

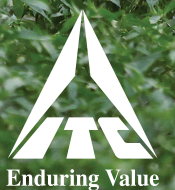
# SHAPING THE FUTURE

INNOVATIVE. INCLUSIVE. IMPACTFUL.



## ESG Fact Book

For the year ended 31st March, 2023



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# **ITC's Sustainability 2.0 Ambitions - Progress Summary**



# ITC's Sustainability 2.0 Ambitions - Progress Summary

Goal	KPI	Target	Target Year	Baseline Year	Performance FY 2022-23	Performance FY 2021-22	Performance FY 2020-21	Progress
Climate Change								
<b>50% of Total Energy from Renewable Sources</b>	% of Total Energy Consumed from Renewable Sources	50%	2030	-	43%	42%	41%	On Track
<b>100% Purchased Grid Electricity Requirements<sup>1</sup> from Renewable Sources</b>	% of Total Electrical Energy (Grid Purchased) from Renewable Sources	100%	2030	-	47%	50%	51%	On Track
<b>50% reduction in Specific GHG Emissions</b>	% Reduction in GHG Emissions (Scope 1, 2) Per Unit of Production	50%	2030	2018-19	Paperboards & Specialty Papers Business: 11% ↓	Paperboards & Specialty Papers Business: 18% ↓	Paperboards & Specialty Papers Business: 7.4% ↓	On Track
					Branded Packaged Foods Businesses: 38% ↓	Branded Packaged Foods Businesses: 32% ↓	Branded Packaged Foods Businesses: 21.4% ↓	
					Agri Business Division: 2%↑	Agri Business Division: 7%↑	Agri Business Division: 1.1% ↓	
					Hotels: 9% ↓	Hotels: 12% ↓	Hotels: 4.2%↑	
					Packaging and Printing Business: 41% ↓	Packaging Printing Business: 31% ↓	Packaging and Printing Business: 30% ↓	
					FMCG Cigarettes: 15% ↓	FMCG Cigarettes: 9%↑	FMCG Cigarettes: 2.0% ↓	

<sup>1</sup>This includes all electricity sources except onsite power from co-generation plant.



## ITC's Sustainability 2.0 Ambitions - Progress Summary

Goal	KPI	Target	Target Year	Baseline Year	Performance FY 2022-23	Performance FY 2021-22	Performance FY 2020-21	Progress
<b>30% Reduction in Specific Energy Consumption</b>	% Reduction in Energy Consumed per Unit of Production	30%	2030	2018-19	Paperboards & Specialty Papers Business: 9% ↓	Paperboards & Specialty Papers Business: 16% ↓	Paperboards & Specialty Papers Business: 5.5% ↓	<b>On Track</b>
					Branded Packaged Foods Businesses: 25% ↓	Branded Packaged Foods Businesses: 31% ↓	Branded Packaged Foods Businesses: 20% ↓	
					Agri Business Division: 6% ↓	Agri Business Division: 4% ↓	Agri Business Division: 2.5% ↓	
					Hotels: 13% ↓	Hotels: 7% ↓	Hotels: 14%↑	
					Packaging and Printing Business (PPB): 16% ↓	Packaging and Printing Business (PPB): 4% ↓	Packaging and Printing Business (PPB): 6.6% ↓	
					FMCG Cigarettes: 12% ↓	FMCG Cigarettes: 3% ↓	FMCG Cigarettes: 0.5% ↓	
<b>Sustain and Enhance Carbon Sequestration by Expanding Forestry Projects on Wastelands Through ITC's Social and Farm Forestry Programmes and Other Such Initiatives</b>	Area under Social and Farm Forestry (Acres)	1,500,000	2030	-	>1,000,000 acres (cumulative)	953,000 acres (cumulative)	>876,000 Acres (cumulative)	<b>On Track</b>



## ITC's Sustainability 2.0 Ambitions - Progress Summary

Goal	KPI	Target	Target Year	Baseline Year	Performance FY 2022-23	Performance FY 2021-22	Performance FY 2020-21	Progress
Water Stewardship								
<b>40% Reduction in Specific Water Consumption</b>	% Reduction in Water Consumed per Unit of Production	40%	2030	2018-19	Paperboards & Specialty Papers Business: 9% ↓	Paperboards & Specialty Papers Business: 16% ↓	Paperboards & Specialty Papers Business: 3.4% ↓	<b>On Track</b>
					Branded Packaged Foods Businesses: 31% ↓	Branded Packaged Foods Businesses: 40% ↓	Branded Packaged Foods Businesses: 33% ↓	
					Hotels: 17% ↓	Hotels: 10% ↓	Hotels: 22.6%↑	
					FMCG Cigarettes: 24% ↓	FMCG Cigarettes: 10% ↓	FMCG Cigarettes: 4.5% ↓	
<b>Creation of Rainwater Harvesting Potential equivalent to over 5 times the Net Water Consumption from Operations</b>	Ratio of Rainwater Harvesting Potential created and Net Water Consumed in Operations.	5X	2030	-	3X	4X	4X	<b>On Track</b>
<b>All Sites in High Water Stressed Areas to be Certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship)</b>	No. of AWS Certified Sites	8 sites by 2024 All high-risk sites by 2035	2035	-	2 Sites – Food Factory in Malur, Karnataka and Paper Unit at Kovai, Tamil Nadu, have received Platinum-level certification.	1 Site Paper Unit at Kovai, Tamil Nadu received Platinum Level Certification	1 Site ITC's Kovai unit received the Platinum-level certification in 2019-20.	<b>On Track</b> Certification of other Units in Progress



## ITC's Sustainability 2.0 Ambitions - Progress Summary

Goal	KPI	Target	Target Year	Baseline Year	Performance FY 2022-23	Performance FY 2021-22	Performance FY 2020-21	Progress
<b>Ensure Water Security for All Stakeholders through Watershed Development &amp; Managed Aquifer Recharge</b>	Watershed Area (Acres)	2,200,000	2030	2016-17	1,470,000 (cumulative)	1,330,000 (cumulative)	1,231,251 (cumulative)	<b>On Track</b>
	Water Harvesting Structures (Nos)	50,000	2030	2016-17	28,300 (cumulative)	25,000+ (cumulative)	21,991 (cumulative)	<b>On Track</b>
	Storage Potential (Million KL)	60	2030	2016-17	48.9 (cumulative)	45.27 (cumulative)	41.95 (cumulative)	<b>On Track</b>
<b>Improve Crop Water Use Efficiency in Agri Value Chains through Demand Side Management Interventions</b>	Million Kls of Potential Water Usage Saved	2000	2030	-	780	496.5	208	<b>On Track</b>
<b>Plastic Waste &amp; Circular Economy</b>								
<b>100% of Packaging to be Reusable, Recyclable or Compostable/ Bio-Degradable</b>	% of Plastic Packaging Utilised that is Recyclable, Reusable or Compostable/ Bio-degradable	100%	2028	-	99.9% (less than 0.1% of Packaging Portfolio is Non- Recyclable or Hard to Recycle – Phase out plans in place).	99.9% (less than 0.1% of Packaging Portfolio is Non-Recyclable or Hard to Recycle – Phase out plans in place).	99.9% (less than 0.1% of Packaging Portfolio is NonRecyclable or Hard to Recycle – Phase out plans in place)	<b>On track</b> ITC is actively working to increase the collection and recycling rates for Multi-Layered Plastic (MLP) packaging waste by implementing replicable, scalable and sustainable models of solid waste management.



## ITC's Sustainability 2.0 Ambitions - Progress Summary

Goal	KPI	Target	Target Year	Baseline Year	Performance FY 2022-23	Performance FY 2021-22	Performance FY 2020-21	Progress
<b>Plastic Neutrality: Enable Sustainable Management of Waste in Excess of the Amount of Packaging Utilised</b>	% of Plastic Packaging Waste Sustainably Managed	>100%	2021	-	>100% Achieved Plastic Neutrality	>100% Achieved Plastic Neutrality	80%+	<b>Achieved</b>
<b>Sustainable Agriculture</b>								
<b>Promote Climate Smart Village Approach in Core Agri-Business Catchments</b>	Area Covered (Acres)	3,000,000	2030	2016-17	>1,000,000 acres	820,000	771,119	<b>On Track</b>
<b>Biodiversity Conservation</b>								
<b>Revive and Sustain Ecosystem Services Provided by Nature and Provisioning of Products through Adoption of Nature-based Solutions and Biodiversity Conservation.</b>	Area Covered (Acres)	1,000,000	2030	2016-17	290,000 acres (cumulative)	133,000 acres (cumulative)	44,044 (cumulative)	<b>On Track</b>
<b>Sustainable Livelihoods</b>								
<b>Supporting Sustainable Livelihoods for 10 million people by 2030</b>	Sustainable Livelihoods supported (no.)	10,000,000	2030	-	6,000,000	6,000,000	6,000,000	<b>On Track</b>

# Economic Performance



# Economic Performance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Revenues in INR		₹ Crores	70,251.28	59,745.56	48,524.56	46,807.34	45,784.39
Revenues in US Dollars		Milion US \$	8,549.50	7,882.78	6,637.20	6,186.13	6,620.55
Tax	Earnings before Tax	₹ Crores	24,750.41	19,829.53	17,164.15	19,166.81	18,444.16
	Reported Taxes	₹ Crores	5,997.10	4,771.7	4,132.51	4,030.76	5,979.84
	Effective Tax Rate	%	24.23	24.06	24.08	21.03	32.42
	Cash Taxes Paid	₹ Crores	5,800.59	4,510.02	3,956.62	4,650.14	5,485.88
	Cash Tax Rate	%	23.44	22.74	23.05	24.26	29.74
Contributions and other Spending	Lobbying, interest, representation	₹ Crores	-	-	-	-	-
	Local, regional or national political campaigns/organizations	₹ Crores	-	-	-	73.81	24.83
	Trade association or tax-exempt groups	₹ Crores	9.74	6.55	6.10	7.42	6.96
	Other (eg. spending related to ballot measures or referendums)	₹ Crores	-	-	-	-	-
	Total contributions and other spending	₹ Crores	9.74	6.55	6.10	81.23	31.79



## Economic Performance

### Tax Reporting

#### Jurisdiction wise details of Key Financial Parameters for FY 2022-23

Particulars	Amount (₹ Crores)	Jurisdiction	
		India	Others
Revenue from Operations	76,518.21	93.9%	6.1%
Profit Before Tax	25,915.12	95.8%	4.2%
Income Tax Accrued	6,438.40	95.0%	5.0%
Income Tax Paid	6,250.24	94.9%	5.1%

*Note: The data reported above is on the basis of Consolidated Financial Statements of the ITC Group.*

# Environmental Performance



# Environmental Performance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Energy Consumption	Total Energy Consumed	Terra Joules	26,885	24,394	22,369	23,853	23,326
	Total Non-Renewable energy consumed	Terra Joules	15,380	14,206	13,122	14,047	13796
		MWh	4,272,363	3,946,137	3,644,935	3,894,100	3,832,222
	Total Energy from Renewable Sources	Terra Joules	11,505	10,188	9,247	9,806	9,530
		MWh	3,195,807	2,829,916	2,568,544	2,723,815	2,647,109
	Renewable Energy Consumption	%	43	42	41	41	41
GHG Emissions	Direct GHG Emissions (Scope 1)	Metric tonnes CO <sub>2</sub> eq	1,354,662	1,257,786	1,171,553	1,241,718	1,235,986
	Location based Indirect GHG Emissions (Scope 2)	Metric tonnes CO <sub>2</sub> eq	251,236	196,447	167,716	230,535	201,141
	Market based Indirect GHG Emissions (Scope 2)	Metric tonnes CO <sub>2</sub> eq	241,113	193,256	167,661	230,192	198,564
	Indirect Greenhouse Gas Emissions (Scope 3)*	Metric tonnes CO <sub>2</sub> eq	295,430	318,288	237,238	206,064	281,569

\* For details, refer Pg 53 of ITC Sustainability and Integrated Report 2023



## Environmental Performance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Waste	Total waste recycled/reused (including waste Incinerated with energy recovery)	Metric tonnes	706,393	724,448	682,961	709,244	780,567
	Total waste disposed	Metric tonnes	1,122	859	1,423	1,872	662
	Waste landfilled	Metric tonnes	532	294	991	1,256	214
	Waste incinerated without energy recovery	Metric tonnes	590	565	432	571	411
	Waste otherwise disposed (Difference between in-house storage and carry forward from previous year)	Metric tonnes	-	-	-	45	37
Water	Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	1.9	1.4	1.3	1.575	1.124
	Withdrawal: Fresh surface water (lakes, rivers, etc.)	Million cubic meters	27.1	26.86	25.056	26.317	25.934
	Withdrawal: Fresh groundwater	Million cubic meters	5.5	5.4	5.406	6.317	6.401
	Discharge	Million cubic meters	20	22	21.81	23.32	23.12
	Total Net Fresh Water Consumption	Million cubic meters	14.5	11.7	9.95	10.89	10.34



## Environmental Performance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Packaging Materials	Total Weight					
	Wood/Paper fiber packaging	Metric tonnes	156,184	133,073	121,776	141,388
	Metal (e.g. aluminum or steel) packaging	Metric tonnes	416	792	389	916
	Glass packaging	Metric tonnes	399	2,118	120	0.05
	Recycled and/or Certified Material					
	Wood/Paper fiber packaging	% of total weight	77	90	92	76
	Metal (e.g. aluminum or steel) packaging	% of total weight	-	-	-	-
	Glass packaging	% of total weight	-	-	-	-
Plastic Packaging	Total weight of all plastic packaging	Metric tonnes	56,758	50,878	47,821	40,851
	Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	%	99.9	99.9	99.9	99.9
	Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	%	0.12	0.02	0.012	-
	Quantum of recycled content within plastic packaging	Metric tonnes	97.74	23	-	-
	Percentage of recycled content within plastic packaging (as a % of the total weight of all plastic packaging)	%	0.17	0.05	-	-
Environmental Violations	Significant fines related to the environment or ecology	-	NIL	NIL	NIL	NIL

## Environmental Management Policy & Due Diligence

Environment, Health and Safety (EHS) management across ITC's operations is governed by Board-approved Policy on 'Environment, Health and Safety (EHS)'. To operationalise the Policy, ITC has also developed ITC EHS Guidelines aligned to the best-in-class national/international standards. For new projects including mergers and acquisitions, on-site assessments and environmental compliance related due-diligences are carried out in line with ITC's EHS Guidelines.

# Social Performance



# Social Performance

## Human Resource Management

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Labour and Employment	Labour and Employment	Number	38,722	37,334	35,947	36,572
	Total Female Employees	Number	5,527	5,001	4,457	4,672
Training & Development Inputs	Total Training	Person-days	111,829	131,670	753,604	100,003
	Average hours per FTE of training and development	Hour	23	28	168	22
	Average amount spent per FTE on training and development	₹	7259	4,934	4,381	8,124
	Training of FTEs based on Ethnicity: Indian	%	98			
	Others: Primarily from Nepal, Germany and France but also includes other European and North American countries	%	2			
	Average hours per FTE of training and development for Male	Hour	21			
	Average hours per FTE of training and development for Female	Hour	34			
Human Capital Return on Investment	a) Total Revenue	₹ Crores	70,251.28	59,745.56	48,524.56	46,807.34
	b) Total Operating Expenses	₹ Crores	48,011.35	42,506.0	34,611.36	30,522.08
	c) Total employee- related expenses (salaries + benefits)	₹ Crores	3,588.01	3,075.63	2,831.97	2,682.24
	Resulting HC ROI (a - (b-c)) / c	-	7.20	6.61	5.91	7.07



## Social Performance

## Human Resource Management

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Hiring	Total New Hires (Number)	Number	6,478	9,763	4,592	8,045
	New Male Hires	Number	4,909	7,469	3,682	
	New Female Hires	Number	1,569	2,294	910	
	Hiring based on Ethnicity: Indian	%	98			
	Others: Primarily from Nepal, Germany and France but also includes other European and North American countries	%	2			
	Percentage of open positions filled by internal candidates (internal hires)	%	30	50		
	Average hiring cost/FTE	₹ Lakhs	0.4	0.3		
Workforce Breakdown: Gender	Share of women in total workforce (as % of total workforce)	%	14			
	Share of women in all management positions, including junior, middle and top management	%	18			
	Share of women in junior management positions	%	19			
	Share of women in top management positions	%	3			
	Share of women in revenue generating functions	%	11			
	Share of women in STEM	%	15			



## Social Performance

## Human Resource Management

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
<b>Workforce Breakdown: Race/ Ethnicity &amp; Nationality</b>	Nationality: Indian					
	Share in total workforce	%	98	100		
	Others: Primarily from Nepal, Germany and France but also includes other European and North American countries	%	2	-		
	Share in all management positions, including junior, middle and senior management (as % of total management workforce)	%	98	100		
<b>Freedom of Association</b>	No. of employees covered under the collective bargaining process	Number	10,700+	11,000+		
	% of employees represented covered by collective bargaining agreements	%	28	29		
<b>Employee Turnover Rate</b>	Employee Turnover Rate	Rate	12	10	8	11
	Voluntary Employee Turnover Rate	Rate	10	9	7	10
	Data coverage (as % of all FTEs globally)	%	61	70	77	77
<b>Trend of Employee Wellbeing*</b>	% of employees with top level of engagement, satisfaction, wellbeing, or employee net promoter score (eNPS)	%	94	94	95	
	% of employees who responded to the survey	%	96	96	97	
	Employee Metrics – Satisfaction: Taking everything into account, how satisfied are you with ITC as a place to work?	Scores	75			
	Employee Metrics – Purpose: I understand how my work contributes to the Division / SBU business objectives	Scores	94			
	Employee Metrics – Happiness: I feel I can openly and honestly communicate my views upwards	Scores	78			
	Employee Metrics – Stress: I am able to sustain the level of energy I need throughout the work day	Scores	82			

\* Various metrics comprising of Satisfaction, Purpose, Happiness, Stress, NPS etc provide valuable insights into employee well being trends, helping organizations proactively address issues and enhance the overall quality of work. We have considered favourable responses out of 100.



## Social Performance

### Human Resource Management

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Parental Leave	Male childbirth leave users	Persons	2,183			
	Female childbirth leave users	Persons	125			
	Rate of return to work (Male- permanent employees)	%	100			
	Rate of return to work (Female- permanent employees)	%	100			
	Rate of return to work (Male- permanent workers)	%	-			
	Rate of return to work (Female- permanent workers)	%	100			
	Employee Retention Rate (male)	%	100			
	Employee Retention Rate (female)	%	51			
	Workers Retention Rate (male)	%	-			
	Workers Retention Rate (female)	%	93			

\*Onsite accidents



## Social Performance

### Employee Support Program

Under Employee Support Program, following activities are covered.

**1. Employee Benefits**

Work stress Management

Sport & health initiatives

**2. Work Conditions**

Flexible working hours

Working-from-home arrangements

**3. Family Benefits**

Childcare facilities or contributions

Paid parental leave for the primary caregiver

ITC offers other support programs which includes Leadership Development, Group Health Insurance, On-Call Employee Assistance Program, Approval based Part-time working option etc to provide holistic support to its employees.

### Performance Management

ITC continues to strengthen its performance management system and its culture of accountability through the widespread adoption of the system of Management-by-Objectives. Performance planning through clearly defined team as well as individual goals, outcome-based assessment, and alignment of rewards for achievement of results have all contributed to a robust culture of ownership and accountability. Businesses are assessed based on Financial parameters, Sustainability targets, Safety etc and for enabling functions, 360 degree feedback mechanism is used. Career & Agile Conversations and succession planning processes have contributed to helping employees realise their potential, craft their careers while recognising their strengths and areas of development.



## Social Performance

### Employee Development Program

<p><b>Program 1:</b> <b>ITC Analytics Accelerator Program</b></p>	<p><b>Objective/Business Benefits:</b> The ability to translate business problems into sharply defined data and analytics projects, with clear business outcomes, has been identified as a key training need. It augments the company's strategic focus on Digital and Analytics. ITC organized an intervention "ITC Analytics Accelerator" to address this need. The program trained managers in Manufacturing, Supply Chain and Marketing with concepts of advanced analytics and the application skills of converting a business problem into an Analytics project. The program consists of three modules. (i) an ELearning that prepared participants with the foundations of analytics, algorithms, data engineering and Machine Learning; (ii) a three day classroom program that sharpened the how to apply these concepts into functional domains (iii) A mentorship to guide the participants to apply their learning in appropriate projects</p>	<p>Quantitative Impact of Business Benefits – 47 managers involved in Data Science and Analytics Projects in Marketing, Manufacturing and Sales and Distribution (100% of the target population) have been covered in the program. Some of the business benefits that accrued out of the application projects include improvement in finished product quality upto 30%; potential saving upto ₹ 1.9 crores by improving operational efficiency etc.</p> <p><b>Coverage- 100% participation of eligible FTEs</b></p>
<p><b>Program 2:</b> <b>Business Leadership Program, BLP</b></p>	<p>The program aimed to strengthen the leadership Pipeline of ITC and catalyse business growth by preparing the high potential managers with the relevant skills to take up leadership roles. The program equipped the participants with leadership competencies such as Strategic Mindset, Customer Centricity and, Orchestrating Winning Team Performance. The program was conducted in two modules. The first one equipped participants with frame works of how to formulate and execute business strategy. The second module was on leadership. It enabled participants to reflect, identify the behaviors that can help them to grow and frame action plans for their development.</p>	<p>Since the objective of the program is to create a leadership pipeline, the most appropriate business benefit is the extent to which ITC's leadership positions are filled by alumni of the program. 65% of the current leadership pipeline of ITC has graduated from this program. As a quantitative 100% of the participants found that the program strengthened their leadership capabilities.</p> <p><b>Coverage- 45% participation of eligible FTEs</b></p>



## Social Performance

### Occupational Health & Safety

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Occupational Health & Safety	No. of fatalities – Employees*	Persons	0	0	0	0	1
	No. of fatalities – Contractors*	Persons	1	2	1	0	0
	High Consequence Work Related Injury Rate*	Rate	0.0014				
	High Consequence Work Related Injuries*	Count	1				
	LTIFR (per one million-person-hours worked)* The data on LTIFR is for the combined workforce i.e. ITC employees and service providers' employees.	Rate	0.095	0.11	0.12	0.09	0.095
	Lost Day Rate (the combined workforce i.e. ITC employees and service providers' employees.)*	Rate	15.6	29.4	8.39	2.02	9.8
	Injury Rate (the combined workforce i.e. ITC employees and service providers' employees.) [the frequency of Lost Time Accidents (LTAs), for every 200,000 man-hours worked*]	Rate	0.019	0.022	0.024	0.018	0.019

\*Onsite accidents



## Social Performance

### Social Investments

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Climate Smart Agriculture	Area covered under Climate Smart Agriculture practices	Acres	2,340,000	1,500,000	881,000	737,000
	No. of persons benefitted from CSR projects (Approx)	No.	740,000	450,000	254,000	336,000
	SC/ST beneficiaries	%	21	24	22	12
	Female beneficiaries	%	20	18	15	9
Water Stewardship	Area covered through Supply Side Work - catchment treatment and irrigation support	Acres	137,000	101,000	97,549	122,112
	Rainwater harvesting potential created	Million Kl	3.8	3.47	3.95	3.68
	Demand Management - Potential water savings through water efficient practices in agriculture	Million Kl	780	496.5	208	135.76
	No. of persons benefitted from Supply Side work (Approx)	No.	32,400	21,000	36,000	21,000
	SC/ST beneficiaries	%	25	30	35	30
	Female beneficiaries	%	22	17	36	19
Social Forestry	Area covered under Social Forestry	Acres	31,000	30,300	30,439	35,193
	No. of persons benefitted from CSR projects (Approx)	No.	8,795	15,000	16,371	14,632
	SC/ST beneficiaries	%	25	17	14	27
	Female beneficiaries	%	26	21	29	36



## Social Performance

### Social Investments

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20
Improved Animal Husbandry Practices	No. of persons benefitted from CSR projects (Approx)	No.	79,400	31,000	33,400	32,786
	SC/ST beneficiaries	%	19	16	21	16
	Female beneficiaries	%	60	5	6	4
Support to Education	No. of persons benefitted from CSR projects (Approx)	No.	250,000	55,000	33,000	84,000
	Children	%	100	100	100	100
Skilling of Youth	No. of persons benefitted from CSR projects (Approx)	No.	14,400	11,500	9,600	12,000
	SC/ST beneficiaries	%	34	29	30	32
	Female beneficiaries	%	46	48	42	46
Solid Waste Management	No. of persons benefitted from CSR projects (Approx cumulative)	No.	8,000,000	6,130,000	4,531,000	3,458,000
Mother and Child Health	No. of persons benefitted from CSR projects (Approx)	No.	680,000	590,000	340,000	376,000
	Women, adolescents and children	%	100	89	93	98
Women Financial Literacy and Economic Empowerment	No. of persons benefitted from CSR projects (Approx)	No.	810,000	550,000	578,400	149,500
	Women	%	100	100	100	100

# Governance



# Governance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
Board of Directors	Total number of Board of Directors (as on 31 <sup>st</sup> March)	Persons	16	16	14	14	14
	Executive Directors (as on 31 <sup>st</sup> March)	Persons	4	4	4	4	4
	Independent Directors (as on 31 <sup>st</sup> March)	Persons	8	8	7	7	6
	Other Non-Executive Directors (as on 31 <sup>st</sup> March)	Persons	4	4	3	3	4
	No. of Female Directors (as on 31 <sup>st</sup> March)	Persons	2	2	2	2	2
	Number of BOD meetings held	Times	6	6	6	6	8
	Average Board meeting attendance	%	97.85	98.81	97.62	95.32	92.14
	Minimum of attendance for all members required	%	16.67	16.67	16.67	16.67	12.5
	Number of non-executive/independent director with 4 or less mandates (number of other external directorships in publicly listed companies held by members of the board of directors are considered)	No.	12	12	10	10	10
	Number of other mandates for non-executive/ independent directors restricted to: (restrictions as stated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered)	No.	7	7	7	8	-



## Governance

Focus Area	Sub Category	Unit	2022-23	2021-22	2020-21	2019-20	2018-19
<b>Board of Directors</b>	Number of independent or non-executive members with industry experience (e.g., excludes executives): (based on GICS 1 classification i.e. Energy- Materials - Industrials - Consumer Discretionary- Consumer Staples - Healthcare - Financials - Information Technology - Communication Services - Utilities - Real Estate Executives and Employee Representatives)	No.	8	8	6	6	7
<b>Reporting on Breaches</b>	Corruption or bribery cases	No.	Nil				
	Discrimination or harrasment cases	No.	1				
	Customer privacy data	No.	Nil				
	Conflicts of Interest	No.	Nil				
	Money Laundering or Insider trading	No.	6*				

\* There were 6 instances of non-adherence of ITC Code of Conduct for Prevention of Insider Trading-2019. The aforesaid instances of non-adherence were placed before Corporate Management Committee and Board of Directors of the Company. Pursuant to Board's authorization, the CMC has levied the monetary penalties. All the instances have also been reported to Stock Exchanges.

# **Aligning ITC's Climate Strategy with TCFD Recommendations**



# Aligning ITC's Climate Strategy with TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) has developed voluntary, consistent climate-related financial risk disclosures for companies to provide information to stakeholders. ITC's approach to climate change is duly aligned by TCFD recommendations and the Company is committed to providing stakeholders with relevant information on climate-related issues.

The disclosures pertaining to TCFD recommendations are provided in ITC Sustainability Report. ITC also discloses its climate change impacts through CDP, a global non-profit that runs the world's leading environmental disclosure platform. A mapping of TCFD disclosure requirements with disclosures across ITC Sustainability and Integrated Report 2023 and CDP Climate Change 2023 Questionnaire is provided below:

TCFD Recommended Disclosures	ITC Sustainability and Integrated Report 2023	CDP Climate Change 2023 Questionnaire
<b>Governance</b>		
For superior Triple Bottom Line performance, ITC's Governance processes ensure that climate change management is embedded across its business strategies and execution plans.		
a. Board's oversight of climate related risks and opportunities	Section: ESG and Sustainability governance at ITC Page: 47	C1.1a, C1.1b
b. Management's role in assessing and managing climate-related risks and opportunities		C1.2
<b>Strategy</b>		
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.		
a. Climate-related risks and opportunities identified over the short, medium, and long term	Section: ITC's Approach to Value-creation Pages: 14, 15, 17	C2.1a, C2.3, C2.3a, C2.4, C2.4a
b. Impact of climate-related risks and opportunities on ITC businesses, strategy, and financial planning		C2.3a, C2.4a, C3.1, C3.2a, C3.2b, C3.3b, C3.4
c. Resilience of ITC's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Section: Climate Change Page: 61	C3.2, C3.2a, C3.2b



## Aligning ITC's Climate Strategy with TCFD Recommendations

TCFD Recommended Disclosures	ITC Sustainability and Integrated Report 2023	CDP Climate Change 2023 Questionnaire
<b>Risk Management</b>  As a diversified enterprise, ITC continues to focus on a system- based approach to climate risk management covering both physical and transition risks. In order to identify long-term physical risks of climate change, ITC is working with climate experts to conduct comprehensive climate risk and vulnerability assessments using climate models across its operations and value chains. For transition risk, ITC continues to focus on energy conservation, improving energy productivity and enhancing the share of renewables in ITC’s total energy requirement as part of ITC’s Sustainability 2.0 targets.		
a. The organization’s processes for identifying and assessing climate-related risks.	Section: Sustainable Risk Management Pages: 31, 32  Section: Climate Change Pages: 53 – 62	C2.1, C2.2, C2.2a
b. The organization’s processes for managing climate-related risks.		C2.1, C2.2
c. Integration of the processes for identification, assessment, and management of climate-related risks into the organization’s overall risk management.		
<b>Metrics &amp; Targets</b>  ITC is pursuing a low carbon growth strategy through extensive decarbonisation programmes across its value chain. These include increasing the share of renewable energy, continuous reduction of specific energy, construction of green buildings, greening logistics and optimising ‘distance-to-market’, sustainable packaging initiatives and promoting regenerative agriculture practices in agri value chains. ITC has also set ambitious 2030 climate targets.		
a. The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Section: Sustainability 2.0 Ambitions: 2030 Targets – Performance under Climate Change Page: 38	C4.2, C4.2a, C4.2b, C9.1
b. Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Section: Climate Change Page: 54 – 61	C6.1, C6.3, C6.5
c. The targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Section: Sustainability 2.0 Ambitions: 2030 Targets – Performance under Climate Change Page: 38	C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b

# **Annexure: Additional Information for FMCC Cigarettes Business**



## Annexure: Additional Information for FMCC Cigarettes Business

### Biodiversity Management

Under FMCC Cigarettes, ITC has 5 owned factories (covering ~ 85.57 Hectares). None of these owned factories are located in proximity to critical biodiversity areas\*.

For both existing and greenfield projects, processes are in place for assessing any actual or potential biodiversity related risk or impact and for conducting environmental impact assessments wherever required by environmental regulations. All manufacturing units operate under valid consents to operate from respective State Pollution Control Boards and all stipulated environmental conditions are met. Moreover, location specific exposure including proximity to critical biodiversity areas is assessed periodically. Basis these assessments, mitigation plans are developed and implemented for identified nature-related risks that are material to Units across ITC businesses.

### Supply Chain Management

The supply chains of most ITC's Businesses are vertically integrated, which facilitate optimum utilisation of raw materials, recycling of waste as well as efficient logistics operations. For the Tobacco Business, Leaf tobacco is the key agri raw material and majority of it is sourced through ITC'S Leaf Tobacco Business (part of Agri Business Division). By virtue of this integration, the Company ensures that the highest product integrity, sustainability, quality and hygiene standards are maintained across its entire value chain. Packaging and filter paper requirements of the Tobacco Business are also significantly met through ITC's Packaging and Printing Business. ITC's Paperboard and Specialty Papers Division also supplies FSC® certified paperboard to the Tobacco Business. The remaining suppliers of Tobacco Business include external vendors like suppliers of filters, other packaging material, third party manufacturers, other leaf tobacco suppliers etc. The information below, covers both internal and external suppliers.

### KPIs for Supplier Screening

Tier 1 suppliers are defined as suppliers supplying raw materials, finished products and services to the Business. The FMCC Cigarettes Business has identified significant/ critical Tier-1 suppliers based on factors like buy value, ESG risk exposure and importance to business continuity among others.

Supplier Screening	FY 2022-23
Total number of Tier-1 suppliers	~2300
Total number of significant suppliers in Tier-1	19
% of total spend on significant suppliers in Tier-1	70%

### KPIs for Supplier Assessment and Development

The approach for supplier assessment and development entails identification of critical/ significant supplier chain partners, assessment of their material sustainability/ESG risks, and further collaboration with them for mitigating the identified risks. Structured ESG assessments of identified significant/critical tier-1 suppliers for verifying compliance with ITC's supply chain standards are conducted by the Company and independent third-parties. Such assessments are carried out on an ongoing basis.

During FY 2022-23, 5 critical tier-1 suppliers covering ~75% of annual value of procurement spend were assessed, and no major non-compliances were identified. The findings from these assessments further guide identification of improvement areas including implementation of corrective and preventive action plans (if any) in consultation with respective supply chain partners.

The Business continuously supports its supply chain partners through capacity building sessions on ITC's sustainable supply chain philosophy, expectations, compliance requirements and ongoing dissemination of good practices including emerging sustainability topics with the objective of positively influencing their ESG performance. During FY 2022-23, the FMCC Cigarettes Business facilitated capacity building workshops for 19 suppliers including 11 critical tier-1 suppliers.

*\*Criteria: Sites that either contain (i.e., overlapping) or are adjacent (between 0 and 2km from nearest site) to critical biodiversity.*



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