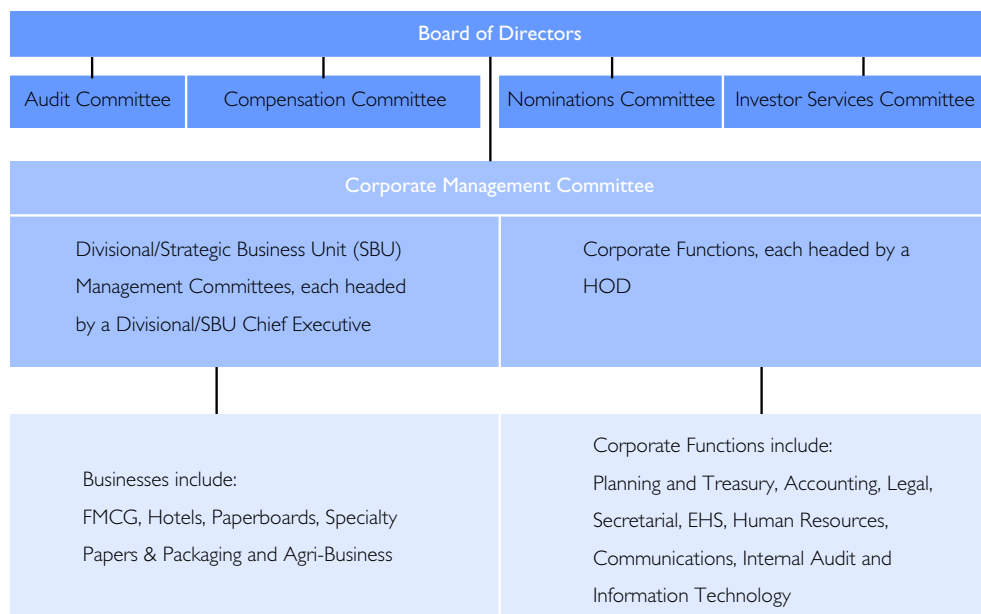




# GOVERNANCE, COMMITMENTS & ENGAGEMENT

# Governance Structure



ITC's Corporate Governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

The practice of Corporate Governance in ITC takes place at three interlinked levels:

- Strategic supervision by the Board of Directors
- Strategic management by the Corporate Management Committee
- Executive management by the Divisional/Strategic Business Unit (SBU) Chief Executives assisted by the respective Divisional/SBU Management Committees

The Corporate functions provide support and assistance to both the Corporate and Divisional Management Committees.

This three-tier governance structure ensures that:

- Strategic supervision (on behalf of the shareholders), being free from involvement in the task of strategic management of the Company, can be conducted by the Board with objectivity, thereby sharpening accountability of management;
- Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised;
- Executive management of a Division or a Business, free from collective strategic responsibilities for ITC as a whole, focuses on enhancing the quality, efficiency and effectiveness of the business.

## Board of Directors

The primary role of the Board of Directors (Board) is that of trusteeship to protect and enhance shareholder value through strategic supervision of ITC, its wholly owned subsidiaries and their wholly owned subsidiaries. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder aspirations and societal expectations.

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The following is the composition of the Board as on 31st March 2006:

Category	No. of Directors
Executive Directors	4
Non-Executive Independent Directors	6
Other Non-Executive Directors	2
Total	12

The composition of the Board is in conformity with the norms prescribed by the Securities and Exchange Board of India under Clause 49 of the Listing Agreement with Stock Exchanges. In view of the Chairman being an Executive Director, fifty percent of the members of the Board are Independent Directors.

The Non-Executive Directors include independent professionals. The Governance Policy requires that the Non-Executive Directors be drawn from amongst eminent professionals with experience in business/finance/law/public enterprises.

## Board Committees

Currently, there are four Board Committees – the Audit Committee, the Nominations Committee, the Compensation Committee and the Investor Services Committee. The role, powers and composition of these Committees is available on the Company's corporate website [www.itcportal.com](http://www.itcportal.com) under the section 'Our Values' under the heading 'Corporate Governance'.

### Corporate Management Committee (CMC)

The primary role of the CMC is strategic management of the Company's businesses within Board-approved direction/framework. The CMC operates under the strategic supervision and control of the Board. The Corporate Management Committee comprises all the Executive Directors



and three or four key senior members of management. The Chairman of the Company is the Chairman of the Committee.

#### Divisional Management Committee (DMC)/SBU Management Committee (SBU MC)

The primary role of the DMC/SBU MC is executive management of the Divisional/SBU business to realise tactical and strategic objectives in accordance with a Board-approved plan.

### Chair of the Highest Governance Body

The Chairman of ITC is the Chief Executive of the Company. He is the Chairman of the Board and the CMC. His primary role is to provide leadership to the Board and the CMC for realising Company goals in accordance with the charter approved by the Board.

The Company has a diversified business portfolio covering Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Greeting Cards, Safety Matches and other FMCG products, which enjoins on the leadership to have an in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organisation and contribute significantly to stakeholders' aspirations and societal expectations. The Chairman of the Company, therefore, is chosen from the Executive Management.

### Non-Executive Directors

Non-Executive Directors are Directors who are not in the employment of the Company. Non-Executive Directors are drawn from amongst eminent professionals with experience in business/finance/law/public enterprises.

### Independent Directors

An 'Independent Director' means a Non-Executive Director of the Company who:

- apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the

Company, its Directors, its senior management, its subsidiaries and associates;

- is not related to persons occupying management positions at the Board level or at one level below the Board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:
  - i) statutory audit firm/internal audit firm that is associated with the Company, and
  - ii) legal firm(s)/consulting firm(s) that have a material association with the Company;
- is not a material supplier, service provider or customer or a lessor or lessee of the Company; and
- does not own more than 2% shares of the Company.

### Mechanisms for Shareholders to Provide Recommendations or Direction to the Highest Governance Body

A General Meeting of the shareholders of the Company is held at least once a year to consider and approve the Report of the Directors, the annual financial statements with the notes and schedules thereto, declaration of dividends, any other returns or resources intended for distribution, the appointment of Directors, appointment of auditors and other important matters requiring shareholder approval. The Annual General Meeting is the principal forum for face-to-face interaction with shareholders, where the entire Board is present. The Chairman addresses the shareholders on issues of relevance to the Company and provides clarifications to shareholders on behalf of the Board. The Board encourages open dialogue with all its shareholders – be it individuals, corporates or foreign investors. Any shareholder may propose appointment of a person as Director on the Board of the Company; such proposal will be considered by the general body of shareholders.

For certain items requiring approval of the shareholders, votes of the shareholders are sought by way of postal ballot, thereby providing opportunity to all shareholders to participate.

Shareholders are also encouraged to write to the Company with their suggestions, comments and opinions on the working of the Company. Valid suggestions and comments are taken into consideration and responded to by the Company. The summary of key sustainability issues raised by the shareholders and ITC's response are available in the 'Stakeholder Engagement' section of this Report.

The Company conducted a Shareholder Satisfaction Survey to formally assess the level of satisfaction of shareholders/ investors on the quality of service rendered. The survey findings convey a high degree of satisfaction with the services provided by the Company.

### Compensation (Including Departure Arrangements) for Members of the Highest Governance Body and Senior Managers

Remuneration of the Chairman and Executive Directors is determined by the Compensation Committee comprising only Non-Executive Directors, within the limits approved by the shareholders. The recommendations of the Compensation Committee are considered and approved by the Board. Remuneration of the seniormost levels of management below the Executive Directors is also recommended by the Compensation Committee to the Board for consideration and approval. Remuneration of other managers is approved by the Corporate Management Committee.

Part of the remuneration of the Chairman, Executive Directors and seniormost levels of management below the Executive Directors is linked to the performance of the Company; the quantum of such Performance Bonus paid for each financial year is determined by the Board on the recommendation of the Compensation Committee; such Bonus is determined,

inter alia, on the basis of weightage on parameters of profit & profitability, market standing & organisation vitality and foundations of future growth. Details of compensation paid to the Executive Directors and other managers drawing remuneration above a certain prescribed level are provided to the shareholders every year in the Company's Report and Accounts.

Remuneration to Non-Executive Directors is by way of commission for each financial year; such commission is determined by the Board within the limits approved by the shareholders, based, inter alia, on the Company's performance and regulatory provisions. Such commission is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and Committees thereof, the limits for which have been approved by the shareholders.

Further, Stock Options are also granted to Directors and managers as effective instruments to align interest of employees and build synergy with those of the shareholders by creating a common purpose towards creating sustainable shareholder value, based, inter alia, on the Company's performance, the level/grade of the employee and such other criteria as may be determined by the Board/Compensation Committee.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors who have all been drawn from amongst the management cadre; such appointment is covered by the terms and conditions of a Service Contract. In terms of the Articles of Association of the Company, a notice of one month is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of such notice or its earlier acceptance by the Board. In terms of the Service Contract applicable to the management cadre, employment may be terminated at any time by either party giving to the other one month's notice in writing.



## Qualifications and Expertise of the Members of the Board

ITC's Governance Policy states that the Non-Executive Directors (including Independent Directors) be drawn from amongst eminent professionals with experience in business/finance/law/public enterprises. Directors are appointed/re-appointed with the approval of the shareholders for a period of three to five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time.

The selection of Directors is done by the Nominations Committee, which comprises all the Non-Executive Directors and the Chairman.

Although not spelt out in writing, the Nominations Committee is also guided by the following parameters, while considering induction of Directors:

Board members are expected to possess the expertise, skills and experience required to manage and guide a high-growth, large, diversified company. Expertise in strategy, finance, management and human resources is essential. Board members are expected to rigorously prepare for, attend, and participate in all Board and relevant committee meetings.

Board members are not expected to be relatives of an Executive Director or of an Independent Director. They are generally not expected to serve in any executive or independent position in any company that is in direct competition with the Company. Each Board member is expected to ensure that their other current and planned future commitments do not materially interfere with the member's responsibility as the Company's Director.

## Avoidance of Conflicts of Interest

In terms of the ITC Code of Conduct, as adopted by the Board of Directors, all Directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict, must be disclosed to higher management for guidance and action as appropriate.

Contracts in which Directors are interested, if any, are required to be placed before the Board for approval. Further, senior management is also required to confirm on an annual basis that no material transaction has been entered into by them which could have potential conflict with the interest of the Company; such confirmations are placed before the Board.

The Company has a Code of Conduct for Prevention of Insider Trading ('ITC Code') in the shares and securities of the Company. The ITC Code, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. Designated employees, including Directors and senior management, are also required to make disclosures on shares purchased/sold by them or their dependants. Transactions by such employees in the shares and securities of the Company are also subject to various restrictions, as enumerated in the ITC Code. Instances of violation of the ITC Code, if any, are also reported to the Board.

# Vision, Mission, Core Values and Governance Policies

## ITC's 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.

## ITC's Mission

To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.

## ITC's Core Values

ITC's Core Values are aimed at developing a customer-focused, high-performance organisation which creates values for all its stakeholders.

### Trusteeship

As professional managers, we are conscious that ITC has been given to us in 'trust' by all our stakeholders. We will actualise stakeholder value and interest on a long term sustainable basis.

### Customer Focus

We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction.

### Respect for People

We are result oriented, setting high performance standards for ourselves as individuals and teams. We will simultaneously respect and value people and uphold humanness and human dignity. We acknowledge that every individual brings different perspectives and capabilities to the team and that a strong team is founded on a variety of perspectives. We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork.

### Excellence

We do what is right, do it well and win. We will strive for excellence in whatever we do.

### Innovation

We will constantly pursue newer and better processes, products, services and management practices.

### Nation Orientation

We are aware of our responsibility to generate economic value for the Nation. In pursuit of our goals, we will make no compromise in complying with applicable laws and regulations at all levels.

## Corporate Governance Policy ITC Code of Conduct

ITC defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, ITC believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the 'Triple Bottom Line', namely, the development, nurture and regeneration of the nation's economic, ecological and social capital.

ITC's Corporate Governance structure, systems and processes are based on two core principles:

- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints; and
- (ii) This freedom of management should be exercised within a framework of effective accountability.

ITC believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

From this definition and core principles of Corporate Governance emerge the cornerstones of ITC's governance philosophy, namely, trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. ITC believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

The Policy Document that sets out the structure, policies and practices of governance is available on the Company's corporate website [www.itcportal.com](http://www.itcportal.com) under the section 'Our Values'.

The ITC Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, senior management and employees of the Company. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers ITC's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, and the philosophy of leading by personal example. Any instance of non-adherence to the Code or any other observed unethical behaviour on the part of those covered under the Code is brought to the attention of the immediate reporting authority, who, in turn, reports the same to the Head of Corporate Human Resources. The Code is available on the Company's corporate website.

### ITC Code of Conduct for Prevention of Insider Trading

ITC has a Code of Conduct for Prevention of Insider Trading ('ITC Code') in the shares and securities of the Company. The ITC Code, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. The ITC Code is available on the Company's corporate website.

### Other Policies

Other policies such as EHS Policy, Human Resource Philosophy, etc. are provided in relevant sections of this Report.

ITC is driven by the compelling vision of enlarging its contribution to society. Towards this end, systems and policies, principles and practices in ITC are not only benchmarked to international best practices but also comply with the regulatory requirements.



## Performance of the Highest Governance Body

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board has so far evaluated Directors collectively to reinforce the principle of collective responsibility.

## Precautionary Approach

As a diversified enterprise, the Company has always had a system-based approach to business risk management. The annual business planning exercise requires all businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountability.

Backed by strong internal control systems, the current risk management framework of the Company consists of the following elements:

- The Corporate Governance Policy has clearly laid down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from the strategic to the operational, is specified in the Governance Policy. These role definitions, inter alia, are aimed at ensuring

formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.

- A combination of centrally issued policies and divisionally evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
- Appropriate structures have been put in place to effectively address the inherent risks in business with unique/relatively high risk profiles.
- A strong and independent Internal Audit function at the Corporate level carries out risk-focused audits across all businesses, enabling identification of areas where risk management processes need to be improved. The Audit Committee of the Board reviews Internal Audit findings, and provides strategic guidance on internal controls. The Audit Compliance and Review Committee closely monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.
- At the Business level, Divisional Auditors continuously verify compliance with laid down policies and procedures, and help plug control gaps by assisting Operating Management in the formulation of control procedures for new areas of operations.



- A robust and comprehensive framework of business planning and performance management ensures realisation of business objectives based on effective strategy implementation.
- Environmental impact assessment for all new projects and operations is carried out and suitable measures are adopted to address concerned areas.

The combination of policies and processes as outlined above adequately addresses the various risks associated with the Company's businesses. The senior management of the Company periodically reviews the risk management framework to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

## Oversight, Implementation and Audit of Economic, Environmental, Social and Related Policies

The Corporate Management Committee (CMC) of the Company approves the relevant Financial, Environmental, Occupational Health and Safety, and Social policies of ITC.

The Corporate Internal Audit Function audits implementation of all systems and policies in all Company businesses and Corporate Headquarters.

The Corporate EHS Department, headed by an Executive Vice-President, is responsible for laying down ITC's standards, preparing EHS Guidelines, ensuring implementation and, at least annually, auditing the EHS Performance in each of the Units/Factories/Hotels to ensure conformity to statutory requirements, Corporate EHS Guidelines and Standards.

The Corporate Human Resources (CHR) Department similarly coordinates all activities relating to the Company's social performance.

Reports relating to Economic, EHS and Social performance are provided to the Corporate Management Committee on

a monthly basis. In addition to the above, periodic presentations are made to the CMC to ensure performance in accordance with specified targets.

All Management Systems and standards in ITC conform to relevant national and international standards and benefit from internationally accepted Best Practices. Quality Management Systems in various businesses are certified in accordance with ISO 9001, International Quality Rating System (IQRS), Hazard Analysis and Critical Control Point (HACCP), TQM/TPM, Six Sigma and other internationally renowned standards as applicable to the respective businesses.

Environment Management Systems in all ITC manufacturing units, major hotels and Corporate EHS Department are certified in accordance with ISO 14001.

Occupational Health & Safety Management Systems in all manufacturing units including Corporate EHS Department are certified in accordance with OHSAS 18001.

ITC's social responsibility goals and targets are aligned with stakeholder needs and India's national priorities, which are in line with the UN Millennium Development Goals.

# Stakeholder Engagement

As a large corporation, with a diverse business portfolio and units spread over 60 locations, ITC has a large number of stakeholders – the Government and its statutory bodies, shareholders, customers, employees, suppliers, contractors, local communities, and the society at large – who are affected by the Company's operations.

ITC and all its units consistently strive to anticipate emerging stakeholder expectations. The Company's various businesses have evolved and institutionalised structured systems to formally review and update their understanding of stakeholder expectations.

ITC is committed to the timely disclosure of relevant and reliable information on its financial performance, its entire gamut of activities relating to Environment, (Occupational) Health and Safety (EHS), and its social initiatives. ITC believes that the disclosure of all appropriate and useful information with regard to Company activities that can have an impact on stakeholders is at the heart of good governance. Following is a summary of ITC's different key stakeholders, the Company's mode and frequency of engagement with them, their key concerns regarding sustainability and the initiatives undertaken by the Company, whether statutory or otherwise, to positively affect the various sections of stakeholders:

Stakeholders and their significance	Approaches & frequency of stakeholder engagement	Key sustainability issues and concerns	ITC's Responses
<b>Shareholders:</b> <ul style="list-style-type: none"> <li>• Providers of capital</li> <li>• Owners</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Ongoing Written Communication</li> <li>• Investor Service Centre</li> </ul>	Profitability & Growth	<p>The quarterly results of the Company are announced and published within a month of completion of the quarter. Audited annual results along with the results for the fourth quarter are declared within two months of the end of the financial year. All these results, including the entire Report and Accounts, are posted on SEBI's EDIFAR website.</p> <ul style="list-style-type: none"> <li>• Information related to shareholding pattern, compliance with corporate governance norms, etc. is also posted on SEBI's EDIFAR website</li> <li>• The Company's corporate website <a href="http://www.itcportal.com">www. itcportal.com</a> is a comprehensive source of information on ITC's profile, history and evolution, its portfolio of businesses, social responsibility activities and EHS performance. Two exclusive sections on 'Shareholder Value' and 'Investor Relations' serve to inform and service shareholder needs. The entire Report and Accounts as well as quarterly and half-yearly financial results are available in downloadable formats under the section 'Shareholder Value' on the Company's website to facilitate easy access to all information. The 'Newsroom' section includes all major Press Releases from the Company and relevant press clippings. Clarifications as and when provided to institutional investors and analysts, including presentations, if any, made to them, are posted on the Company's website</li> </ul> <p>ITC's Investor Service Centre (ISC) provides share registration and other related services. A dedicated and trained team of professionals backed by state-of-the-art infrastructure provides such services. Already a benchmark in-house Registrar, ISC endeavours to keep investor servicing contemporary and efficient. ITC is among the few companies to have obtained the coveted Quality Management System Certification ISO 9001:2000 for its investor servicing, which testifies to the exemplary standards that the Company has achieved in complying with statutory and regulatory requirements and redressing investor grievances.</p>

Stakeholders and their significance	Approaches & frequency of stakeholder engagement	Key sustainability issues and concerns	ITC's Responses
<b>Government</b> <ul style="list-style-type: none"> <li>• Policy-maker, regulator and watchdog</li> <li>• Revenue collector</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Written communication</li> </ul>	<ul style="list-style-type: none"> <li>• On-time payment of taxes, duties</li> <li>• Statutory compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive participation in Government, statutory and business forums on issues relating to regulatory and public policy framework</li> <li>• Monitoring and reporting of relevant parameters to Regulatory Agencies</li> </ul>
<b>Customers</b> <ul style="list-style-type: none"> <li>• The principal source of sustenance</li> </ul>	<ul style="list-style-type: none"> <li>• Customer feedback through meetings, direct interactions, market visits</li> <li>• Market survey to understand customer preferences</li> <li>• B2B portals</li> </ul>	<ul style="list-style-type: none"> <li>• Product/service quality</li> <li>• Cost</li> <li>• Availability</li> <li>• Innovation</li> <li>• Product innovation</li> <li>• On-time delivery</li> <li>• Value-added service</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting ISO 9001, CANDO (5S), IQRS (International Quality Rating System) and Six Sigma to ensure product quality and consistency</li> <li>• Innovating through research and product development</li> <li>• Leveraging IT to improve supply chain management</li> <li>• Deploying Enterprise Resource Planning for process efficiency and effectiveness</li> <li>• Improving products/processes based on customer feedback</li> <li>• Enhancing employee training to improve service quality</li> </ul>
<b>Employees</b> <ul style="list-style-type: none"> <li>• The key resource for competitive advantage and sustainable growth</li> </ul>	<ul style="list-style-type: none"> <li>• Direct interaction with employees</li> <li>• Mentoring &amp; suggestion schemes</li> <li>• Communication through intranet, emails, and circulars</li> <li>• Formal/informal meetings with Unions</li> <li>• Long Term Agreements</li> <li>• Annual appraisal</li> <li>• Employees'/ Managers' survey</li> </ul>	<ul style="list-style-type: none"> <li>• Personal Development and Growth prospects</li> <li>• Individual's future linked to Company's growth</li> <li>• Health &amp; safety</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing personal development and career growth issues in various ways such as training &amp; talent recognition, promotions, career options in new businesses, etc</li> <li>• Redressing issues through employee feedback mechanisms and well-established human resource management systems</li> <li>• Ensuring excellent workplace environmental conditions e.g. hygiene, dust and noise control, adequate ventilation, lighting, etc.</li> <li>• Providing medical facilities for employees and their families</li> <li>• Communicating effectively with trade unions and managerial staff</li> <li>• Signing long-term agreements with trade unions for all relevant units</li> </ul>
<b>Community</b> <ul style="list-style-type: none"> <li>• Communities in the vicinity of ITC's operations can be potentially impacted by its operations</li> </ul>	<ul style="list-style-type: none"> <li>• Formal meetings with local and regulatory agencies</li> <li>• Interaction through NGOs</li> <li>• Participatory developmental planning and appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental impact of existing operations and expansion projects</li> <li>• Development of infrastructure</li> <li>• Improvement in health &amp; sanitation</li> <li>• Livelihood generation</li> <li>• Supply of drinking water</li> <li>• Aid for victims of natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Deploying state-of-art technologies to continuously reduce the environmental impact of operations</li> <li>• Providing infrastructure like roads, electricity, school amenities in operational areas</li> <li>• Offering medical facilities in both urban and rural areas and organising medical camps for eye care, blood donation, etc.</li> <li>• Constructing sanitation facilities</li> <li>• Organising awareness camps on critical health issues like HIV/AIDS and widespread diseases like malaria and gastroenteritis</li> <li>• Creating alternative and sustainable livelihoods through micro enterprises, creation of market linkages, skill development and economic empowerment of women</li> <li>• Ensuring water supply in farms/villages</li> <li>• Extending financial assistance for primary education</li> <li>• Enhancing employment potential of people with disabilities</li> <li>• Helping victims of natural disasters with food and shelter</li> </ul>

Stakeholders and their significance	Approaches & frequency of stakeholder engagement	Key sustainability issues and concerns	ITC's Responses
<b>Suppliers</b> <ul style="list-style-type: none"> <li>• Critical part of ITC's value chain</li> <li>• Intrinsic to ITC's product and service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing vendor development</li> <li>• Continuous vendor participation in product/service design and development</li> <li>• Periodic vendor review and audit</li> <li>• Periodic formal and informal interactions</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate Return on Investment</li> <li>• Continuity and growth of business</li> <li>• Improvement in technology/ processes</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing the effectiveness of suppliers through value engineering</li> <li>• Supporting small and medium industries with guaranteed buyback arrangements</li> <li>• Sharing best practices to upgrade quality</li> <li>• Documenting and implementing planning cycle</li> <li>• Improving product and services through constant feedback and joint product development</li> </ul>
<b>Farmers</b> <ul style="list-style-type: none"> <li>• Significant partners in developing quality agri produce for almost all ITC businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Day-to-day interaction with the farmers for knowledge sharing</li> <li>• Formal annual farmer meets</li> <li>• Participation in village level community events</li> </ul>	<ul style="list-style-type: none"> <li>• Productivity improvement</li> <li>• Assured markets</li> <li>• Improved prices</li> <li>• Supply of agri inputs</li> </ul>	<ul style="list-style-type: none"> <li>• Improving market linkages and price realisation through ITC e-Choupal</li> <li>• Developing farm best-practices through knowledge transfer</li> <li>• Boosting productivity through superior high-yielding plant species</li> <li>• Transforming wastelands into productive plantations</li> </ul>