



ITC FOODS DIVISION

SUSTAINABLE TRANSFORMATION

ITC Sustainability Philosophy

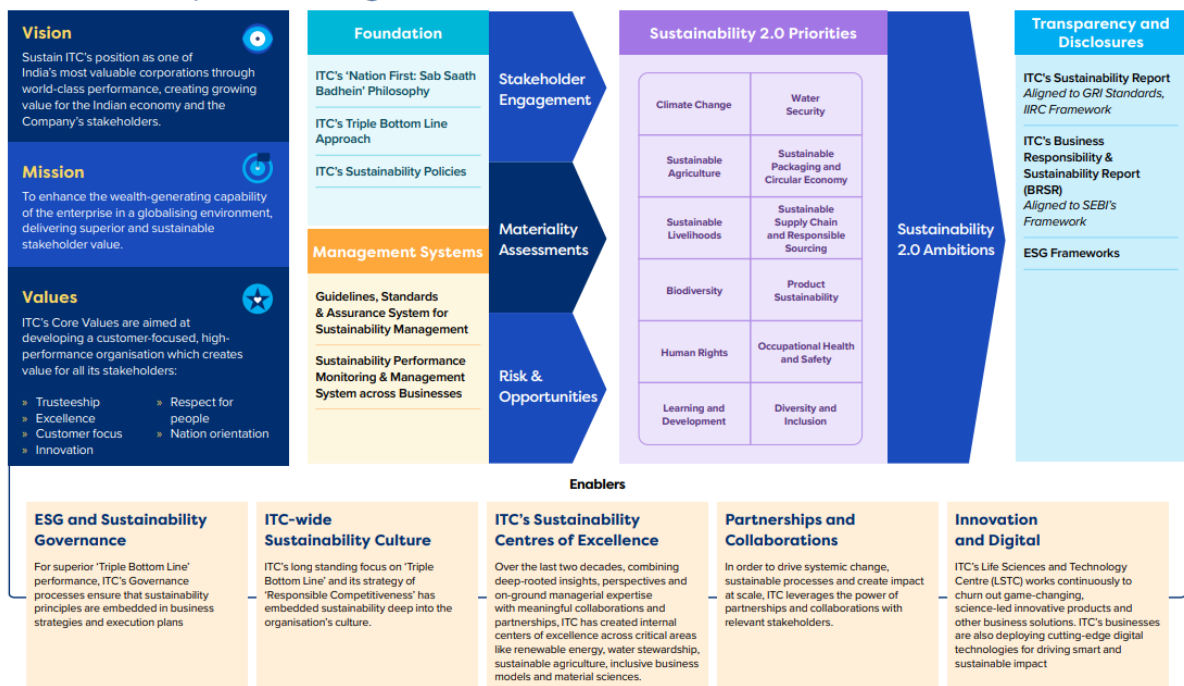
ITC's sustainability philosophy is based on the principles of creating shared value by integrating economic, social, and environmental considerations into its business strategy and operations. At ITC, we believe that with their immense managerial and innovative capacity, businesses can contribute significantly towards making a transformational change in society. ITC's Triple bottom line philosophy believes in creating value not just for its shareholders but also for the environment and society at large.

ITC is the only company in the world of comparable dimensions to be carbon, water and solid waste recycling positive.

ITC Sustainability 2.0 Vision

ITC has now embraced an even more bold and ambitious Sustainability 2.0 vision anchored on the inclusive and innovative business models the Company has implemented on a large scale over many years. The goals envisaged in S2.0 vision will further strengthen our multi-dimensional efforts to combat climate change, enable the transition to a net zero economy, work towards ensuring water security for all, restore biodiversity through adoption of nature-based solutions, create an effective circular economy for postconsumer packaging waste and scale up programmes that support sustainable livelihoods

Sustainability 2.0 Management Framework



Sustainability Interventions at ITC Foods

ITC's Foods business is one of the fastest growing foods businesses in India, driven by the market standing and consumer franchise of its popular brands. Across the ITC Foods Business sites, Sustainability is driven as one of the key manufacturing pillars and multiple initiatives aligning to ITCs

Sustainability 2.0 framework are taken to drive a continual improvement. The initiatives are aimed at improving the energy efficiency, transition towards clean energy, improving the efficiency of water-use, reducing the amount of waste, etc.

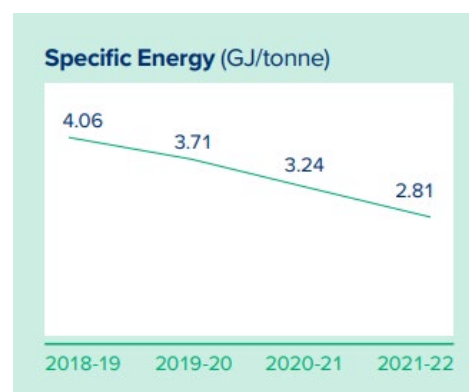
ITC Foods have taken ambitious targets aligned to overall ITC Sustainability 2.0 framework. The following section describes the Goals taken and progress against the same.

Energy

ITC Foods has set a target of achieving 50% share of renewable energy in its total energy mix, and meeting 100% of purchased grid electricity requirements from renewable sources by 2030. There is also a target of reducing the specific energy requirement across the factories. A brief snapshot on the progress on these targets is as follows:

Goal	KPI	Target	Target Year	Performance 2021-22
50% of Total Energy from Renewable Sources	% of Total Energy Consumed from Renewable Sources	50%	2030	25%
100% Purchased Grid Electricity Requirements from Renewable Sources	% of Total Electrical Energy (Grid Purchased) from Renewable Sources	100%	2030	32%
30% reduction in Specific Energy Consumption	% Reduction in Energy Consumed per Unit of Production	30%	2030	31% ↓

Across Units, ITC Foods has implemented multiple interventions to drive energy-efficiency and enhancing the renewable energy portfolio. With these interventions, we are on track on achieving our 2030 targets. The following diagram shows the trend of Specific energy from 2018 – 2022 for ITC Foods.

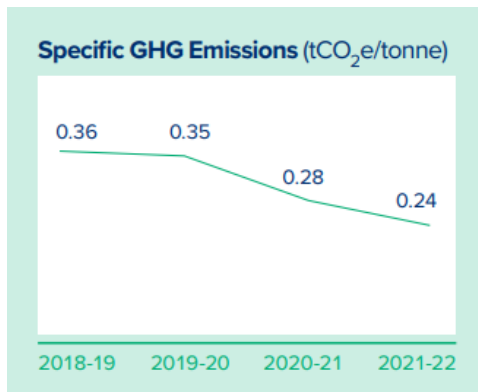


GHG Emissions

In terms of GHG emissions, ITC Foods is targeting a reduction of 50% in Specific GHG Emissions. The below table shows the Goals taken by ITC and its current performance for emission reduction:

Goal	KPI	Target	Target Year	Performance 2021-22
50% reduction in Specific GHG Emissions	% Reduction in GHG Emissions (Scope 1, 2) per Unit of Production	50%	2030	32% ↓

The following diagram shows the trend of Specific emissions from 2018 – 2022 for ITC Foods:



It is observed from the graph that there is a constant decline in specific GHG emissions from 2018-19 to 2021-22. This is on account of several initiatives like installation of on-site and off-site solar/wind plants, transitioning from Furnace Oil based boilers to Biomass based boilers etc. to significantly reduce its GHG footprint in its operations. The energy-efficiency interventions across factories have also helped in this cause.

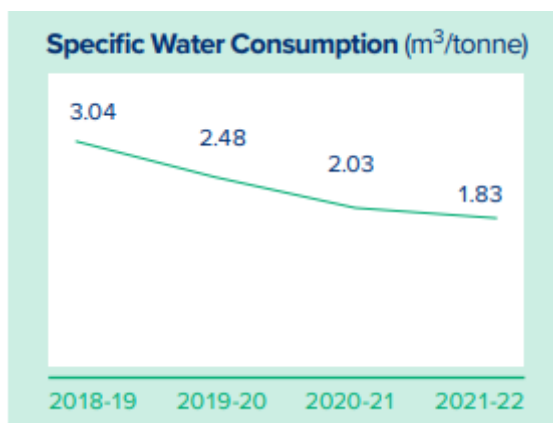
Water

With water stress increasingly becoming an area of serious concern, ITC's Sustainability 2.0 ambitions endeavor to ensure water security for all stakeholders in its catchments. ITC's water stewardship programme also aims to drought-proof the Agri-catchments in order to minimize risks to farmer livelihoods arising from drought and moisture stress.

The Goals taken by ITC Foods and its current performance are summarized in the below table:

Goal	KPI	Target	Target Year	Performance 2021-22
40% reduction in Specific Water Consumption	% Reduction in Water Consumed per Unit of Production	40%	2030	40% ↓
All Sites in High Water Stressed Areas to be certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship)	No. of AWS Certified Sites	All FBD sites under water stressed areas to be AWS certified	2035	1) ITC Malur Site Platinum certified 2) ITC Ranjangaon & ITC Kapurthala planned for AWS certification in FY 2023-24

The following diagram shows the trend of Specific water consumption from 2018 – 2022 for ITC Foods



Alliance for Water Stewardship (AWS) Certification

AWS is a global membership collaboration comprising businesses, NGOs and the public sector which has created AWS Standards that offers a credible, globally-applicable framework for major water users to understand their own water use and impacts, and to work collaboratively and transparently with others for sustainable water management within the wider water catchment context. ITC Foods aims to obtain AWS certification by adhering to the AWS Standards at all the sites located in water stressed areas. Till date we have obtained AWS Platinum certification for the ITC Malur site. ITC Malur earned the distinction of being the first Foods & Beverages facility in India to be awarded the AWS Platinum-level certification – the highest level for AWS certification. The facility is also, only the second site in India to achieve this level of AWS recognition, after ITC's Paperboards Facility in Tamil Nadu which was awarded AWS Platinum-level Certification in 2019

A brief on Water Stewardship activity in Malur:

To ensure water security for ITC Malur and community surrounding our factory several Interventions were initiated within the Unit premises as well as in four watersheds surrounding the Unit (accounting to 5,000 ha).

Measures taken:

Within the Unit, several measures have been taken to ensure maximum water use efficiency and reduction of freshwater consumption, such as Water recycling during CIP & Line Cleaning, modification of seasoning showers, Water recovery from Steamer vapour exhaust etc. At the catchment level several measures have been taken, for better water governance and improved water balance & WASH (Water Sanitation and Hygiene) outcomes for the relevant stakeholders. Cumulatively, 443 water harvesting structures (including 195 farm ponds and 52 check dams) have been renovated/constructed in the catchment area, creating a water harvesting potential of 3.34 lakh cubic metres.

These interventions are being carried out in convergence with various government schemes as well as through collaboration with research institutes, various public sector agencies, etc.



Figure showing Farmers involved in Planning & Implementation-16 Village level water user groups



Figure showing Restoration of Tanks & Recharge of Open Wells

Road ahead for AWS: We are planning the same certification for Ranjangaon and Kapurthala in FY23-24.