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SDG7 Energy Compact of ITC Limited *(ITC is one of India's foremost private sector companies with presence in FMCG, Hotels, Packaging, Paperboards & Specialty Papers, Agri & IT Businesses.)*

A next Decade Action Agenda to advance SDG7 on sustainable energy for all, in line with the goals of the Paris Agreement on Climate Change

SECTION 1: AMBITION

1.1. Ambitions to achieve SDG7 by 2030. *[Please select all that apply, and make sure to state the **baseline** of each target]*
(Member States targets could be based on their NDCs, energy policies, national five-year plans etc. targets for companies/organizations could be based on their corporate strategy)

☐ **7.1.** By 2030, ensure universal access to affordable, reliable, and modern energy services.	Target(s): Time frame: Baseline: Context for the ambition(s):
☒ **7.2.** By 2030, increase substantially the share of renewable energy in the global energy mix.	**Ambition 1** Target(s): ITC Limited has set a target of meeting 100% of purchased grid electricity requirements from renewable sources, and achieving a 50% share of renewable energy in its total energy mix by 2030. Time frame: 2030 Baseline: As of 31st March 2021, around 51% of total electrical energy (grid purchased), and more than 41% of total energy requirements are met from renewable sources. Context for the ambition(s): ITC is committed to reducing its dependence on energy from fossil fuels, and has therefore set ambitious targets of 100% purchased grid electricity from renewable sources and overall 50% renewable share in total energy mix by 2030. ITC is working towards meeting these targets based on a mix of energy conservation measures and renewable energy investments, despite significant enhancement in its scale of operations going forward. All ITC Units/factories incorporate appropriate green features and premium luxury hotels and office complexes continue to be certified at the highest level by either the US Green Building Council, Indian Green Building Council or the Bureau of Energy Efficiency (BEE). To date, 33 ITC buildings have achieved Platinum certification by USGBC/IGBC. In 2020-21, over 41% of your ITC's total energy requirements were met from renewable sources such as biomass, wind and solar.
☒ **7.3.** By 2030, double the global rate of improvement in energy efficiency.	**Ambition 2** Target(s): ITC is targeting a 50% reduction in specific GHG emissions (Scope 1, 2 GHG Emissions per Unit of Production) and a 30% reduction in specific energy consumption (Energy Consumed per Unit of Production) by 2030 across businesses (2018-19 baseline). Time frame: 2030 Baseline: As of 31st March 2021, ITC's Paper Business achieved a 7.4% reduction in Specific GHG emissions, and a 5.5% reduction in Specific Energy Consumption as compared to a 2018-19 baseline. The Paper Business' share in ITC's Total GHG Emissions (Scope 1,2) is around 80%, and share in ITC's Total Energy Consumption is 86%. Over the same period, ITC's Foods Business achieved a 21.4% reduction in Specific GHG emissions, and a 20% reduction in Specific Energy Consumption. The Foods Business' share in ITC's Total GHG Emissions (Scope 1,2) is around 10%, and share in ITC's Total Energy Consumption is ~7%. Context for the ambition(s): As part of ITC's commitment to steering its course towards a low-carbon pathway, all ITC business units focus their efforts on continuous improvement in energy usage efficiencies. This entails phased implementation of energy conservation measures, process innovations and new technologies like Industry 4.0, advanced data capture and analytics, Industrial Internet of Things (IIoT) and Robotics.
☐ **7.a.** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel	Target(s): Time frame: Baseline: Context for the ambition(s):

technology, and promote investment in energy infrastructure and clean energy technology.	
☐ **7.b.** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support.	Target(s): Time frame: Baseline: Context for the ambition(s):

1.2. Other ambitions in support of SDG7 by 2030 and net-zero emissions by 2050. ***[Please describe below e.g., coal phase out or reforming fossil fuel subsidies etc.]***

Ambition 3
Target(s): ITC is targeting to sustain and enhance carbon sequestration by expanding forestry projects on wastelands through ITC's Social and Farm Forestry programme and other such initiatives to over 630,000 acres by 2030.
Time frame: 2030
Baseline: Not applicable. ITC's Social Forestry programme has been operational since 2001 and the target was set in 2016-17.
Context for the ambition(s): While working towards reducing its emissions and greening its energy portfolio, ITC seeks to increase carbon sequestration by expanding forest cover on wastelands.

Ambition 4
Target(s): Promote Climate Smart Village Approach in Core Agri-business Catchments over 3 million acres covering 10,000 villages by 2030.
Time frame: 2030
Baseline: Baseline year: 2016-17. Till 31st March 2021, the programme has covered over 771,119 acres.
Context for the ambition(s): ITC's Sustainable Agriculture programme aims to de-risk farming operations from erratic weather events to improve profitability and reliability of agriculture by offering support services, in line with India's 'National Mission for Sustainable Agriculture (NMSA)'.

SECTION 2: ACTIONS TO ACHIEVE THE AMBITION

2.1. Please add at least one key action for each of the elaborated ambition(s) from section 1. *[Please add rows as needed].*

Description of action (please specify for which ambition from Section 1)	*Start and end date*
Ambition 1: ITC Limited has set a target of meeting 100% of purchased grid electricity requirements from renewable sources, and achieving a 50% share of renewable energy in its total energy mix by 2030. Actions: Planned investments in a phased manner for enhancing the share of renewables such as biomass, wind and solar in ITC's total energy mix.	*By 2030*
Description of action (please specify for which ambition from Section 1)	*Start and end date*
Ambition 2: ITC is targeting a reduction of 50% in specific GHG emissions (Scope 1, 2 GHG Emissions per Unit of Production) and a 30% reduction in specific energy consumption (Energy Consumed per Unit of Production) by 2030 across businesses (2018-19 baseline). Actions: Ongoing investments in of energy conservation measures, process innovations and new technologies like Industry 4.0, advanced data capture and analytics, Industrial Internet of Things (IIoT) and Robotics.	*By 2030 over a 2018-19 baseline.*
Description of action (please specify for which ambition from Section 1)	*Start and end date*
Ambition 3: ITC is targeting to sustain and enhance carbon sequestration by expanding forestry projects on wastelands through ITC's Social and Farm Forestry programme and other such initiatives to over 630,000 acres by 2030. Actions: In 2020-21, ITC signed agreements with the Forest Department of Maharashtra and Telangana to improve forest cover and with the Wasteland Development Board of Rajasthan to revive and restore pasture lands. In Maharashtra and Telangana, ITC is working with the state forest departments in building the capacities of their staff to plan and execute soil and moisture conservation work within the forest and fringe area development outside the forest. These two partnerships aim to cover around	*By 2030*

79,000 acres of area in a phased manner. In Rajasthan, ITC will build capacities of the staff of the Wasteland Development Board and Panchayat Raj institutions to identify village commons and plan and to execute restoration of commons which is aimed to benefit around 247,000 lakh acres of village commons in the state.	
Description of action (please specify for which ambition from Section 1) ***Ambition 4): Promote Climate Smart Village Approach in Core Agri-business Catchments over 3 million acres covering 10,000 villages by 2030.*** Actions: *In 2020-21, ITC's interventions in collaboration with CGIAR's 'Climate Change and Food Security Programme' to build climate smart villages was expanded to over 1600 villages across 14 states and supported farmers in the management of risks arising from erratic and extreme weather events.*	*Start and end date* *By 2030*

SECTION 3: OUTCOMES

3.1. Please add at least one measurable and time-based outcome for **each** of the actions from section 2. *[Please add rows as needed].*

Outcome (Indicators)	*Date*
50% of Total Energy Consumed from Renewable Sources	By 2030
100% of Total Electrical Energy (Grid Purchased) from Renewable Sources	By 2030
50% Reduction in GHG Emissions (Scope 1, 2) per Unit of Production	By 2030
30% Reduction in Energy Consumed per Unit of Production	By 2030
630,000 acres of area under Social Forestry and other such initiatives.	By 2030
3 million acres (covering 10,000 villages) to be covered under the Climate Smart Village Approach in Core Agri-business Catchments.	By 2030

SECTION 4: REQUIRED RESOURCES AND SUPPORT

4.1. Please specify required finance and investments for **each** of the actions in section 2.

The above actions will be funded by ITC.

4.2. [For countries only] In case support is required for the actions in section 2, please select from below and describe the required support and specify for which action.
[Examples of support for Member States could include: Access to low-cost affordable debt through strategic de-risking instruments, capacity building in data collection; development of integrated energy plans and energy transition pathways; technical assistance, etc.]

☐Financing	*Description*
☐ In-Kind contribution	*Description*
☐ Technical Support	*Description*
☐ Other/Please specify	*Description*

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SECTION 5: IMPACT

5.1. Countries planned for implementation including number of people potentially impacted.

India

5.2. Alignment with the 2030 Agenda for Sustainable Development – Please describe how **each** of the actions from section 2 impact advancing the SDGs by 2030.
[up to 500 words, please upload supporting strategy documents as needed]

ITC is actively working towards Sustainability 2.0, an agenda which reimagines sustainability under the pressing challenges of climate change and the pandemic. With a view to 'Building Back Better', Sustainability 2.0 calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change and enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy for post-consumer packaging waste. It also entails protecting and restoring biodiversity. The redefined sustainability vision also raises the bar even higher with ambitious targets that will contribute even more meaningfully to the India's NDC commitments and SDG goals.

ITC's ambitions on enhancing share of renewable energy, improving energy productivity and sequestering carbon will materially impact SDG 12 (Responsible consumption and production), SDG 13 (Climate Action), SDG 15 (Life on Land) besides SDG 7 (Affordable and clean energy). ITC's Social Forestry programme also focusses on supporting sustainable livelihoods for farmers, thereby contributing to SDG 1 (No Poverty) as well.

Supporting Documents:
ITC Sustainability Report 2021
Section references:
Sustainability Ambitions - Climate Change: Page 22
Building Climate Resilience: Pages 40-46
ITC's Social Investments' Targets and Progress Dashboard: Page 83
ITC's Social Forestry Programme: Page 86
ITC's Climate Smart Agriculture Programme: Page 87-89
https://www.itcportal.com/sustainability/sustainabilty-reports.aspx

5.3. Alignment with Paris Agreement and net-zero by 2050 - Please describe how **each** of the actions from section 2 align with the Paris Agreement and national NDCs (if applicable) and support the net-zero emissions by 2050.
[up to 500 words, please upload supporting strategy documents as needed]

India submitted its Nationally Determined Contribution (NDC) as part of the Paris Climate Accords that entails a 33-35% reduction in emission intensity by 2030, creating an additional carbon sink of 2.5-3 billion tonnes of CO_2 and install 450 GW of renewable energy. The NDC also includes adaptation strategies covering National Mission for Sustainable Agriculture, National Water Mission (NWM) and National Rural Livelihoods Mission. ITC's efforts on combating climate change are completely aligned to India's NDC and the ambitions outlined in the Paris Agreement.

ITC is pursuing a low-carbon growth strategy through extensive decarbonisation programmes across its value chain. These include increasing the share of renewable energy in its overall energy mix, continuous reduction of specific energy consumption, construction of green buildings, greening logistics and optimising 'distance-to-market', and promoting regenerative agriculture practices in key agri value chains. Additionally, ITC's multi-pronged approach also focuses on sequestering more carbon than what it emits and climate proofing its operations as well as agri value chains, thus enabling a rapid transition to a net zero economy.

In line with India's commitments, ITC has also set 2030 climate targets: 50% share of renewable energy, 100% of purchased grid electricity from renewable sources, reducing specific energy consumption by 30% and specific GHG emissions by 50% (2018-19 baseline), and sustain and enhance carbon sequestration by expanding forestry projects on wastelands through ITC's Social and Farm Forestry programme and other such initiatives. ITC has also submitted these commitments to the Ministry of Environment, Forest and Climate Change as a part of the India CEO Forum on Climate Change.
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SECTION 6: MONITORING AND REPORTING

6.1. Please describe how you intend to track the progress of the proposed outcomes in section 3. Please also describe if you intend to use other existing reporting frameworks to track progress on the proposed outcomes.

ITC annually discloses the progress against the proposed outcomes in its Sustainability Report prepared on the basis of the latest Global Reporting Initiative (GRI) Standards. The data related to environment and social performance is based on the actual performance of various businesses, units, hotels and office complexes of the Company and Third Party Manufacturers/subsidiaries included in the reporting boundary. ITC has deployed an Integrated Sustainability Data Management System to collect, collate and analyse environmental and social data. The system is equipped with strong internal controls to support the underlying integrity and credibility of disclosures made in the Report. ITC has obtained an independent third-party assurance for its Sustainability Reports since it started reporting in 2004. Third party assurance is obtained as per the International Standard for Assurance Engagements (ISAE) 3000 at a 'reasonable level'.

ITC computes its greenhouse gas (GHG) inventory, including GHG emissions, biogenic Carbon Dioxide (CO_2) emissions and GHG removals, in accordance with ISO 14064:2006. The GHG inventory is also third party verified at the 'Reasonable Assurance' level. ITC accounts for the following gases in its GHG inventory: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF_6), GHG Emissions and CO_2 Sequestration.

ITC's approach to climate change is aligned with TCFD (Task Force on Climate-related Financial Disclosures) recommendations as well.

SECTION 7: GUIDING PRINCIPLES CHECK LIST

Please use the checklist below to validate that the proposed Energy Compact is aligned with the guiding principles.

I. Stepping up ambition and accelerating action - Increase contribution of and accelerate the implementation of the SDG7 targets in support of the 2030 Agenda for Sustainable Development for Paris Agreement

I. 1. Does the Energy Compact strengthen and/or add a target, commitment, policy, action related to SDG7 and its linkages to the other SDGs that results in a higher cumulative impact compared to existing frameworks? ☒Yes ☐No

I.2. Does the Energy Compact increase the geographical and/or sectoral coverage of SDG7 related efforts? ☒Yes ☐No

I.3. Does the Energy Compact consider inclusion of key priority issues towards achieving SDG7 by 2030 and the net-zero emission goal of the Paris Agreement by 2050 - as defied by latest global analysis and data including the outcome of the Technical Working Groups? ☒Yes ☐No

II. Alignment with the 2030 agenda on Sustainable Development Goals – Ensure coherence and alignment with SDG implementation plans and strategies by 2030 as well as national development plans and priorities.

II.1. Has the Energy Compact considered enabling actions of SDG7 to reach the other sustainable development goals by 2030? ☒Yes ☐No

II.2. Does the Energy Compact align with national, sectoral, and/or sub-national sustainable development strategies/plans, including SDG implementation plans/roadmaps? ☒Yes ☐No

II.3. Has the Energy Compact considered a timeframe in line with the Decade of Action? ☒Yes ☐No

III. Alignment with Paris Agreement and net-zero by 2050 - Ensure coherence and alignment with the Nationally Determined Contributions, long term net zero emission strategies.

III.1. Has the Energy Compact considered a timeframe in line with the net-zero goal of the Paris Agreement by 2050? ☒Yes ☐No

III.2. Has the Energy Compact considered energy-related targets and information in the updated/enhanced NDCs? ☒Yes ☐No

III.3. Has the Energy Compact considered alignment with reaching the net-zero emissions goal set by many countries by 2050? ☒Yes ☐No

IV. Leaving no one behind, strengthening inclusion, interlinkages, and synergies - Enabling the achievement of SDGs and just transition by reflecting interlinkages with other SDGs.

IV.1. Does the Energy Compact include socio-economic impacts of measures being considered? ☒Yes ☐No

IV.2. Does the Energy Compact identify steps towards an inclusive, just energy transition? ☒Yes ☐No

IV.3. Does the Energy Compact consider measures that address the needs of the most vulnerable groups (e.g. those impacted the most by energy transitions, lack of energy access)? ☒Yes ☐No

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V. Feasibility and Robustness - Commitments and measures are technically sound, feasible, and verifiable based a set of objectives with specific performance indicators, baselines, targets and data sources as needed.

V.1. Is the information included in the Energy Compact based on updated quality data and sectoral assessments, with clear and transparent methodologies related to the proposed measures? ☒Yes ☐No

V.2. Has the Energy Compact considered inclusion of a set of SMART (specific, measurable, achievable, resource-based and time based) objectives? ☒Yes ☐No

V.3. Has the Energy Compact considered issues related to means of implementation to ensure feasibility of measures proposed (e.g. cost and financing strategy, technical assistant needs and partnerships, policy and regulatory gaps, data and technology)? ☒Yes ☐No

SECTION 8: ENERGY COMPACT GENERAL INFORMATION

8.1. Title/name of the Energy Compact

ITC's Sustainability 2.0 Vision - Climate Strategy 2030

8.2. Lead entity name (for joint Energy Compacts please list all parties and include, in parenthesis, its entity type, using entity type from below)

ITC Limited

8.3. Lead entity type

☐ Government
☐ Local/Regional Government
☐ Multilateral body /Intergovernmental Organization
☐ Non-Governmental Organization (NGO)
☐ Civil Society organization/Youth
☐ Academic Institution /Scientific Community
☒ Private Sector
☐ Philanthropic Organization
☐ Other relevant actor

8.4. Contact Information

Sanjib Bezbaroa
Executive Vice President – EHS & Sustainability, ITC Limited
sanjib.bezbaroa@itc.in

8.5. Please select the geographical coverage of the Energy Compact
☐Africa ☒Asia and Pacific ☐Europe ☐Latin America and Caribbean ☐North America ☐West Asia ☐Global

8.6. Please select the Energy Compact thematic focus area(s)

☐ Energy Access ☒ Energy Transition ☒ Enabling SDGs through inclusive just Energy Transitions ☐ Innovation, Technology and Data ☐ Finance and Investment.

SECTION 9: ADDITIONAL INFORMATION (IF REQUIRED)

Please provide additional website link(s) on your Energy Compact, which may contain relevant key documents, photos, short video clips etc.

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ITC Forestry Microsite
https://www.itcportal.com/sab-saath-badhein/afforestation.html