeguard the world's cultural and natural heritage 11.6: Reduce the adverse environmental impact of cities	<p>The ITC Sangeet Research Academy, established in 1977, is committed to preserving and propagating Hindustani classical music, a priceless national heritage.</p> <p>ITC's Solid Waste Management Programmes have covered around 8 million households till date, instilling behavioural change through door-to-door awareness campaigns for ensuring segregation of waste at source.</p> <ul style="list-style-type: none"> Well-Being Out of Waste' (WOW) programme: covering 2.2 crore citizens, 64,000 MT dry recyclable waste collected from 1,270 wards during FY 2022-23. Mission Sunehra Kal's Solid Waste Management programme, spread across 18 districts in 10 States, focussing on waste segregation at source, collected over 2.6 lakh MT waste during FY 2022-23 and thus reduced waste going to landfill.
	12.2: Sustainable management and efficient use of natural resources	<p>ITC's 'Triple Bottom Line' Philosophy, and abiding strategy of 'Responsible Competitiveness' that focuses on extreme competitiveness in a manner that replenishes the environment and supports sustainable livelihoods.</p> <p>Board-approved Policy on Resource Efficiency, and Policy on Product Responsibility.</p> <p>Refer Targets under SDG 2, 6, 7, 9 & 13</p>
	12.3: Lowering food waste and loss	<p>ITC's investments in Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs), strategically located in close proximity to agri-procurement catchments, help reduce agri wastages.</p>
	12.4: Environmentally sound management throughout lifecycle	<p>Leveraging Life Cycle Assessments (LCA) of products and services since 2010 for identifying areas for improvement across the value chain.</p> <p>Refer 'Product Sustainability' section of this report</p>
	12.5: Reduce waste generation	<p>99% total solid waste generated in ITC units is either reused or recycled.</p>
	12.6: Sustainability Reporting	<p>Commitment to Transparent Sustainability Disclosures with 19 years of Sustainability Reporting (since 2004) in line with International and National Frameworks.</p> <p>Additionally, ITC voluntarily responds to CDP Climate Change and Water Security Questionnaires, and also participates in the S&P Global Corporate Sustainability Assessment (CSA).</p>

SDG	SDG Target	Select Interventions by ITC
	12.8: Information and awareness on Sustainable Development and lifestyles	Creating purpose-led brand experiences for consumers: <ul style="list-style-type: none"> • Savlon Swasth India Mission’s various campaigns on health and hygiene • ITC’s Mission Millets is a millet-based product portfolio under its flagship brands of Aashirvaad Natures Super Foods (Ragi flour, multi millet flour), Sunfeast Farmlite Super Millets cookies amongst other products under the value-added innovation portfolio. In addition a dedicated Millet microsite will host authored articles, blogs, videos and recipes that give credible information on benefits and use of Millets will be developed. • ITC Foods Division ensures availability of online nutritional information for all its packs on various platforms like ITCstore, Brand websites or E-commerce stores
	13.1: Strengthen resilience and adaptive capacity	Building farmer capabilities on targeted climate smart technologies through over 8,200 Farmer Field Schools (FFS) covering 2.78 lakh student farmers during FY 2022-23 ITC’s Climate Smart Village interventions reached out to over 4,800 villages in 11 States covering over 10 Lakh Acres till date aimed at creating climate resilient villages with a target to cover 30 Lakh Acres by 2030.
	13.2: Climate change measures in strategy and planning	Comprehensive climate change risk and vulnerability assessments using climate models across key physical assets and agri value chains.
	13.3: Improve awareness, institutional capacity on climate change	In addition to various other interventions including recognition of sustainability exemplars in the Indian industry, nearly 1,200 participants covered through 36 capacity building programmes on various aspects of sustainable development including climate change by CII-ITC Centre of Excellence for Sustainable Development in FY 2022-23.
	14.1: Prevent and reduce marine pollution	Diverting plastic waste from entering water bodies through sustainable collection and management of post-consumer plastic waste. ITC retained its status of being plastic neutral in FY 2022-23. During the year, ITC, through its various partners, has collected and managed around 60,000MT of plastic waste during the year, with over 30% getting channelised for recycling, and remaining being sent for energy recovery.
	14.4: Regulate harvesting and end overfishing	Best Aquaculture Practices (BAP) Certified Operations for ITC’s Agri SBU’s Aqua (Prawns) Business.
	15.1: Conservation of freshwater ecosystems	<i>Refer SDG Target 6.5</i>
	15.2: Sustainable management of forests	Sustainable Forest Management through ITC’s Farm and Social Forestry programmes with greening of over 10 Lakh Acres till date.
	15.3: Restore degraded land and soil	Biodiversity conservation programme covering over 2.9 lakh acres till date with a target to cover 10 Lakh Acres by 2030.
	15.5: Halt the loss of biodiversity	ITC’s Board-approved Policy on Biodiversity Conservation, and Policy on Deforestation. Deforestation-free Wood and Leaf Tobacco value chains.



Contribution to UN SDGs

SDG	SDG Target	Select Interventions by ITC
	15.9: Ecosystem & biodiversity planning	<p>In FY 2022-23, ITC's community driven biodiversity efforts have conserved more than 1.56 Lakh Acres of area, taking the total till date to over 2.9 Lakh Acres.</p> <p>Reviving and restoring pasture lands in Rajasthan in partnership with Wasteland Development Board initiated across 70,000 acres of village commons with target to cover 2.5 Lakh Acres in a phased manner.</p> <p>'Sustainable Agriscape for Future' Project in Munger District (Bihar) with IUCN – During FY 2021-22, 164,000 native and commercial species planted, soil conservation tillage promoted in 5,350 acres on the Ganga river banks.</p> <p>79,000 acres targeted to be covered under forest conservation planning in a phased manner to improve forest cover across Telangana and Maharashtra. Planning has been completed for over 14,100 acres, and planned activities completed in over 3,700 acres till date.</p>
	16.5: Reduce corruption and bribery in all forms	<p>Commitment to highest standards of ethical conduct: Board-approved Code of Conduct for Directors, Senior Management and Employees, and Code of Conduct for Suppliers and Service Providers.</p> <p>ITC's Board-approved Policy on Tax to ensure compliance with the spirit as well as the letter of the tax laws and regulations across countries of operations.</p>
	<p>16.6: Develop effective, accountable and transparent institutions at all levels</p> <p>16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>	<p>Focus on Participatory Development through Creation of Empowered Grassroots Institutions – 6,500+ Self Help Groups, 4,200+ Water User Groups, nearly 1,800 Forestry Groups, 781 School Management Committees, and over 900+ Agri-business Centres created till date.</p> <p>ITC's Board-approved Policy on Responsible Advocacy provides the framework for necessary interface with Government/Regulatory Authorities.</p> <p>ITC's Board-approved Policy on Stakeholder Engagement: Commitment to understand and address concerns of stakeholders including those who are disadvantaged, vulnerable and marginalised.</p> <p>CII-ITC Centre of Excellence for Sustainable Development for promoting sustainable business practices amongst Indian enterprises.</p>
	<p>17.3: Mobilise financial resources</p> <p>17.16: Global partnership for sustainable development</p> <p>17.17: Encourage and promote effective public, public-private and civil society partnerships</p>	<p>Partnerships with National and International organisations including CGIAR, IUCN, IWMI, WWF India, ACWADAM, CGIAR, CIMMYT and leading Agricultural Universities.</p> <p>Partnership with IIT Delhi to support research in STEM (Science, Technology, Engineering and Mathematics) areas.</p> <p>Public Private Partnerships (PPP) with Government Agencies to enable rapid scale-up of programmes – 86 MoUs (25 currently operational) till date.</p> <p>Implementation Partnerships under Social Investments Programme with 78 reputed NGOs for execution of 129 projects across India.</p> <p>Participatory Development through more than 15,400 Grassroots Institutions & Community Based Organisations created till date with over 4.8 lakh members.</p>



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