

Section B: Management and Process Disclosures

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

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	<p>Yes, ITC is guided by a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements.</p> <p>To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of Sustainability Policies that are being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.</p> <p>The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional/Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee has the overall responsibility to monitor and evaluate compliance with these Policies. The overall responsibility for implementation of ITC's CSR Policy rests with the Corporate Social Investments Programme (SIP) Team.</p> <p>The Policies covering these principles are available on the Company's corporate website www.itcportal.com under 'Our Policies' section.</p>								
b. Has the policy been approved by the Board? (Yes/No)									
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures. (Yes/No)									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)									
4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> ITC's manufacturing facilities have well-defined Environment, Health and Safety (EHS) and quality management systems in place, and are aligned with International Standards like ISO 14001: Environment Management System, OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems, SA 8000: Social Accountability, and FSSC 22000/ISO 22000/HACCP: Food Safety Management System. ITC, with its commitment of procuring sustainable raw materials, endeavours to integrate sustainability in the supply chains of its products and services. ITC collaborates with national and international sustainability certification bodies on responsible sourcing certification of key agri raw materials. For instance, Agri Business continues to increase the scale and scope of crops covered under various sustainable farm certifications like Rainforest Alliance, Global G.A.P Certification, Fairtrade and USDA Organic. 								

	<ul style="list-style-type: none"> • ITC’s commitment to environmental stewardship is reflected in its role of pioneering the Green Building movement in India. 38 buildings of the Company have achieved Platinum certification USGBC (U.S. Green Building Council)/IGBC (Indian Green Building Council). As a testament to the Company’s ‘Triple Bottom Line’ philosophy and ‘Responsible Luxury’ ethos, ITC Windsor, Bengaluru achieved the distinction of being the first hotel in the world to achieve LEED® Zero Carbon Certification. ITC Grand Chola, Chennai (largest hotel in the world to receive this) and ITC Gardenia, Bengaluru also received the LEED® Zero Carbon certification during the year. These properties are the first three hotels in the world to receive the LEED® Zero Carbon Certification. The Company’s Hotels Business has also demonstrated high levels of resource efficiency by achieving the LEED® Platinum certification for its luxury collection hotels. • The Hotels Business continued to reinforce its commitment towards health & hygiene with ‘WeAssure’ – a programme designed in collaboration with medical professionals & disinfection experts to reassure guests and to provide best-in-class experience in hygiene and safety at the Company’s iconic Hotels. The programme has received a Platinum Level certification from M/s. DNV. • ITC is also committed to getting all its sites in High Water Stressed Areas certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship) by 2035. ITC’s Paperboards & Specialty Papers Business unit at Kovai was only the second facility in the world and the first in India to be awarded the AWS Platinum-level certification in FY 2019-20, the highest recognition for water stewardship in the world. <p>For more information on Environment, Social, Occupational Health and Safety, Food Safety Certifications and Sustainable Farming Certifications, refer to ‘Certifications’ section of ITC Sustainability & Integrated Report 2022.</p>
<p>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>In line with its Sustainability 2.0 agenda, ITC has set short-to-medium targets for key priority areas like climate change, water stewardship, plastic waste and circular economy, sustainable agriculture, biodiversity conservation and sustainable livelihoods.</p>
<p>6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.</p>	<p>In line with the above, ITC’s Businesses have targets for key performance indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation. In order to achieve these targets, all ITC Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap.</p> <p>For more information on annual performance against the Sustainability 2.0 targets, refer to ‘Sustainability 2.0 Ambitions: 2030 Targets’ section of ITC Sustainability & Integrated Report 2022.</p>

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

10. Details of Review of NGRBCs by the Company:	
Subject for Review	Review of Principles undertaken by Director/ Committee of the Board/any other Committee and its frequency.
Performance against above policies and follow up action	As stated above, the SCRC is responsible for monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the CMC. The CSR and Sustainability Committee also reviews implementation of these Policies on an annual basis. The Chief Executives of Divisions/Strategic Business Units (SBU) and Heads of Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division/SBU/Corporate Function. During the year, most of the Sustainability Policies of the Company were comprehensively reviewed and updated to reflect the current practices followed by the Company and also taking into account the evolving industry practices & standards.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with applicable laws and regulations.
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	<ul style="list-style-type: none"> • ITC has been obtaining independent third-party assurance for its Sustainability Reports since 2004. In the reporting year, authenticity of the data and systems disclosed in the Sustainability & Integrated Report 2022 has been assured by M/s Deloitte Haskins & Sells LLP, an independent third party assurance provider. M/s Deloitte Haskins & Sells LLP have provided the assurance as per the International Standard for Assurance Engagements (ISAE) 3000 at the 'Reasonable Level'. • ITC has computed its greenhouse gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2006. The GHG inventory of FY 2021-22 has been verified by M/s Deloitte Haskins & Sells LLP at the 'Reasonable Assurance' level. • In addition to above, relevant third-party assessments and certifications are conducted across Business units periodically.