



# ANNEXURES

# Certifications

Business/Unit	Quality		Environment	Safety & Occupational Health	Social	Food Safety	Others	Remarks
	ISO 9001 since	IQRS* since						
Cigarette Units								
Munger	1996		2002	2004				
Bangalore	1997		1998	2004				
Saharanpur	1996		2000	2004				
Kolkata	1995		1997	2004	2004			<ul style="list-style-type: none"> <li>• 1st Cigarette factory in the world with ISO 9001 and ISO 14001 certification</li> <li>• 1st Cigarette factory in India with OHSAS 18001 and SA 8000 certification</li> </ul>
Leaf Tobacco Units								
Anaparti	1994	2006	2000	2002	2002			IQRS Level 7
Chirala	1994	2006	1996	2002	1999			<ul style="list-style-type: none"> <li>• 1st Company certified to SA 8000 in India</li> <li>• IQRS Level 7</li> </ul>
Packaging and Printing Units								
Chennai	1997	1999	2001	2004				IQRS Level 6 since 1999 and Level 7 in 2005
Munger	1997		2000	2004				
Paperboards and Specialty Paper Units								
Tribeni	1999		2002	2005				
Kovai	2004		2004	2005				
Bhadrachalam	2000		2004	2005				
Bollaram	2000		2001	2005			BRC/loP*** since 2006	** British Retail Consortium /Institute of Packaging certification
Hotels								
Maurya			1999			2005		1st Hotel in India with ISO 14001 certification
Mughal			2002					
Chola			2002					
Grand Maratha			2004			2006		
Sonar Bangla			2005			2006		
Grand Central						2006		
Rajputana			2002					
WelcomHotel,Delhi			2004					
Windsor			2002					
Lifestyle Retailing								
Gurgaon							ISO 17025*** since 2006	***Certification for Testing laboratories
Others								
ITC R & D Centre – Bangalore	1998		2004				ISO 17025*** since 2006	***Certification for Testing laboratories
Corporate EHS Department			2005	2005				

\* IQRS: International Quality Rating System

# Honours: 2005-06

## Environmental, Health and Safety Performance

The following awards received during the year bear testimony to the excellent EHS standards practiced in the various units of the Company:

### **British Safety Council, UK:**

Five Star Rating & Sword of Honour, 2005

Awarded to Cigarette factories at Bangalore, Munger, Saharanpur and Kolkata; Packaging & Printing units at Tiruvottiyur and Munger; Leaf processing plants at Chirala and Anaparti

### **British Safety Council, UK:**

Five Star Rating, 2005

Awarded to ITC Hotel Sonar Bangla

### **Royal Society for Prevention of Accidents (ROSPA):**

Gold Award 2005 for Occupational Safety

Awarded to Packaging & Printing unit at Munger; Cigarette factories at Bangalore and Munger

ROSPA Gold Award 2006 for Occupational Safety

Awarded to Cigarette factories at Saharanpur & Kolkata  
ROSPA & Ryder Marsh (Safety) Ltd., UK: Achievement Award in Behavioural Safety – Best Practice 2005

Awarded to the Cigarette factory at Munger

### **National Energy Conservation Award 2004-05 from Ministry of Power, Govt. of India**

Bhadrachalam Paperboards unit won the First prize, Specialty Paper unit at Tribeni got the Third prize and WelcomHotel, New Delhi received the Commendation Certificate

### **Best Eco-friendly Hotel Award from Ministry of Tourism, Govt. of India, 2004-05**

Awarded to WelcomHotel, New Delhi

### **Andhra Pradesh Pollution Control Board: Cleaner Production Award 2004-05**

Awarded to the Leaf processing plant at Chirala

### **Bihar State Pollution Control Board: Industrial Pollution Control Award, 2004-05**

The Cigarette factory and the Packaging & Printing unit at Munger were ranked First

### **Corporate Environment Award 2003-04 from TERI, New Delhi**

Awarded to WelcomHotel Mughal Sheraton

### **CII: National Award for Excellence in Energy Management:**

Awarded to Paperboards unit at Bhadrachalam

### **CII, Hyderabad: National Award for Excellence in Water Management 2005**

Awarded to Paperboards unit at Bhadrachalam and Cast Coating Plant at Bollaram

### **World Environment Foundation, New Delhi: Golden Peacock Environment Management Award 2005**

Awarded to the Leaf processing plant at Chirala and WelcomHotel, New Delhi

### **Greentech Foundation, New Delhi: Greentech Safety Award 2004-05**

Gold Award for Leaf processing plant at Chirala; Cigarette factories at Munger, Bangalore, Saharanpur and Kolkata; Silver Award for WelcomHotel, New Delhi

### **Greentech Foundation, New Delhi: Greentech Environment Excellence Award 2004-05**

Awarded to the Leaf processing plants at Anaparti and Chirala; Cigarette factories at Bangalore, Kolkata, Saharanpur and Munger; WelcomHotels in Agra and New Delhi

# Awards and Accolades

ITC constantly endeavours to benchmark its products, services and processes to global standards. The Company's pursuit of excellence has earned it national and international honours. Some of the significant recognitions received during the year were:

- The **Stockholm Challenge Award** in the Economic Development category for ITC e-Choupal
- The \$ 100,000 **Development Gateway Award** for ITC e-Choupal
- The **Golden Peacock Global Award** for Corporate Social Responsibility (CSR) in Emerging Economies for the e-Choupal and forestry initiatives. This award is given by the Centre for Social Responsibility supported by Institute of Directors, Centre for Corporate Governance and the World Council for Corporate Governance, UK
- The **Golden Peacock Award** for Excellence in **Corporate Governance**
- **Chairman Y C Deveshwar** was named the '**Business Person of the Year 2006**' by 'UK Trade & Investment', the UK Government organisation that supports overseas businesses in that country
- **Chairman Y C Deveshwar**, along with Prof. MS Swaminathan, was inducted into the '**Hall of Pride**' by the 93rd Indian Science Congress
- The **MIS Asia Award** for IT Excellence for ITC e-Choupal
- The **Pacific Asia Travel Association Gold Award** in the Corporate Environmental category for the WelcomEnviron initiatives of ITC-Welcomgroup
- The **Golden Peacock National Quality Award** towards Total Quality and Business Excellence for the Leaf processing plant at Chirala
- The **World HRD Congress Award** for the International Business Division
- The **Indian Oilseeds and Produce Exporters Association Award** for Excellence in Export for the International Business Division
- The **Capexil Top Export Award** for the Paperboards and Specialty Papers Division
- The **Capexil Certificate of Merit** for Export Performance for the Packaging & Printing business
- The **Best Supply Chain Practices Award** from the Retailers Association of India for the Lifestyle Retailing Business Division
- The **Most Admired Shirt Brand of the Year Award** for John Players at the Images Fashion Awards



# Memberships and Affiliations

- Advanced Management Services
- Agricultural & Processed Foods Export Development Authority
- All India Food Processors Association
- All India Management Association
- All India Spice Exporters Forum, Cochin
- Andhra Pradesh Chamber of Commerce
- Andhra Pradesh Oil Millers Association Limited
- Apparel Export Promotion Council
- Asian Packaging Federation
- Associated Chambers of Commerce & Industry
- Bangalore Chamber of Commerce & Industry
- Bangalore Management Association
- Bihar Chamber of Commerce
- Bihar Industries Association
- Bihar State Productivity Council
- Bombay Chamber of Commerce & Industry
- Calcutta Management Association
- Chemicals & Plastics Export Council of India
- Central Food Technological Research Institute
- Coal Consumers Association
- Cochin Chamber of Commerce
- Coffee Board
- Coffee Exporters Association
- Coimbatore Management Association
- Coimbatore Productivity Council
- Confederation of Indian Industry
- Council for Fair Business Practices
- Eastern India Shippers Association
- Federation of Andhra Pradesh Chambers of Commerce and Industry
- Federation of Biscuits Manufacturers Association of India
- Federation of Hotels & Restaurants Association of India
- Federation of Indian Chambers of Commerce & Industry
- Federation of Indian Export Organisations
- Federation of Industries and Commerce of North Eastern Region
- Federation of Jharkhand Chambers of Commerce & Industry
- Federation of Karnataka Chambers of Commerce & Industry
- Federation of Madhya Pradesh Chambers of Commerce & Industry
- Gujarat Chamber of Commerce
- Guwahati Management Association
- Hotels Association of India
- Indian Chamber of Commerce
- Indian Coffee Trade Association
- Indian Confectionery Manufacturers Association
- Indian Industries Association
- Indian Institute of Packaging
- Indian Merchants Chamber
- Indian Oil & Produce Exporters Association
- Indian Paper Manufacturers Association
- Indian Society of Advertising
- Indian Tobacco Association
- Indian Vegetable Oil Processors Association
- Indo American Chamber of Commerce
- Indo Australian Chamber of Commerce
- Indo German Chamber of Commerce
- International Chamber of Commerce
- International Life Science Institute
- International Packaging Group
- Jammu & Kashmir Chamber of Commerce
- Kerala Management Association
- Leatherhead Food International, UK, Research Organisation
- Loss Prevention Association of India
- Madras Chamber of Commerce & Industry
- Madras Management Association
- Madras Printers and Lithographers Association
- Maharashtra Chamber of Commerce & Industry
- Maharashtra Economic Development Council
- Marine Products Export Development Authority
- Nagpur Vidharbha Cochin Chamber of Commerce
- National Council of Applied Economic Research
- National Safety Council
- Pacific Asia Travel Association
- Paper, Film, Foil Convertors Association
- PHD Chamber of Commerce and Industry
- Protein Food and Nutrition Development Association of India
- Seafood Exporters' Association of India
- Snack Foods Association
- Solvent Extractors Association of India
- Soyabean Processors Association of India
- Spice Board
- Spices and Foodstuff Exporters Association of India
- The All India Association of Industries
- The Bengal Chamber of Commerce & Industry
- The Central Organisation for Oil Industry and Trade
- The Energy and Resources Institute
- The Groundnut Extractions Export Development Association
- The Utkal Chamber of Commerce & Industry
- The Visakhapatnam Chamber of Commerce & Industry
- Tamil Nadu Electricity Consumers Association
- Uttar Pradesh Chamber of Commerce
- West Bengal State Productivity Council
- Western UP Chamber of Commerce & Industries

# ITC's EHS Policy

ITC's mission is to sustain and enhance the wealth-generating capacity of its portfolio of businesses in a progressively globalising environment. As one of India's premier corporations employing a vast quantum of societal resources, ITC seeks to fulfil a larger role by enlarging its contribution to the society of which it is a part. The trusteeship role related to social and environmental resources, aligned to the pursuit of economic objectives, is the cornerstone of ITC's Environment, Health and Safety philosophy. ITC's EHS philosophy cognises for the twin needs of conservation and creation of productive resources.

In the multi-business context of ITC, Corporate Strategies are designed to create enduring value for the nation and the shareholder, through leadership in each business and the attainment of world-class competitive capabilities across the value chain. The objective of leadership extends to all facets of business operations including Environment, Health and Safety.

ITC is, therefore, committed to conducting its operations with due regard for the environment, and providing a safe and healthy workplace for each employee. Various international and national awards and accreditations stand testimony to ITC's commitment to EHS. Such external recognition further reinforces the need to direct the collective endeavour of the Company's employees at all levels towards sustaining and continuously improving standards of Environment, Health and Safety in a bid to attain and exceed benchmarked standards, whether regulatory or otherwise.

**In particular, it is ITC's EHS policy:**

- To contribute to sustainable development through the establishment and implementation of environment standards that are scientifically tested and meet the requirement of relevant laws, regulations and codes of practice.
- To take account of environment, occupational health and safety in planning and decision-making.
- To provide appropriate training and disseminate information to enable all employees to accept individual responsibility

for environment, health and safety, implement best practices, and work in partnership to create a culture of continuous improvement.

- To instil a sense of duty in every employee towards personal safety, as well as that of others who may be affected by the employee's actions.
- To provide and maintain facilities, equipment, operations and working conditions which are safe for employees, visitors and contractors at the Company's premises.
- To ensure safe handling, storage, use and disposal of all substances and materials that are classified as hazardous to health and environment.
- To reduce waste, conserve energy, and promote recycling of materials wherever possible.
- To institute and implement a system of regular EHS audit in order to assure compliance with laid down policy, benchmarked standards, and requirements of laws, regulations and applicable codes of practice.
- To proactively share information with business partners towards inculcating world-class EHS standards across the value chain of which ITC is a part.

All employees of ITC are expected to adhere to and comply with the EHS Policy and Corporate Standards on EHS.

ITC's EHS Policy extends to all sites of the Company. It will be the overall responsibility of the Divisional/SBU Chief Executives, through the members of their Divisional Management Committees, General Managers and Unit Heads, to ensure implementation of this Policy and Corporate Standards on EHS, including formation of various committees and designating individuals for specific responsibilities in respect of their Division/SBU.

The Corporate EHS Department is responsible for reviewing and updating Corporate Standards on EHS, and for providing

# GRI Indicators – Index

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# Statement from PricewaterhouseCoopers

## Objective of Review

We were asked by the Management of ITC Limited ("ITC") to provide an "Independent Verification" for its Corporate Sustainability Report ("Report") for the period 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006.

## Responsibilities During Review

The Management of ITC is responsible for the collection and presentation of the financial and non-financial information in the Report. Our responsibility, as agreed with the Management, is to express conclusions with limited review of select data and information contained in the Report in accordance with the International Standard on Assurance Engagements 3000 ("ISAE 3000").

The Report and its contents are the responsibility of the management of ITC, while the observations made under Independent Review Report is the outcome of the professional work undertaken by PricewaterhouseCoopers Private Limited.

## Limitations of Review

Our review comprised limited assurance on data and information reported against the indicators delineated under Scope of Review, below.

The data and graphs on financial performance, as specified in the Report under Economic indicators, are derived from the audited 2005 financial statements of ITC Limited and were not within the scope of our review.

## Scope of Review

The scope of the review covered:

- a) Review of certain statements and data relating to ITC's operations and to provision of limited review in respect of these statements and data;
- b) Checking of monitoring and reporting procedures to support reliable disclosure in the Report;
- c) Assessment whether the Report provides an appropriate representation of existing policies in the areas of human resources, environment and community involvement;
- d) Visits to 8 units viz.
  - Hotels: Welcomhotel Rajputana Palace Sheraton, Jaipur (Rajasthan) and ITC Hotel Sonar Bangla Sheraton and Towers, Kolkata (West Bengal)
  - Packaging and Printing Division (PPD) and India Tobacco Division (ITD): Munger (Bihar)
  - Leaf Processing Plant: Chirala (Andhra Pradesh)
  - Paperboards and Specialty Papers Division (PSPD): Bhadrachalam (Andhra Pradesh), Kovai (Tamil Nadu) and Tribeni (West Bengal)
- e) Checking of the data stated at the following indicators:
  - Energy: Direct Energy use segmented by primary source, Indirect Energy use and Initiatives to use renewable energy

- Water: Total Water withdrawn segmented by source, Water recycled and reused, Significant Effluent discharges and Initiatives for water conservation and harvesting
- Air Emissions: NOx, SOx and other significant air emissions, Emissions of Ozone Depleting Substances (ODS), Significant CO<sub>2</sub> emissions during transportation and Carbon sequestration (only for PSPD, Bhadrachalam)
- Solid Waste: Solid waste generated, reused and recycled
- Products and Services: Initiatives to mitigate environmental impacts of products and services and Percentage of products sold and their packaging materials that are reclaimed by category
- Accidents and Spills: Lost Day, injury, absentee rates and work related fatalities and Significant spills
- Employment: Employee Turnover by age group and gender
- Occupational Health and Safety: Education, training, counseling to assist workforce regarding serious diseases
- Diversity and Equal Opportunity: Ratio of basic salary of men to women
- Product and Service Labelling: Product and service information

#### **Basis for Review**

We planned and performed our work in accordance with the ISAE 3000 to obtain limited review. Since the Report has been prepared in line with G3, hence these Guidelines formed the basis for carrying out the review. We also referred to GRI's Reporting Framework Application Levels to ascertain the report application level self-declared by ITC.

We sought all information and explanations that we considered necessary to provide sufficient evidence for us to ascertain that the above indicators were consistent with the activities in the units for the financial period; and were documented and stated in accordance with the guidelines under their environmental and social policies.

#### **Review Procedures Carried Out**

Our work consisted of:

- a) a desktop review of external economic, environmental and social issues facing ITC;
- b) interviews with finance director, senior management responsible for issues related to environment, occupational health & safety, human resources, secretarial, and product packaging;
- c) examination of documentation on economic, environmental and social policies, practices, performance, governance etc.;
- d) an understanding and assessment of systems for data generation, collection, analysis, consolidation and reporting at business unit, divisional and group level;
- e) review and sample testing at eight sites of twenty indicators and associated statements presented in the Report as stated above in light of the findings from the desktop review, site visits, and our cumulative knowledge of the industry and the Company's operations;
- f) review of conclusions drawn from data and corresponding statements for select indicators in the context of completeness and reliability.

#### **Parties Responsible for Review Engagement**

Our engagement was carried out by a multi-disciplinary team of requisite skills and experience. The review engagement was led by Mr. Devinder Chawla, Executive Director with PwC. The engagement execution was coordinated by Dr. Muna Ali and executed by PwC's Sustainable Business Solutions team.

### Conclusion

- a) On the basis of the work undertaken, nothing has come to our attention that would cause us not to believe that:
- The information for the indicators stated above [at (e) under Scope of Review] in the Report has been fairly stated.
  - The Report presents a fair and balanced account of ITC's material sustainability performance.
  - The Report is in accordance with G3 guidelines.
- b) ITC is working towards becoming a zero solid waste organisation. It has commissioned a study in one of its FMCG businesses to assess the environmental footprint of its product. This initiative is commendable.
- c) Whilst ITC has made efforts to include all its units in reporting all core environmental and social indicators, there is an opportunity for further improvement with respect to expanding the Report scope to include relevant additional indicators and significant subsidiaries such as Surya Nepal Private Limited and ITC Infotech.

### Devinder Chawla

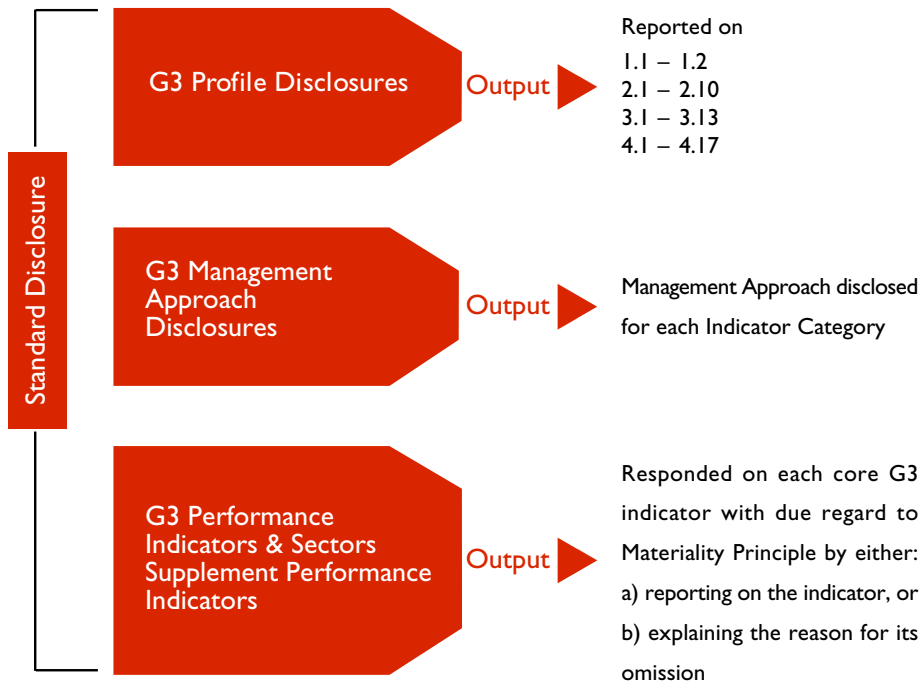
Executive Director  
Business Solutions  
PricewaterhouseCoopers Pvt. Ltd.

Place: Mumbai, India

Date: November 3, 2006

## Application Level

A+



Report Externally Assured by PwC