ITC's

Water Management Stewardship

Presentation at the Environment & Energy Conclave, BCCI, Kolkata, 31st August 2012

Presentation Plan

- Overview of ITC's sustainability commitment
- Water management approach
- Water stewardship performance
- Watershed development

Commitment to Sustainability

Economic Development Vs Sustainable Development

Pursuit of economic growth has

- created enormous material wealth
- advanced frontiers of knowledge
- created a globalised world

Growth at a huge cost

- Significant erosion of Natural capital
  - ✓ 1/3rd of global bio-diversity lost in last 35 years
  - ✓ 1/3rd of forest resources,
  - ✓ 1/4th of top soil lost

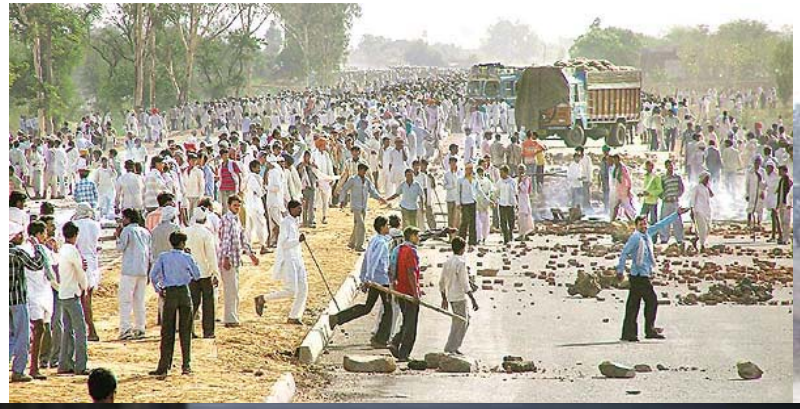
- Despite using up much of planet's resources, half the global population in dire poverty

UNDP published data reveals :

- ✓ Top 10% adults own 85% of household assets
- ✓ Bottom 50% adults own only 1% of household assets

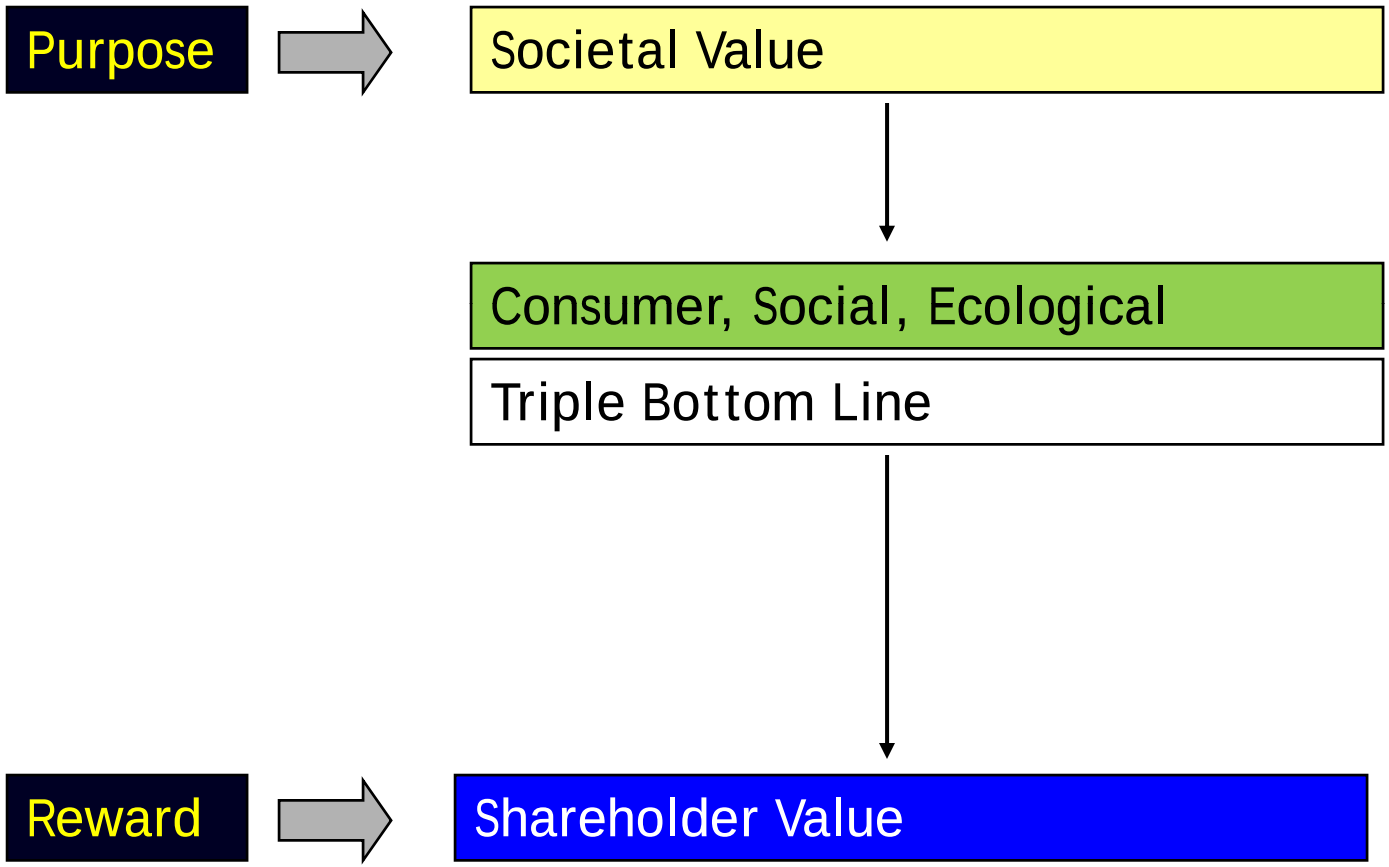
India's challenge is even greater

- Resource starved
  - ✓ 17% of global population
  - ✓ 2.4% of land mass
  - ✓ 4% of fresh water
  - ✓ 1% of forest resources
- After > 60 years of Independence
  - ✓ 42% below income of $1.25 a day
  - ✓ 43.5% children under 5 suffer from malnutrition



Business cannot succeed in societies that fail

Redefining Value



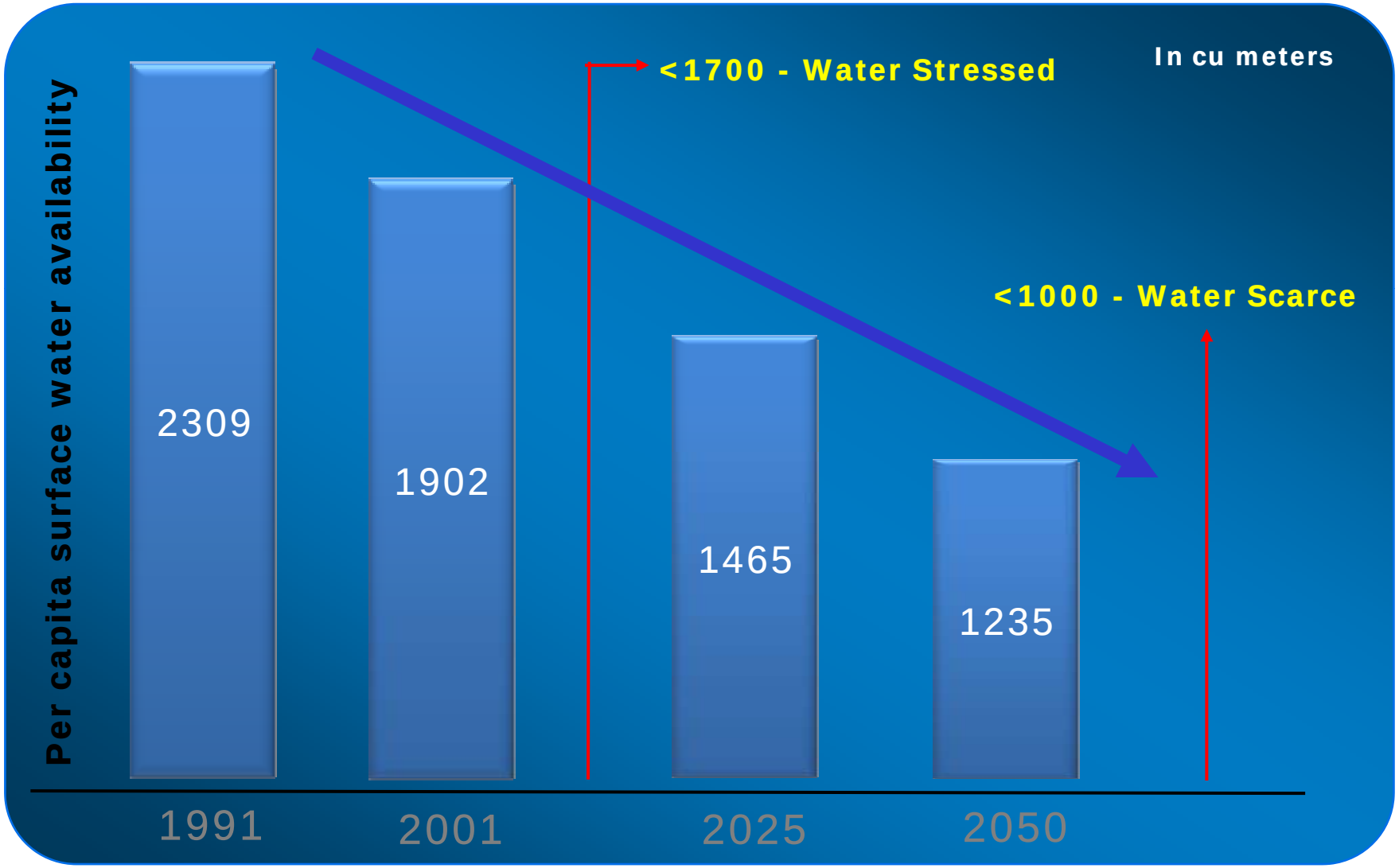
Triple Bottom Line Performance

- ✓ Environment
  - ➢ Carbon positive, sequestering 2 times our emissions.
  - ➢ Water positive, generating 3 times freshwater resources than what we consumes.
  - ➢ Waste recycling positive for 4 years now.
- ✓ Social
  - ✓ ITC's businesses & the Social Investments programme generate livelihoods for over 5 million people.
- ✓ Economic
  - ✓ Compound rate of growth in Total Shareholder Returns of over 24 % in last 15 years

Water Management Approach

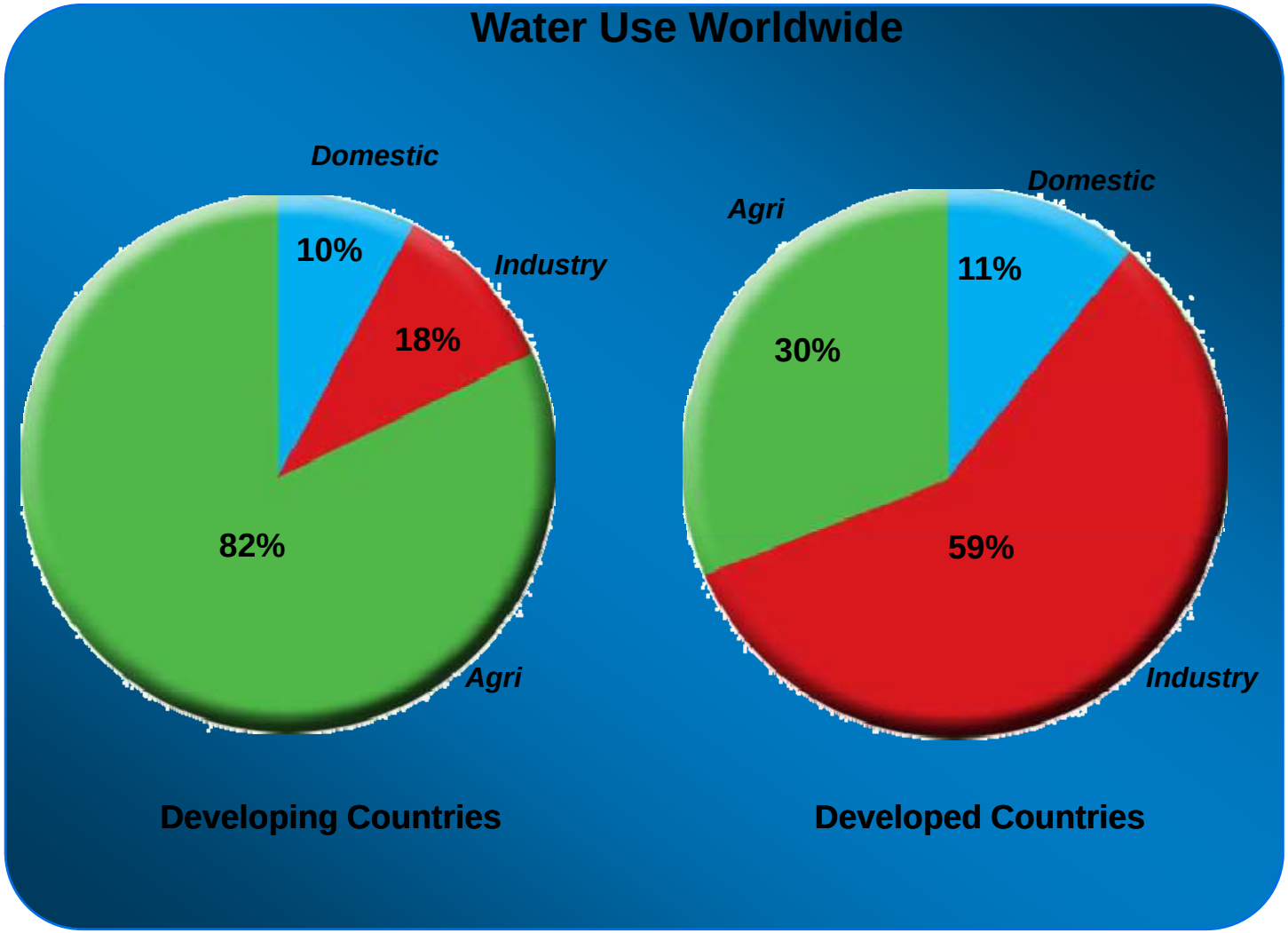
Racing towards Water Bankruptcy?

Less Water for Every Individual



Source : Water resources of India, Rakesh Kumar, R. D. Singh, K. D. Sharma, National Institute of Hydrology, India

Less Water for Industry

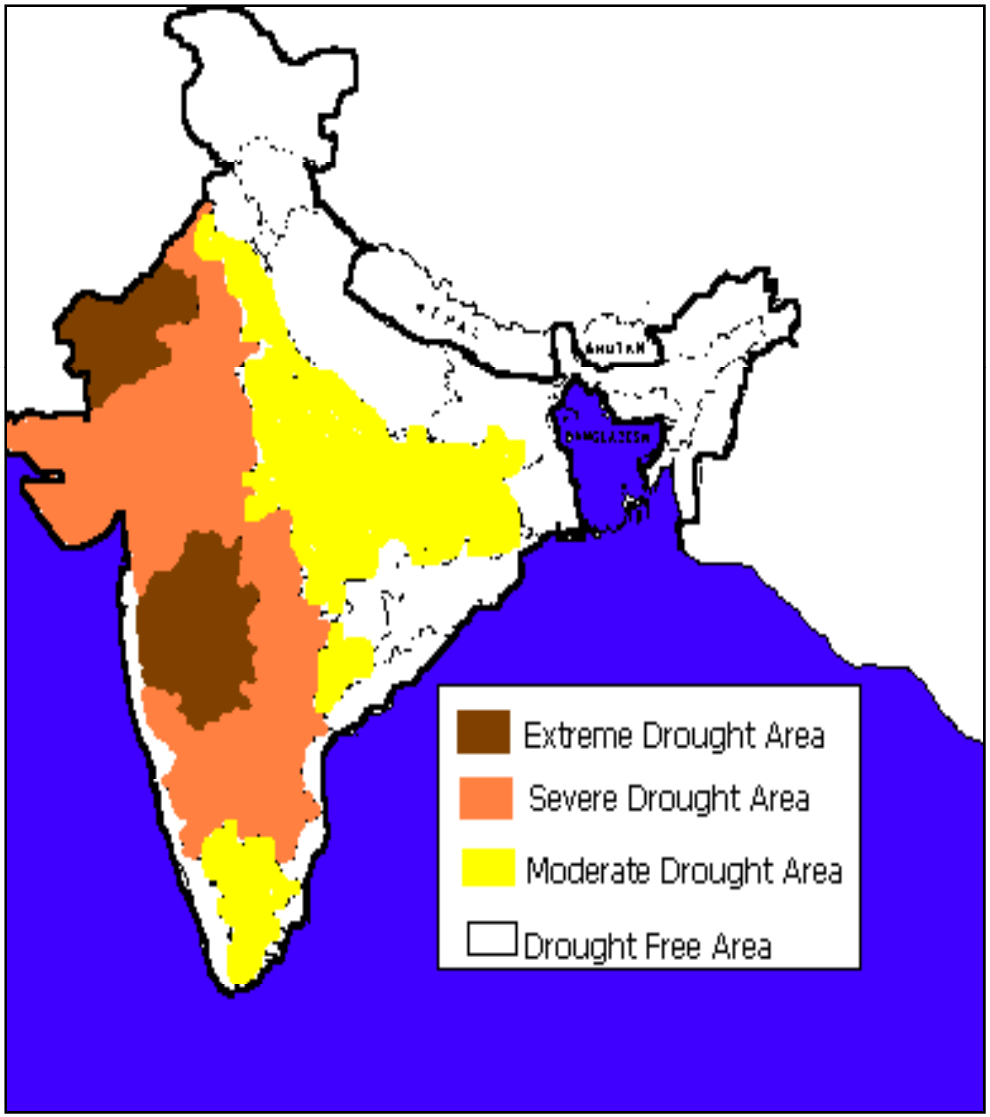


Source: Ministry of Water Resources, Government of India

Moisture stress increasing vulnerability

- Water demand rising exponentially
- Groundwater recharge declining dangerously

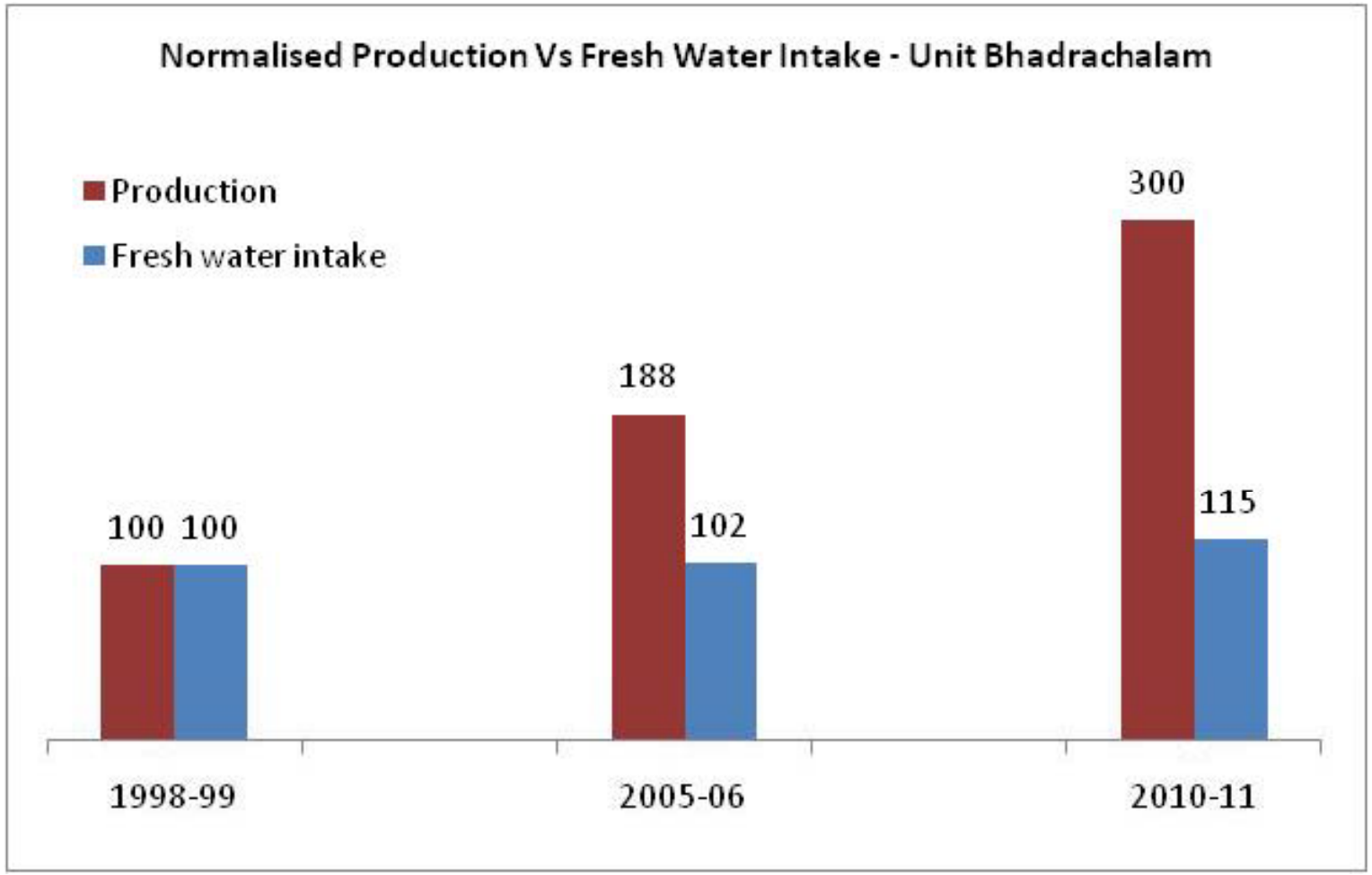
Half of the total districts suffer from severe to extreme moisture stress



Water Management Stewardship

- Water conservation
  - ✓ Achieve lowest possible specific water consumption
- Zero effluent discharge
  - ✓ Recycle all wastewater
- Water positive footprint
  - ✓ Rainwater harvesting
- Water resources development
  - ✓ Stabilise production regime for our farmers

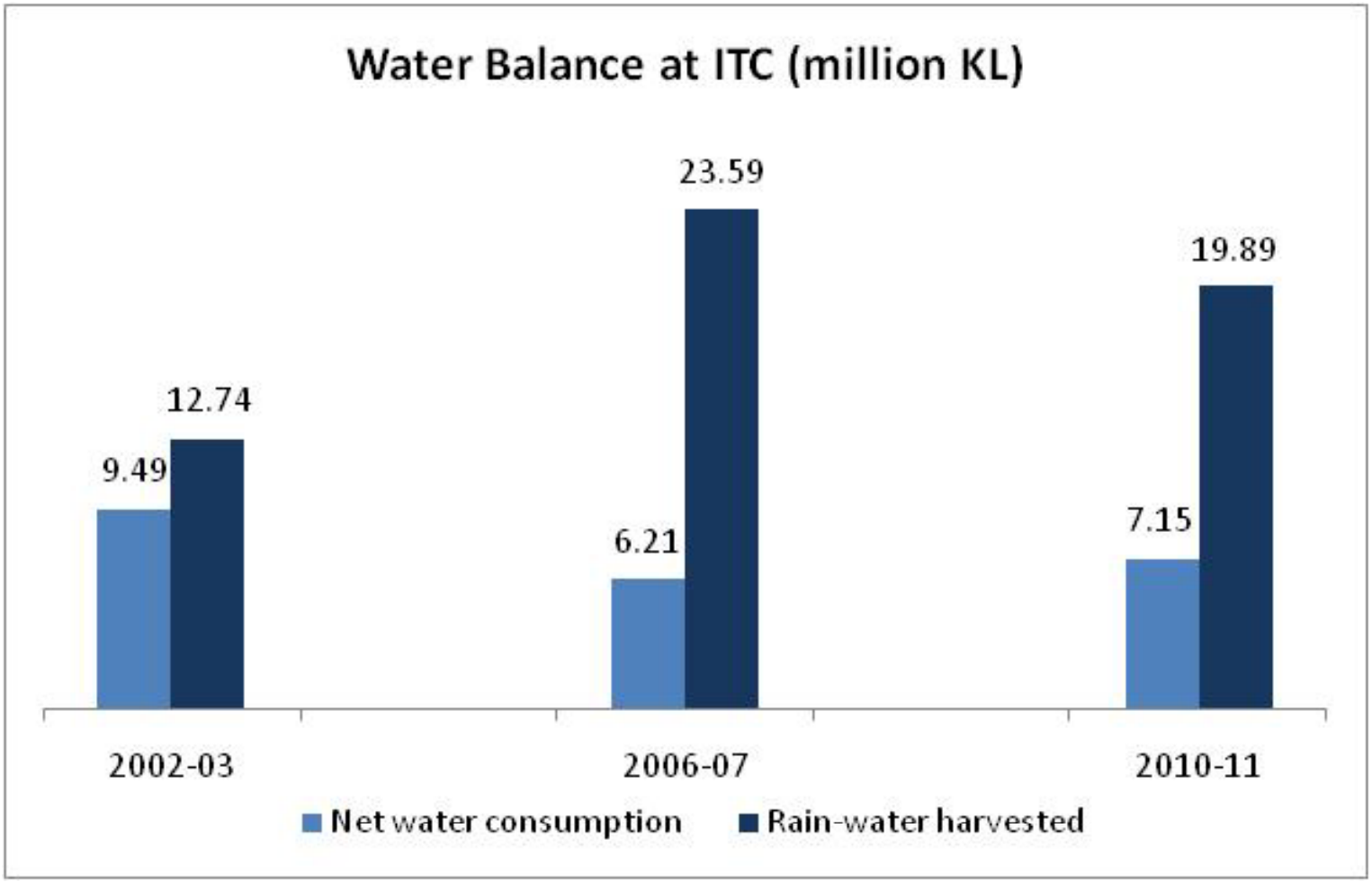
Water Conservation



Effluent Discharge

- Zero discharge thru
  - ✓ Treating & recycling all wastewater
  - ✓ Harvesting all rainwater
- Of the 39 reporting units
  - ✓ 11 units achieved zero effluent discharge in 2010-11
  - ✓ Other units on the way

Water Positive Footprint



Water Resources Development

- 94,000 ha under soil & moisture conservation
- 3,780 water harvesting structures
  - ✓ 2.9 million KL of potential water storage
- 92,000 rural households directly impacted
- 2.9 million person-days days of employment

Water Resources Development

The Business Context

Agri-supply chains at risk because:

- Agriculture mainly rain-fed
  - Crop production unstable
- Depletion of bio-mass
  - Aggravating top-soil losses & surface run-off
- High soil erosion by weathering agents
  - Long term implications for fertility & productivity of land

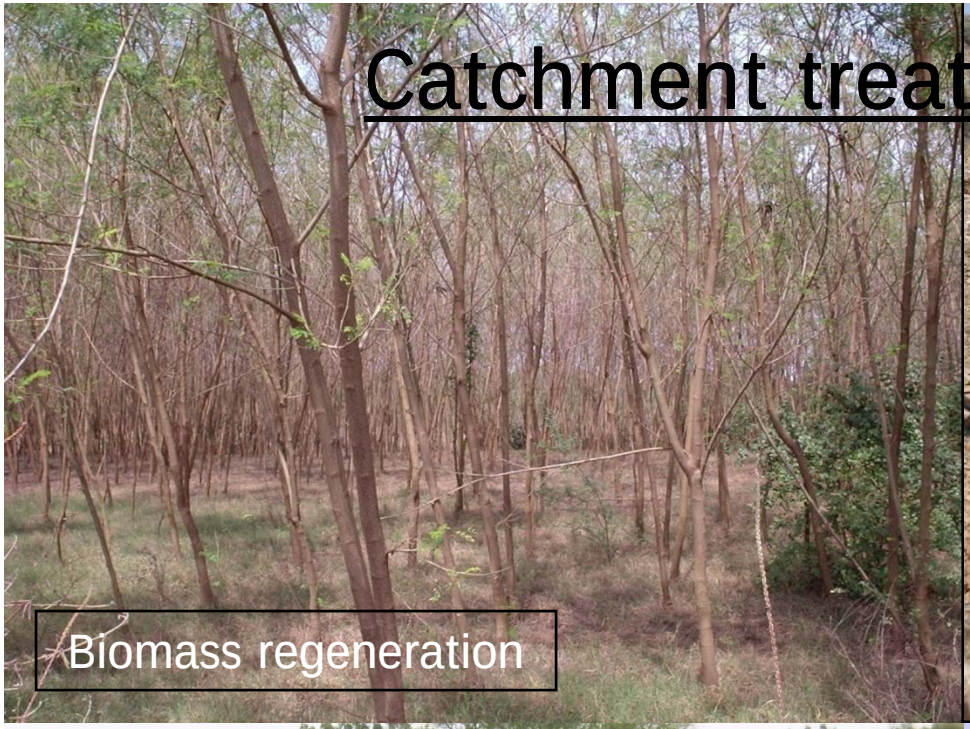
Climate change likely to worsen these conditions

- Climate extremes, variability & unpredictability
  - Exert enormous pressure on fragile farming systems
  - Threaten food security for the most vulnerable people

Preliminary work involves...

Community based training (leadership, Govt Schemes, micro plans, handling cash, savings, budgeting)

Catchment treatment involves…



Catchment treatment – 61,000 ha


3,780 water-harvesting structures – covering 33,000 ha
40 Gates Stop Dam, Sehore


Total freshwater storage created
18.97 million kilo litres
Stop Dam, Narsinghkheda, Sehore


92,000 direct beneficiaries have contributed Rs 11 crores towards these activities and created a corpus of Rs 49 lakhs as maintenance fund


2.9 million person-days of employment created for the marginal & landless households

Life-saving water for animals

Water is also a gender issue

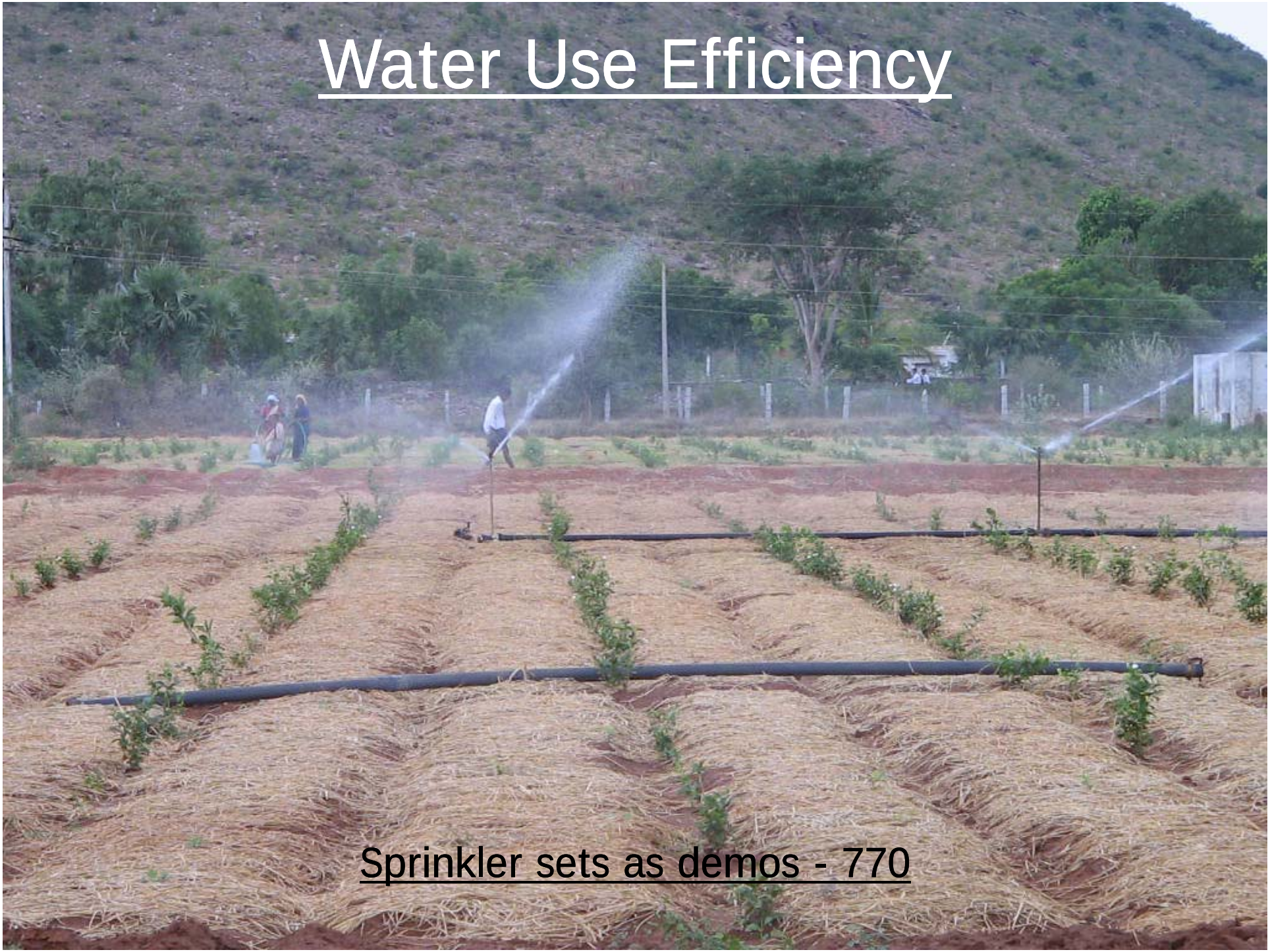
Water is also a gender issue

Tank beds – the only source of drinking water in May-June

Water Use Efficiency

Group Irrigation – 500 units

Water Use Efficiency

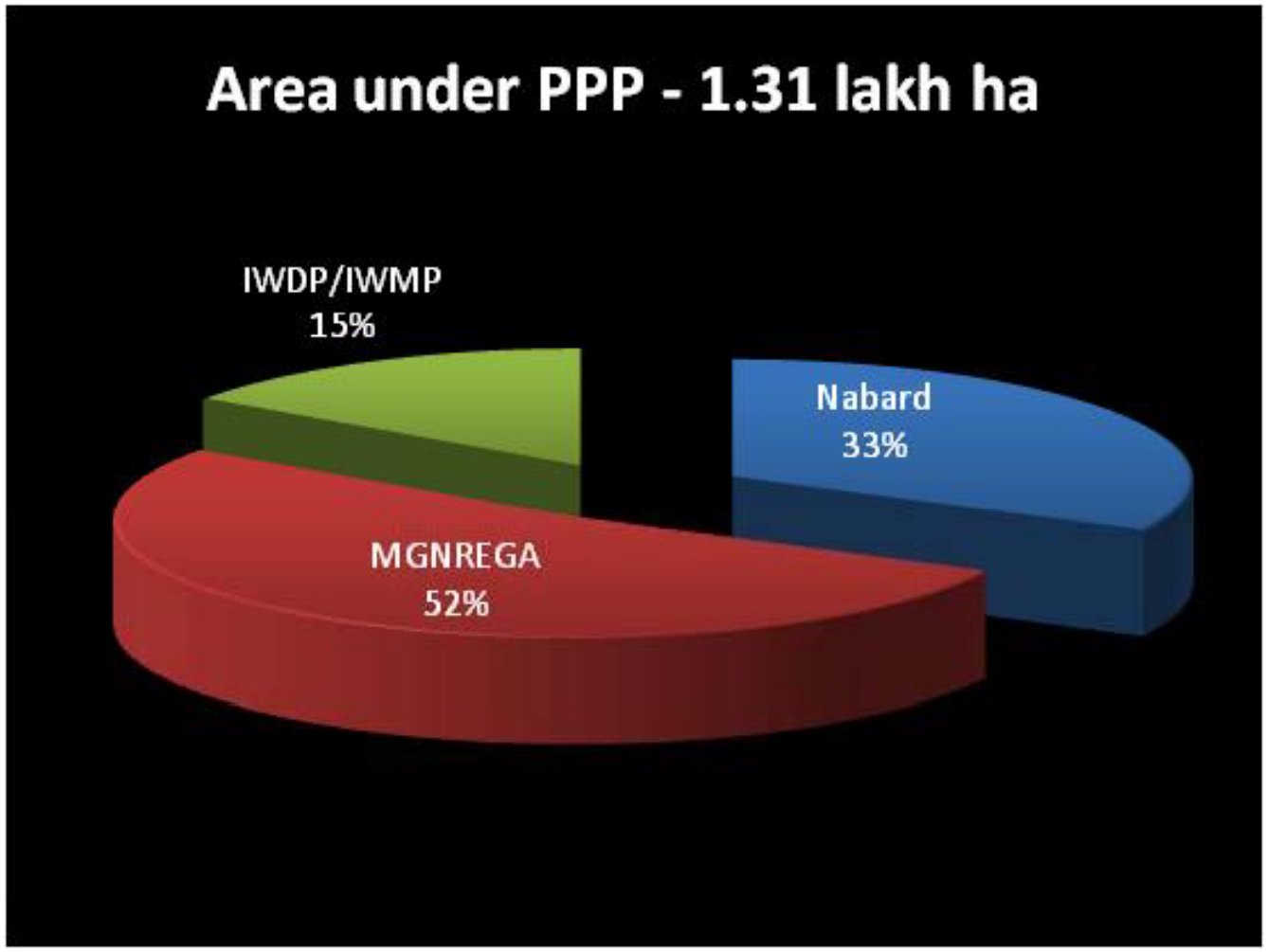


Sprinkler sets as demos - 770

Watershed – Impacts

- Environment:
  - ✓ Ground water recharge
  - ✓ Increase in bio-mass cover
- Farm Economics
  - ✓ Increase in area under cultivation
  - ✓ Double cropping regime
  - ✓ Increase in productivity per hectare
- Social
  - ✓ Decrease in seasonal out-migration

Going forward – Multi-stakeholder Partnerships



Why Partnerships Matter

- Improve efficiency of project implementation thru convergence of:
  - Government's reach & coverage
  - Project management capabilities of private sector
  - Mobilising skills of NGOs
- Augment total resource pool for maximum impact
  - Both financial and managerial
- Enduring value for sustainable development by
  - Enhancing project management skills of the PRIs

Bottomline

- For the farmer
  - Stable yields at the minimum and higher yield with better quality at best.
- For the landless
  - On-farm employment → decreased seasonal migration
- For the nation
  - Water-conservation – addressing the single most important area of concern
- For ITC
  - Availability of agricultural produce in the required quantities and of desired quality
  - A water positive Company for 9 consecutive years

A passion for profitable growth....

.....But in a way that is sustainable.....

.... and inclusive

Thank you