

Report Parameters

Report Scope/Profile

This is ITC's third Sustainability Report. The data and performance indicators in this Report cover the period April 1, 2005 to March 31, 2006, except for the sections on Highlights, Awards and Certifications which include more recent updates. The Company publishes the Sustainability Report annually and the immediately preceding Sustainability Report was published in 2005 covering the period April 1, 2004 to March 31, 2005.

The reporting principles and methodology of this Report are in accordance with GRI guidelines' 3rd revision – G3. The relevant technical protocols have been followed for reporting the core indicators as well as the additional indicators.

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Explanation of Processes

The Report covers performance of all the businesses and units directly under ITC Limited. The Company's businesses/units are required to assess their set of stakeholders, who either have a major interest in or are substantially affected by the

performance of any of these businesses or units. Businesses and their units regularly engage with various stakeholders and a summary of this engagement is provided elsewhere in the Report.

Sustainability and sustainable development are integral parts of ITC's ethos, which find expression in its commitment to enhancing the Triple Bottom Line of economic, social and environmental capital. This 'Triple Bottom Line' performance is reported 'in accordance' with GRI – G3 guidelines. No stakeholder engagement is undertaken specifically for the purpose of Sustainability Reporting.

Performance of subsidiary companies and outsourced manufacturing is not included in the scope of this Sustainability Report.

The Report on economic performance is drawn from the Company's Report & Accounts (R&A) 2006. The R&A 2006 was prepared in accordance with the Companies Act, 1956 and has been audited by independent External Auditors – M/s A F Ferguson and Sons. The environment and safety data is compiled from actual operating data maintained by the various businesses, factories, hotels, etc. of the Company. The social responsibility data has been collected on-site.



Reporting Boundary: This report covers the following businesses and their corresponding units:

Business	Units
FMCG – Cigarettes	Kolkata (West Bengal) Bangalore (Karnataka) Munger (Bihar) Saharanpur (Uttar Pradesh)
Hotels	ITC Hotel Maurya (New Delhi) ITC Hotel Grand Maratha (Mumbai) ITC Hotel Grand Central (Mumbai) ITC Hotel Sonar Bangla (Kolkata) WelcomHotel (New Delhi) WelcomHotel Chola (Chennai) WelcomHotel Mughal (Agra) ITC Hotel Windsor (Bangalore) WelcomHotel Rajputana Palace (Jaipur)
Paperboards, Paper & Packaging	Munger (Bihar) Tiruvottiyur (Tamil Nadu) Tribeni (West Bengal) Bhadrachalam (Andhra Pradesh) Bollarum (Andhra Pradesh) Kovai (Tamil Nadu)
Agri Business	Anaparti (Andhra Pradesh) Chirala (Andhra Pradesh) Research Centre, Rajahmundry (Andhra Pradesh)
Lifestyle Retailing	Design & Tech. Centre, Gurgaon (Haryana)
Others	ITC R & D Centre, Bangalore (Karnataka) ITC Green Centre, Gurgaon (Haryana)

The environmental and social impact of outsourced manufacturing in Greeting, Gifting & Stationery, Foods, Safety Matches, Agarbatti and Agri Businesses are not addressed in this Report. We are evaluating the quality of data and information available in these units to commit a reporting target.

There has been no significant change in the size or structure of ownership etc. that could affect the reporting boundary since the previous Report. This Report is comparable with the

previous Report and the only changes in reporting have occurred due to the adoption of the G3 version of the GRI guidelines and relevant technical protocols in place of GRI 2002.

PricewaterhouseCoopers have been engaged to provide independent assurance for the data, processes, report contents and the applications as per GRI guidelines – version G3. The self-declaration on application level (A+) and the assurance statement by PwC are available in the 'Annexure' section of this Report.