



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# ITC Next

**Creating Enduring Value | Responsible Competitiveness**

**Sanjiv Puri**

**Chairman and Managing Director**

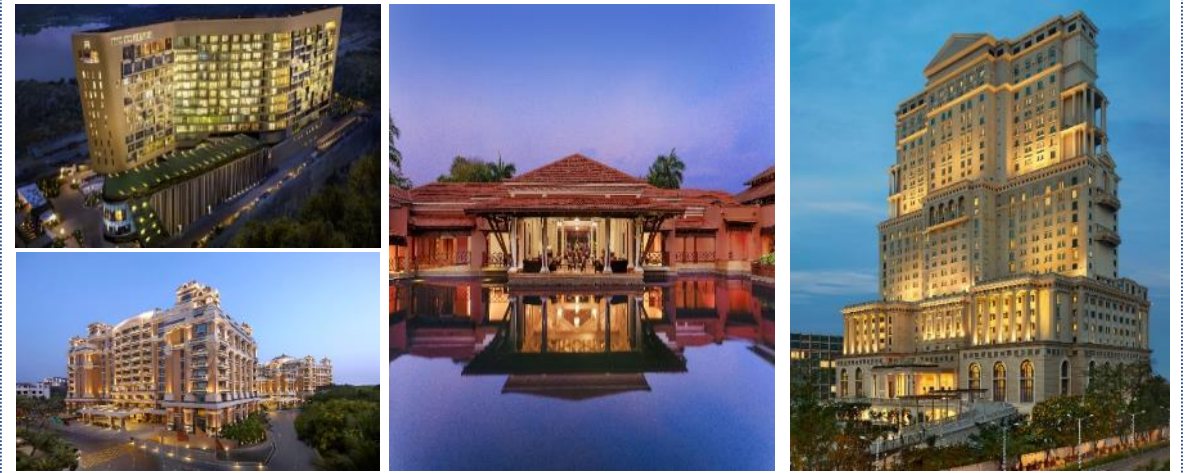
*This presentation contains certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the Company exercises no control. Therefore there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in the Company's portfolio, changes in Government regulations, tax regimes and other statutes, and the ability to attract and retain high quality human resource.*



Leading FMCG Marketer



2<sup>nd</sup> largest Hotel chain; Trailblazer in Responsible Luxury



Foremost Agri Player

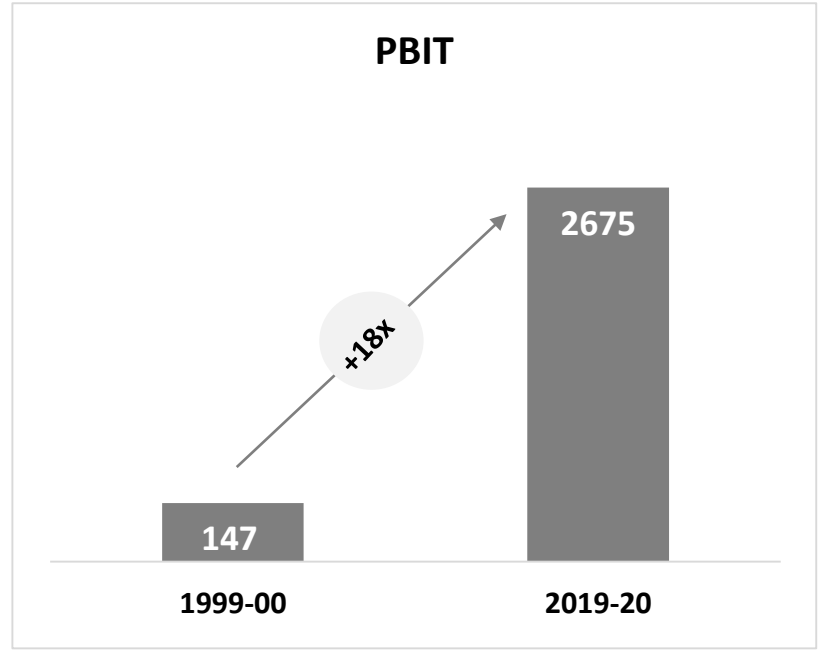
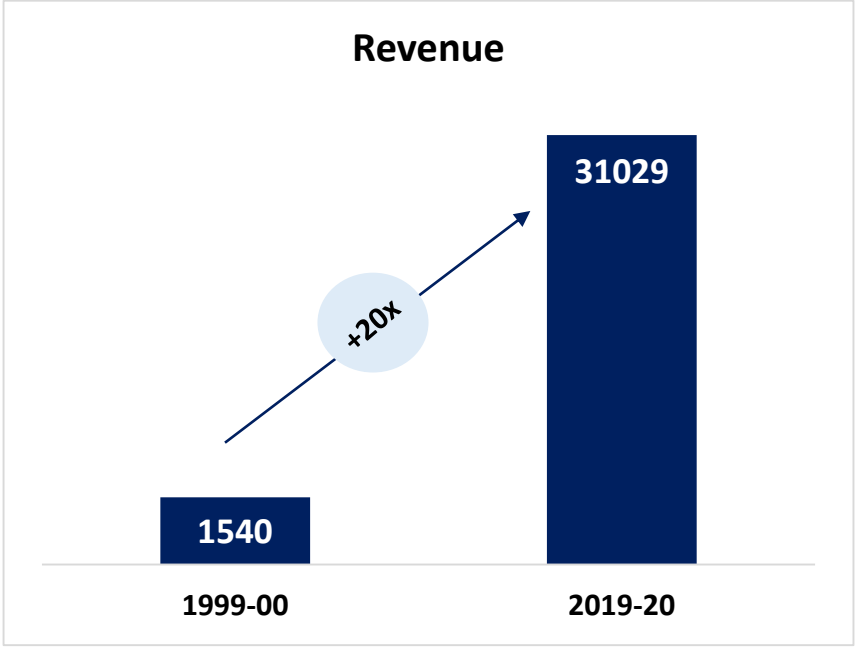


Clear Market leader in Paperboards, Paper & Packaging



## Non-Cigarette Businesses

Rs. cr.



**Quantum jump in Revenue and Profits**

**Leadership in traditional businesses**  
Cigarettes, Agri, Paper & Hotels

**Appreciable progress in FMCG-O**

The only Company in the world to be:



**Carbon Positive**  
**16 years**



**Water Positive**  
**19 years**



**Solid Waste Recycling Positive**  
**14 years**

**Sustainable Livelihoods for 6 million people**

**ITC e-Choupal Empowering 4 million farmers**

**41% of Total Energy from renewable sources**

**33 Platinum Rated Green Buildings**

**Trailblazer in Green Hoteliering**





**ITC PSPD Kovai unit**  
**Platinum Certificate Alliance for Water Stewardship**

**1<sup>st</sup>** in India; **2<sup>nd</sup>** Globally



**ITC Windsor**

**1<sup>st</sup>** Hotel in the world with **LEED Zero Carbon Certification**



**ITC Grand Chola**

**Largest Hotel & Commercial Building in the world with USGBC LEED Zero Carbon Status**



**Rated AA every year** since 2018

Global Players	MSCI Ratings
ITC LIMITED	AA
Player 1	BBB
Player 2	BBB
Player 3	BBB
Player 4	BB

*Highest amongst global tobacco majors*

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

*Included in the Dow Jones Sustainability Emerging Markets Index*  
*Reflection of being a sustainability leader in the industry*

Leadership Band

ITC's CDP Scores



*In Climate Change & Water Security*



*Climate Change: ITC ahead of Asia and Global average of 'B-'*

*Water Security: ITC ahead of Asia and Global average of 'B'*

# Globally recognised Sustainability Interventions



**World Business & Development Award**



**Inaugural UNDP-ICC Award**



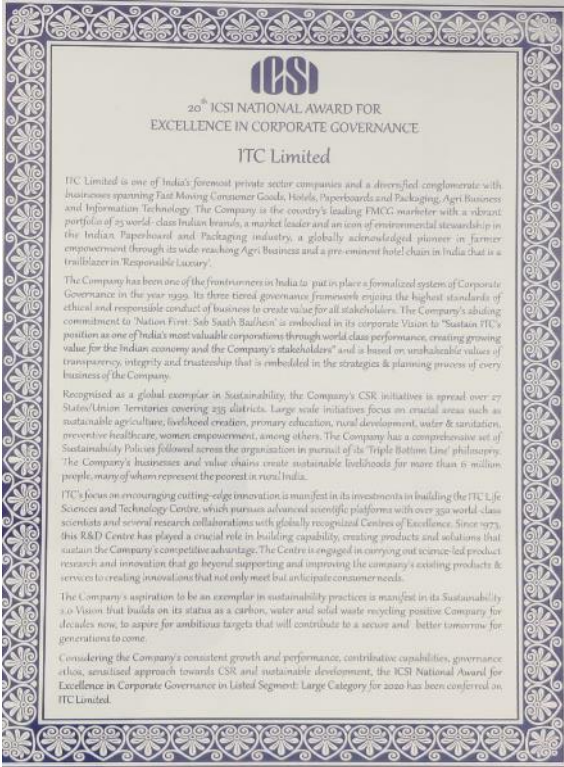
**Sustainability Leadership Award**



**The Stockholm Challenge Award**



**Development Gateway Award**



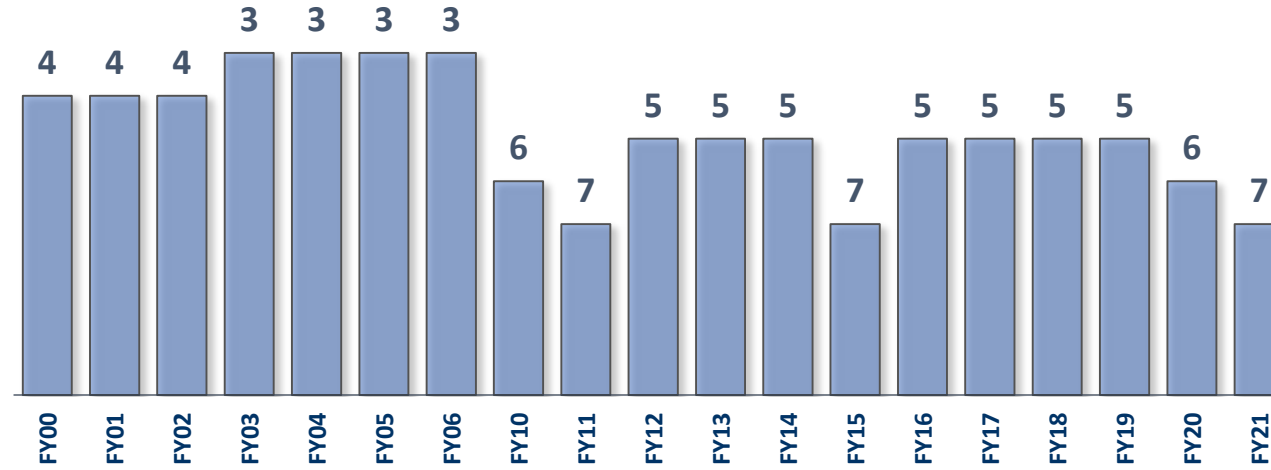
**'Best Governed Company' @ 20th ICSI National Award for Excellence in Corporate Governance 2020**



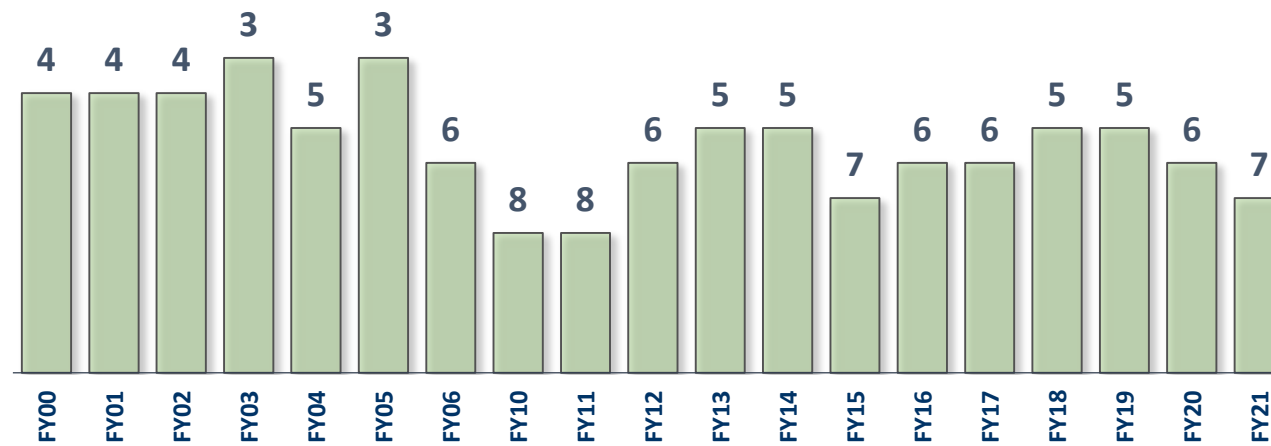
**Porter Prize 2017 for 'Excellence in Corporate Governance and Integration'**

# ITC Consistently in the Top League

**PBT rank**



**PAT rank**

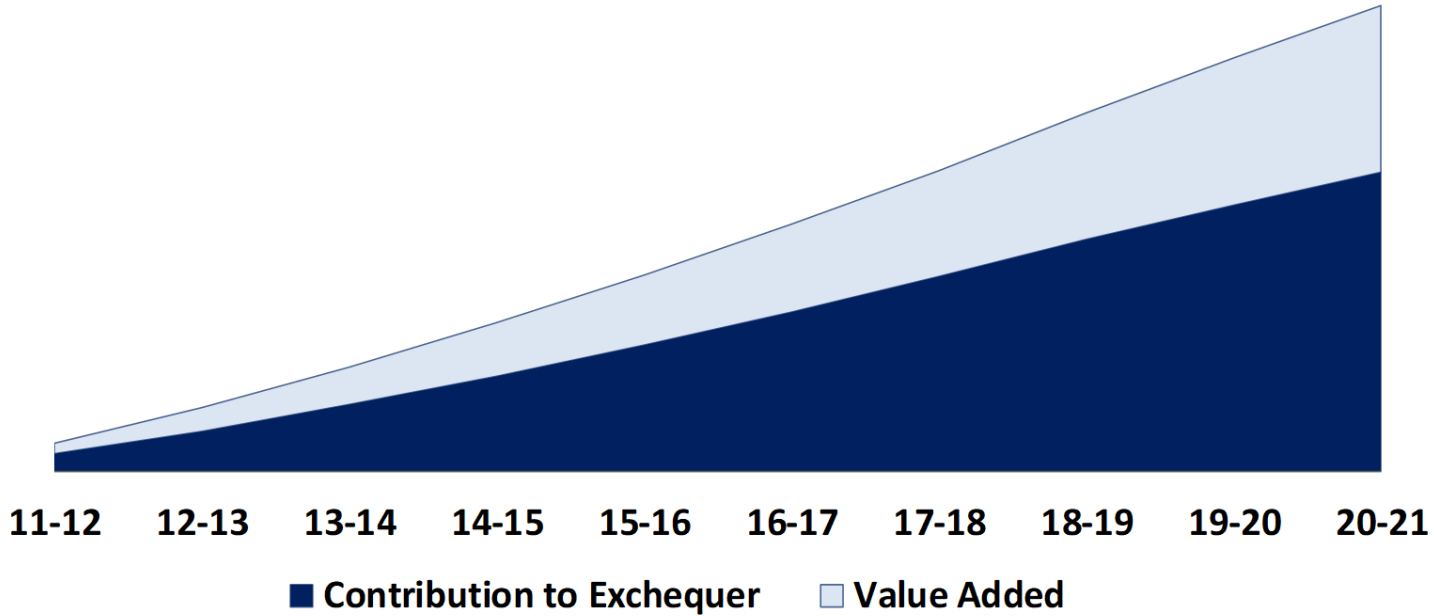




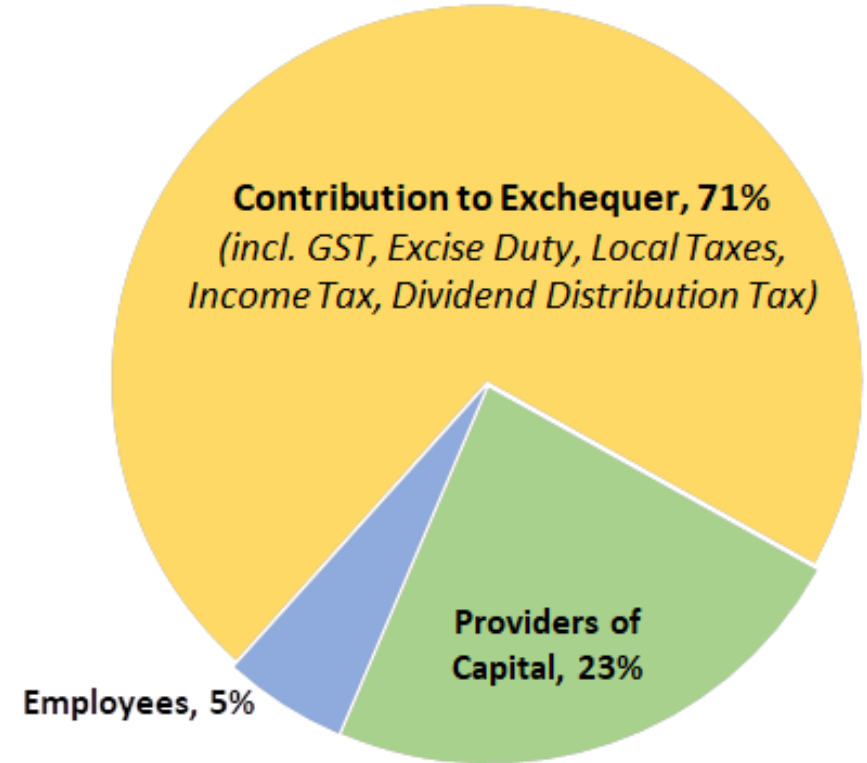
# Amongst the Top 3 Contributors to Exchequer (Pvt. sector)

## Value Addition & Contribution to Exchequer

*10 years cumulative  
Value Addition - ₹ 4.1 lakh cr.  
Contribution to Exchequer - ₹ 2.9 lakh cr.*



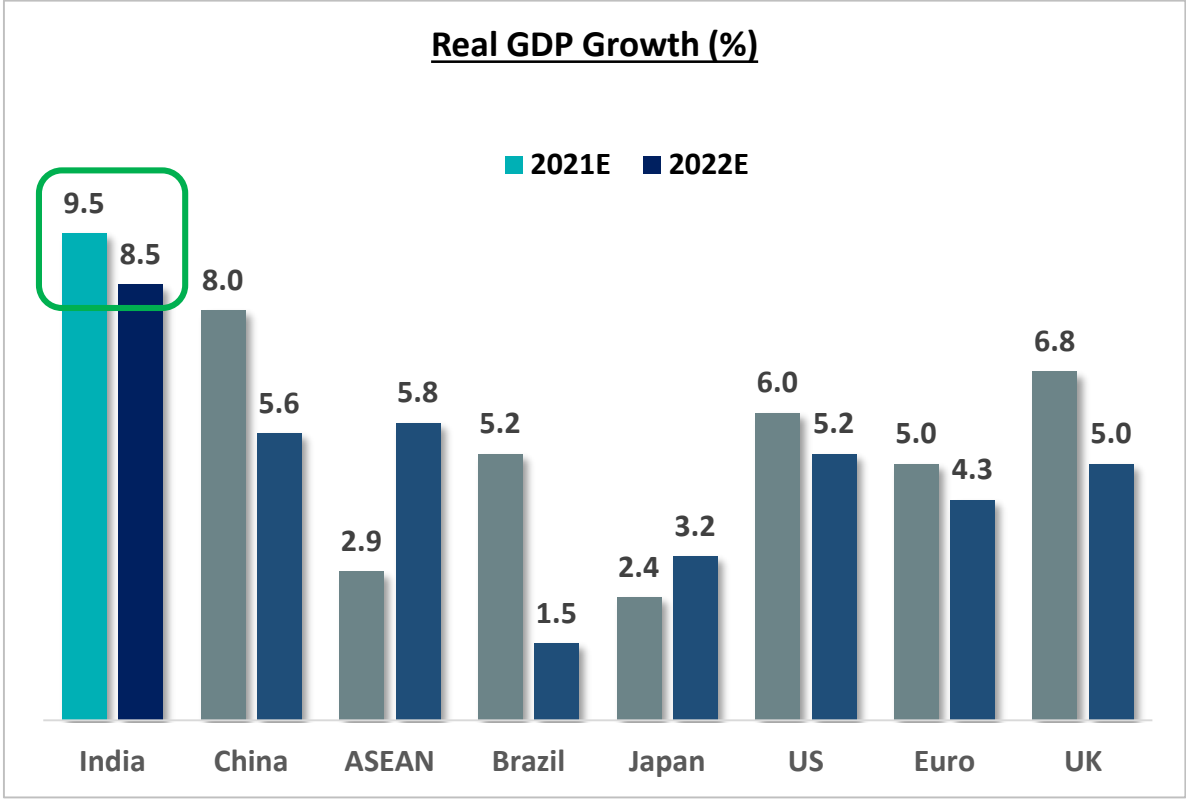
## Share of Value Added



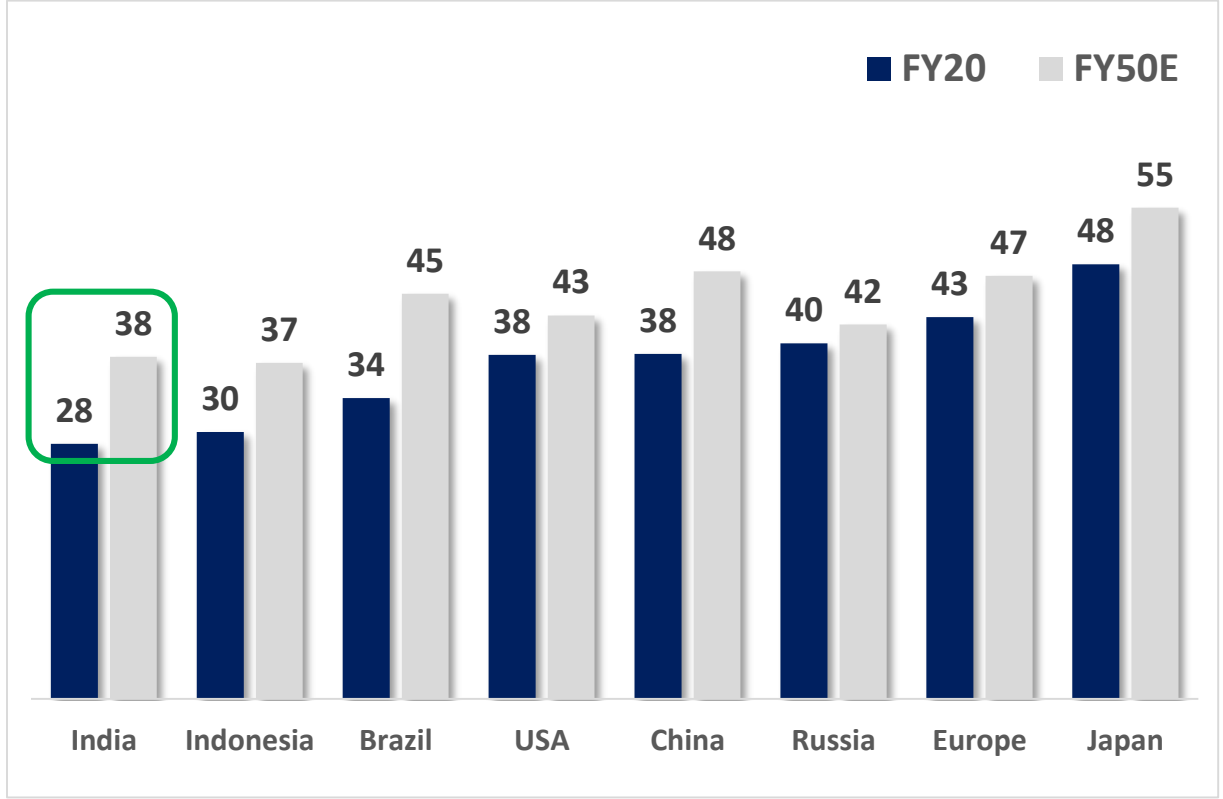
**India** 

# **A Compelling Growth Story**

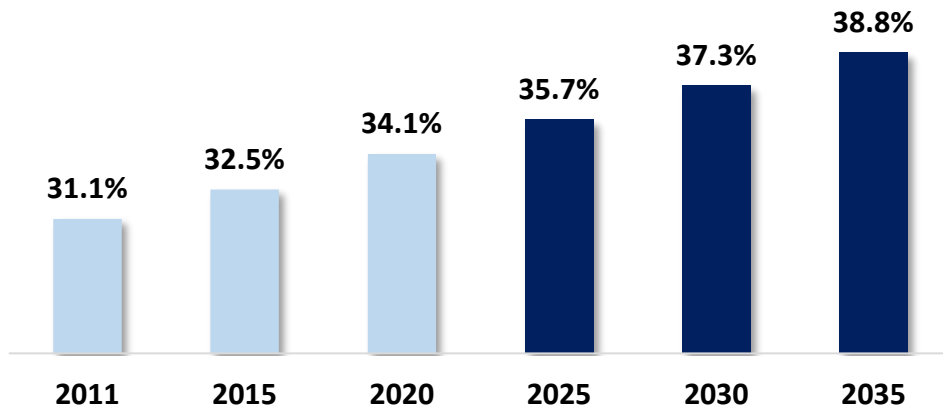
*Fastest growing major economy in the world*



*Population Median Age amongst the lowest in the world*

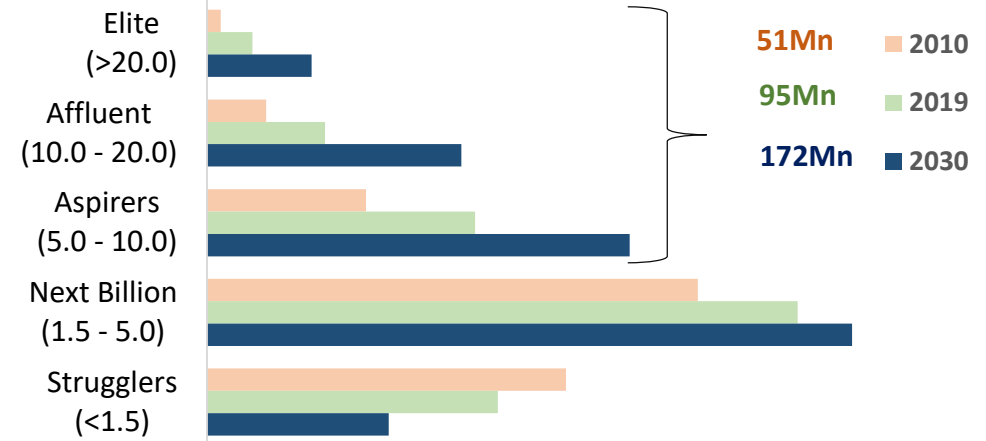


### Urban Population Share%



### Rapid Urbanisation

### Number of Households (mn) in Income Brackets



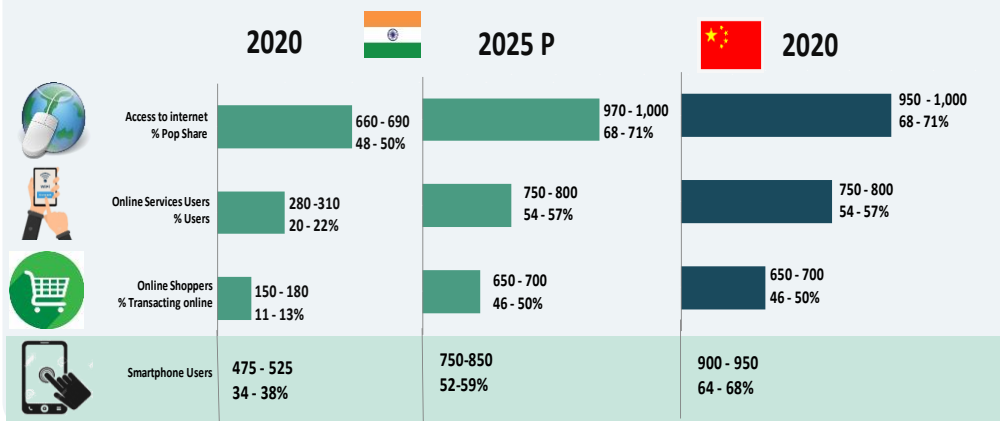
### Increasing Affluence

### India Online Consumer Funnel

(Million of population, % of total population)

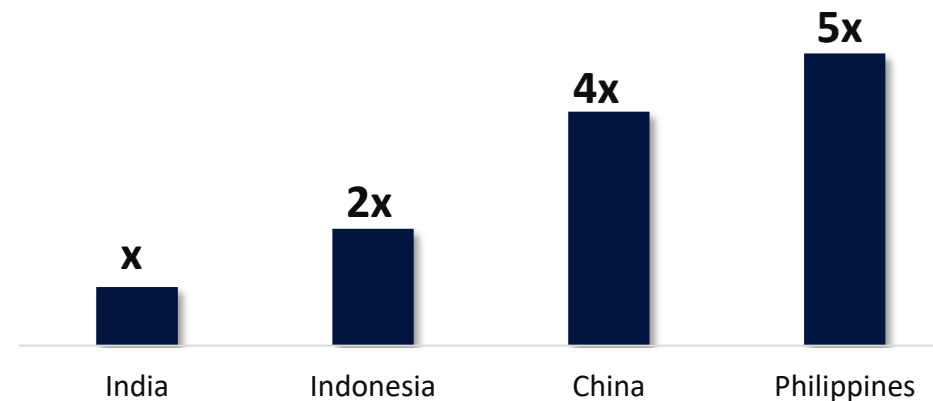
### China Online Consumer Funnel

(Million of population, % of total population)



### Digital Explosion

### FMCG Per Capita Consumption



### Low Per Capita Usage

# Multi-dimensional Reforms Agenda to Power Growth

## Taxation



**GST**  
**Corporate Tax Reduction**

## Infrastructure



**National Infra Pipeline**  
**Gati Shakti**  
**National Industrial Corridors**  
**Smart City Mission**  
**PM Awas Yojana**

## Manufacturing



**PLI**  
**Make in India**  
**New Labor Code**

## Financial Sector



**Insolvency and Bankruptcy Code**  
**NPA Resolution - Bad Bank**

## Digital



**Digital India**  
**Jan Dhan-Aadhaar-Mobile**  
**Unified Payments Interface**

## Agri/ Rural



**PM KISAN**  
**PMGKY**  
**Central Scheme on FPOs**  
**Rural Electrification**  
**Rural Livelihoods Mission**

*Illustrative initiatives*

# Corporate Strategies



### Multiple Growth Drivers

Best fit - market opportunity & enterprise strengths

Disruptive models : Digital / Sustainability + Institutional Strengths



### Innovation and R&D

Agile & purposeful innovation to win

Science-based research platforms embedding Sustainability



### Cost Optimization

Structural interventions across value chain



### Sustainability 2.0

Bolder ambition  
Environmental Capital  
Inclusive growth



### Digital

Future tech enterprise  
Digital first culture  
Smart Eco System

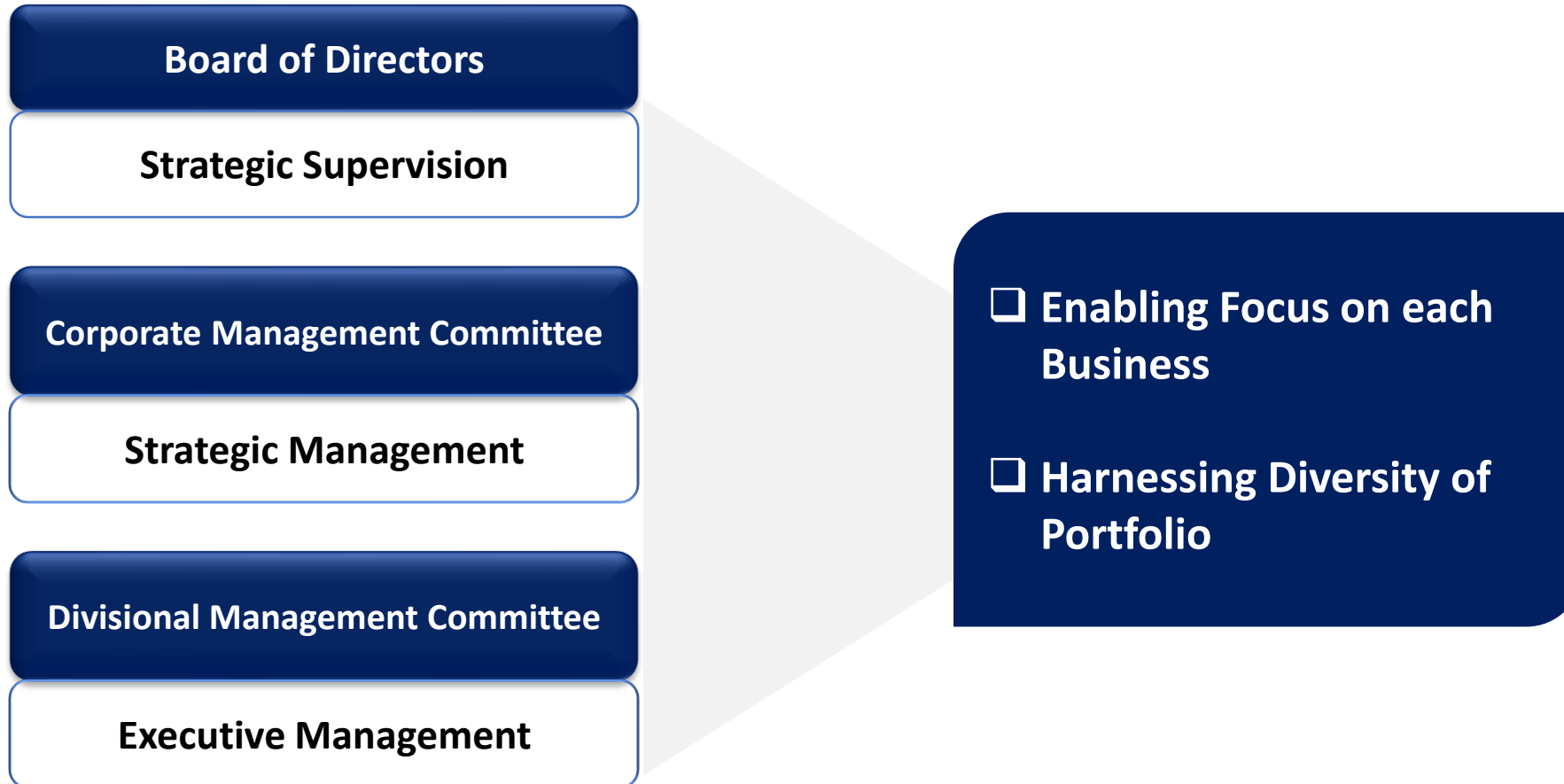


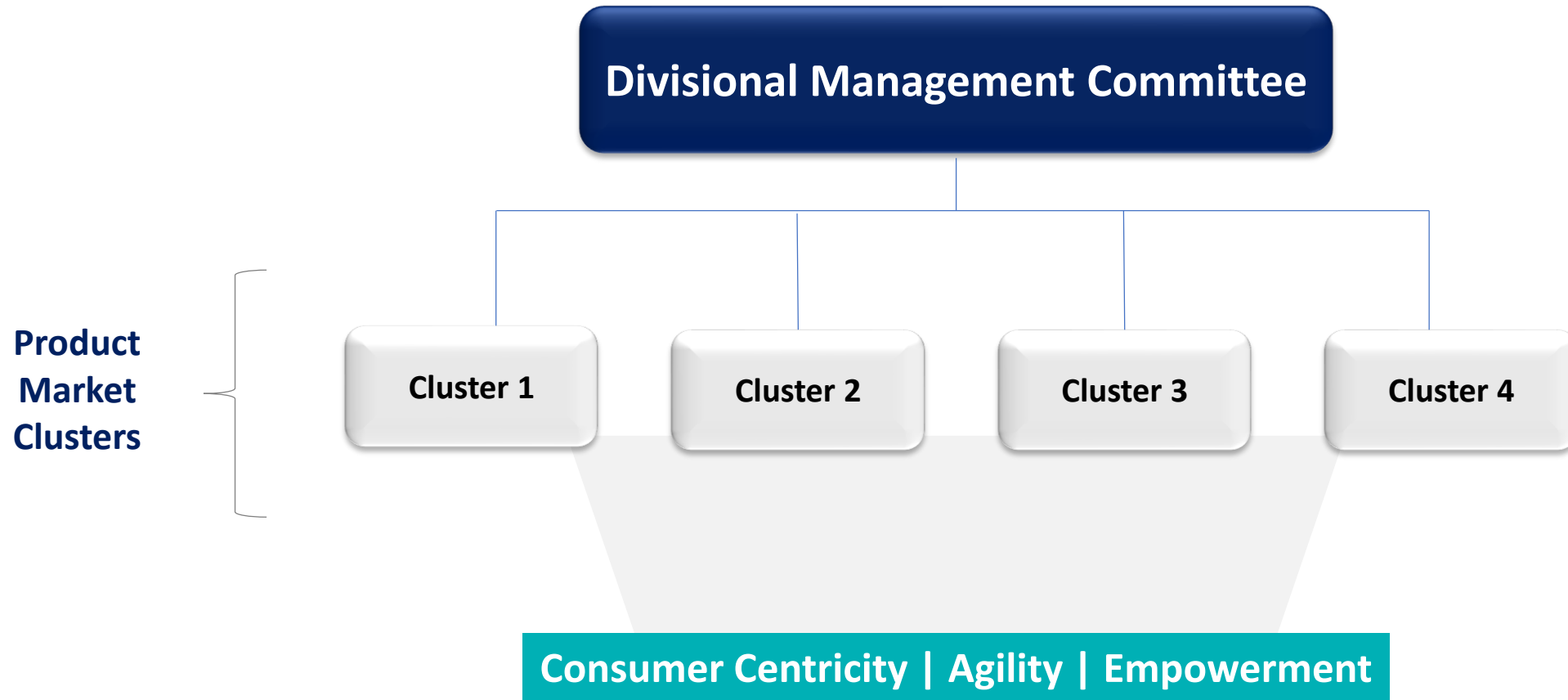
### World-Class Talent

‘Proneurial’ spirit  
High Performance, Nimble and Customer-centric Culture  
Diversity & Inclusion









## Capabilities

350 highly qualified scientists; over 900 patent applications

Partnerships with Global R&D centers & Academia

**LSTC**

Pilot Plants for all product categories

State of the Art Analytics Labs



**Agile and Purposeful Innovation**



## Specialized Research Platforms

Consumer & Sensory Sciences

Agro forestry & Crop Sciences

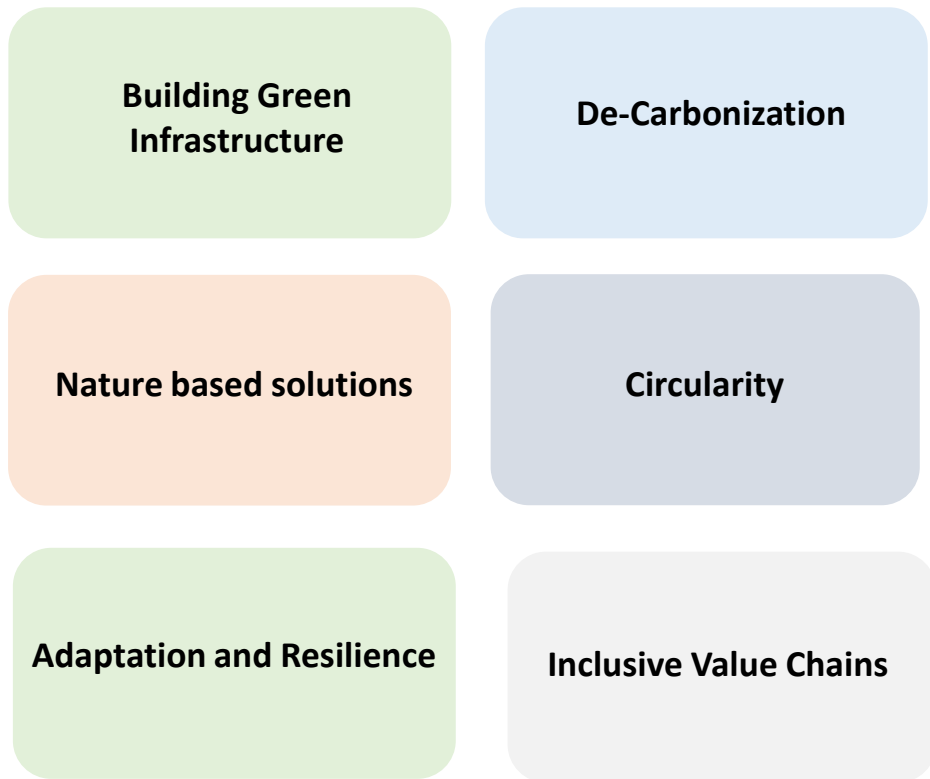
Sustainable Materials & Packaging

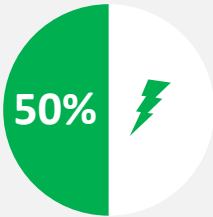




Measurement Sciences

Health & Wellness

Hygiene

### Strategic Interventions to Combat Climate Change



<p><b>Renewable Energy</b></p>  <p>50%</p>	<p><b>Specific GHG Emissions</b></p>  <p>50%</p>	<p><b>Recyclable Plastic Packaging</b></p>  <p>100%</p>	<p><b>Plastic Neutrality</b></p>  <p>100% Collection in FY22</p>
<p><b>Water Security for All</b></p>  <p><b>5x</b> of ITC's Net Consumption</p> <p><b>AWS Certification</b> for High Water Stressed Sites</p>		<p><b>Biodiversity &amp; Agriculture</b></p> <p><b>5.0 lac acres</b> Biodiversity Conservation</p> <p><b>3.0 million acres</b> Climate Smart Village</p>	

*Proactively work towards achieving 'Net Zero' emission status*

**Supporting Sustainable Livelihoods: From 6 million to 10 million**



**Skills, Culture & Work Designs**

**New Age Insights**

**Reimagined Consumer Experience**

**Smart Operations**

**Transform Employee Experience**

**Business Model Transformation**

**Strategic Interventions**

**DigiNext/  
YDIL**

**6<sup>th</sup>  
Sense**

**Customer  
Data Hub**

**Industry 4.0  
CoE**

**D&A CoE**

**Connected  
Eco-System**

**D2C  
Platforms**


**Learn | Re-imagine & Re-invent**



**Smart Consumer**





*Real-time New Age Insight  
Bespoke Brand Campaigns & Engagement  
Hyper Personalisation*








**Smart Trade**

*Digitized demand capture  
AI Assisted Selling, Supervision, Dynamic Routing  
Data driven last mile delivery  
Omnichannel fulfilment*




**Smart Supply Chain & Mfg.**

*Integrated & synchronized planning  
NextGen Agile Supply Chain  
Digital Factory  
Smart Sourcing*

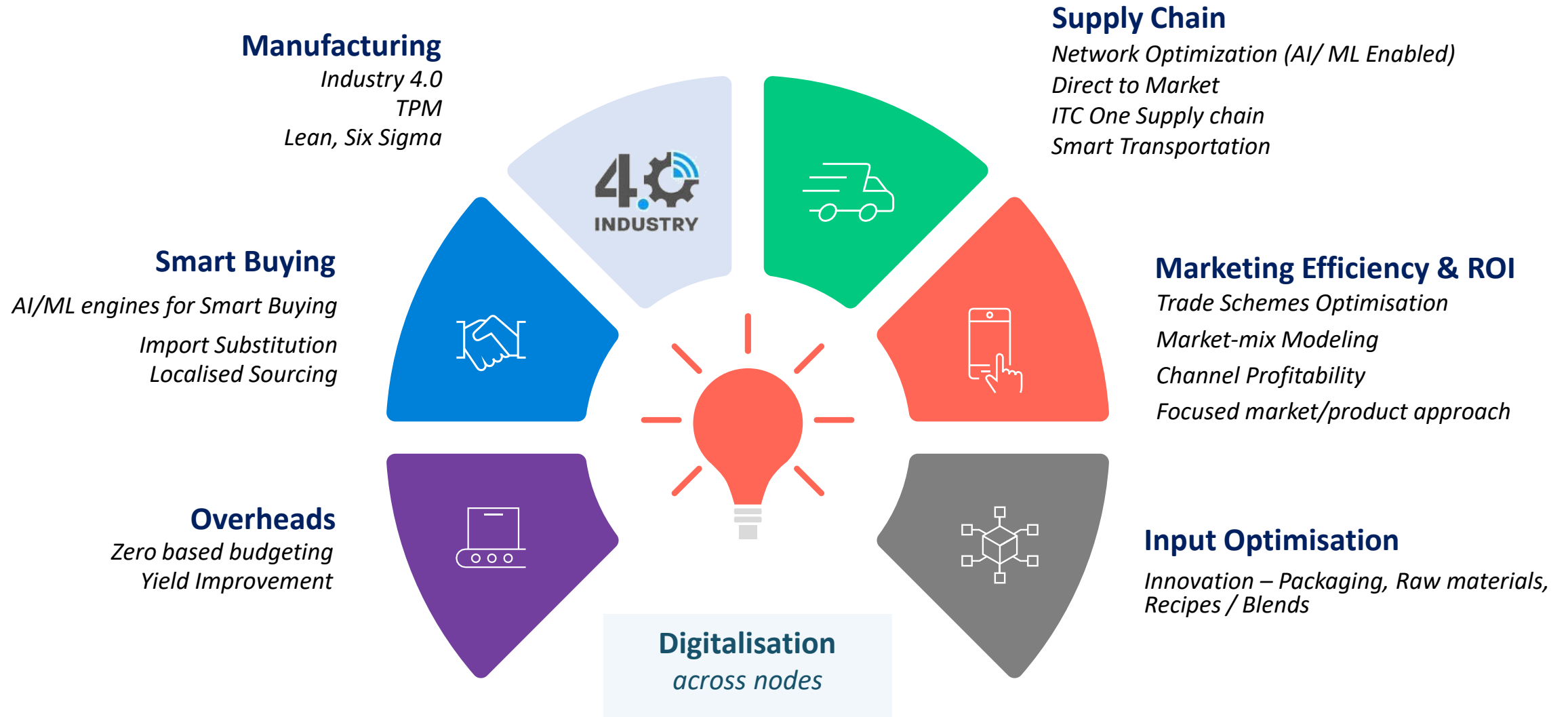






**Smart Employee Experience**

*Productivity enhancement –  
Collaborative tools, easier access to information/data  
Employee engagement & wellbeing:  
e-onboarding, training and mentoring*

State-of-the-Art Digital Technologies, Infrastructure and Security





**Committed**

- *Integrated PMS - Goals, Outcomes and Rewards*
- *Employee Voice*
  - *Townhalls, Studio One Exchange, Reflections 360*

- *Pride & Advocacy*
- *Vibrant Innovation Engines*
- *Relational Contract*

- *Purpose Driven Enterprise*  
*Triple Bottom Line*
- *Empowered & Participative Culture*  
*Large, impactful Roles*
- *Careers v/s Jobs*  
*Deep functional immersion*  
*Pillar Jobs*  
*Growth from within*



**96%**

see clear linkage between their & ITC's Goals

**2100+**

Ideas in company wide Innovation platform

**95%**

Employees feel Proud to be with ITC

**1%**

Attrition in Senior Positions

**75%** of Leaders Grown Internally

Talent Augmentation through Laterals

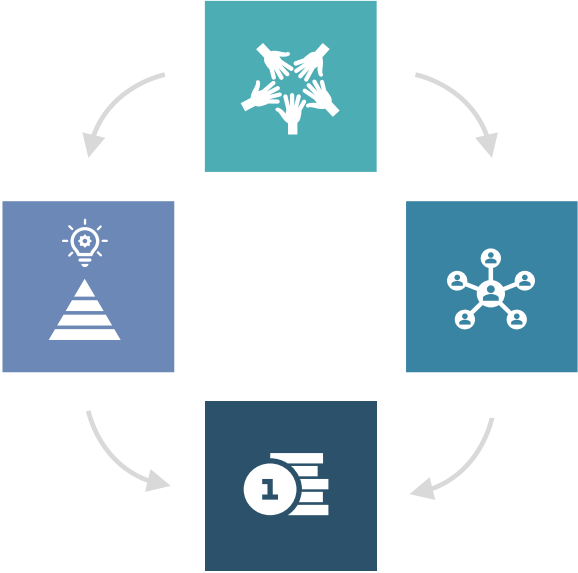


## Contemporary Capabilities

*Strategy| Business Acumen  
Digital Marketing  
Data Science*

## Competitively Benchmarked Compensation

*Business Linked, Individually differentiated  
Long-term orientation for senior mgmt.  
Performance based Variable Pay*



## Proneurial Culture

*Challenger Mindset  
Opportunity to create Businesses  
Institutional Support  
Top Draw for HiPo Talent*

## Distributed Leadership

*3 Tier Governance  
Agile Market Facing Teams  
Synergy through shared capability*

**7x**

increase in Learning Hours in 3 years

**25+**

Winning Indian Brands

**7000+**

Applicants from Top Tier Institutes

**10,000+**

Participants in Campus Outreach Initiatives

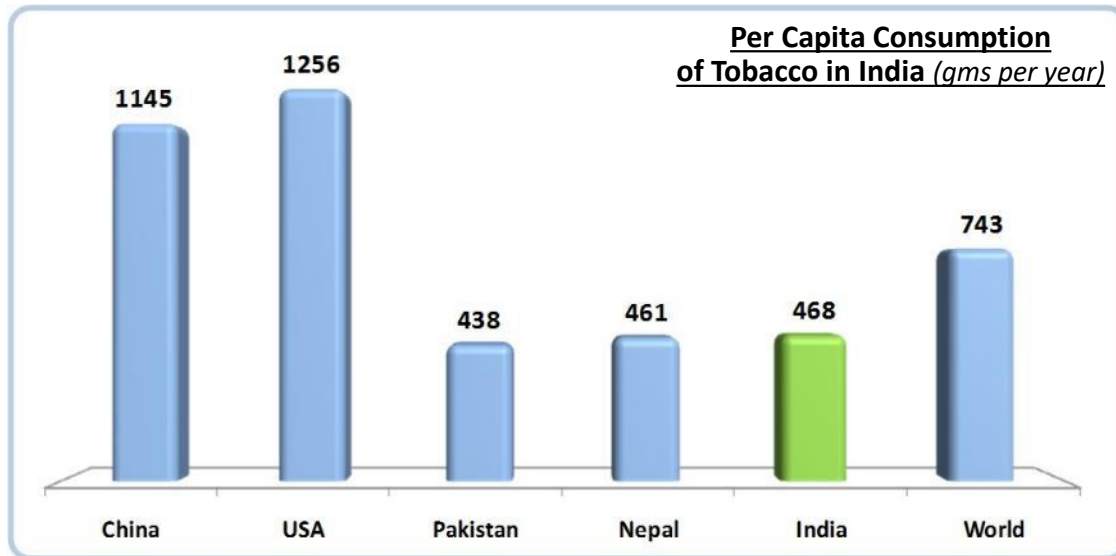


Enduring Value

## FMCG Cigarettes

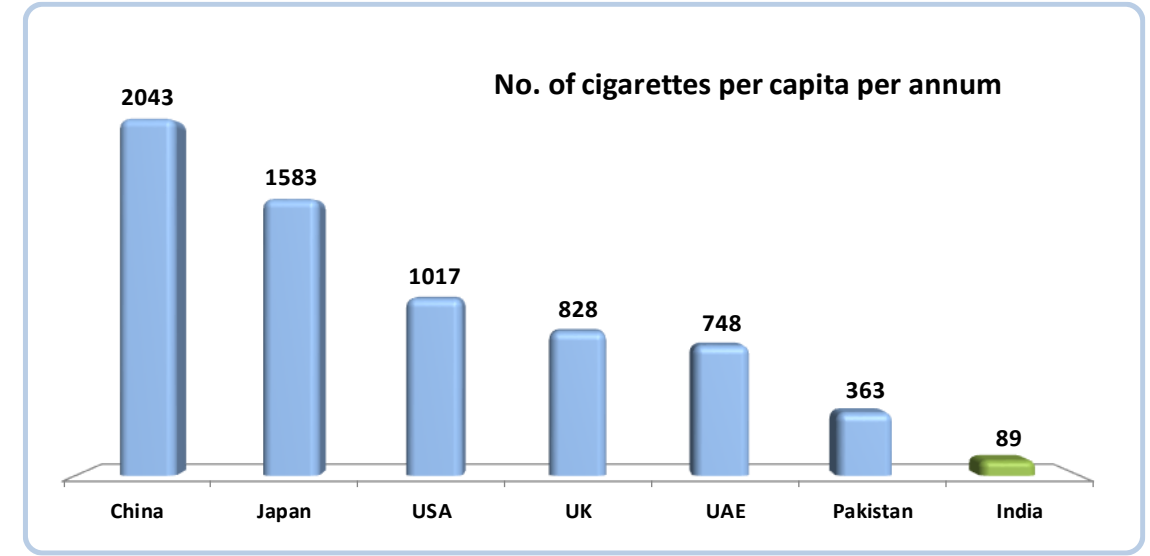


Per Capita Tobacco consumption @ ~60% of World Average



Source: World Cigarettes – ERC Statistics, Tob Board & Industry Estimates – gms/Yr

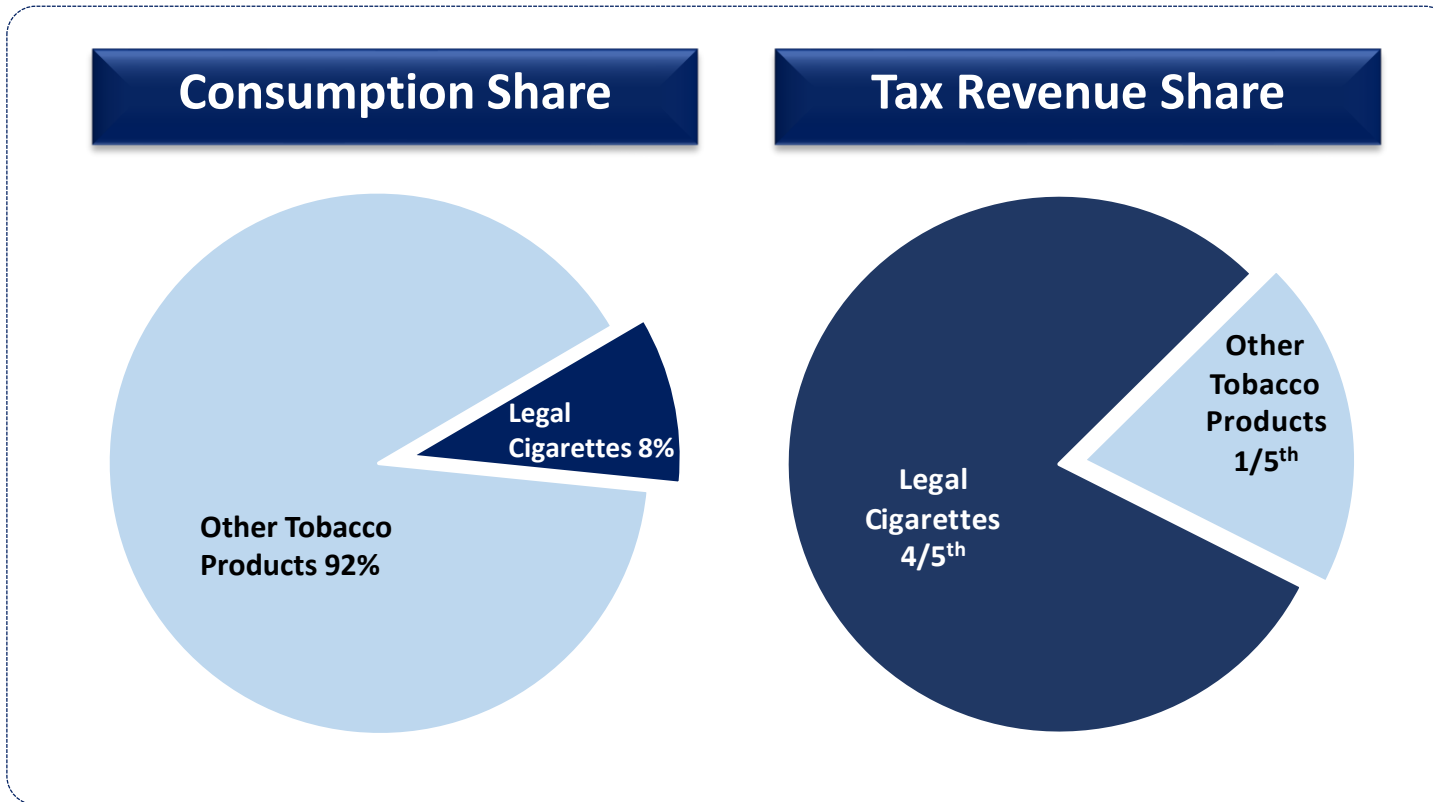
Per Capita Cigarette Consumption @ 11% of World average



Source: Tobacco Atlas, 6<sup>th</sup> Edition, ACS 2018

India accounts for over **18% of world population**; share of world **cigarette consumption is less than 2%**

# Legal Cigarettes: ~8% of tobacco consumption Vs. ~80% of tax revenue

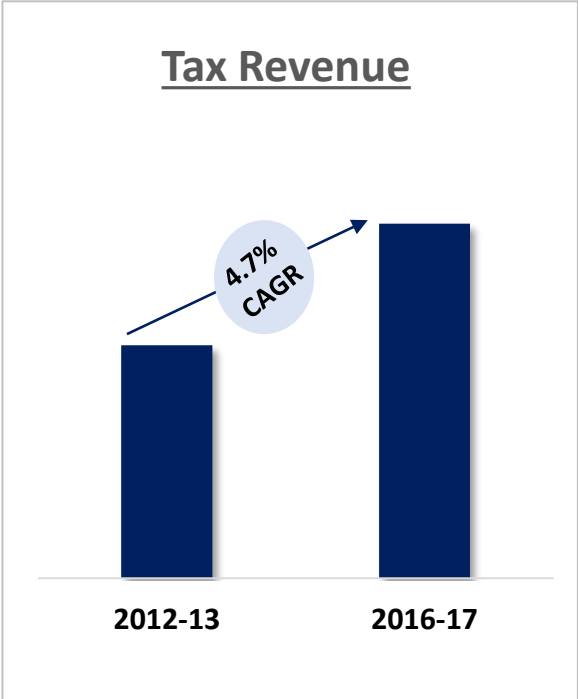
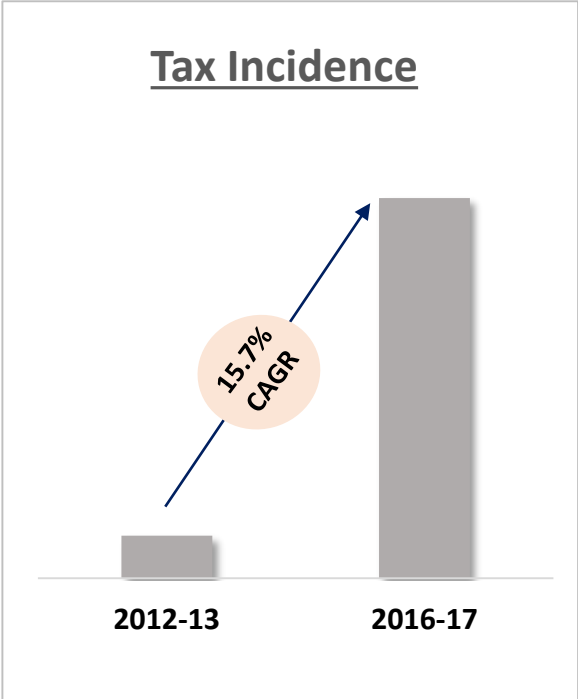


Surge in illicit trade  
Revenue loss to Exchequer  
Adverse impact on farmers

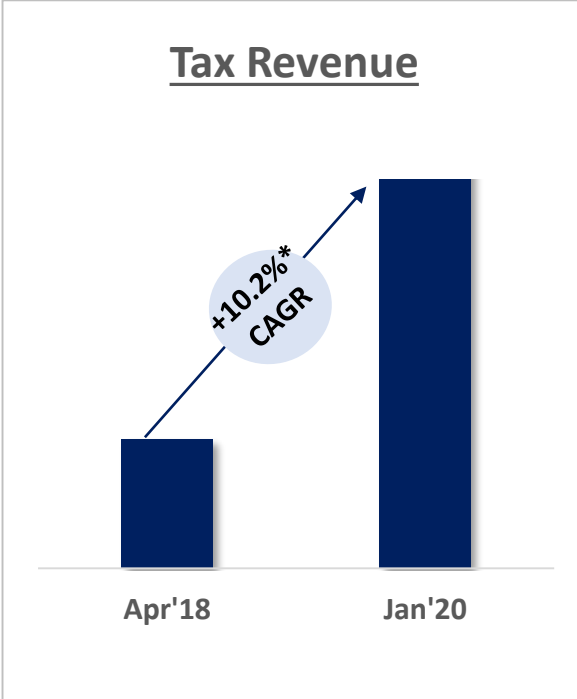
Equitable, Pragmatic Regulatory & Taxation policy → **Imperative to Realise the Revenue Potential of Tobacco sector & Achieve Tobacco Control objectives**



## High tax increase → Sub-optimal Tax Revenue



## Relatively stable tax regime (April'18 to Jan'20)



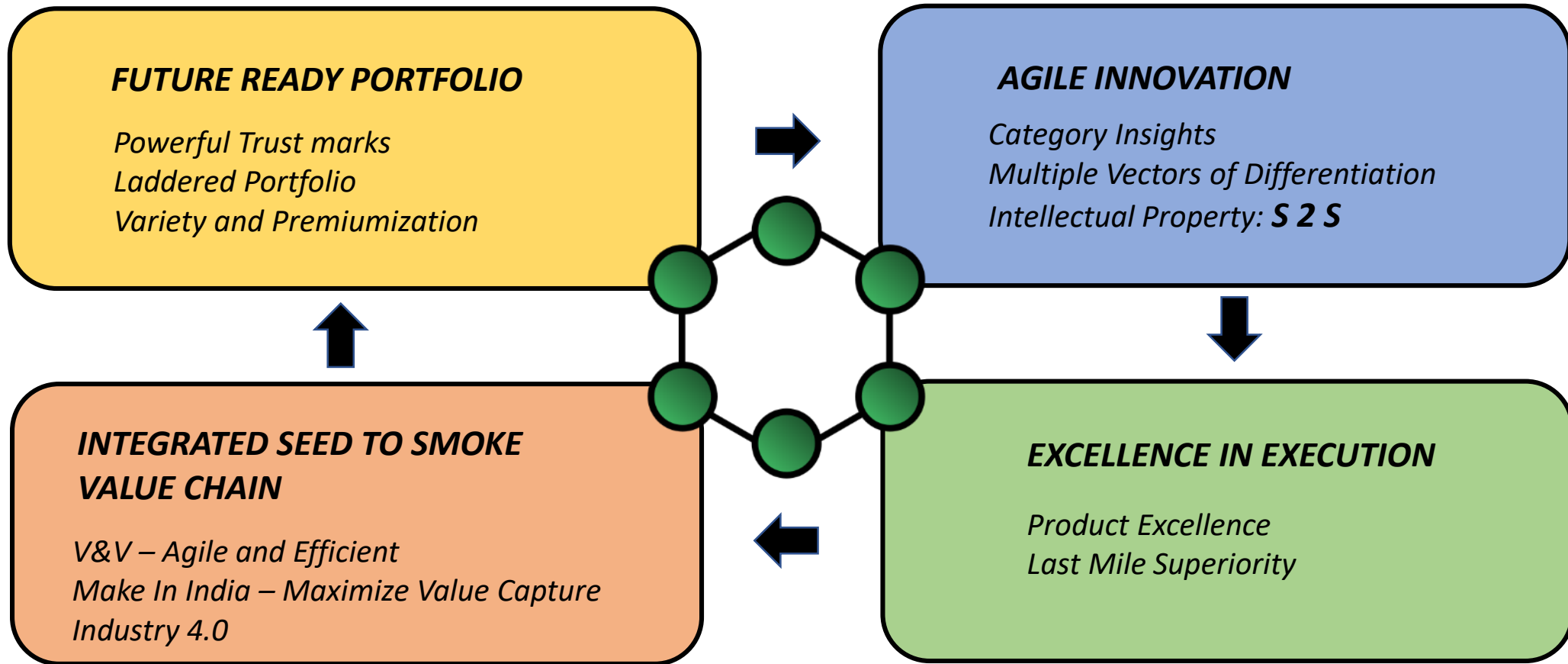
- Market **leadership** position
- **Well-laddered portfolio of brands**
- **World-class products & processes** anchored on innovation
- State-of-the-art **manufacturing facilities**
- **Wide and deep distribution** network
- Strong **vertical integration** with Leaf tobacco and Packaging & Paperboards businesses
- **Best-in-class profitability & returns** globally



**Maximize Cigarette Potential within Tobacco Basket**

**Countering illicit**

**Reinforce Market Standing**

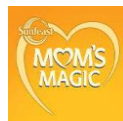
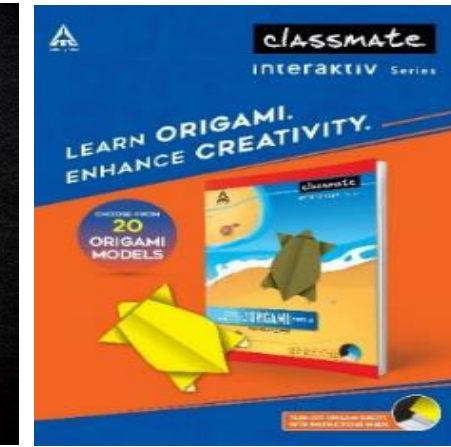
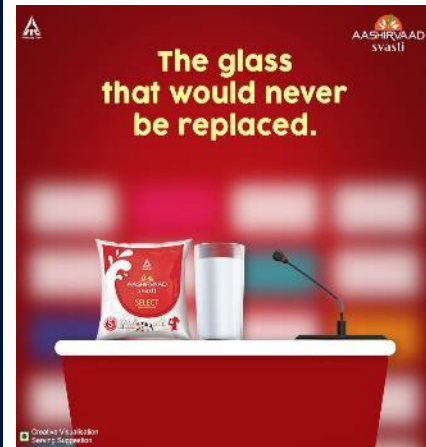






Enduring Value

FMCG Others





### Branded Packaged Foods



### Personal Care Products



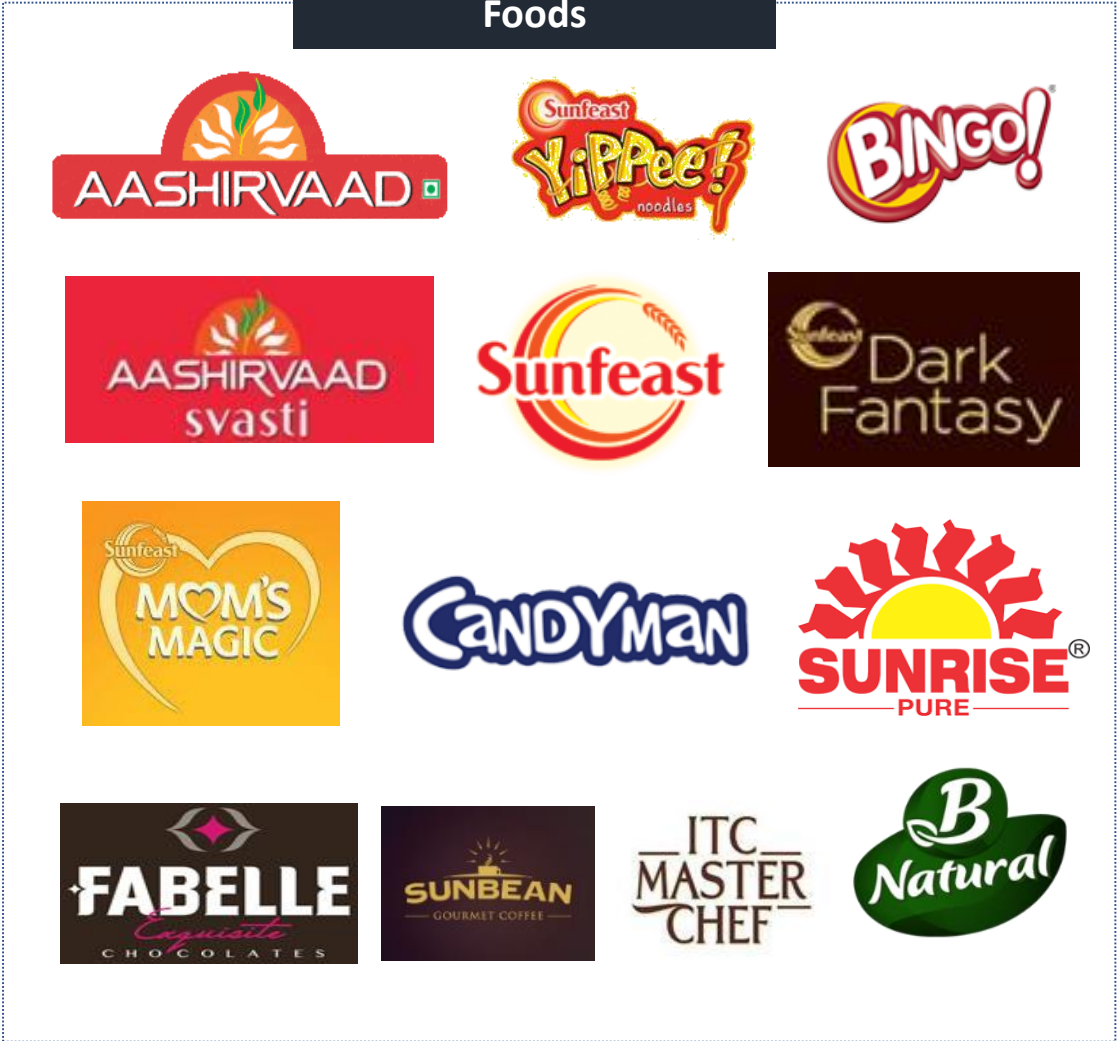
### Education & Stationery Products



### Matches & Agarbatti



Foods



Personal Care



Stationery, Matches & Agarbatti







**Trusted Brand**

**Health & Wellness, Hygiene**

**Indulgence**

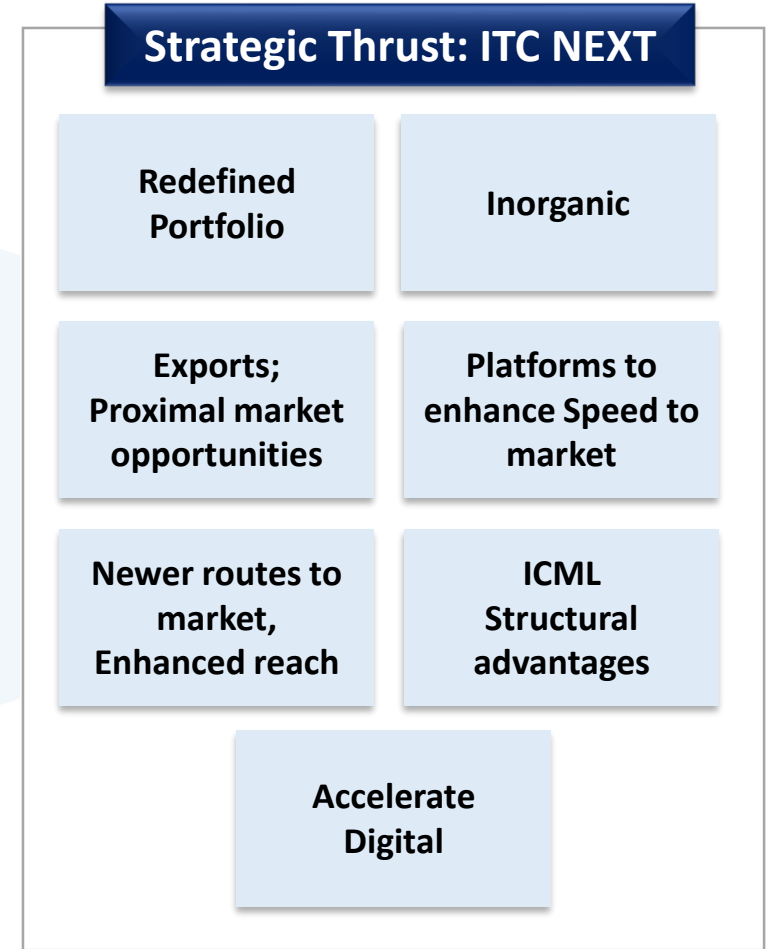
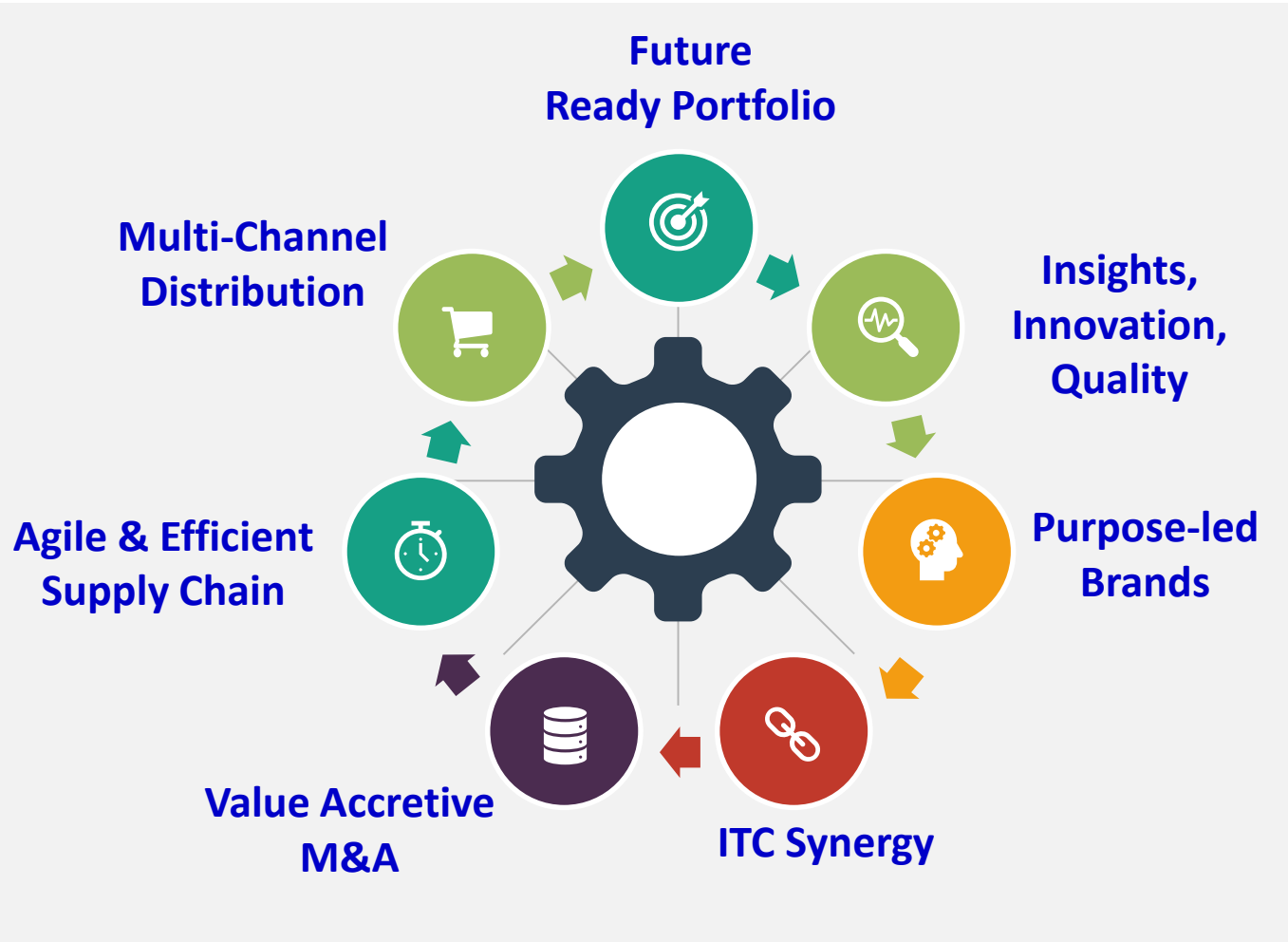
**Home Conveniences & On-the-Go**

**Natural / Organic**

**Digital Natives**

**Transforming RTMs**





## Fortifying the Core



**No.1** In Branded Atta



**No.1** In Cream Biscuits



**No.1** In Bridges Snacks



**No.1** In Notebooks



**No.2** In Noodles



**No.1** In Surface Disinfectant Spray



**No.1** In Dhoop  
No.2 in Agarbatti

**Annual Consumer Spends ~22,000 cr.**

## Addressing Adjacencies leveraging Mother Brands



## Building Categories of the Future



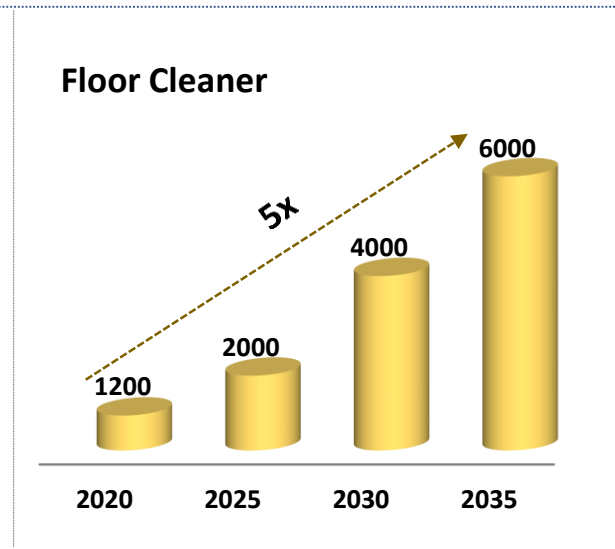
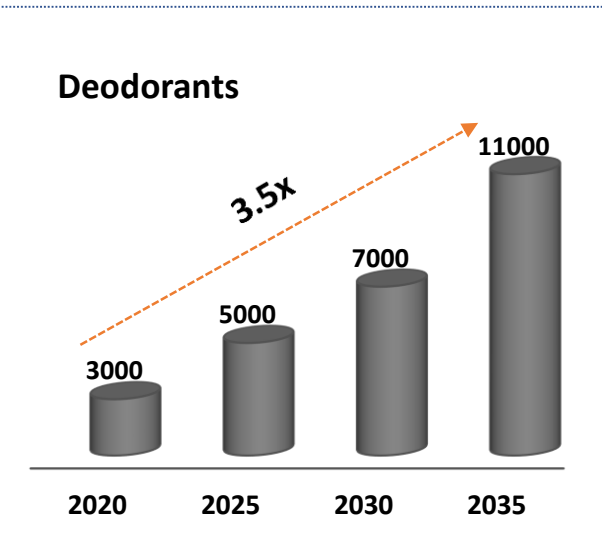
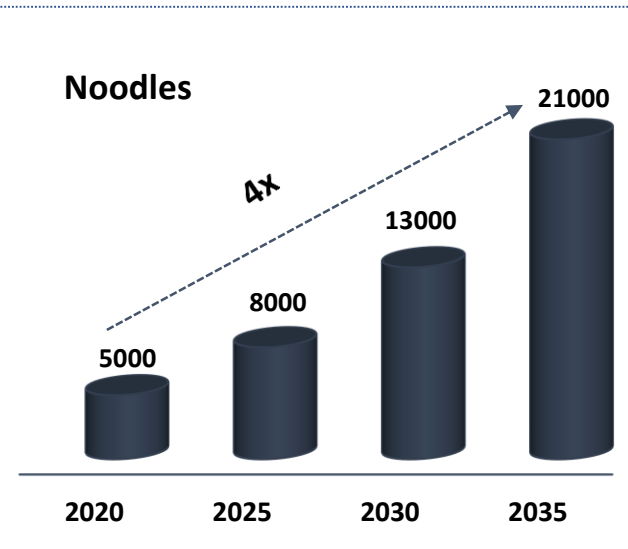
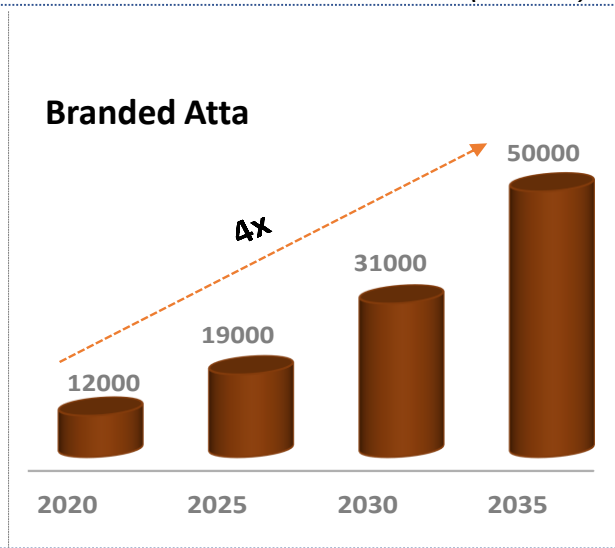
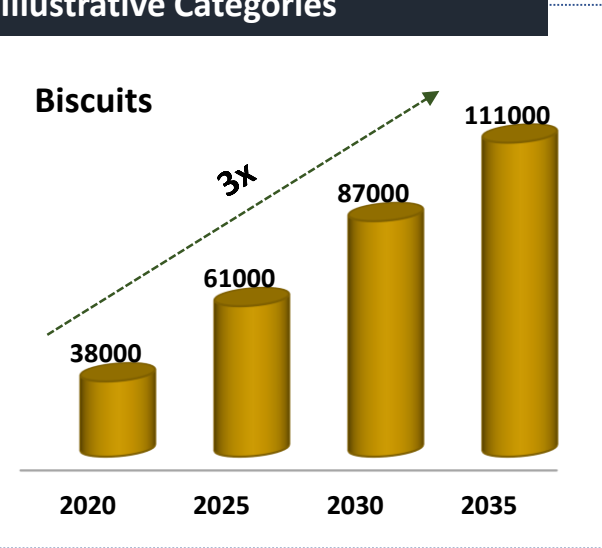
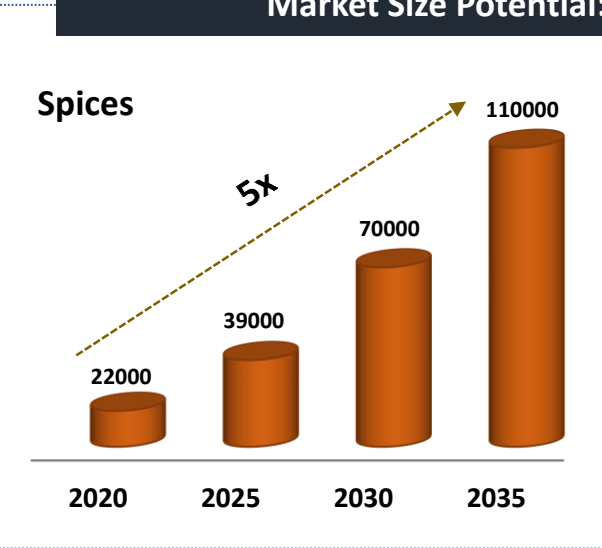
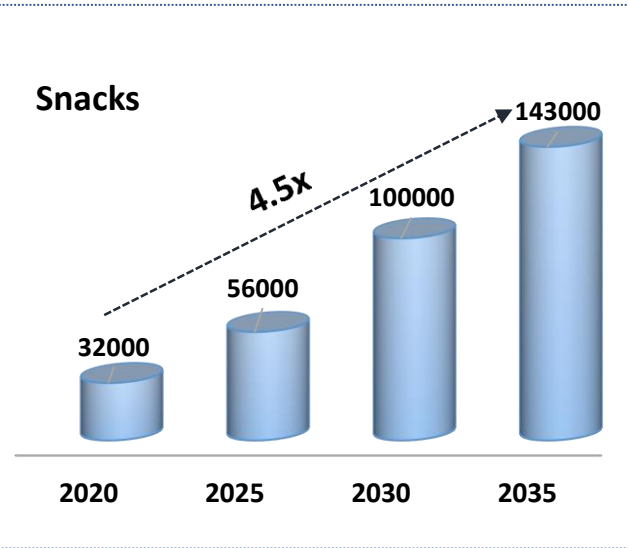







# Addressable Market Expansion Potential

## Amongst the highest in Indian FMCG space

### Market Size Potential: Illustrative Categories

(Rs. cr.)



<p><b>Value Accretive Acquisitions</b></p>	 
<p><b>Divestiture / Shrink</b></p>	  

## Hygiene++, Protection & Care



**Savlon**

Hexa, Disinfectants, Masks & Wipes



**Nimyle**

Floor Cleaner

## 'Good For You' & 'Free From'



**Aashirvaad Nature's Super Food**

Organic Atta & Dals



**Sunfeast**  
Digestive Range

**Aashirvaad**  
Vermicelli

**Aashirvaad**  
Crystal & Proactive Salt



**B Natural / Sunfeast**  
Nutrilite Health Range



**B Natural**  
Soups & Immunity Juices

## Convenience & On-the-Go



**Aashirvaad**  
On-the-Go Range

**Aashirvaad**  
Ready to Cook



**ITC Master Chef**  
Gravies and Frozen Snacks



**Aashirvaad**  
Svasti Ghee



**Engage ON**  
Chota Pocket Perfume



**Savlon**  
HandWash Powder



## Indulgence



**Fabelle**  
Luxury Chocolates



**Sunfeast**  
Caker



**Dark Fantasy**  
Desserts



**Dark Fantasy**  
Vanilla Fills



**Sunfeast Bounce**  
Fruit Fills



**Sunfeast**  
Milkshakes



**Sunfeast Dark Fantasy**  
Choco Chip, Choco Nut Fills



**Sunfeast**  
All Rounder



**Fantastik**  
Chocobar XL

## Fragrances



**Engage**  
Perfumes and Deodorants

## Skin Care



**Dermafique**  
Premium Skin care



**Charmis**  
Facewash, Face Serum &  
Hand Cream

## Interactive Education



**Classmate Interaktiv**  
Origami Books

## Agarbatti

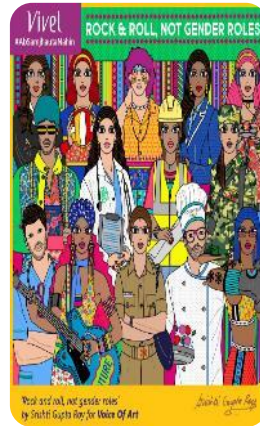


**Mangaldeep**

## Healthier & Safer India



## Women Empowerment



## Responsible Citizens for the Future



## Saluting Mothers





## DIY & Influencer led



## Digital First Brands



## Creating Brand Love



## Moment Marketing



**16%+**

Media Spends through Digital platforms

**70%+**

of campaigns done using ITC's own 1st party data

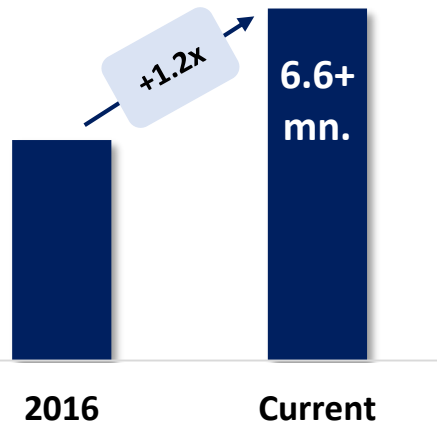
**2500+**

Content assets creations through ITC Sixth Sense (Moment Marketing)

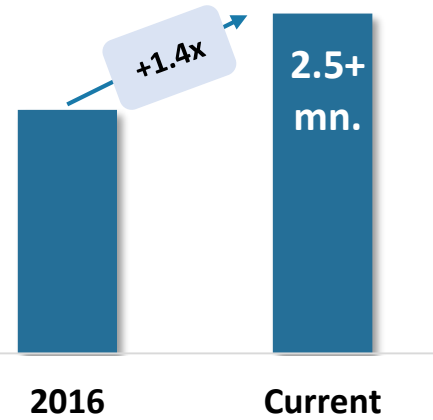


## Driving Penetration & Accessibility

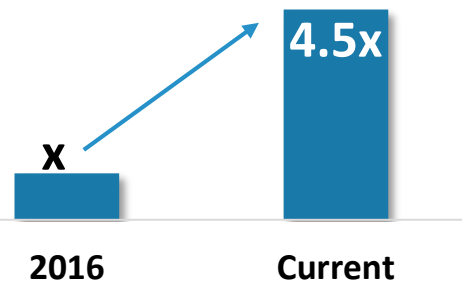
### Total Reach



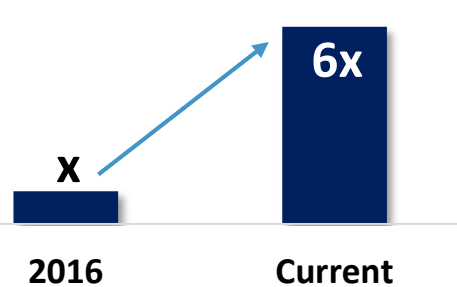
### Direct Coverage



### Market Coverage



### Stockists



## Strengthening Core Channels



## Convenience & Grocery Channels

## Winning in Emerging Channels



Modern Trade



Fast-tracking E-Com, D2C, Cash & Carry

## New Routes to Market

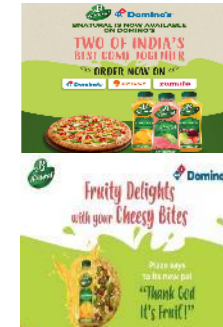
On-the-Go



Direct Marketing



QSR



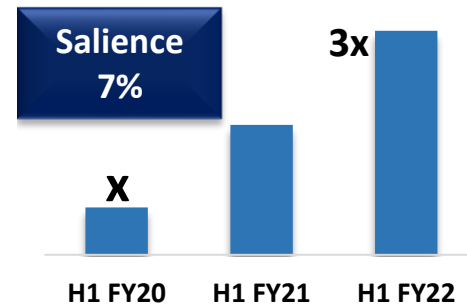
Strategic Partnerships



## Expanding E-Com



ITC e-Store - Operational in 15 cities



## Climate Controlled Supply Chain

Frozen | Dairy | Chocolates



## Scaling-up Food Services



**ICML Network**

*Lower Distance-to-Market  
Quality, Hygiene & Freshness  
Responsive Supply Chain  
Co-hosted Automated Warehouses*



**Smart Manufacturing**

*Industry 4.0  
Automation  
Energy, Quality, Yield management*

**Delaying Operations**

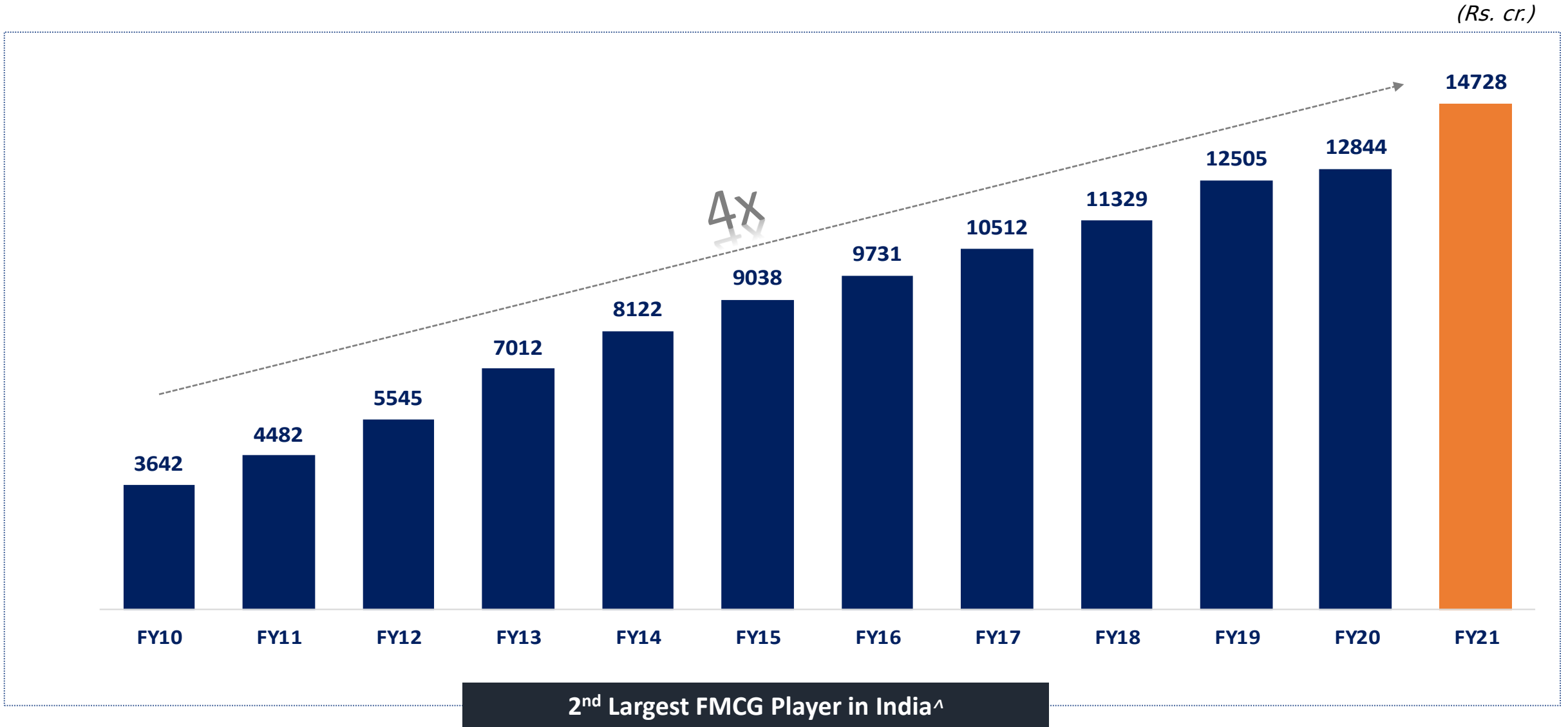
*Direct shipments  
Multiple handling elimination*

**Smart Buying & Value Engineering**

*Real time price discovery (spatial & temporal)  
Varietal / Geographical arbitrage  
Recipe / packaging innovations*

# One of the Fastest Growing FMCG Businesses in India

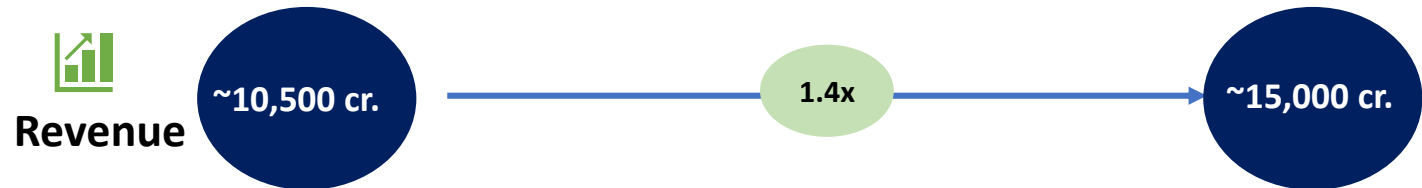
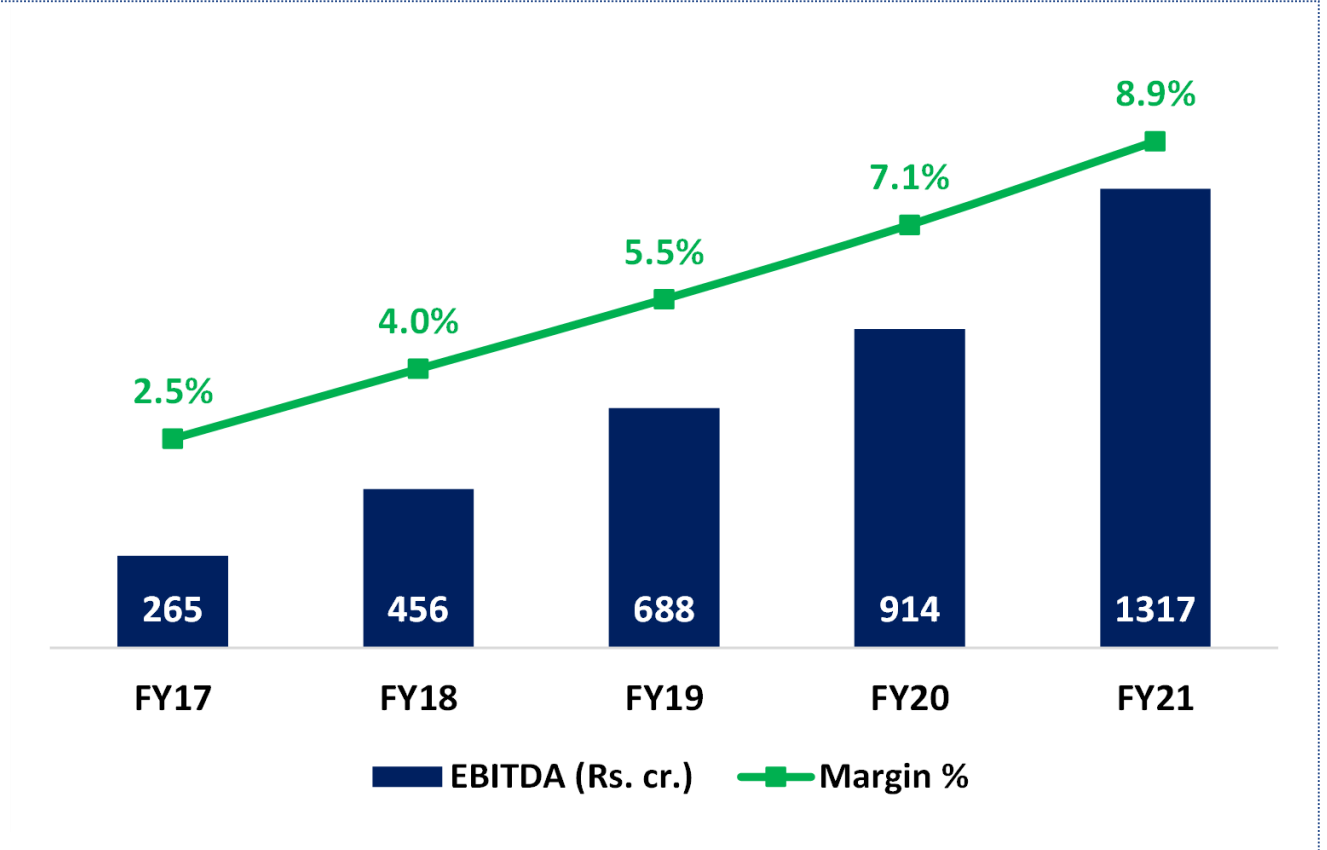
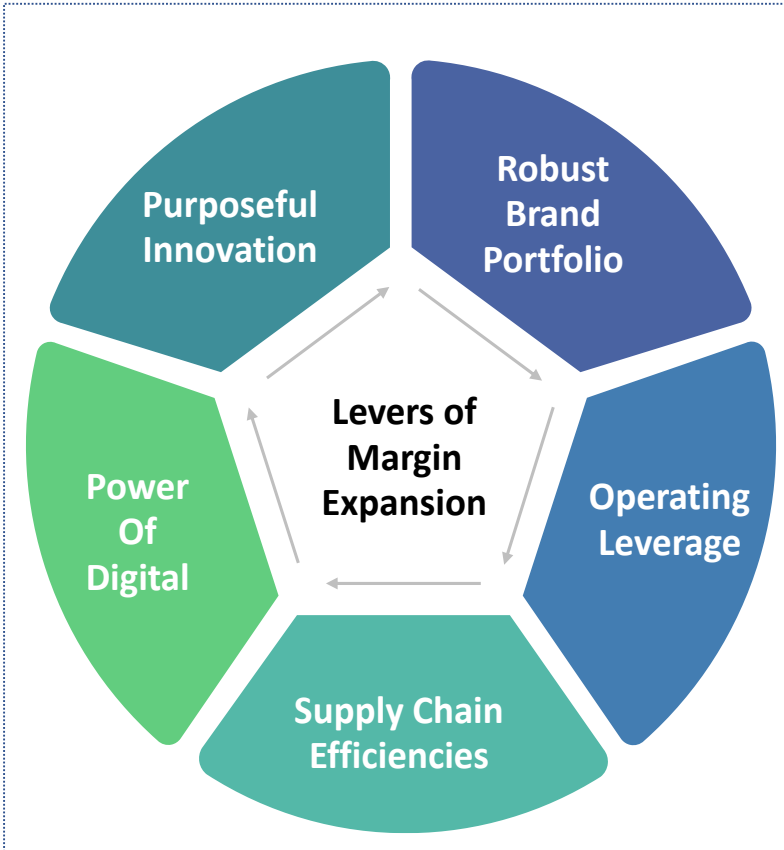
(ITC 10 year CAGR at 12.7% vs. FMCG Comp Set at 10.3%)



# On track to Sustain Improvement in Profitability...

EBITDA up **44%** in FY21  
**Margins up 640 bps** since FY17

H1FY22 margins maintained despite  
 inflationary headwinds [CY: 9%; LY: 8.9%]







Enduring Value

# Agri Business







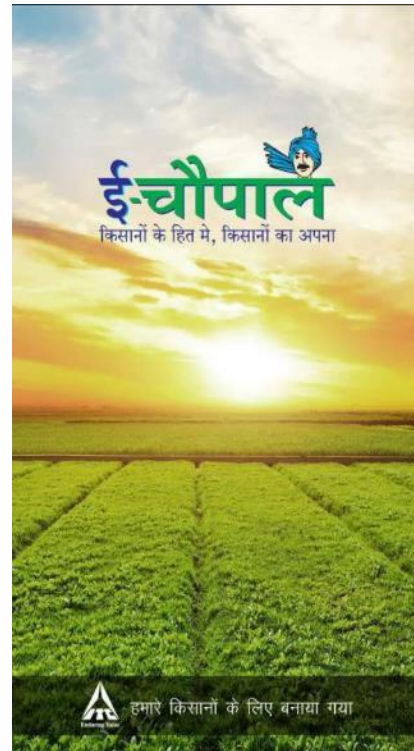
- **Leading Agri Business player in India**
- **High Quality & Cost-competitive agri commodity sourcing**



- **Sourcing & Supply operations** covering Grains, Coffee, Spices, Aqua, Milk etc.
- **Throughput > 3 Mln MT p.a.**
- **20+ crop value chain clusters in 22 states**



- **Pioneer in Rural Transformation**
- **Leveraging Information Technology** for the transformational 'e-Choupal' initiative



*Rural India's largest Internet-based intervention  
Servicing 35,000 villages ~4 million farmers*

- **ITC : India's largest buyer, processor, consumer & exporter of cigarette tobaccos**
  - *5th largest leaf tobacco exporter in the world*
  - *40% of total Indian exports*
- **Pioneering cultivation of Flue-cured and superior Burley tobaccos in India**

- *Deep product knowledge & sourcing expertise*
- *Robust sustainable sourcing network*
- *World-class processing capability*
- *Long-standing customer relationships*
- *Training & Support in sustainability practices*





**Deliver sustainable competitive advantage to ITC FMCG Businesses**

*High quality & cost competitive agri-sourcing*



**Future Ready portfolio of value-added products to drive growth & margins**

*Organic/Food safe/Processed; Produce the Buy*



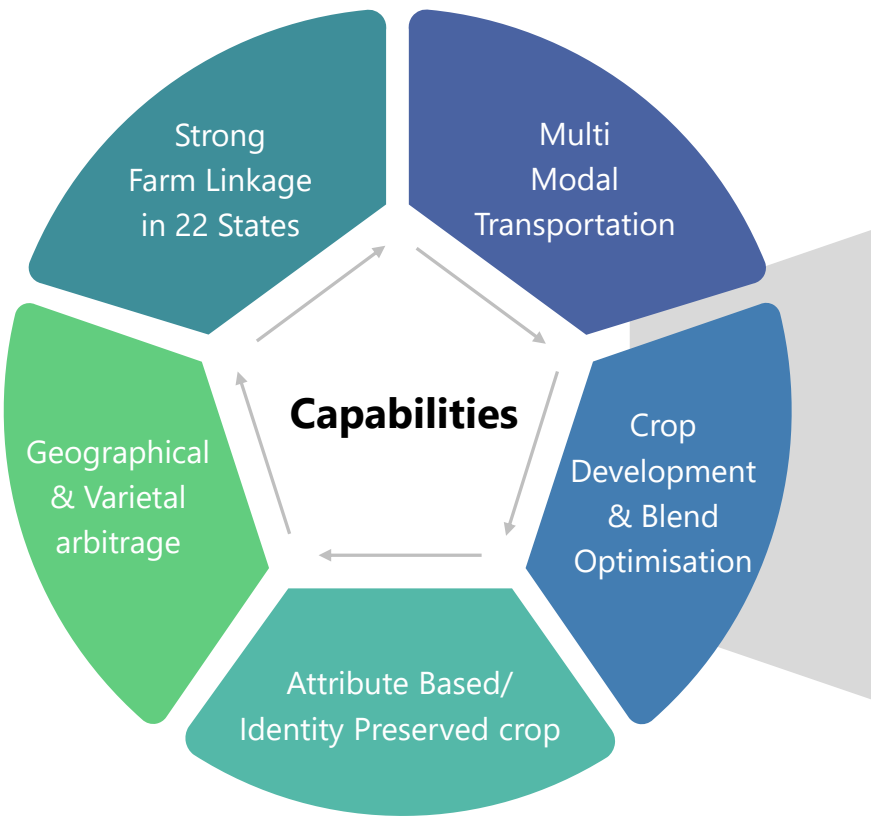
**ITC MAARS^ - Transformative Business Model building on e-Choupal 4.0**

*Hyperlocal solutions for input/output markets*




**NextGen Indian agriculture**

*FPO-led backend re-engineering | Digitally powered | Climate Smart | Market linkages*





**Wheat**

*Securing identity preserved, superior wheat with logistics cost optimisation*

**Potato**

*Security of Supply  
Yield improvement  
Proximal to Manufacturing*




**Fruit Pulp**

*Develop supply chain & source superior quality Indian fruit pulp at competitive price*




**Spices**

*Sourcing Food Safe products, Develop new products*

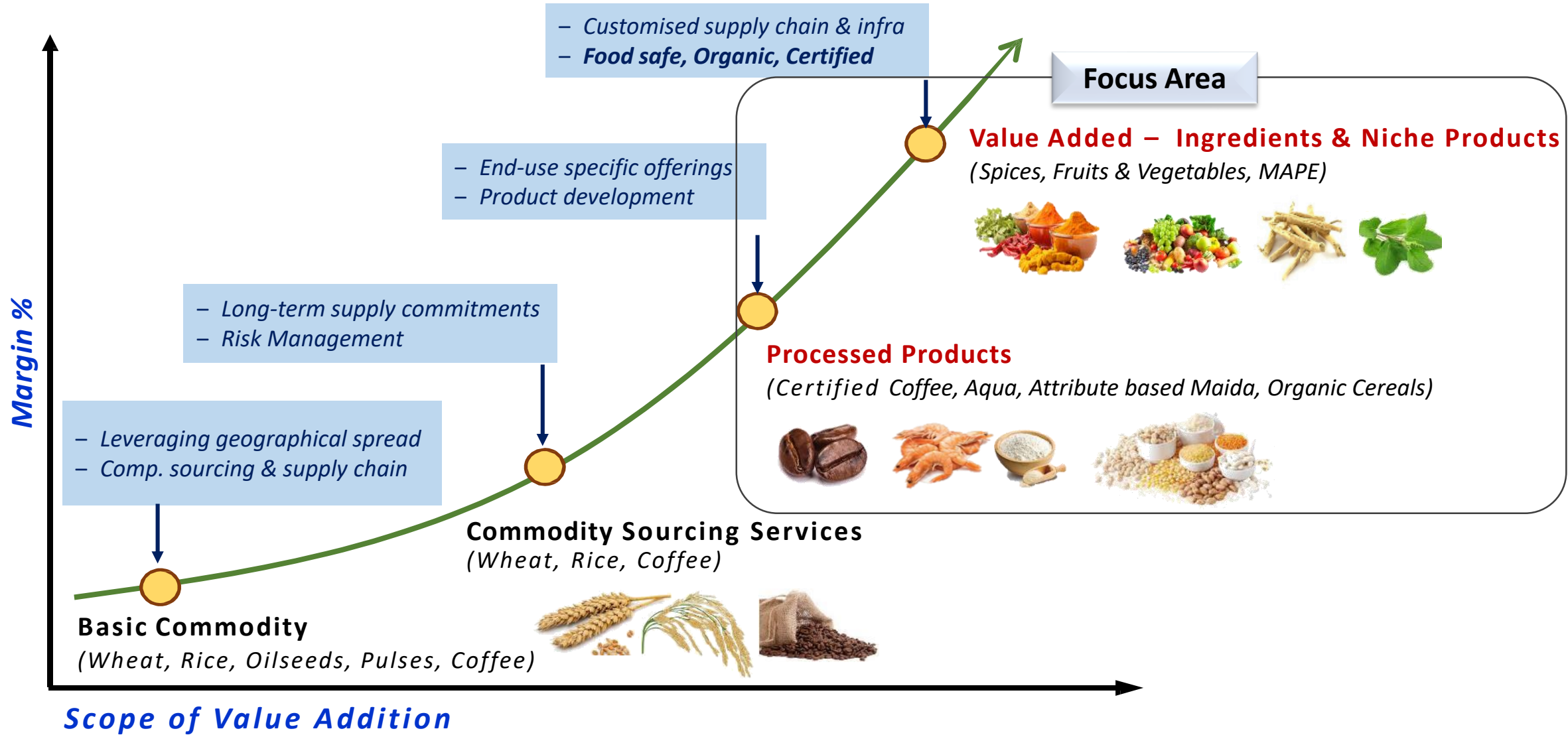



**Milk**

*Sourcing of high quality milk through farmer network, deployment of milk chillers*



**Straddling Multiple Agri Value Chains**



## Spices Facility @ Guntur



*Preferred supplier for Customers in Food Safe Markets (FSM) and Emerging markets*

*Products tested for over 470 pesticide residues*



**Chilli**

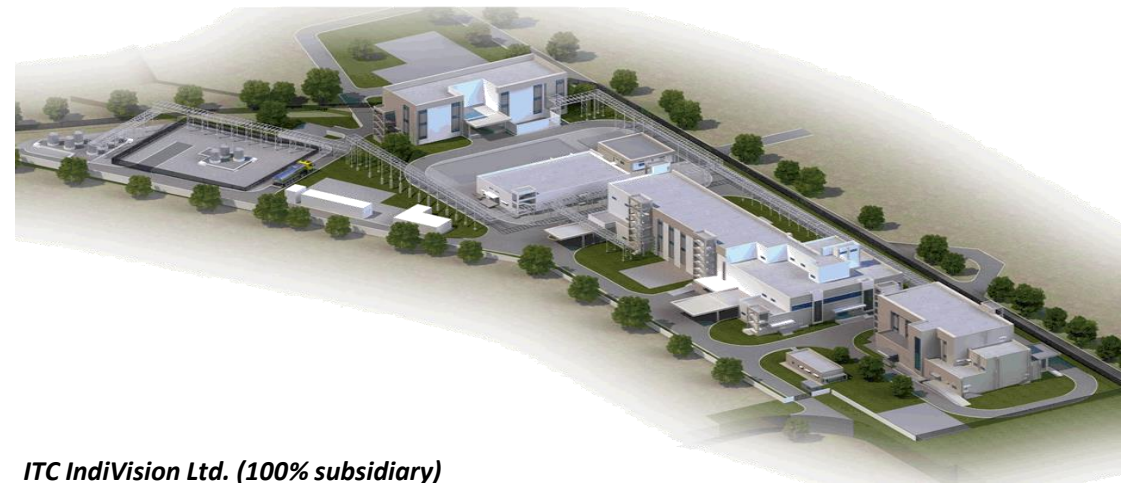


**Turmeric**



**Organic/  
Mixed Line**

## Nicotine and related products



*ITC IndiVision Ltd. (100% subsidiary)*

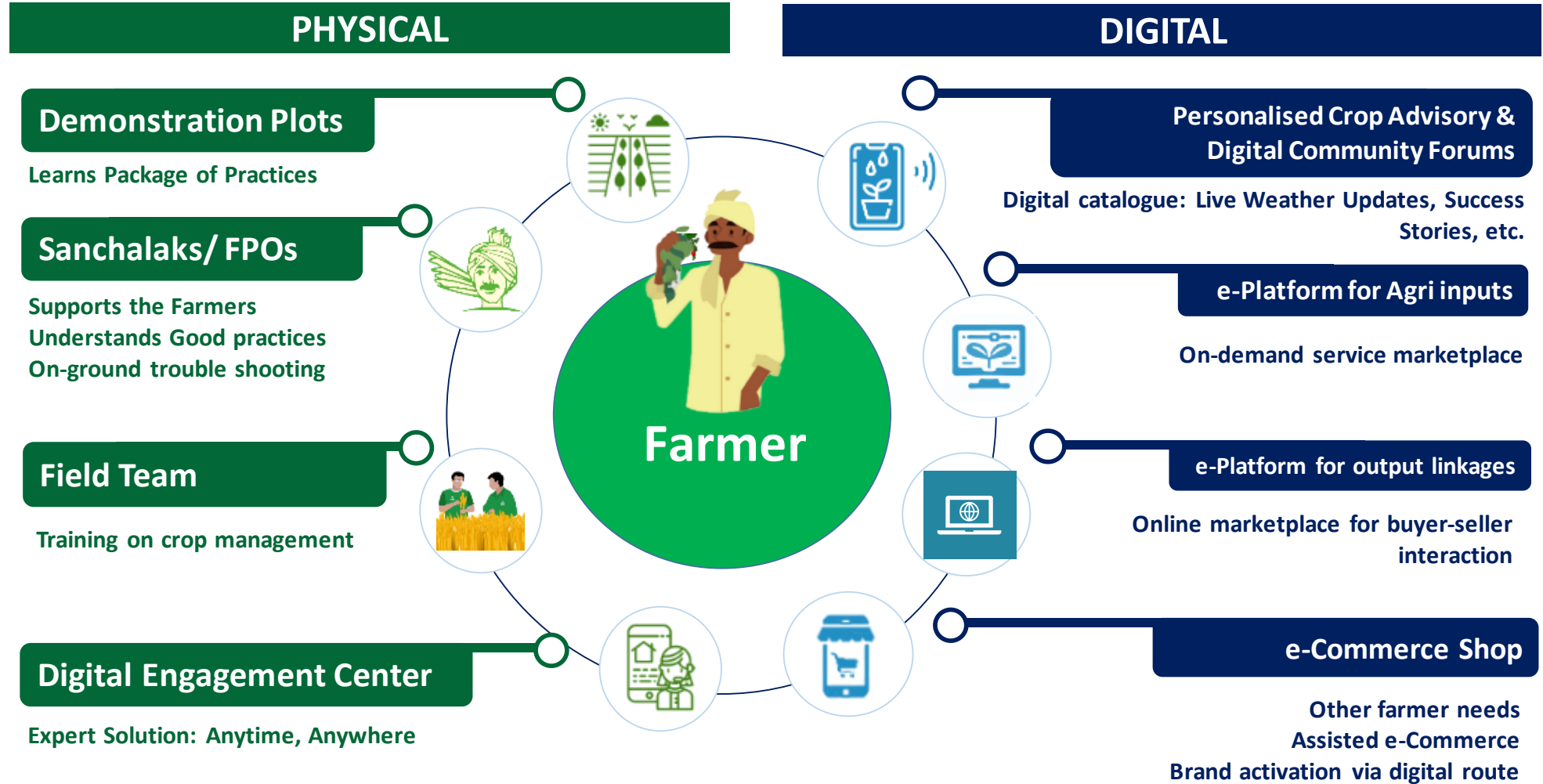
*State-of-the-art manufacturing facility*

*Stringent quality specifications - 99.5% Purity*

*US/EU pharmacopoeia standards*

*Sustainable waste disposal mechanisms*





AGRI INPUTS & ADVISORY



AGRI  
OUTPUT



RURAL  
MARKETPLACE

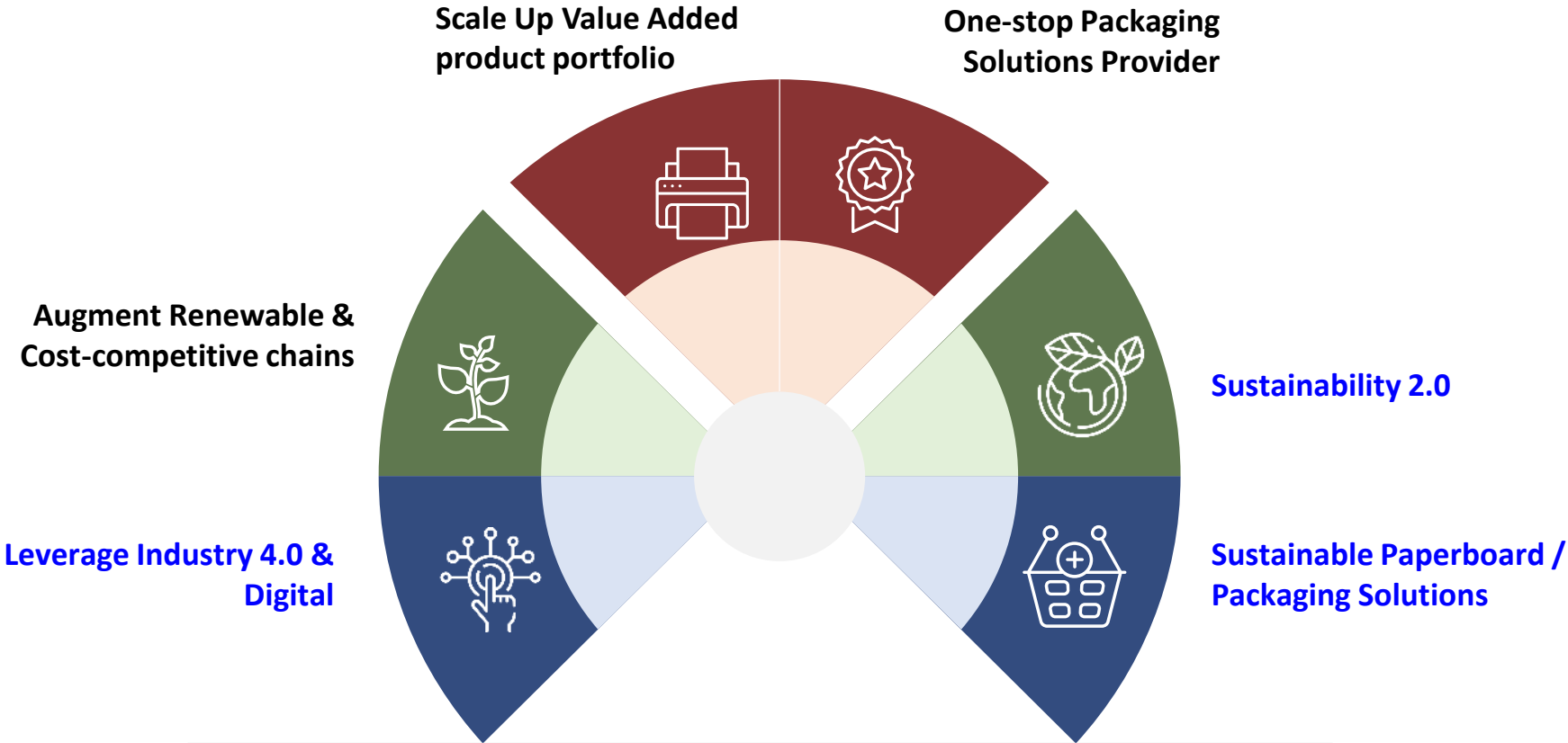


**Right To Win**

Low customer acquisition cost | Faster scale | Creative monetization models



- Market leader in scale, profitability & sustainability
- Best-in-class operating metrics
- Fully Integrated Operations
- Secure, sustainable & cost competitive fibre base
- 43% of energy consumption from renewable sources
- One stop shop Packaging Solutions provider





Scaling up Value Added Product Portfolio



Pulp import substitution for specialty grades



Specialty Paper - Décor





Industrial IoT for Smart Operations



Integrated Data Infra/ Platform



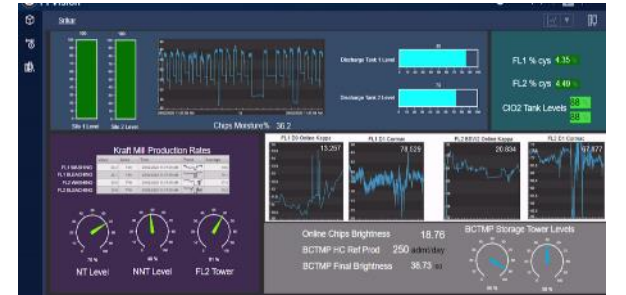
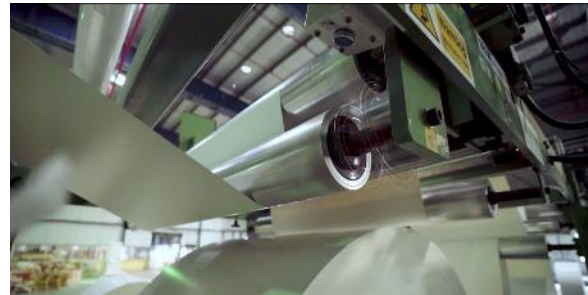
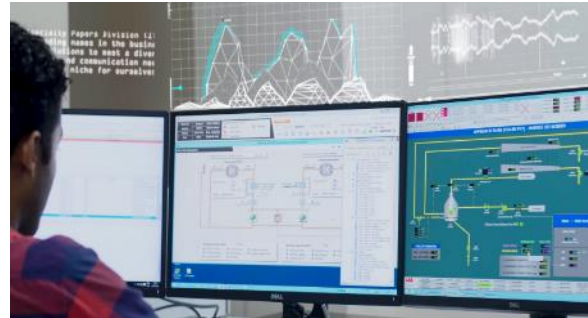
AI/ML Algos for 'Golden Batches'



AI/ML based Image Analytics



IoT Based Crop Monitoring & Advisory



**50+** Use cases developed and deployed

**Industry 4.0 CoE**



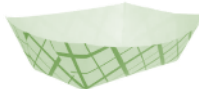
Bio-degradable Barrier Boards



Recyclable Solutions



Cupstock



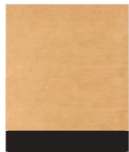
QSR Packing



Ice-cream Packaging

Toughpack

E-com packaging bags



Indobowl



Sustainable Packaging



Bioseal



Oxyblock



Antimicrobial Coating





### 110 properties | 75+ locations | 6 Brands

- 30+ Five-Star Deluxe/ Five-Star Properties with 6400+ rooms
- 35+ Fortune Hotels with 2900+ rooms
- 35 WelcomHeritage Properties with ~900 rooms



**World's 1<sup>st</sup> hotel chain - Platinum certification in infection risk management by M/s DNV**





**Structural interventions** across all nodes

**Sustained benefits** expected over the long run

# Fueling growth through 'Asset-right' model



Welcomhotel Shimla



Welcomhotel Tavleen, Chail



Welcomhotel The Savoy, Mussoorie



Welcomhotel Katra

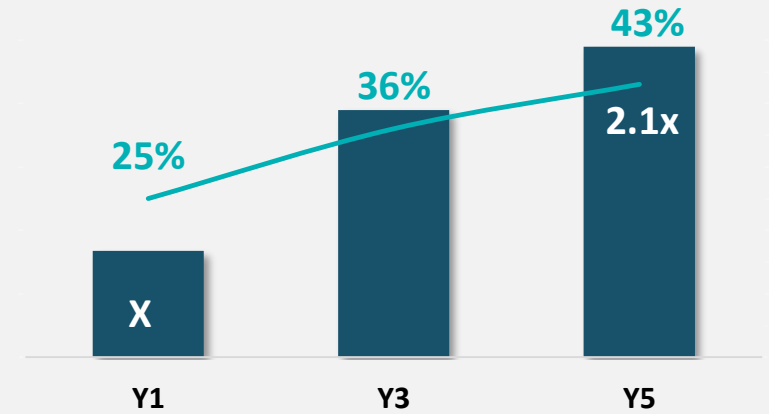


WELCOMHOTEL  
MEMBER ITC'S HOTEL GROUP

Brand footprint scaled up to  
**22 properties/2500 keys**

## Management Contracts (5-Star)

■ Total 5 Star Managed Rooms  
— Managed Rooms (% Of Total 5-Star Rooms)



### Mementos



Collection of **unique luxury hotels** across varied destinations ranging from **modern retreats to historic treasures**

**3 properties onboarded**

### Storii



Collection of **intimate sized** handpicked properties in the **premium** segment offering bespoke experience-led stays

**4 MOUs signed**



### Strategy Pillars



Customer Centricity



Employee Centricity



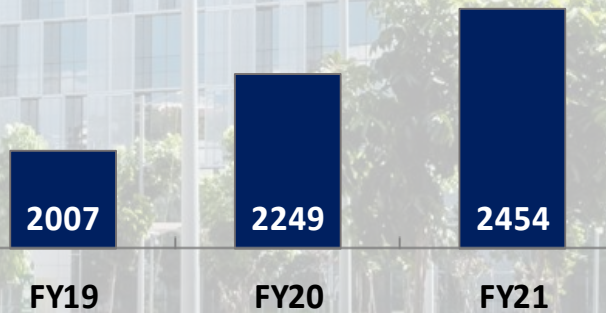
Operational Excellence

Delivering business friendly solutions

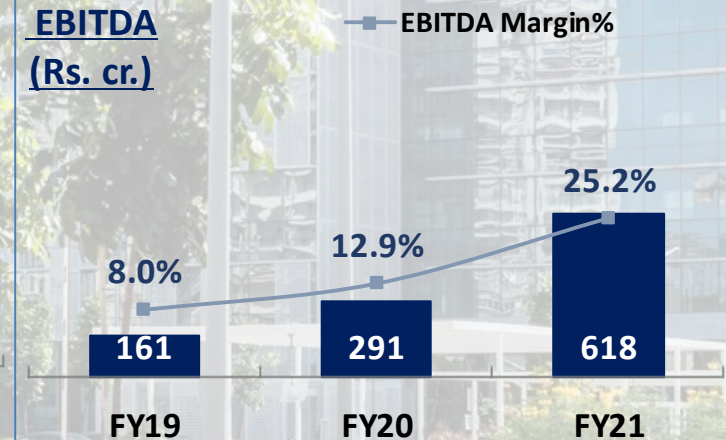
to clients across **29** countries,

including **60+** Fortune listed clients

Revenue  
(Rs. cr.)

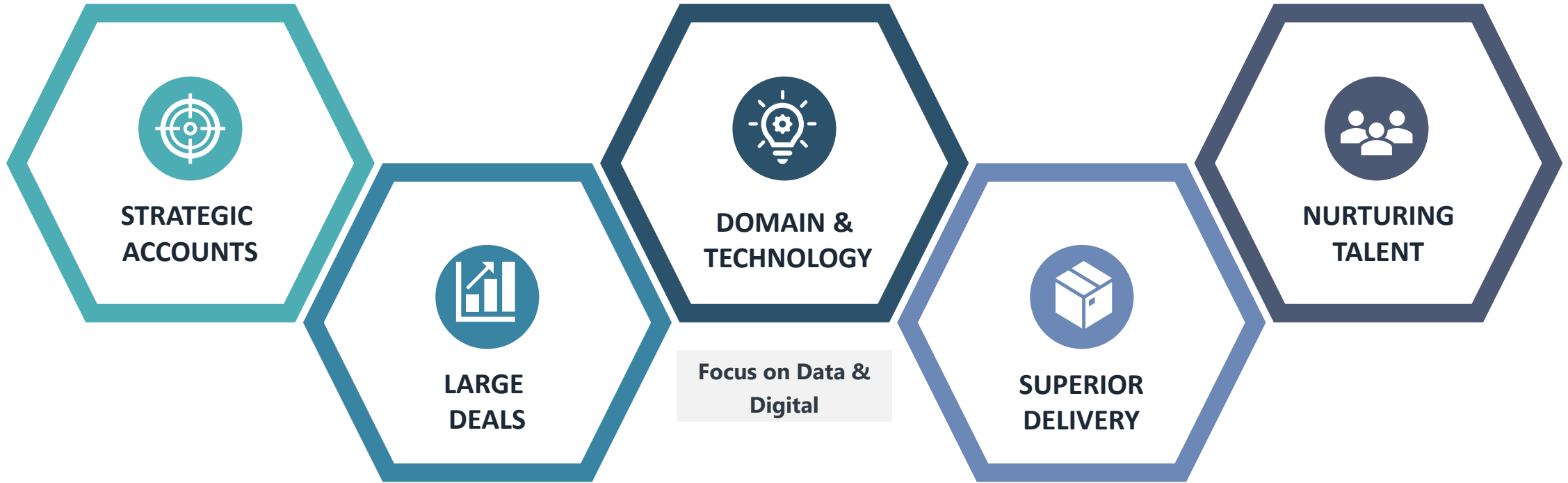


EBITDA  
(Rs. cr.)



H1 FY22 Revenue +24%; EBITDA +63%

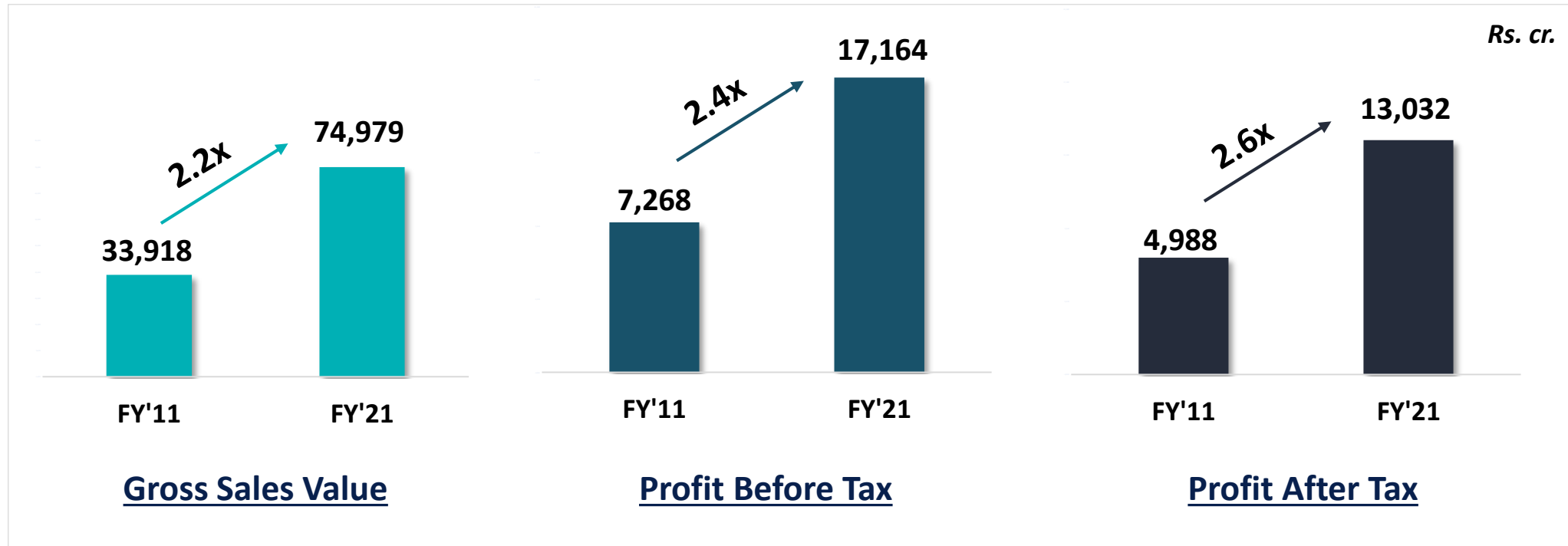




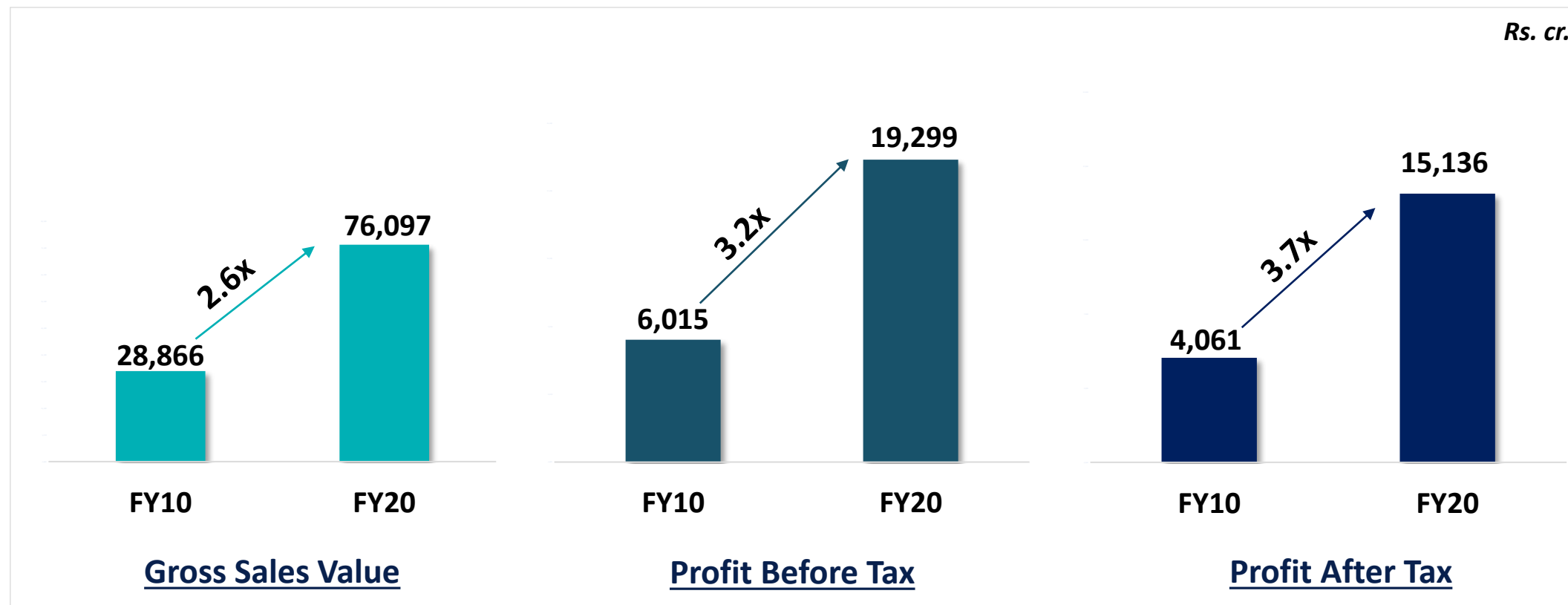
*Work from Anywhere*

*Delivering Differentiated and Business-friendly Solutions*

# Financials



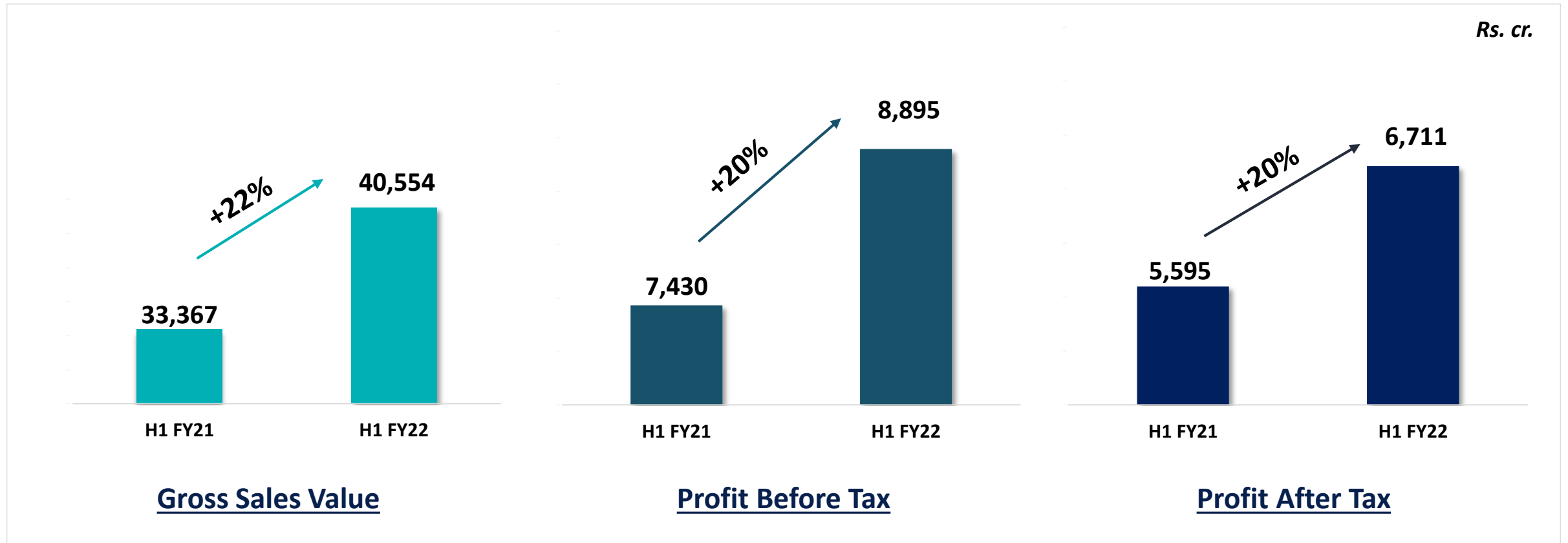
**Growth largely organic-led and funded through Retained Earnings**



**PAT growth @ 14.1% CAGR**  
**Segment ROCE at 72% in FY20 vs. 48% in FY10**

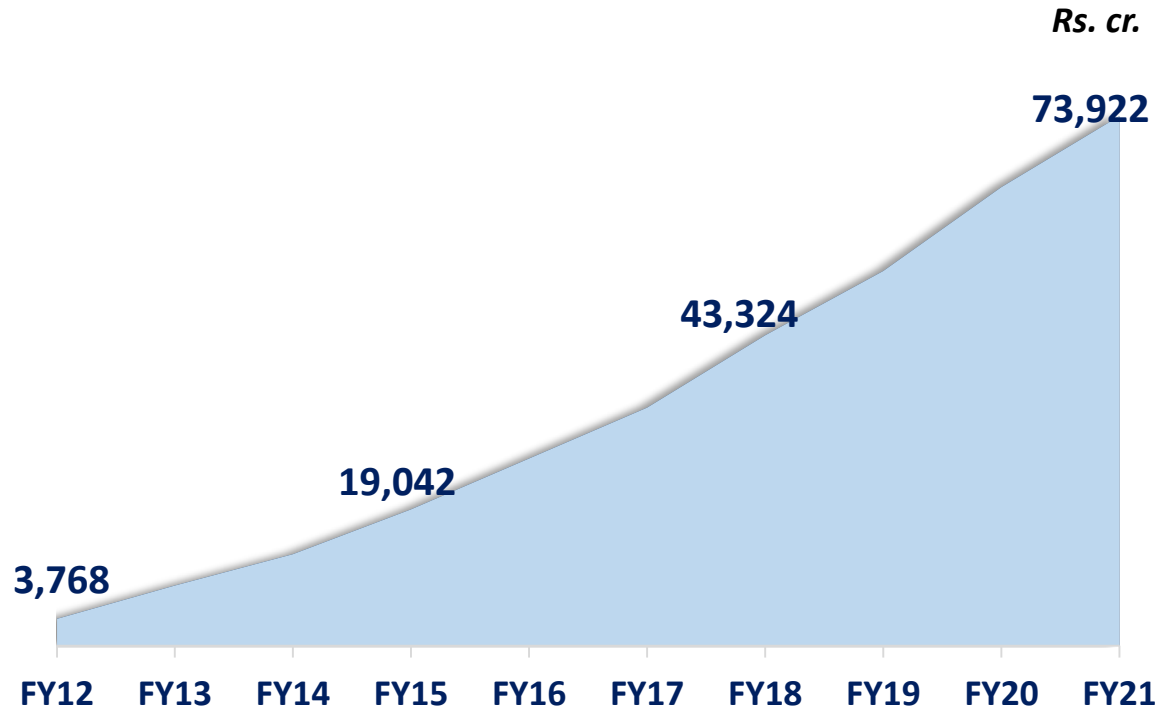
**Growth largely organic-led and funded through Retained Earnings**





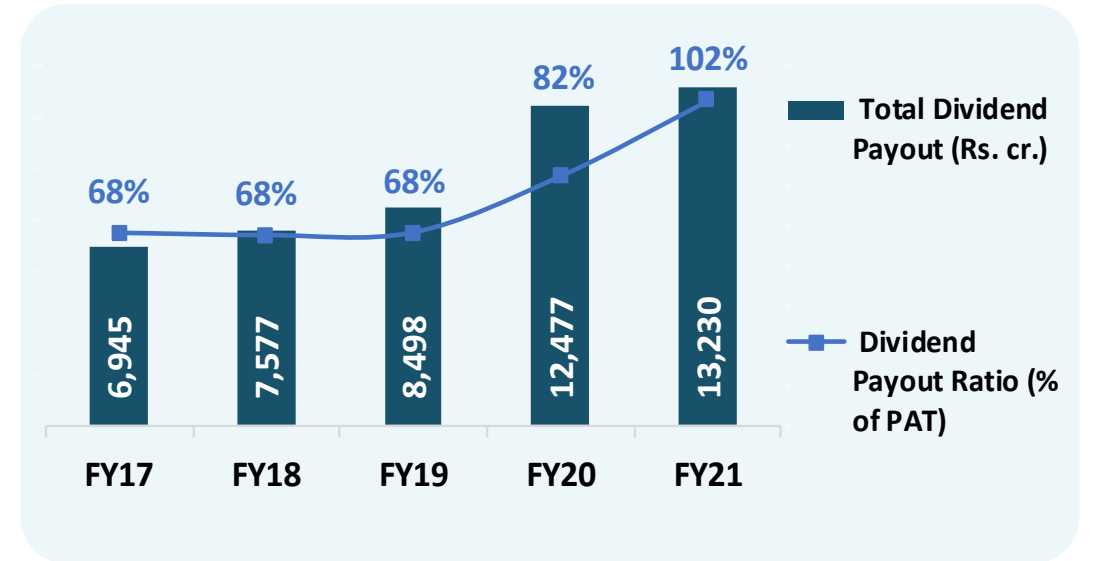
# Consistently Strong Cash Flow Generation

## Cumulative Free Cash Flow



**~74,000 cr.**  
10 year cumulative Free Cash flow generation

## Stepped up Dividend Payouts



**Dividend Distribution Policy amended**  
Payout of 80-85% of annual PAT in the medium term

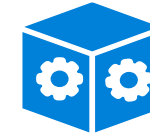
**Strong**  
Zero debt Balance Sheet



**Absolute EPS +47%**  
*FY20 over FY17*



**Robust Cash Generation**  
**Rs. ~31,000 cr.**  
*cumulative FCF in last 3 yrs.*



**FMCG Business**

- Revenue growth ahead of peers
- EBITDA margins up 640 bps since FY17



**Sharper Capital Allocation**

- Dividend payout stepped up to 80-85% of PAT
- Asset-right growth strategy in Hotels

# ITC Next Strategy

Re-imagining The Future



- **Driving Scale and Profitability**

- *ITC Synergy, future ready portfolio, strong growth platforms, power brands*
- *Agile & purposeful innovation anchored on new age insighting and science-based R&D platforms*
- *Structural interventions to drive margin expansion & capital productivity*
- *Accelerating Digital to power growth & productivity*
- *Harnessing opportunities at the intersection of Digital & Sustainability*
- *Value Accretive M&A and exports: additional growth vectors*

- **Top notch ESG credentials**

- *Bold Sustainability 2.0 agenda raising the bar*

- **Strategy of Organisation redefined** to sharpen Consumer Centricity, Agility & Focus

- Engaged and motivated **world-class talent** pool driven by a **'proneurial' spirit**



**A passion for  
Profitable growth...**



**in a way that is  
Sustainable...**



**and  
Inclusive.**

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NATION FIRST: SAB SAATH BADHEIN

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**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Cigarettes Business

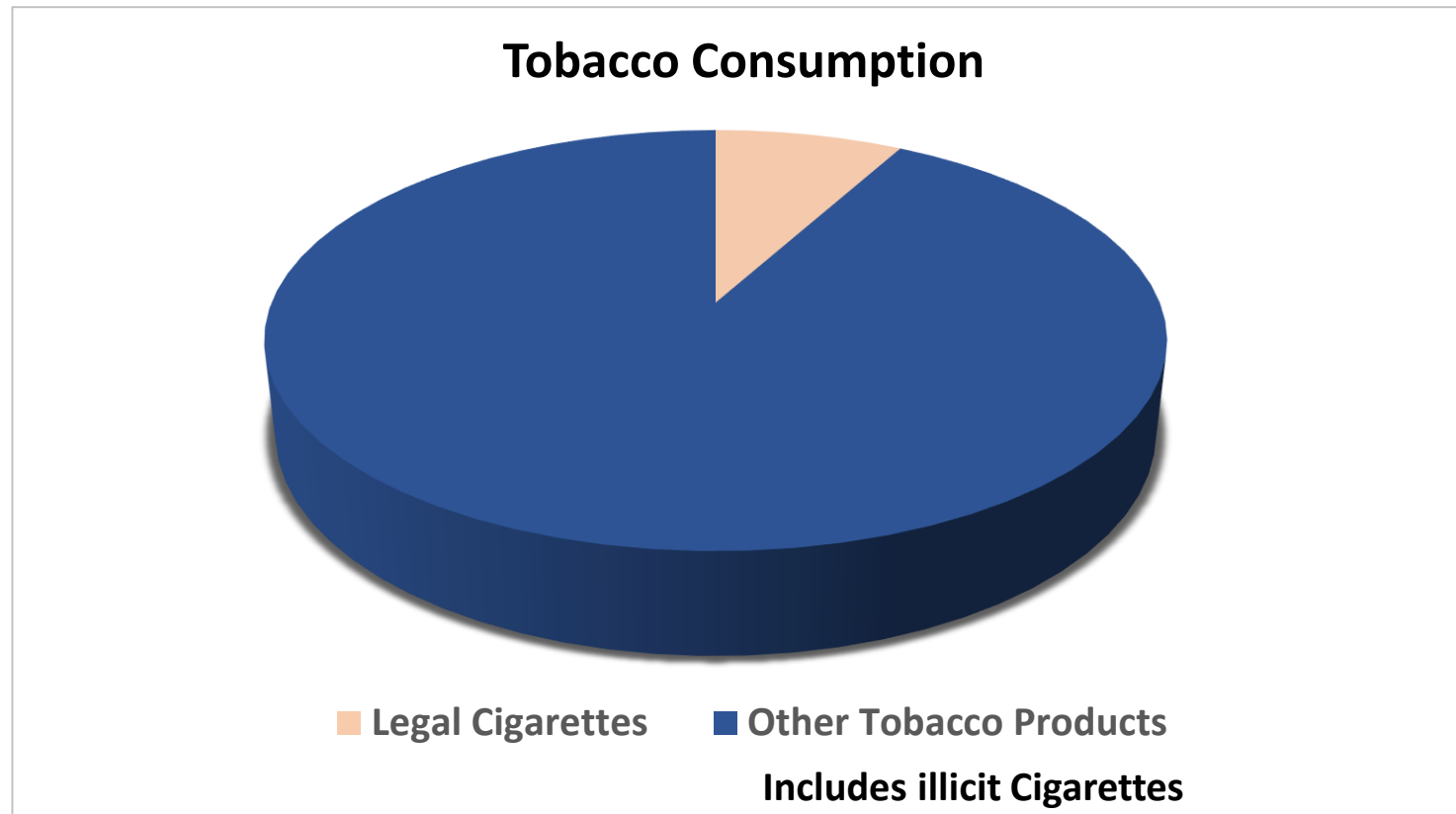
Sandeep Kaul, Divisional Chief Executive

- India: 3rd largest grower of Tobacco
- **Unique Market - Multiple forms of tobacco consumption :**  
*Smoking - Cigarettes, Bidis; Chewing - Khaini, Zarda, Gutkha*
- **Per capita consumption of cigarettes is one of the lowest** in the world
- Legal Cigarettes ~ **8% of total tobacco consumption** but contribute to ~80% of **government tobacco tax revenue**
- Legal industry impacted by **sharp increase in tax incidence** over the years
  - **Sub-optimal** tax collections
  - **4th largest illicit** Cigarette market



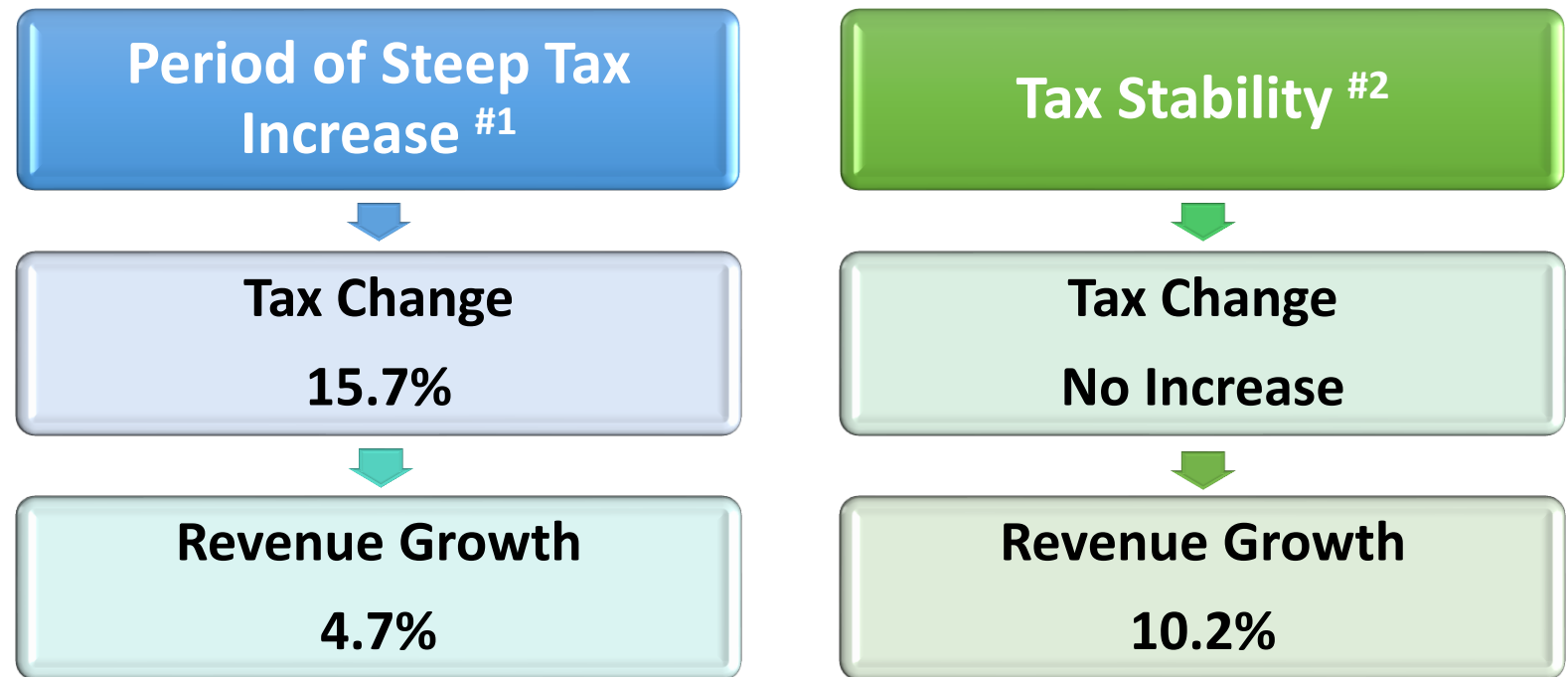
# Unique Nature of Tobacco Consumption in India

- Legal Cigarettes account for Only 8% of Total Tobacco consumption in India
- 92% comprises other forms of Tobacco including Bidi, Smokeless and Illicit cigarettes



# Tax Stability : Key to Increased Revenue and Combat Illicit

- Periods of Tax stability –
  - Increased contribution to exchequer from the legal cigarette industry
- Recouping volumes from Illicit Trade



# 1 : 2012-13 to 2016-17 {CAGR}

# 2 : Apr '18 to Jan '20 over Jul '17 to Mar '18

# Heightened Awareness on Illicit Cigarettes : Exponential Increase in Seizures

**INDIA TODAY**

## Customs sleuths seize 70,000 Chinese cigarettes worth Rs 10 lakh in Lucknow

India Today also learnt that Customs is gathering evidence against suspects who were supposed to receive the consignment in Lucknow.  
Munish Chandra Pandey | Lucknow | July 17, 2020



Lucknow Customs officials with the seized cigarettes (Photo Credit: CBIC)

Lucknow Customs officials seized a consignment of 70,000 Chinese cigarettes worth Rs 10 lakh on Thursday.

**moneycontrol**

## Lots of smoke: Seizure of illegal cigarettes higher in FY21

ASSAM RIFLES RECOVERED CONTRABAND ITEMS IN MIZORAM Unit of Assam Rifles on 29 Apr apprehended one smuggler and recovered contraband items worth Rs 70.07 Lakhs in Chungre Village, Champhai District in Mizoram.  
@PIBHomeAffairs @adgdi @PIBAI22WV

**News Tree**

August 23, 2021

## Illegal cigarettes are reaching India on a large scale through China, seized at Mizoram border

By Chandan Sen  
The smuggling of illegal cigarettes is on the rise against tobacco in the Mizoram border.



## Nagaland: Foreign cigarettes worth Rs 1.5 Cr recovered; 2 held

The Kohima police recovered 90 cartons of illegally imported foreign cigarettes estimated to be at a cost of Rs 1.5 crores.  
by Medoleno Ambrocia October 7, 2021

Kohima: A Dimapur bound truck from Manipur carrying illegally imported foreign cigarettes worth Rs 1.5 crore was intercepted by the Kohima police on Wednesday.

**THE TIMES OF INDIA**

## Chinese and Korean manufactured smuggled cigarette seized in Patna

Debashish Kamraka / TNN / Jan 13, 2018

PATNA: Acting on a specific intelligence input, a Directorate of Revenue Intelligence (DRI) team along with the Railway Protection Force apprehended a consignment of foreign manufactured cigarette smuggling in Patna on Saturday.



**The Assam Rifles**

HUGE RECOVERY OF CONTRABAND BY ASSAM RIFLES IN NAGALAND Assam Rifles in a joint operation with Police apprehended two individuals and recovered contraband to include 32 Bags of opium seeds and 4000 cartons of assorted cigarettes worth Rs 2.15 Crores at T Khel Rd Jn, Dimapur, Nagaland.

**Kolkata Customs**  
@kolkata\_customs

#IndianCustomsAtWork pursuant to intelligence WB Customs preventive Team effected back to back seizure 120000 sticks of "WIN", foreign origin #cigarettes worth rupees 12 Lakhs from 02514DN uwahati Secundrabad Spl @ Malda own Rly Stn on 18/3/21 evening as well



**दैनिक भास्कर**

## सीमा शुल्क मुख्यालय ने जब्त की 24 लाख की विदेशी सिगरेट

ज्यादातर सिगरेट पूर्वोत्तर के राज्यों की सीमाओं के रास्ते देश में लाई जा रही, सरकार को प्रतिवर्ष

## चीन के जरिये बड़े पैमाने पर भारत पहुंच रही अवैध सिगरेट

**रिपोर्ट**

संसार को प्रतिवर्ष 15-20 हजार करोड़ के राजस्व का नुकसान हो

**Kolkata Customs**  
@kolkata\_customs

#IndianCustomsAtWork Assorted #cigarettes worth rupees 9.60 Lakhs were seized at Station Platform. Officers of Port and Customs on

2020 में 188 करोड़ की अवैध सिगरेट जब्त हुई

अधिकतम के अनुसार, फरवरी 21 तक देश में 1772 करोड़ की अवैध सिगरेट जब्त की गई। 2020 में 188 करोड़ की अवैध सिगरेट जब्त हुई थी। यकीन दरम्यान

**The Assam Rifles**  
@official\_dgar

## The Sentinel of this land, for its people

Assam Rifles seized Foreign cigarettes in Champhai area of Mizoram  
In yet another success in its crusade against smuggling activities, Serchhip Battalion of 23 Sector Assam Rifles, under the aegis of Headquarters Inspector General Assam Rifles (East)

By : Sentinel Digital Desk | 4 March 2021 7:37 AM



10:35 PM · 28/08/21 · Twitter for Android

## HAVA SHEVA PORT DRI seizes cigarettes worth Rs 14 crore

**PRESS NEWS SERVICE**  
VIBAI, NOVEMBER 1

DIRECTORATE of Revenue Intelligence (DRI) has seized 120,000 sticks of "WIN" brand cigarettes worth Rs 14 crore by intercepting a container at Hava Sheva port in Navli.

Officers said they intercepted the container on receiving a tip-off regarding involvement in smuggling of foreign brands. The seized items were de-laminated and sent to the way to ICD (Inland Container Depot).

**Nhava Sheva Customs**  
@jnchcustoms

Seizure of around 72 Lakh sticks of cigarettes of various brands (viz Benson & Hedges etc.) valued at Rs 42 crores from a consignment declared as fabric softener, in a case detected by CIU, Customs Mumbai-II at Nhava Sheva on 12.10.2021.



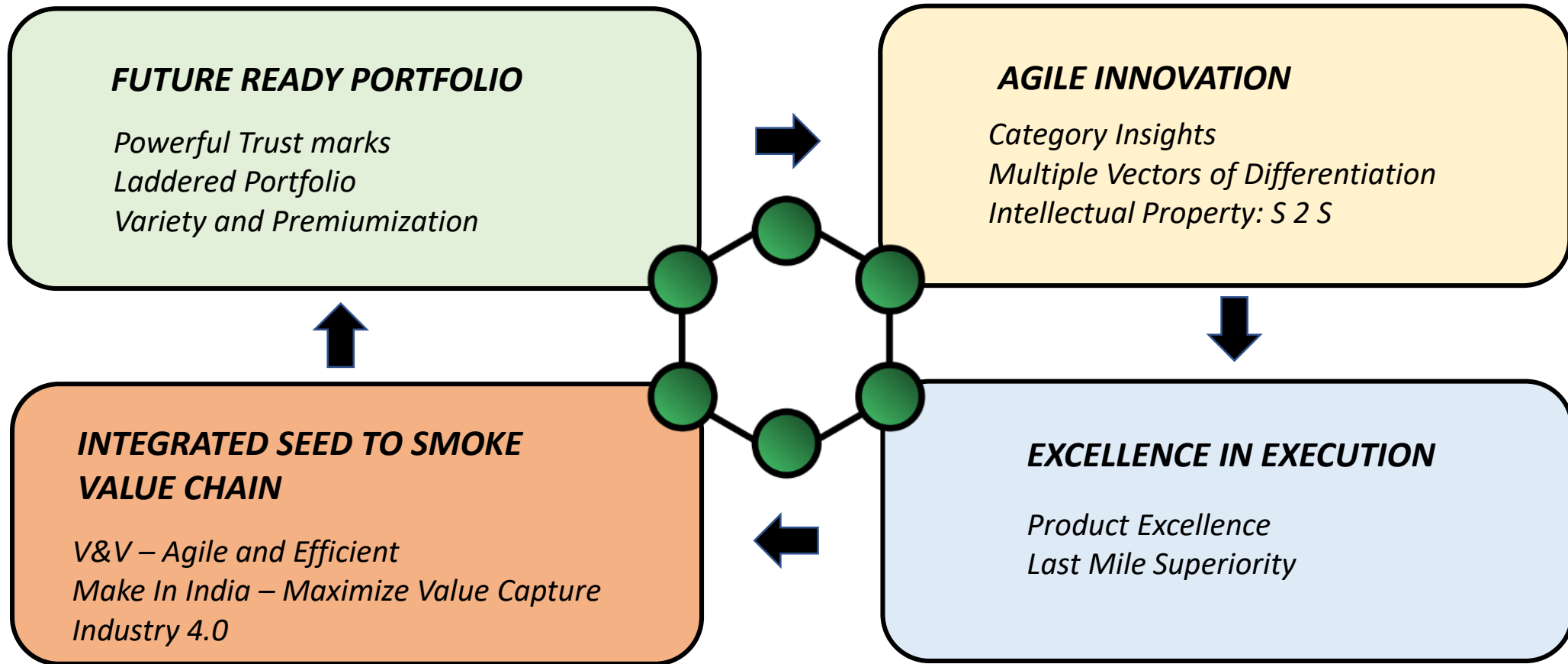
10/21 · Twitter for iPhone

Maximize Cigarette Potential within Tobacco Basket

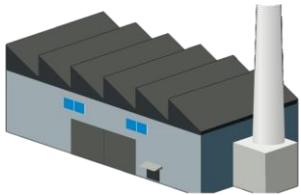
Countering Illicit Trade

Reinforce Market Standing





<b>Leading Brands in every Market Segment</b>	<b>Strong Category Insight Generation Engine to strengthen Portfolio vitality</b>	<b>11% of Volumes from New launches</b>
<b>Direct reach to 1.4 Lac Markets</b>	<b>Best in Class Retail Service</b>	<b>Available in 7.1 Mn category Outlets &gt; 2x nearest competitor</b>
<b>55% Energy Through Renewable Sources</b>	<b>99.9% Solid Waste Recycled</b>	<b>Leaders in Sustainability 6 Awards in the Last Year</b>
<b>Technology Prowess, Industry 4.0 &amp; Proprietary Models</b>	<b>Integrated in-house capability for Leaf Development, Capsules &amp; Specialty Filters</b>	<b>50:50 JV to create competitive advantage in differentiated filters</b>



## First off the Mark

- Post Covid Total Chain Pipeline restored within 60 days
- Reconfiguring the Supply Chain to adapt to new normal



## Product Accessibility

- Increased frequency of service
- Stockist network expanded
- Sales Infrastructure enhanced



## Insight to Execution

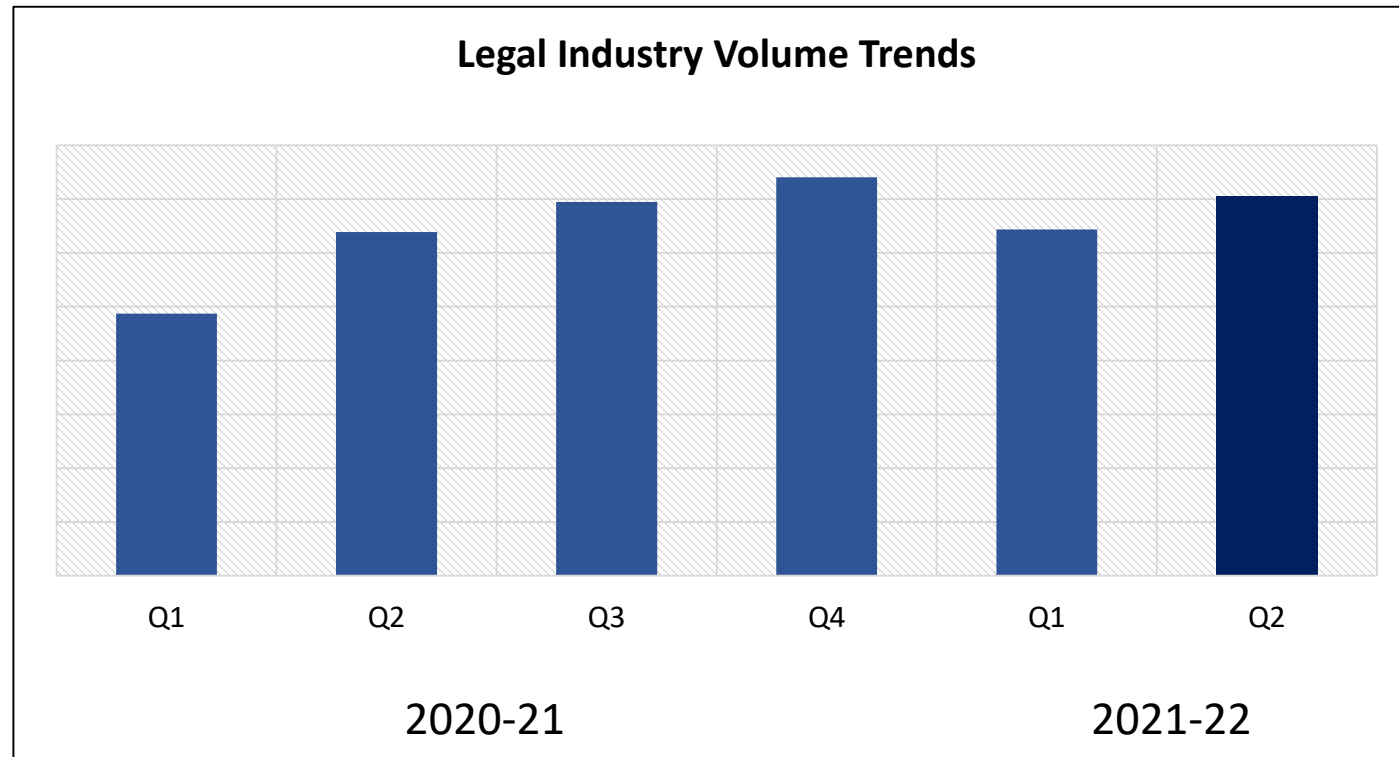
- Appropriate unit pack formats
- Safety solutions at top retailers
- Agile distribution in line with demand dynamics



## Portfolio Vitality

- New Introductions
- Variants
  - Formats

- The trajectory post second wave points to a faster recovery vs First Wave of Pandemic
- Strengthening of Market Standing by over 100 bps over the last 18 months





# Future Ready Portfolio

# Strong & Vibrant Portfolio : Leading Brand in Every Market Segment



MRP / Pack of 10s

## Insignia | Classic Blue Leaf

50 + Brands

**Rs.150 & Above**

**Classic**  
(9 Offers)

**Gold Flake**  
(8 offers)

**India Kings**  
(2 Offers)

**B&H | 555**  
(3 Offers)

**Rs.110 – Rs.140**

**Gold Flake**  
(3 Offers)

**Classic**  
(2 Offers)

**American Club**  
(5 Offers)

**Wills | Flake**  
(3 Offers)

**Rs.70 – Rs.100**

**Gold Flake**  
(10 Offers)

**Wills**  
(3 Offers)

**Flake | Scissors**  
(5 Offers)

**Player's**  
(2 Offers)

**Capstan | Bristol**  
(4 Offers)

**Rs.40 - Rs. 60**

**Gold Flake**  
(11 Offers)

**Flake**  
(11 Offers)

**Capstan**  
(4 Offers)

**Wave**  
(5 Offers)

**Berkeley**  
(2 Offers)

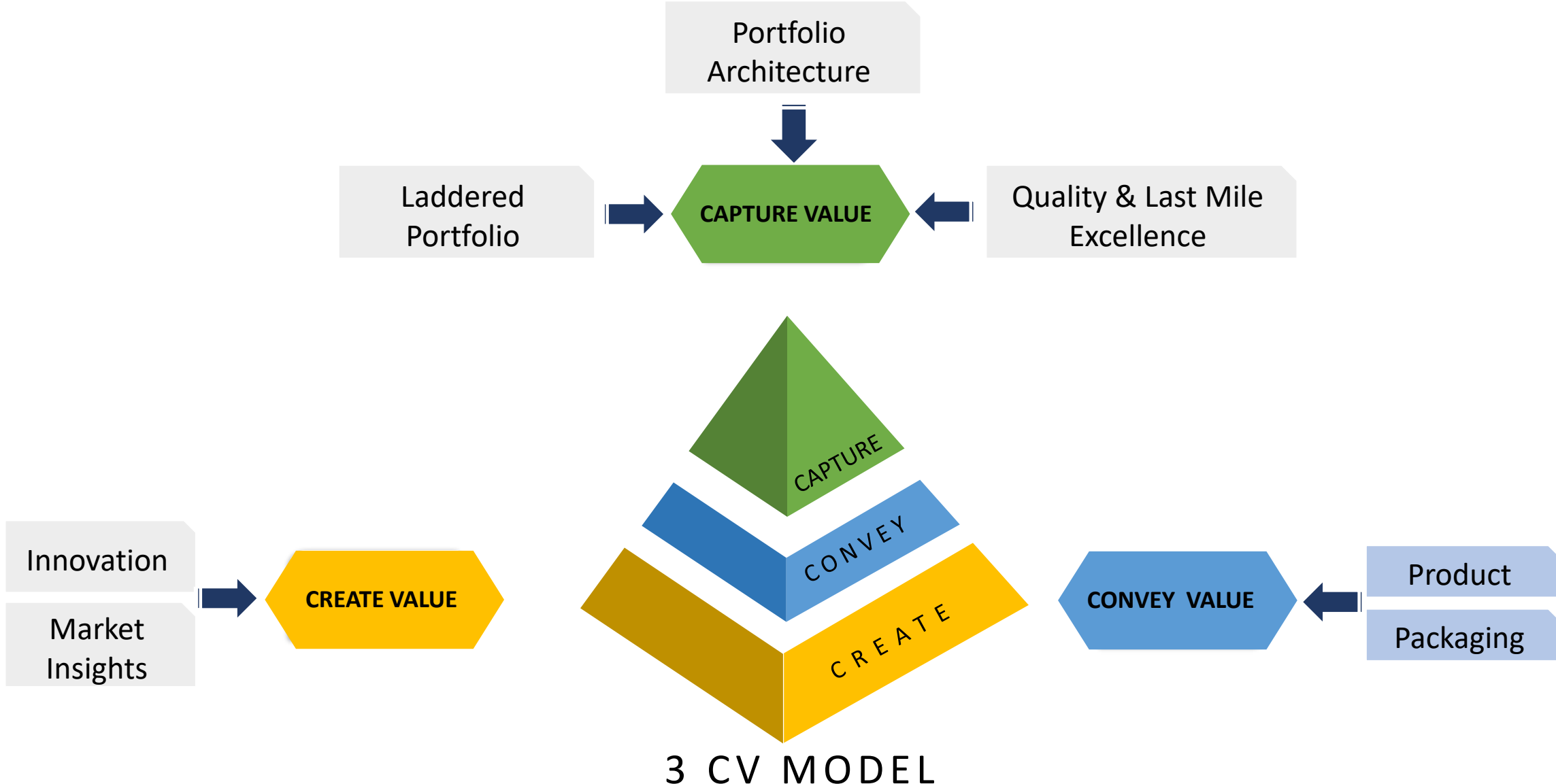
**Royal**  
(4 Offers)

**Duke**  
(2 Offers)

**Navy Cut**  
(5 Offers)

**Silk Cut**  
(4 Offers)

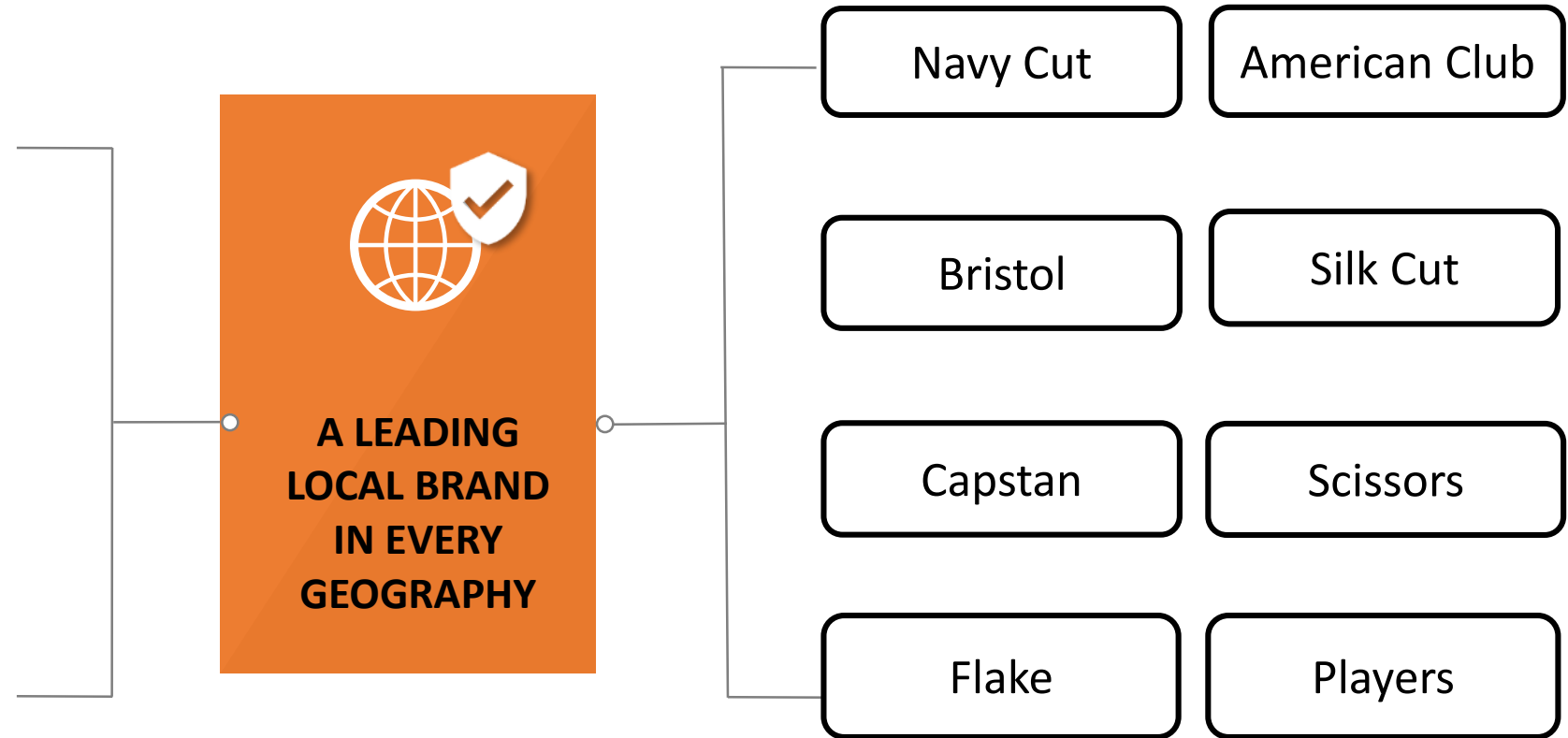
100+ Innovative launches in 5 years

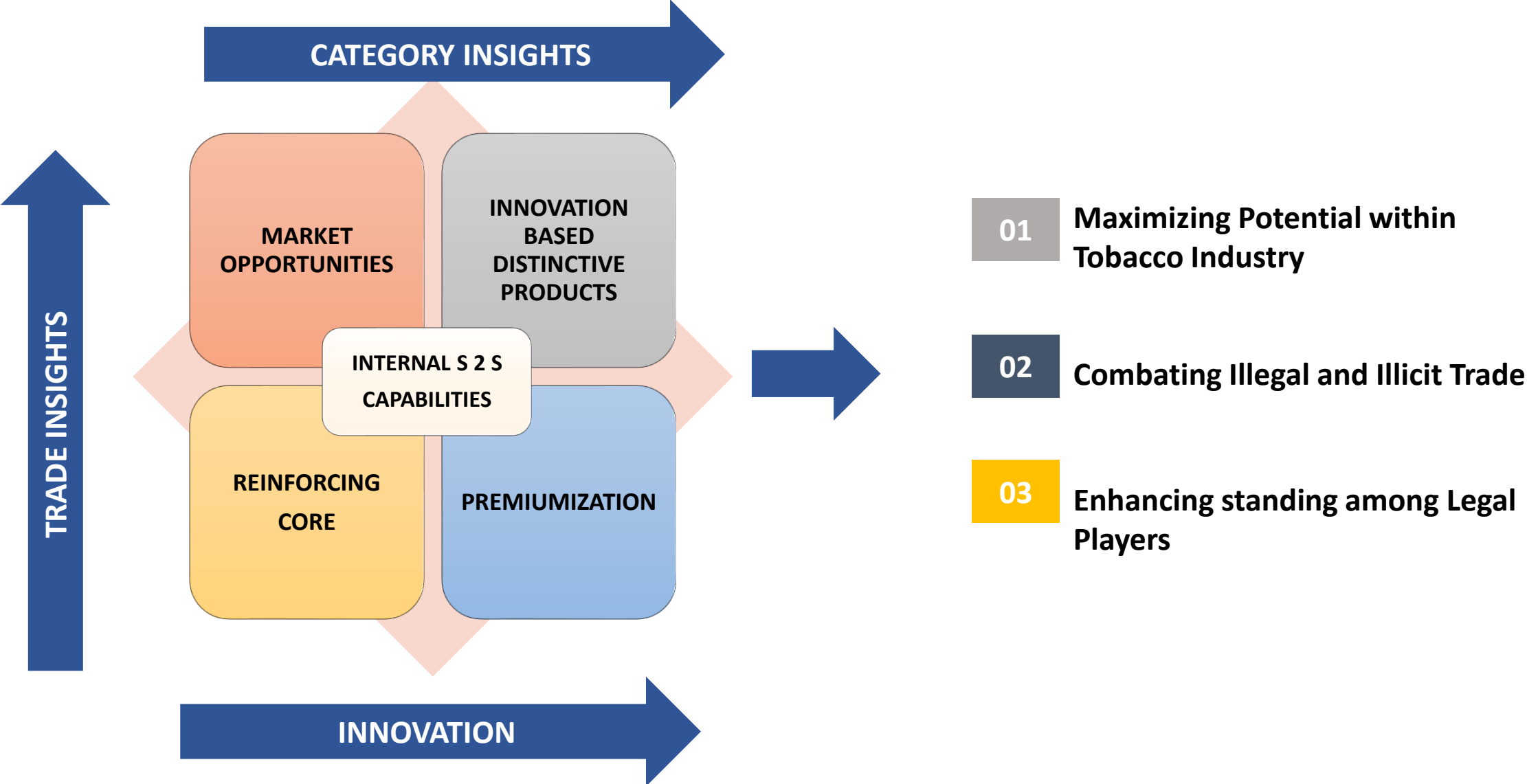


- 40+ years in the Market yet Vibrant & Contemporary – Leading King Size Trade Mark
- 4 new variants launched over last 5 years contribute to ~25 % of the portfolio
- Innovation leader in formats, pack styles and product types.



- Over 100 years of Legacy and Trust
- Multiple variants operating across geographies and price points
- New launches in the last 5 years account for 10% of the Portfolio
- 10+ new launches in the last 18 months – Rapid diversification into new segments





- **11% of Volumes from New Products**
- **Market opportunity based First to Market products**
- **Assortment more than Doubled in last 8 years**



# Agile Innovation

## FILTERS

Expanding capability of in-house innovation – structure, form and filtration efficiency



## FORMATS

Expanding the premium modern variants  
Addressing emerging trends  
*5s Pack*  
*Fresh Seal*

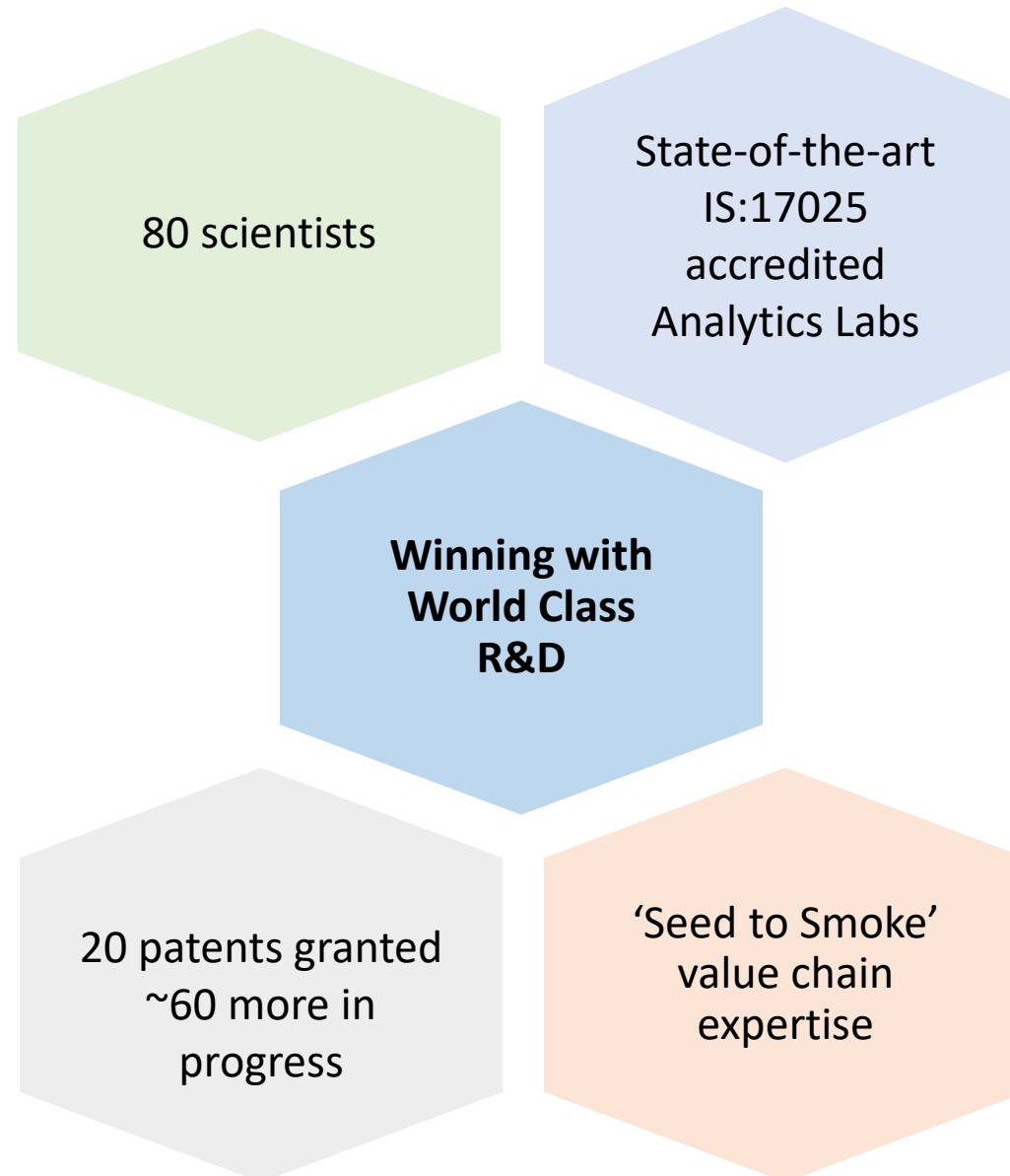
## VARIANTS

Addressing market segments through Superior Solutions



## INTERNAL CAPACITY

End to End integrated Value chain –  
Speed to market  
Indigenous Machinery Development Platform  
Superior Talent



- Depth of Innovative talent - Scientists and Subject Matter Experts across domain areas
- **Technical University** to drive industry specific skill enhancement
- In-house **innovation Design Teams** drive an innovation culture
  - “*Quick Changeover kits*” - manufacturing flexibility
  - “*Frugal Automation*” - enhanced productivity
  - “*Vision analytics*” - online product monitoring systems
  - “*Unique pack styles*” - differentiated products

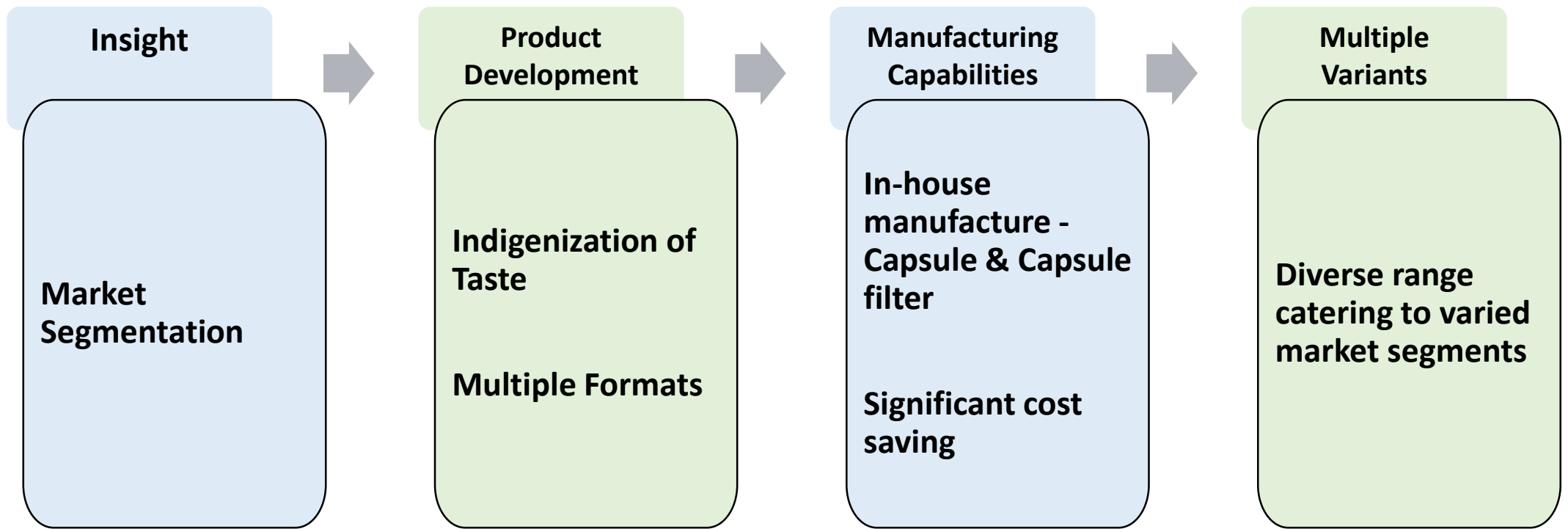


*Specialized training infrastructure*



*Inhouse Innovation: Online quality Measurement & Rejection system*





# Integrated S 2 S Value Chain



## Leveraging institutional competencies for Value Capture at Every Stage from Seed to Smoke



### AGRI

Leaf Growing  
& Processing



### PRODUCT

Filter Development  
(Joint Venture)



### PAPERBOARDS & PACKAGING

Paper, Board & Packaging



### MANUFACTURING

Final Product Development



### INDIGENOUS CAPABILITY

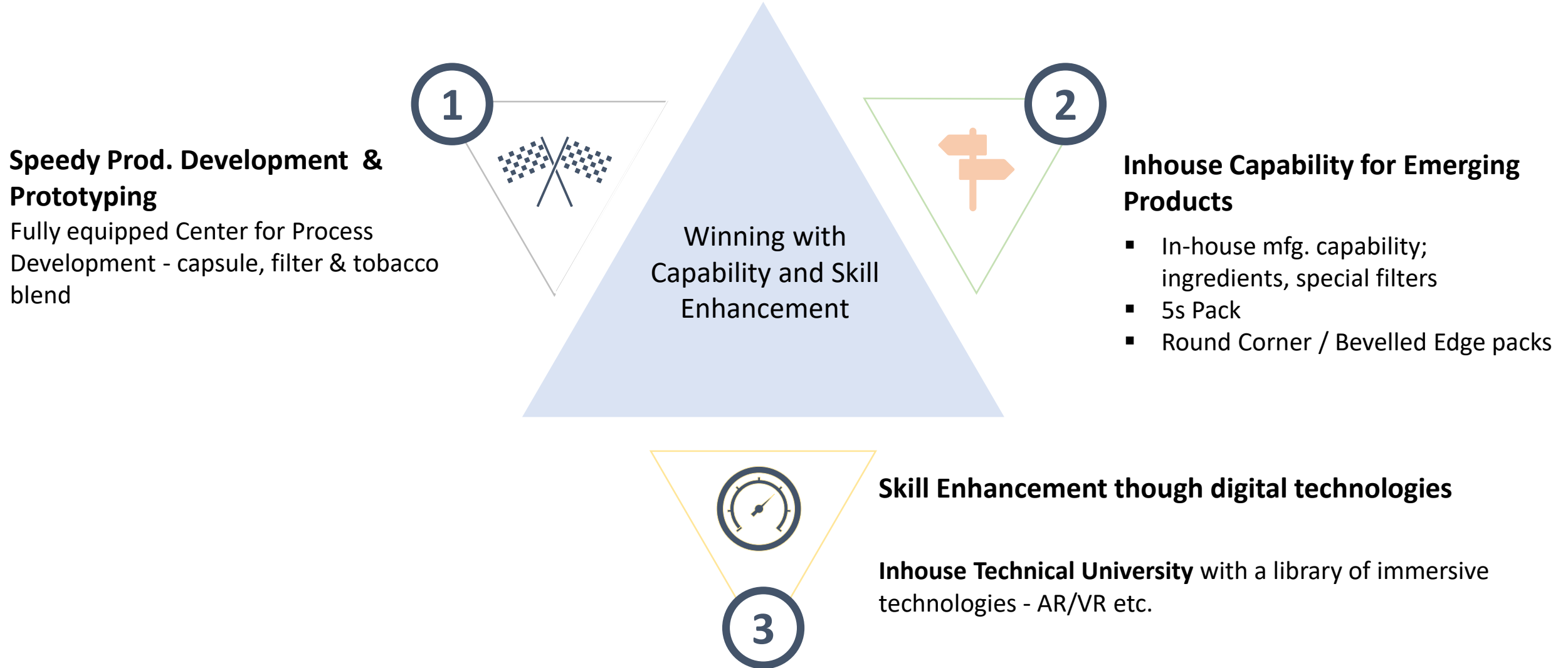
Capsule Manufacturing



### DISTRIBUTION

Last Mile Execution







# Distributed Manufacturing and Logistics

- **Agile, Efficient and Flexible** World class manufacturing lines
- Integrated capability for **variants, capsules, capsule filters and special filters** → **Faster speed to market at competitive cost**
- **Distributed Facilities** → optimal Distribution and logistics
- Contingency capacities to **de-risk** against localized discontinuities







*Processing*

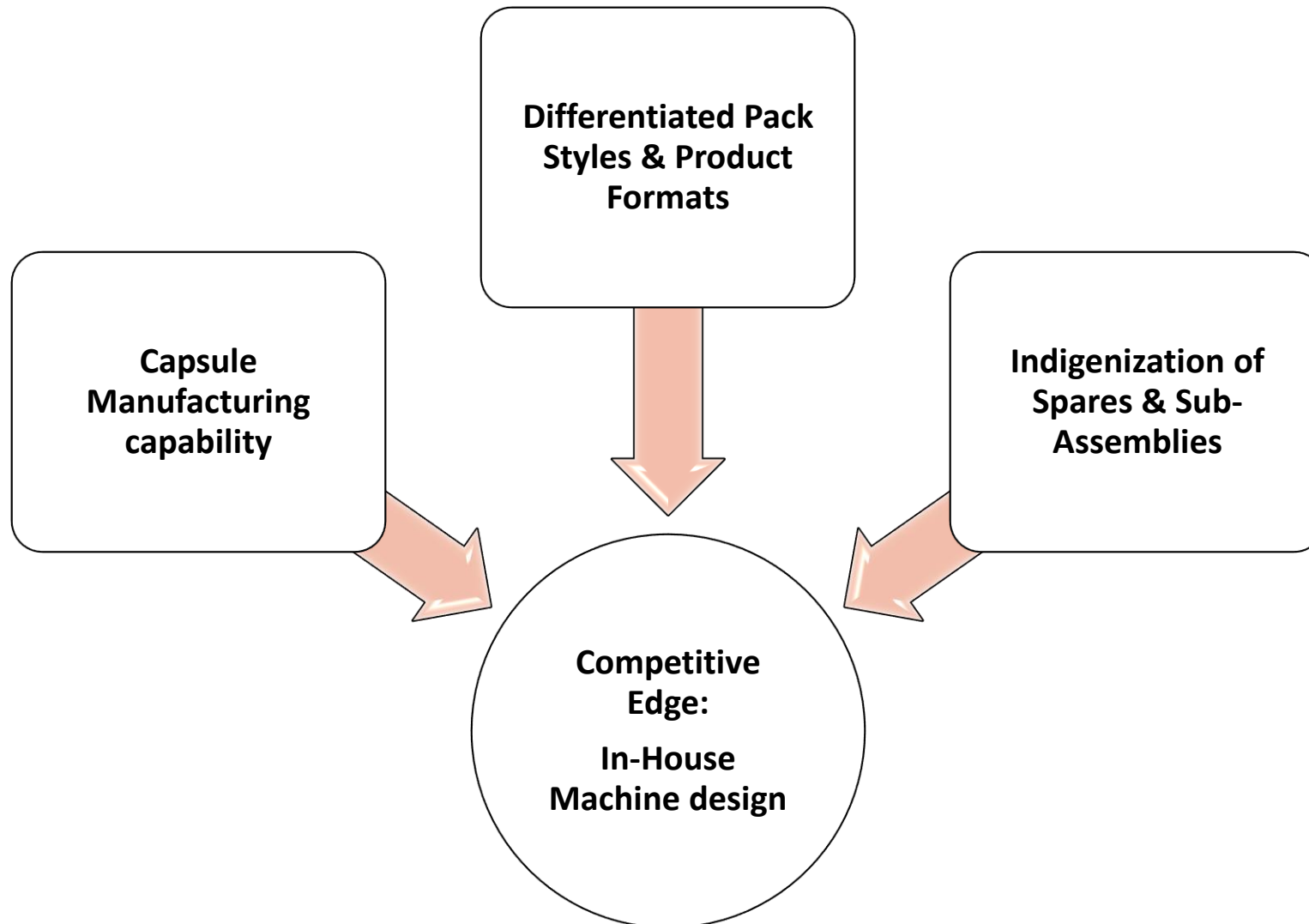
*Capsule - Encapsulator*



*Packaging*



*Capsule - Driers*



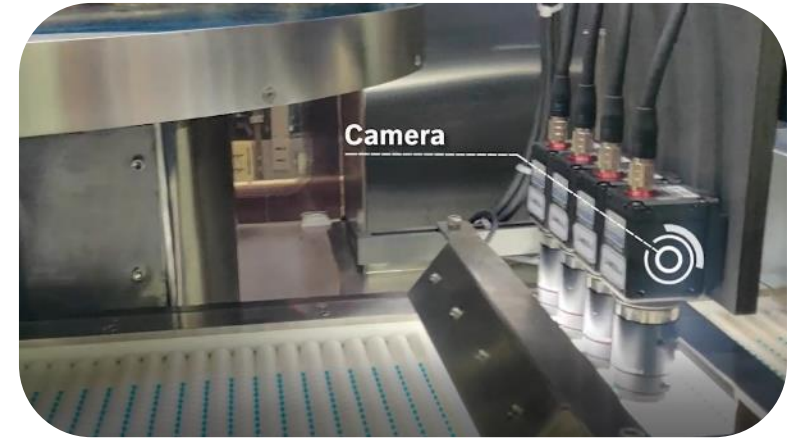
*In-house developed sub-assembly for double-capsule filter manufacturing*



*Indigenously developed wrapping and end of line equipment across lines*



- Shopfloor **digitization** through machine level data integration ➡ Operational Excellence
- **Artificial Intelligence and Data Science** models ➡ enhancing product consistency
- Application of **IoT and Machine Learning** ➡ waste reduction
- **Image analytics** based systems ➡ 100% online Quality Assurance
- **Predictive analytics** ➡ optimization of equipment and utility performance



*Image Analytics for online quality inspection of capsules*



*Deep Learning model for end product moisture consistency*

- **‘Autonomous Guided Vehicles (AGVs)’** ➡ material movement
- **‘Robots’ and “Cobots’** ➡ material feeding , loading and case stacking
- **Product mass flow conveyors** ➡ enhanced quality and productivity
- **‘Robotic Process Automation (RPA)’** ➡ repetitive manual administrative activities



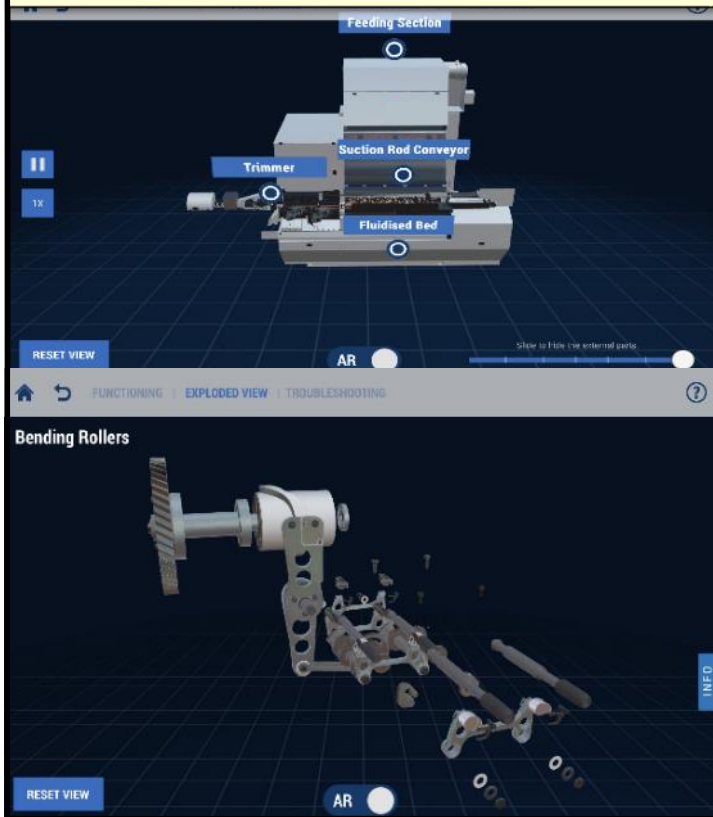
*Robotic Palletizer*



*Product Mass Flow Conveyors*



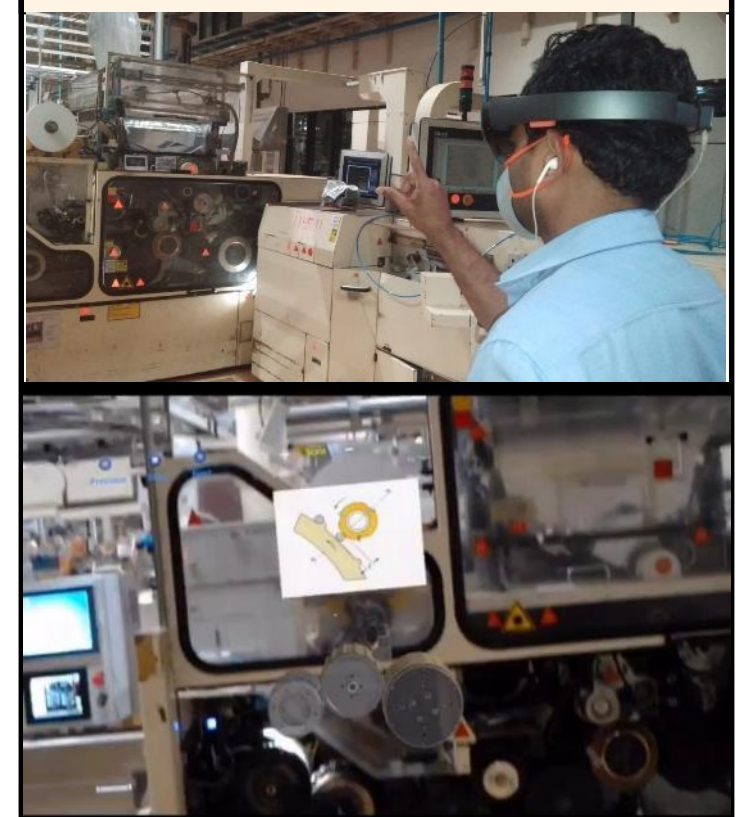
## Augmented Reality for process understanding



## Virtual Reality for assembling and disassembling of complex sub-assemblies



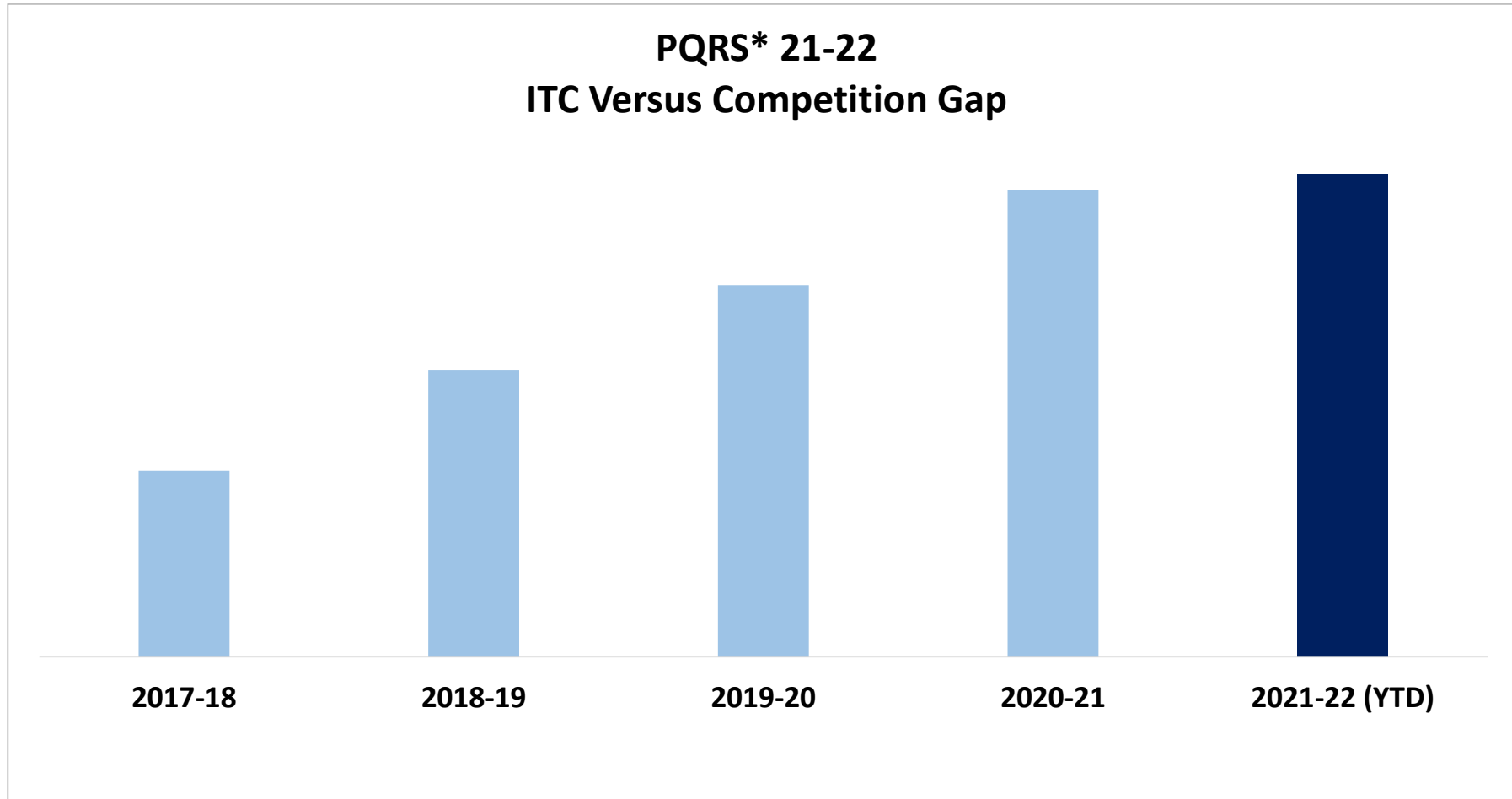
## Mixed Reality for online maintenance



# Widely Recognised Sustainability Initiatives

FROST & SULLIVAN	CONFEDERATION OF INDIAN INDUSTRY	INDIAN CHAMBER OF COMMERCE	CONFEDERATION OF INDIAN INDUSTRY (ER)	INDIAN WIND POWER ASSOCIATION	NATIONAL SAFETY COUNCIL OF INDIA
 <p><b>“Sustainable Factory of the Year”</b></p>	 <p><b>‘Excellent Energy Efficient Unit’</b></p>	 <p><b>‘Platinum Winner’ of National Occupational Health &amp; Safety</b></p>	 <p><b>‘Winner’ of SHE Excellence Award</b></p>	 <p><b>First Prize “Best Performing Wind Farm” in Maharashtra and Gujarat Zone</b></p>	 <p><b>“Sarvashrestha Suraksha Puraskar (Golden Trophy)”</b></p>
BENGALURU	SAHARANPUR	MUNGER	KIDDERPORE	PUNE	PUNE

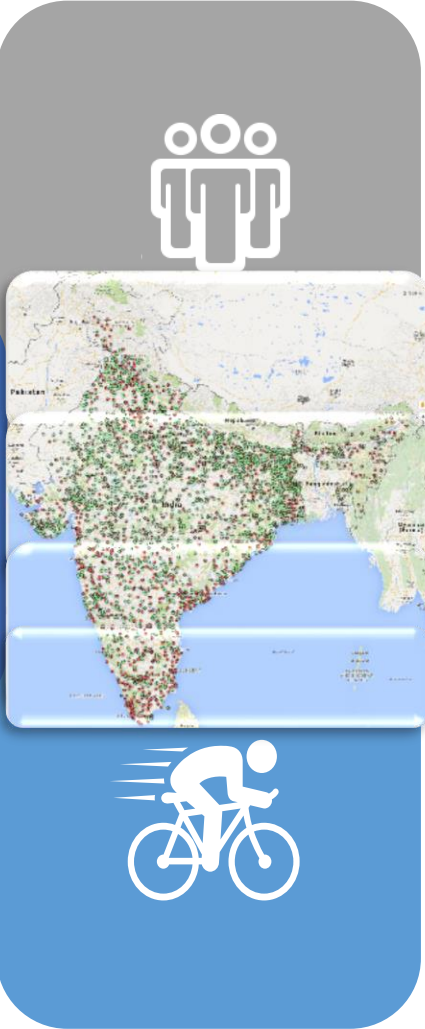
# Excellence in Execution





*Unmatched Brand availability*

- *Over 10,000+ Re-distribution Channel partners customized for micro geographies*
- *7,000+ mobile Units servicing 'Bharat'*



*Best in Class Daily Servicing*

*Extensive direct network reaching to over 1.4 lac markets*

**Leveraging technology at all nodes to drive efficiency & agility @ Scale**

- Leveraging **institutional strengths** of Leaf Procurement , Printing & Packaging & Corporate R&D for creating long-term sustainable advantage through innovation & differentiated products
- Continuing to strengthen the Portfolio on the basis of **superior category insights and Micro market strategies**
- Leveraging Technological and Manufacturing leadership for Agility & Competitiveness enhanced by **Digital interventions & Industry 4.0**
- Maintaining our competitive advantage through **benchmark product quality** and superior **last mile execution**



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Branded Packaged Foods

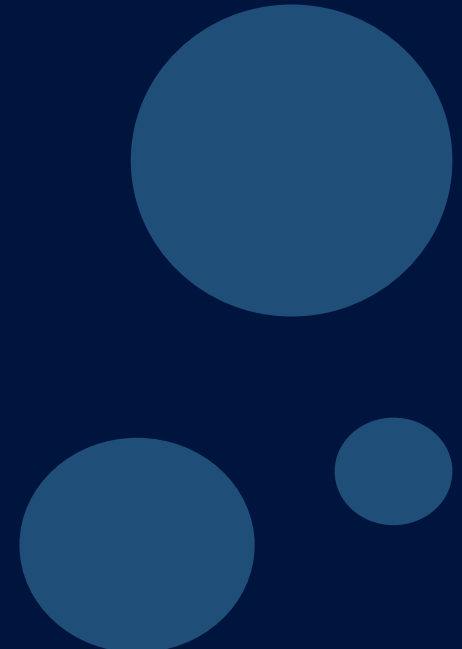
Hemant Malik, Divisional Chief Executive

## Our Purpose:

Is to **“Help India Eat Better”**. We demonstrate this through our obsession to offer great quality products & exciting innovations that are science-based & consumer-led; prepared using carefully chosen ingredients; made the right way, to taste better & do better.

# Table of Contents

- **ITC Foods**
  - Business Highlights
  - Distinct Strengths
  
- **Our Strategy to Win**
  - Consumer Centric Innovation
  - Strengthening the Core
  - Premiumisation





# Business Highlights

**One of the Largest &  
Fastest Growing**



**Four ITC Foods brands  
among the Top 20 trusted  
food brands in India**



**ITC Foods brands present  
in 56.3L (>50%) stores  
across the country**

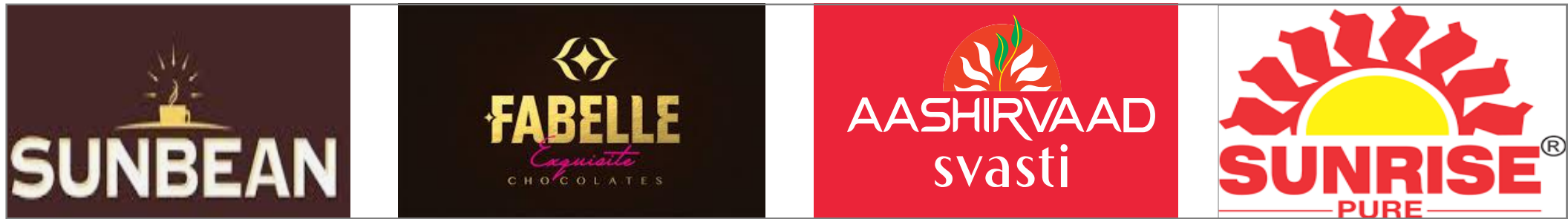
**Presence in 20 food  
categories**

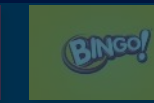
**Net Revenue over 10  
years:  
Growth 4.2X  
CAGR 16%**



**One in Two Indian HHs  
use our products**  
- ITC Foods brands present in  
17.4cr HHs (57% Pen/ annum)







## Aashirvaad atta

# 1

Branded Atta

18% CAGR

5.1 X

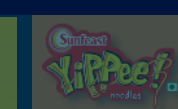
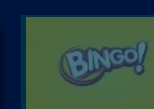
X

FY 11

FY 21

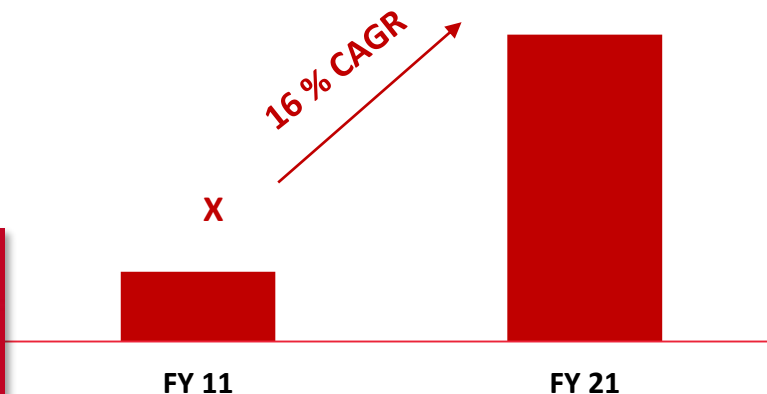


- Aashirvaad atta → led the category conversion
- India's No.1 Branded Atta within 4 years of launch
- Aashirvaad 10 yr. CAGR is **2.1x of branded atta**
- **Market leader** for 15 consecutive years
- >6000 crore brand basis Consumer Spends
- Among **Top 50 Most Trusted Indian Brands**



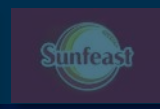
## Sunfeast Cream Biscuits

**# 1**  
Cream Biscuits



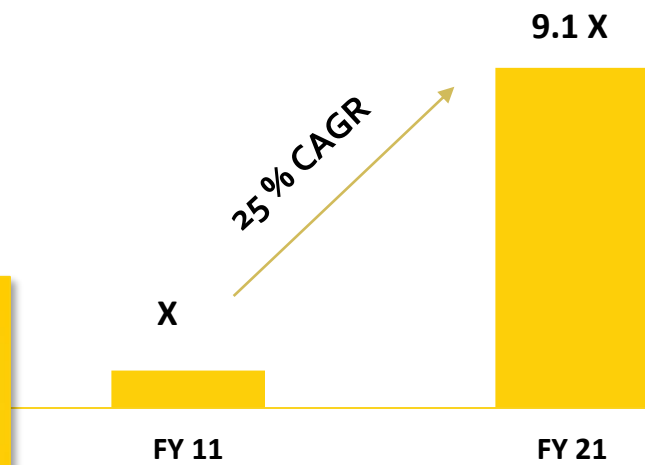
- **Bounce: India's no.1 Cream Biscuit brand\***
- **Dark Fantasy: Market leader in premium indulgence**
- **Moms Magic cookies: Fastest to Rs. 500cr within 18 months of launch\***
- **Sunfeast: India's No.3 bakery brand**
- **~4000 crore brand basis Consumer Spends**



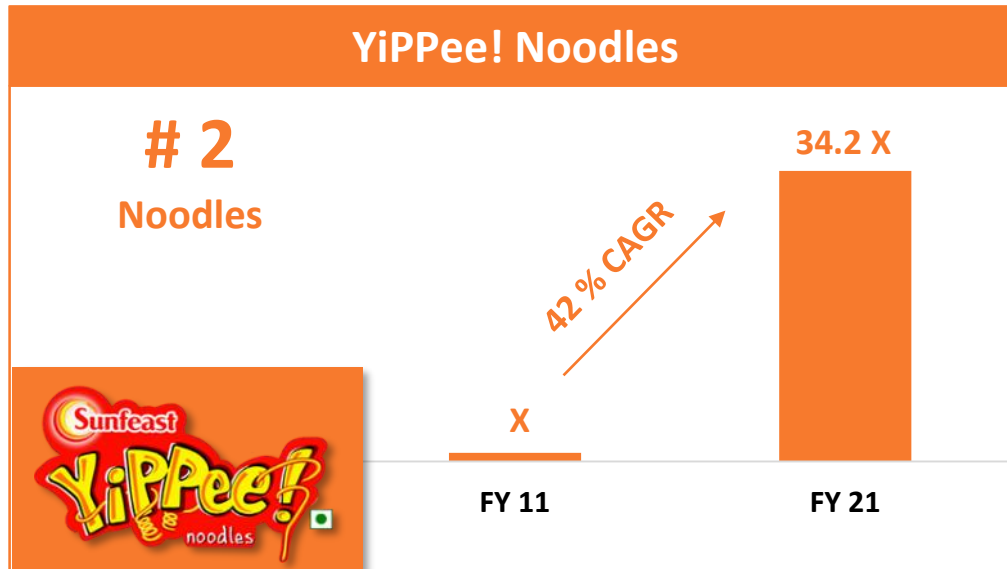


## Bingo! Bridges Segment

**# 1**  
Bridges



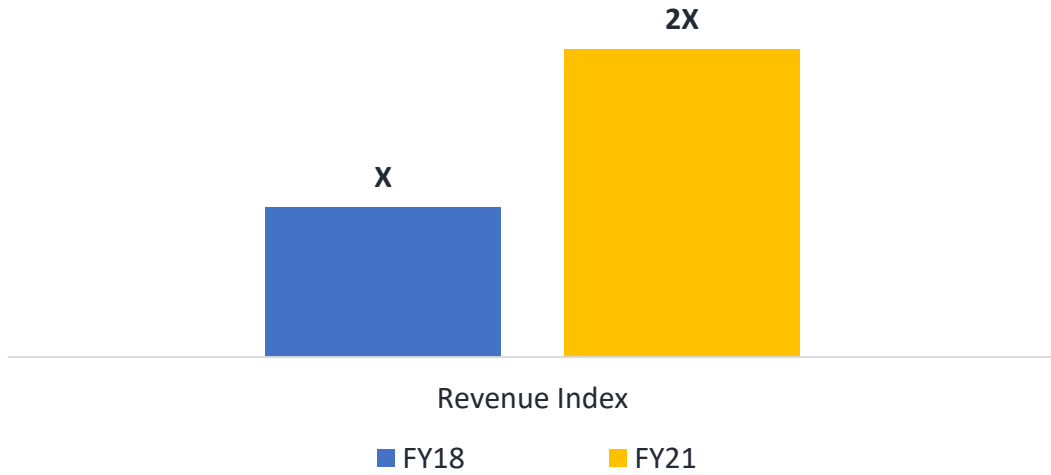
- Bingo! **No. 1 Finger Snacks brand** in the Country
- Bingo! **Potato Wafers - Market leader in South India**
- Bingo! (PC+FS) 5 yr. **CAGR is 3.6x of Lead Competition**
- ~2500 cr. brand basis Consumer Spends



- **India's 2<sup>nd</sup> largest Instant Noodles brand**
- 1000 Cr. milestone achieved in its 8<sup>th</sup> year of operations
- 10 yr. **CAGR is 5.3x of Lead Competition**
- **Market leader** in AP, Odisha and Kerala

# Further expanding our foot-print globally through EXPORTS

## 2x increase in Revenue



## Global footprint extending to 58 countries



### Full Range



### Mega in-store displays



### On-store branding



### Aashirvaad (USA): ATL investments to strengthen brand equity in key markets



We have achieved this by

Leveraging our **distinct strengths**

We create products for all considering **regional tastes & preferences..**

## Key Sources of Competitive Strength



Deep understanding Regional tastes & preferences



Specific Product Development & R&D



Strong Support by the Agri Division



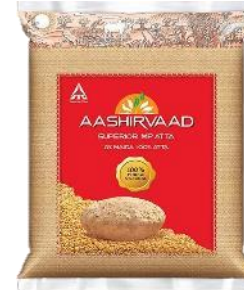
Region specific procurement & region specific blend

## For Example...



### Staples:

Different blends developed for different regions/recipes for atta and spices basis consumer preference



Developed manufacturing skills to blend and deliver the right product to consumers



### Juices:

Developed **regional strengths** like Himalayan based fruit, Guava, & Orange for Source authentication



Consumer Product ratings ahead of competition across multiple categories



**Noodles**

**YiPPee! : 4.5**

Competition: 3.8



**Creams**

**Dark Fantasy: 4.1**

Competition: 3.8



**Cookies**

**Mom's Magic: 4.1**

Competition: 3.5



**Ghee**

**Aashirvaad Svasti: 4.0**

Competition: 3.6

# leveraging cross category competencies

Sourcing Competency + Platform Synergies




Wheat Sourcing

Cross Format Chocolate Expertise




Platform Synergies

Fungible Manufacturing Technologies




Product Technologies

Common Target Group Understanding




Understanding diverse TGs





# Resulting in wide recognition (1/2)

## Marketing



A grid of award logos and descriptions for various marketing categories:

- THE GREAT INDIAN MARKETING AWARDS 2021**
  - Best Influencer Campaign of the Year:** CUTEKARTS BINGO!
  - Best Indian New Brand Launch:** AASHIRVAAD svasti SELECT
  - Best Video Content Marketing Award:** Daily Daily JELIMBS
  - Best Social Media Campaign of the Year:** CRICKET'S SNACKING PARTNER
- MOBILE AWARDS #MADDIES:**
  - Marketing Strategy - Best use of Relationship Building/ Remarketing:** Stay Strong Moms
  - Marketing Strategy - Community Building:** Stay Strong Moms
- SHARK AWARDS 2020**
  - BEST SMALL BUDGET MARKETING CAMPAIGN:** AASHIRVAAD SVASTI IMMUNITY SONG

*Congratulations*

**ITC FOODS**  
FOR WINNING THE  
**BRAND OF THE YEAR**

CONGRATULATIONS FROM

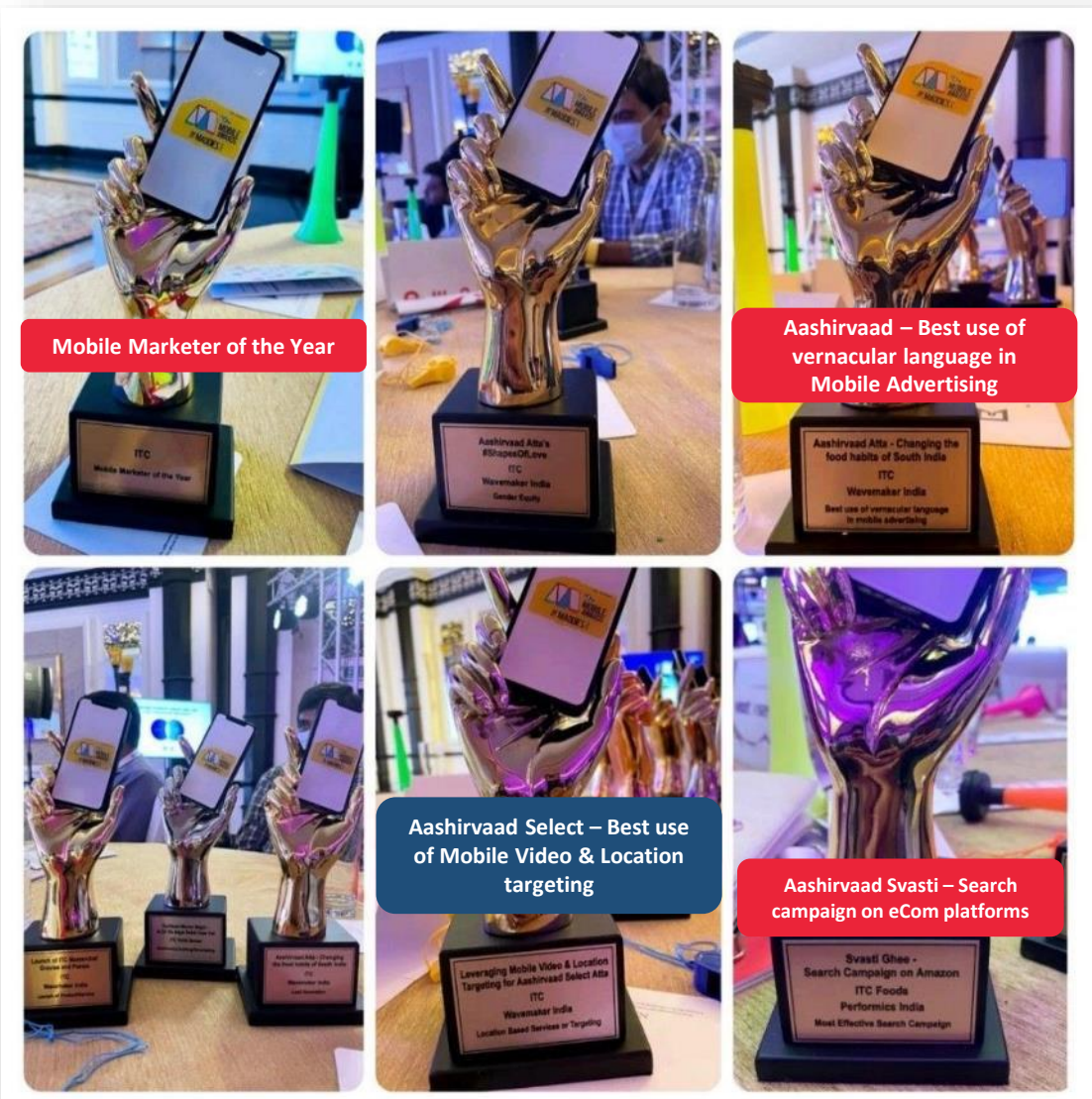
**Dr. Annurag Batra**  
Chairman & Editor-in-Chief  
BWJ Businessworld &  
exchange4media Group



**Nawal Ahuja**  
Director  
exchange4media Group




## Digital Marketing



A collage of photos showing trophies and award plaques for digital marketing achievements:

- Mobile Marketer of the Year:** ITC
- Aashirvaad – Best use of vernacular language in Mobile Advertising:** Aashirvaad Atta's #StapesOfLove, ITC, Wavemaker India, Gender Equity
- Aashirvaad Select – Best use of Mobile Video & Location targeting:** Leveraging Mobile Video & Location Targeting for Aashirvaad Select Atta, ITC, Wavemaker India, Location Based Services or Targeting
- Aashirvaad Svasti – Search campaign on eCom platforms:** Svasti Ghee - Search Campaign on Amazon, ITC Foods, Performics India, Most Effective Search Campaign



# Resulting in wide recognition (2/2)

## Manufacturing

## Procurement



Winner at CII National Energy Efficiency



6 awards in 6<sup>th</sup> Kaizen Competition of QCFI Haridwar



Gold Award in Category Breakthrough Kaizen



Best Supply Chain in Foods and Beverages



Globoil Fastest Growing FMCG Company of the Year

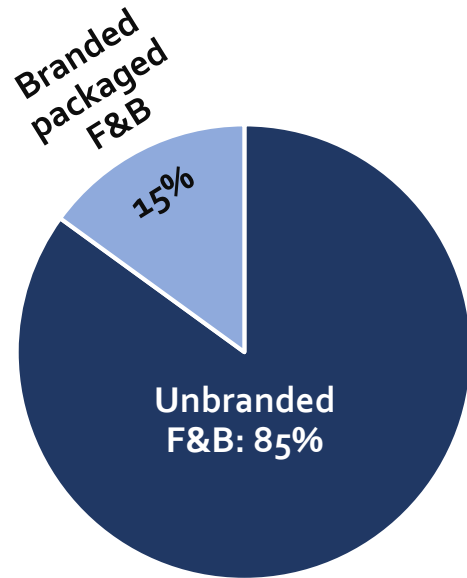


Best Procurement Team of the Year-ITC Foods



# With huge future growth potential

→ as **Branded packaged foods in India is poised for growth**, driven by



There is a huge head room to grow branded packaged F&B consumption



## ..consumers trends

### 1. Consumers seeking Safe & Hygienic food products

- Branded = Trusted
- Branded = Good quality / Free from adulteration

### 2. During COVID,

- Big brands = More trust; got affirmed in the consumer minds

### 3. Rising Disposable income:

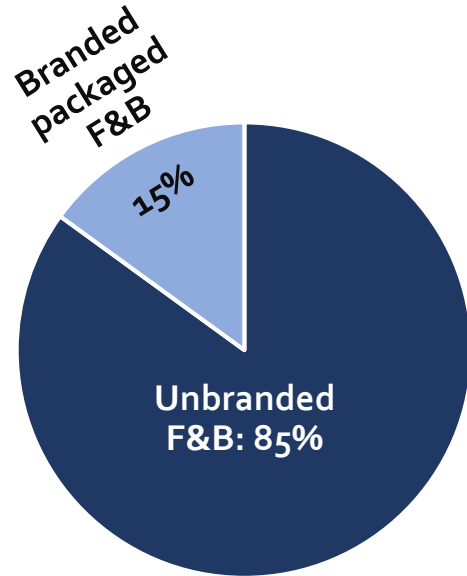
- Gross National Disposable Income grew @10% each year from 2017 to '19
- Growth in income → Increase in absolute spends on Foods

### 4. Growth of eCom & D2C

- Led by consumers seeking CONVENIENCE  
+ Increasing smartphone penetration / online user base

# With huge future growth potential

→ as **Branded packaged foods in India is poised for growth**, driven by



There is a huge head room to grow branded packaged F&B consumption








## ..and conducive macro factors

### 1. Attractive PLI in Food sector going to give it a PUSH

- Sectoral outlay: 10500 Crores for PLI Scheme
- ITC included across categories - RTE/RTC; Fruits & Vegetables; Marine

### 2. Very low per capita expenditure vs other countries

→ huge scope to grow with India's economic transition

Packaged Food RSV per capita per day (2010)		
India		X
China		2X
Russia		4X
USA		6X
Japan		10X

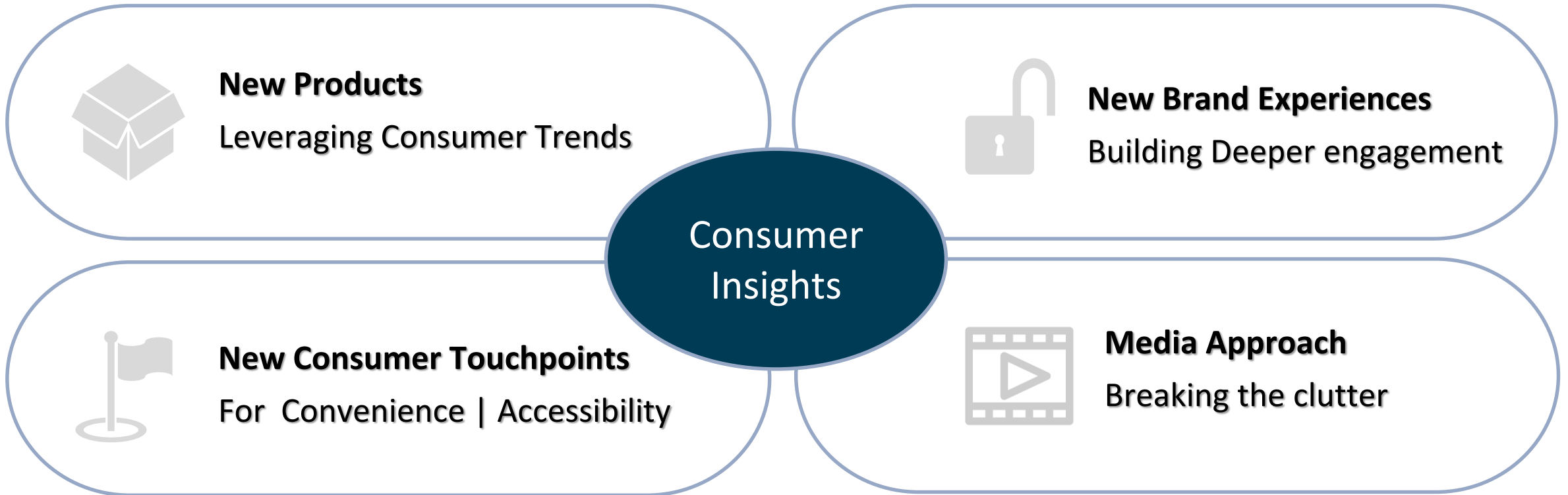
Emerging: \$320 B RSV  
Transitioning: \$415 B RSV  
Developed: \$1190 B RSV

# Our Strategy to Win

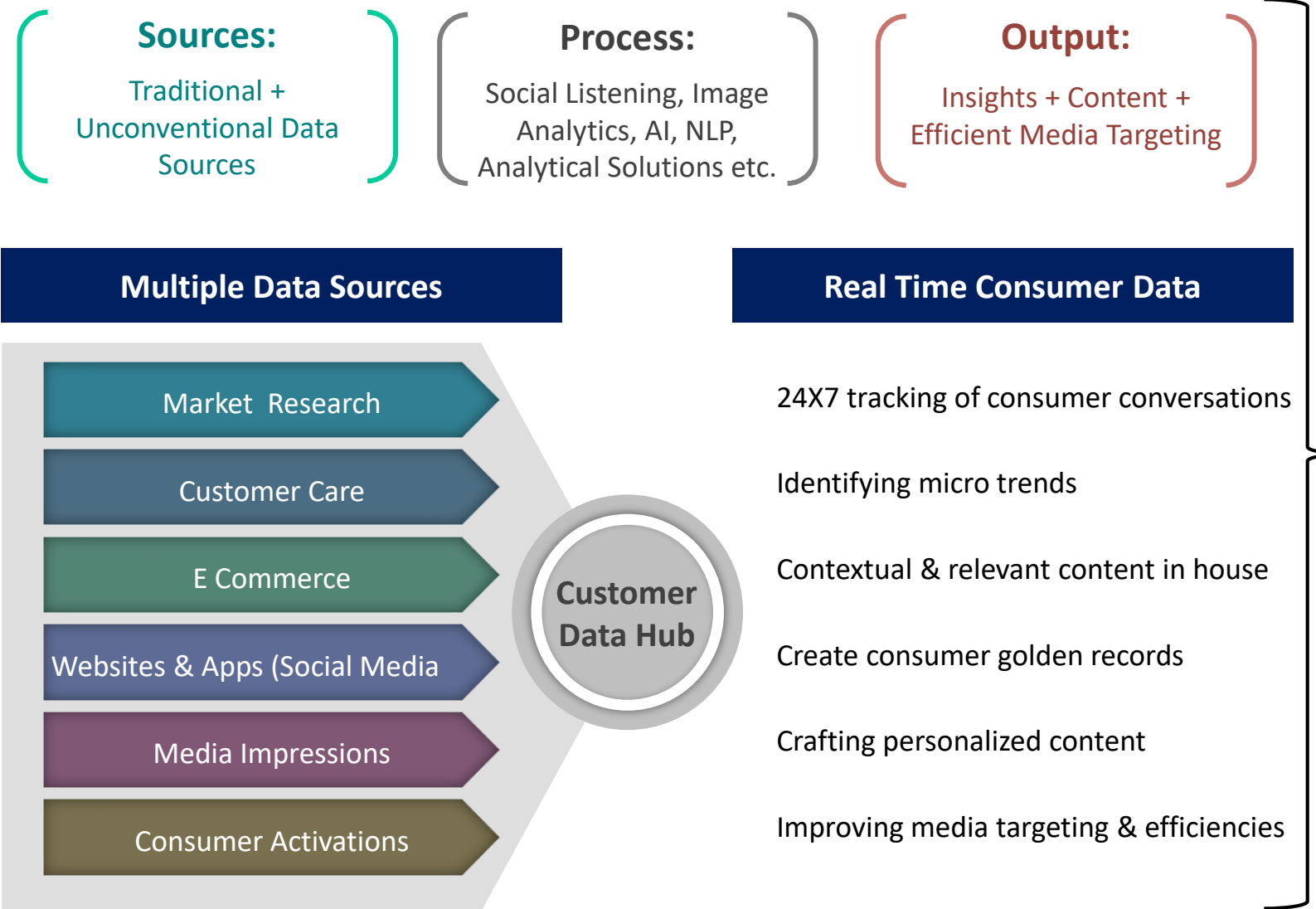
1. Consumer Centric Innovation
2. Strengthening the Core
3. Premiumisation

# 1. Innovations keeping **Consumers at the Center**

## Innovations



→ holistic real-time process triangulating various data sources..



## Real Time Insights → New product ideas & propositions

- Heightened **Health / Immunity**
- Seeking **convenience &** accessibility
- **Experimentation** at home
- Food for **stress busting**



# ..helping in addressing emerging consumer needs with agility

## Immunity

First to launch of Immunity boosting products



Communication highlighting Immunity



## Safety

Focused on assuaging fears around Hygiene



Launch campaign of Aashirvaad Svasti Select Milk (Doodh-er Report Card):

Report card of 27+ Quality checks made available to the consumers on Whatsapp, SMS, ITC Cares, FB, Insta etc.

## Convenience

To aid in-home cooking, enhance home-made meal experience during pandemic

Pastes & Gravies



Instant Meals



Frozen Foods





# Delighting consumers through **First to market** products

## Unique offers in the market



Chocolate Filled Cookies



Unique to Market Triangles



Original Style Chips



100% Pomegranate Juice



Jelly Bears



Round Noodles



Tri Colour Pasta



## Recent Break-throughs



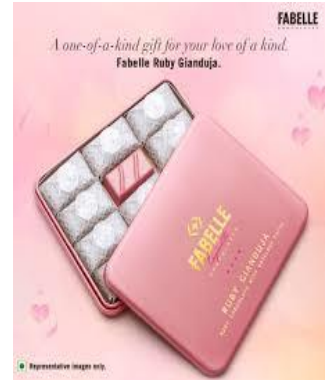
Leveraging a deeply entrenched habit



First to Market Aseptic Pet in Juices



Milkshake with Fruit Bits



Ruby Chocolate



Unique Products in Frozen Segment



Saucy Noodles



Multi Millet Mix



Squeeze-It bottle for Ghee



# Catering to long-term consumer trends of **Health..**

Aashirvaad Nature's Super Foods:  
**Need for Organic**



Aashirvaad Nature's Super Foods:  
**Rising Gluten Intolerance & Going back to Roots**



Aashirvaad Salt Proactive:  
**Better Heart health**



YIPpee! Power Up Noodles:  
**Goodness of whole wheat atta & veg infused noodles**

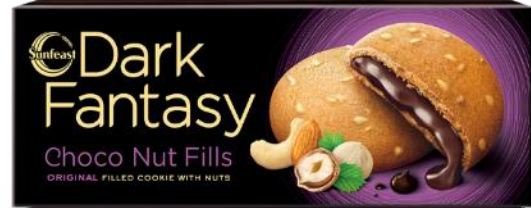


Farmlite Veda:  
**Immunity Focus**



B Natural: **Immunity Focus**





Sunfeast Dark Fantasy: **Premium chocolate biscuit experience**



Fabelle: **Signature Luxury Dessert collection** for festivals, gifting



Fabelle: **Premium chocolate bar experience**



Sunfeast Bounce: **Affordable Indulgence** for all



Candyman Fantastik: **Daily Chocolate indulgence**





# Creating Purpose led brand experiences for consumers



**Future brand ambassadors - YIPpee!**  
Magic with Plastic



**ITCstore.in's CARE Basket Initiative -**  
Dabbawalas, Receives Mumbaikars' Support



**Candyman Fantastik Tornado** took Kolkata By storm this Durga Puja



**Bringing Flavour of Bengal for Bengali Expat - Sunrise Pure**



**Interactive Cooking Workshop - Cooked along with ITC Hotel Chefs**



**Sunfeast India Run As One** mobilised the country in support of livelihoods



# Offering convenience and accessibility via multiple touchpoints

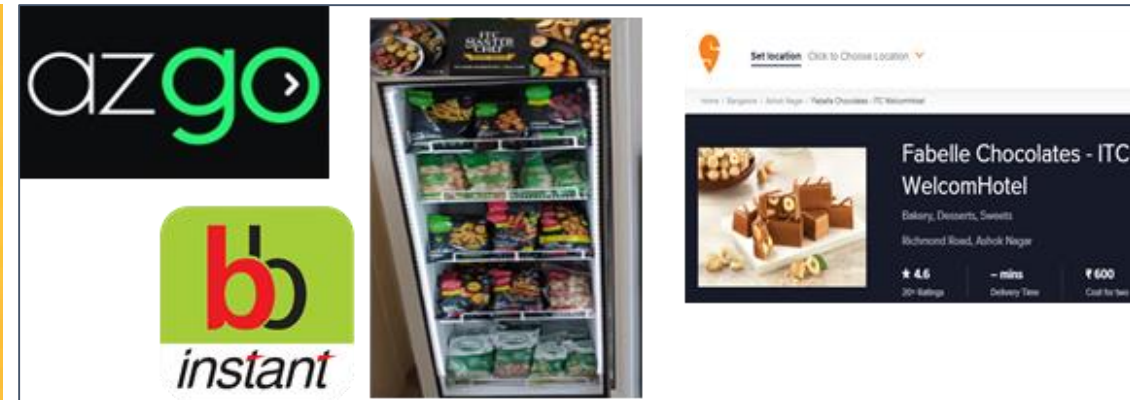
## Partnering with airlines



## Partnering with Inox



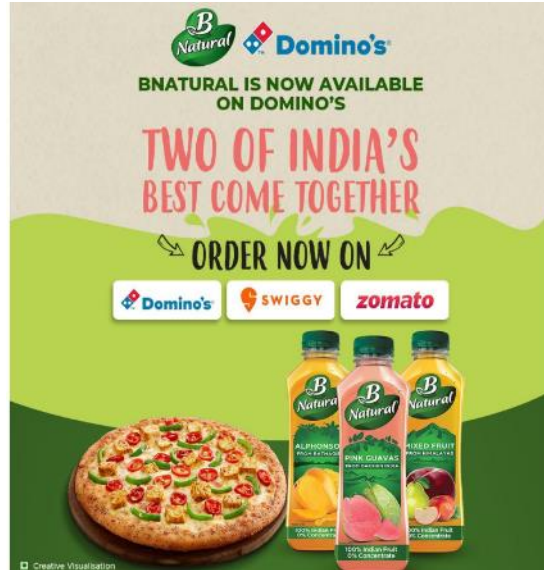
## Available through vending machines & Swiggy



## Synergizing with Amway



## Partnering with Dominos



## ITC store – D2C



## Home Carts for Frozen



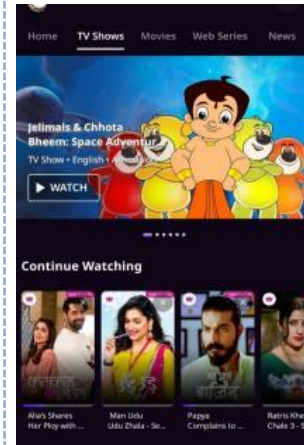


# Breaking the clutter using innovative Media approach

## Creating brand IP - Bingo! Social Media Sticker powered by AI



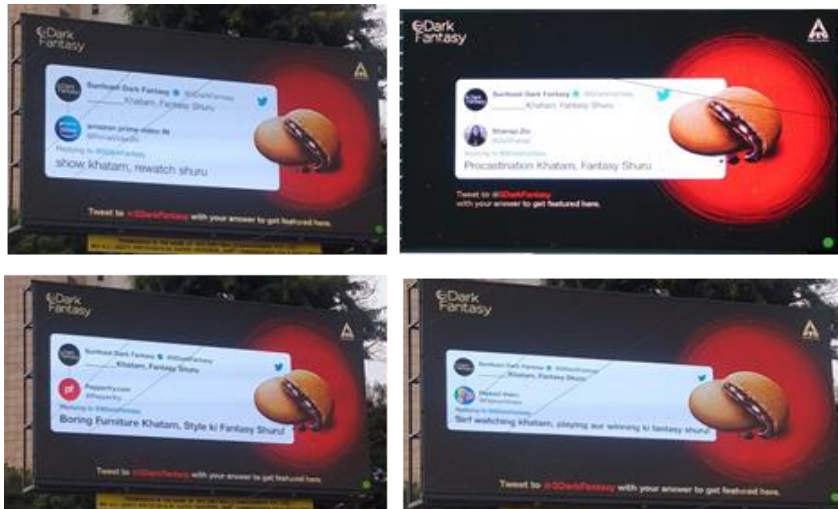
## Co-creating relevant content



Candyman  
Jelimals – Space  
Adventures on  
Zee5



## Dynamic integration → Offline + Online



Connecting  
multimedia  
platforms from  
Print to Digital  
to OOH for Dark  
Fantasy

## Integration in Gaming space



Sunfeast Yippee  
Mood Masala  
ESPL partnership

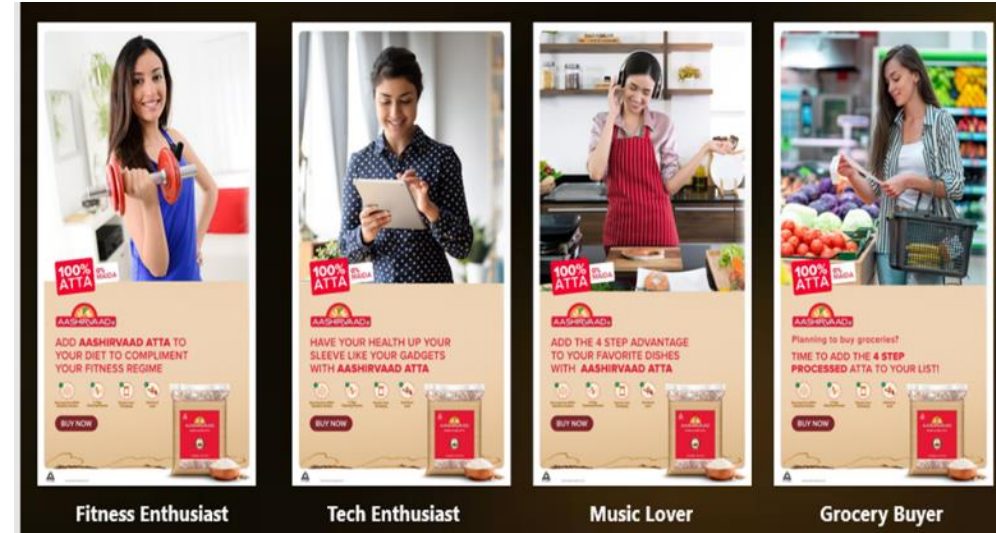


# Utilising cutting edge digital tools & techniques

## In-house content creation



## Hyper personalized content creation & deployment



## AI-based diagnostic tool for creative evaluation

Does an historical audit  
Arrives at what has worked  
and what has not  
enables preflight testing



## Community management platform using power of data analytics & ML

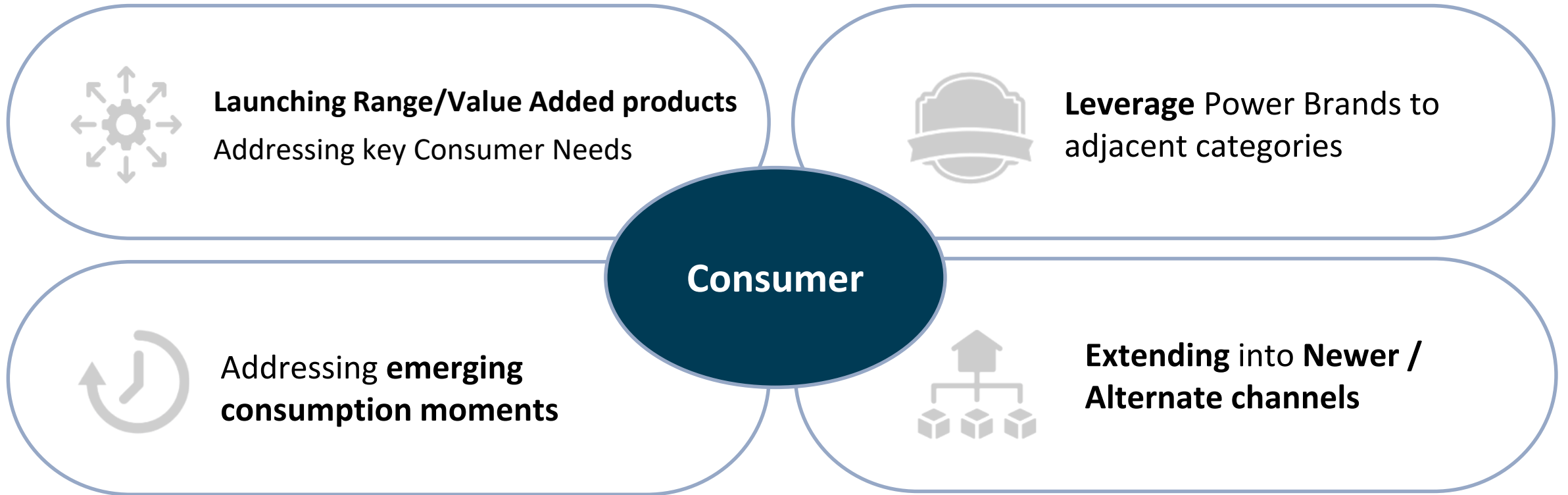
### Tapping into communities where digital media cannot reach



## 2. Strengthening the Core



## 2. Strengthening the Core





## North – Shift in behavioural choice



**Business Need:** To convert Wheat & Loose Atta buyers

**Action:** Highlight Process Efficiency of Aashirvaad and Connect to Progress of Self – “4 Kadam Aage”

## South – Aimed at increased occasions of use



**Business Need:** To increase Consumption of the Category

**Action:** Communicating “Versatility of Atta” by educating consumers with Atta recipes

TV to drive 'High Fibre' proposition; Digital & Social to communicate other facets

**Happy Tummy for a Happy You**



**Solution for Digestive Health**



Exclusive platform for **Digestive Health**, an emerging health concern

One stop personalized solution

- Health Blogs
- Expert videos,
- Nutritionist consultations
- High fibre recipes





### SRC Solution - Browser based video calling to facilitate easy consultation



Panel of dieticians  
**working remotely**  
- pan India



A white labelled app-less **video consultation platform** for diabetics



**Drive a call to action** to sell before, during & after each video consultation



**CONSUMER EXPERIENCE**

*20MIN FREE DIETICIAN CONSULTATION*

### Customer feedback



"I am a fitness enthusiast and during these times of new normal, educated and concerned individuals like me can really appreciate programs like these."

Bhagyashree Todi  
Kolkata



"I want to convey my thanks and appreciation for a very helpful and excellent counseling session with Ms. Tina Khanna of Aashirvaad."

Krishna Rao  
Hyderabad



"Thank you so much and God bless the whole Aashirvaad Aata Team for organizing this counseling session."

Anjali Sharma  
Delhi



"Thank you for the wonderful job done done by Aashirvaad Aata team. It was a very fruitful session."

Amit Mahapatra  
Bangalore



## Atta



## Salt



## Spices



## Organic



## Breakfast Solutions





## Fresh Dairy



### 1.6X growth over last year

#### New Market Expansion in Bihar



#### Doodh-er Report Card Proposition



## Product Portfolio Expansion



## Ambient Dairy - Ghee

- Unique slo-cook proposition leading to great aroma
- Launch of first to market Squeezy pack for Ghee







## “The Batman of Biscuits” - Forbes India



- First-to-market centre-filled format
- 5 year CAGR of 27%\* (best in creams segment)

## Creating a comprehensive Choco Fills portfolio



## Reimagining other biscuits in filled format



## Many other Firsts...



**Robust innovation funnel to help sustain the lead in the years to come**

\*Nielsen RMS, 2021

## Strategic Overview

- Consumers seeking **better sensorial experiences**
- Consistent **long term premiumization trend** in category



- Focus on **fast growing and highly profitable** Premium end
- Truly **differentiated consumer offers** helping drive growth

## Market Share (Premium)

- **Market leadership within 10 years** despite presence of 100 year old legacy players
- **ITC has 26% share** in the Premium biscuits \* segment — **1.5X times** the largest competitor in Biscuits

## Premium offers from the house of Sunfeast



\*Nielsen RMS,2021

Premium Seg: >Rs250 Per KG

**Solid Insights**



Strong consumer and category understanding

**Innovating with Strong Ideas reflecting across the mix**



**Superior Products Always**



**Disruptive Activations to build core thoughts**







Adults



Homemaker



Youth



Teens

Indulgence



Celebrate the all rounder in each Home maker

You are much more than you think

To urge Indians to seize personal pleasure more often..

Din khatam, Fantasy Shuru...

Delight



Helps mother work their magic that makes everything feel right

Warmest Super Power

To delight every hungry stomach

Happy to be Hungry

Give Power in the hands of kids to make world a fun place

Bounce Out the Fun inside Everyone!

Health



Add Zest to Health

Sirf Digestive Nahi Dizestive

To enable couples spend healthy time together

Har ghar chahta hai ek strong team

★ Premium offers from the house of Sunfeast







# Entry into Beverages with a **strong consumer led proposition**



- **BNatural is the first juice brand to be made of 0% concentrate & 100% Indian fruits**
- **India's No.3 Juices & Nectar brand**
- **~200 bps gain in market Share vs 2019\***
- **2nd largest player in Modern Trade Banners with 23.5% Market Share\***

\*YTD Sep

\*Nielsen RMS,2021

## "Fiber" proposition Built on the back of a strong consumer insight



## Agile topical launches in the time of COVID New Immunity Range



## Premium juice portfolio to drive innovation & profitability



**First Juices & Nectar brand in PET made of fruits sourced from places of origin**

## Leveraging brand purpose celebrating Indian Farmers & Local Sourcing





# Tapping un-conventional route to market



## Modern Trade & E Com

# #1 IN



## Institutional Partnership

Differentiated products with inclusions at airports and in leading Airlines



No added sugar Juices in MCD happy meals providing an alternative to CSD



Partnership with largest QSR by offering consumers a healthier beverage choice instead of CSD



Co-branded products with Amway (India's largest D2C) offering premium nutritional beverage



# 3. Driving Profitability through..



**1. Smart  
Manufacturing**



**2. Agile Cost  
Management**



**3. Mix  
Premiumisation**



**4. Value Accretive  
Acquisition**



# Smart Manufacturing : ICMLs - State of the Art Manufacturing Infrastructure

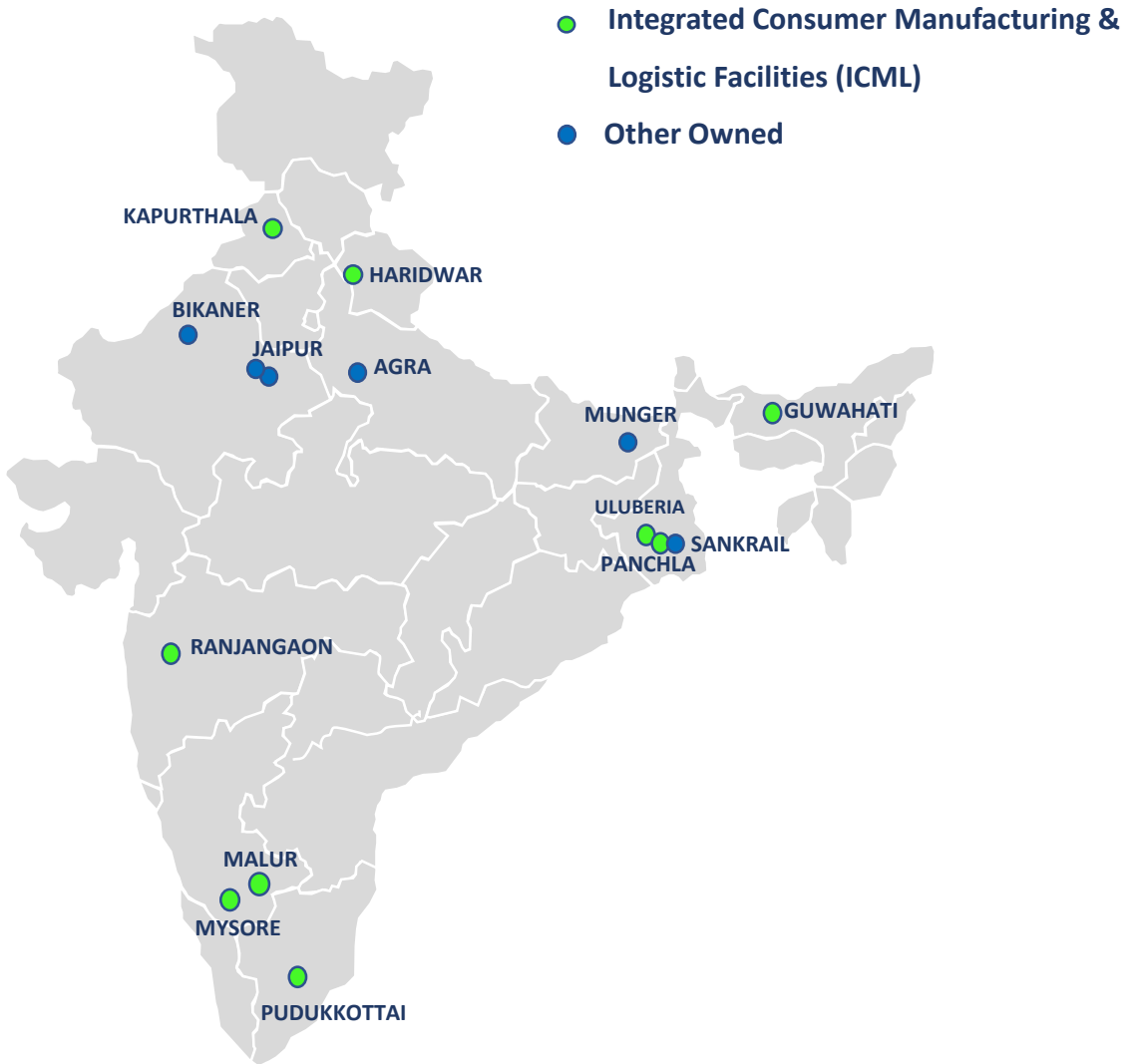


**Integrated Facilities across  
9 Food Categories**



**75%+ Female Workforce in  
Pudukkottai and Mysore**

## Distributed Manufacturing Network



**Driving freshness** - Reducing distance to market



### Supply Chain Optimization

Minimising material handling and optimising market servicing  
- Co-located warehouses/ combined loads



### People Capability

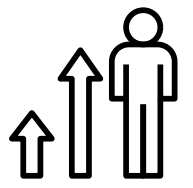
Multiskilling aiding rotation and rationalisation of the line crew



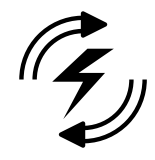
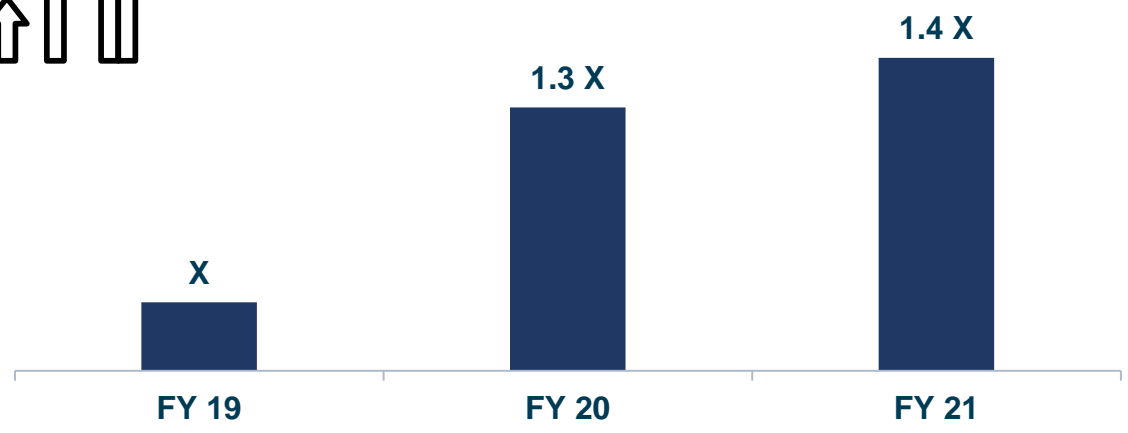
### Shared Infrastructure

Common utilities & amenities to drive scale benefits & reduce fixed overheads

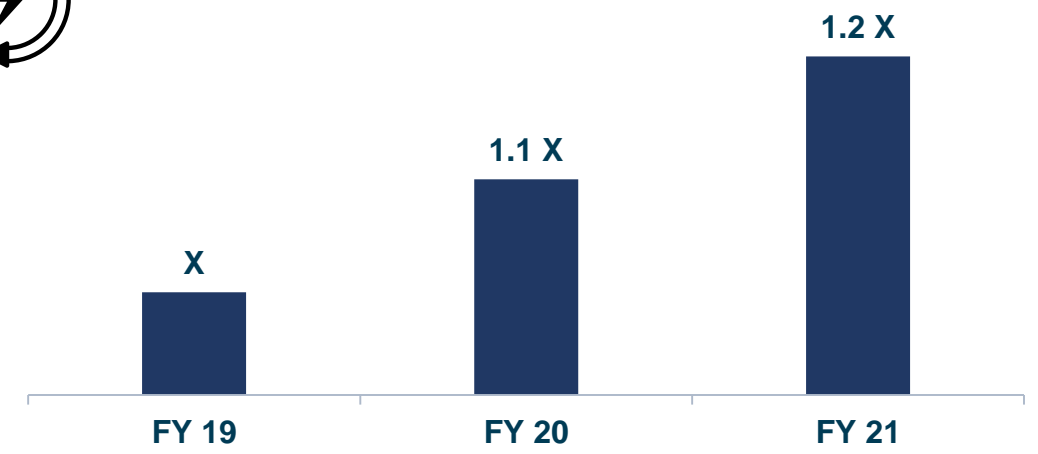
# Agile Cost Management: Operating Leverage yielding Cost efficiencies



## Manpower Productivity



## Energy\* Efficiency



\* Represents output/kWh

## Other Levers



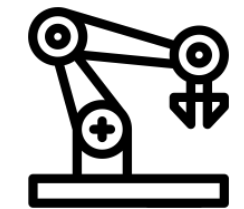
Industry 4.0 –  
Manufacturing  
Excellence



Renewable  
Energy  
Projects



Packaging  
Know-how



Process  
Automation



## Procurement Landscape

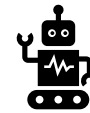


**Unique Set of Ingredients** to create differentiation across categories used



First of its kind **Digitally Enabled Procurement system**

## Procurement: Digital Initiatives



**Robotic process automation using BOTs**—  
Deploying BOTs to secure information

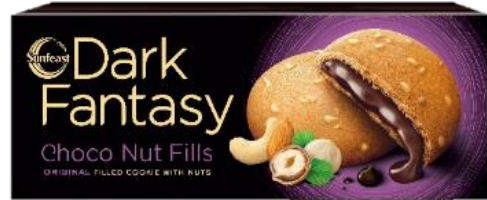


**Track & Trace- SIM Based** – Truck Tracking Mechanism





## Successfully Premiumising the portfolio

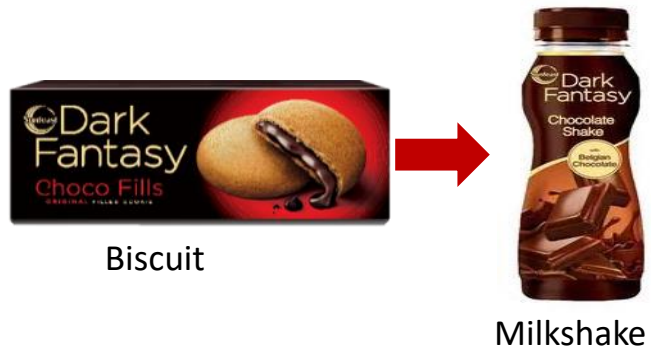


## MT & E-Comm Focus





## Extension across categories



## Extension within a category





- 70 year old brand
- No.1 brand in WB in spices
- Strong Cultural Connect with Bengal
- Offers great range of blends
- High quality Differentiated & regional products
- Healthy Profitability & Return



- ITC market leader in Pure Spices in AP
- Pan India network of direct procurement from farmers
- Expert in quality crop development
- Expert at large scale quality material procurement → cost efficiencies
- Wide distribution network



**Maintain momentum in the ongoing businesses**



**Driving new distribution points:**

- Modern Trade
- E-commerce



**Expansion to other markets of East**

**Drive Profitability through:**



- Integrated supply chain
- Yield improvement
- Procurement Savings
- Processing Cost Efficiencies

**Increase Presence in all Touch points:**



Unlock digital presence to reach out to non Bengali Audience

**Post acquisition integration completed successfully; on track as per acquisition targets**



- **Well-poised to sustain high growth trajectory**

- Chosen categories offer immense growth potential
- Future ready portfolio - leveraging power brands
- Science-based R&D to fuel Innovation
- Explore new vectors of growth basis deeper consumer understanding
- Harnessing Digital & Analytics through cutting edge AI&ML interventions

- **Driving Profitability & Capital productivity**

- Premiumisation & leveraging value-added adjacencies
- Smart Manufacturing: delayering operations & distributed supply chain
- Capital Efficiency: working capital management & improving capacity utilization

**Strong foundation for rapid & sustainable growth; both in scale & profitability**



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Personal Care Business

**Sameer Satpathy**

**Divisional Chief Executive – Personal Care Products Business**

# Personal Care Business Portfolio



**Personal Wash** 20100 Crs



**fiama** **Vivel**

**Health & Hygiene** 3200 Crs



**Savlon**

**Fragrances** 2300 Crs

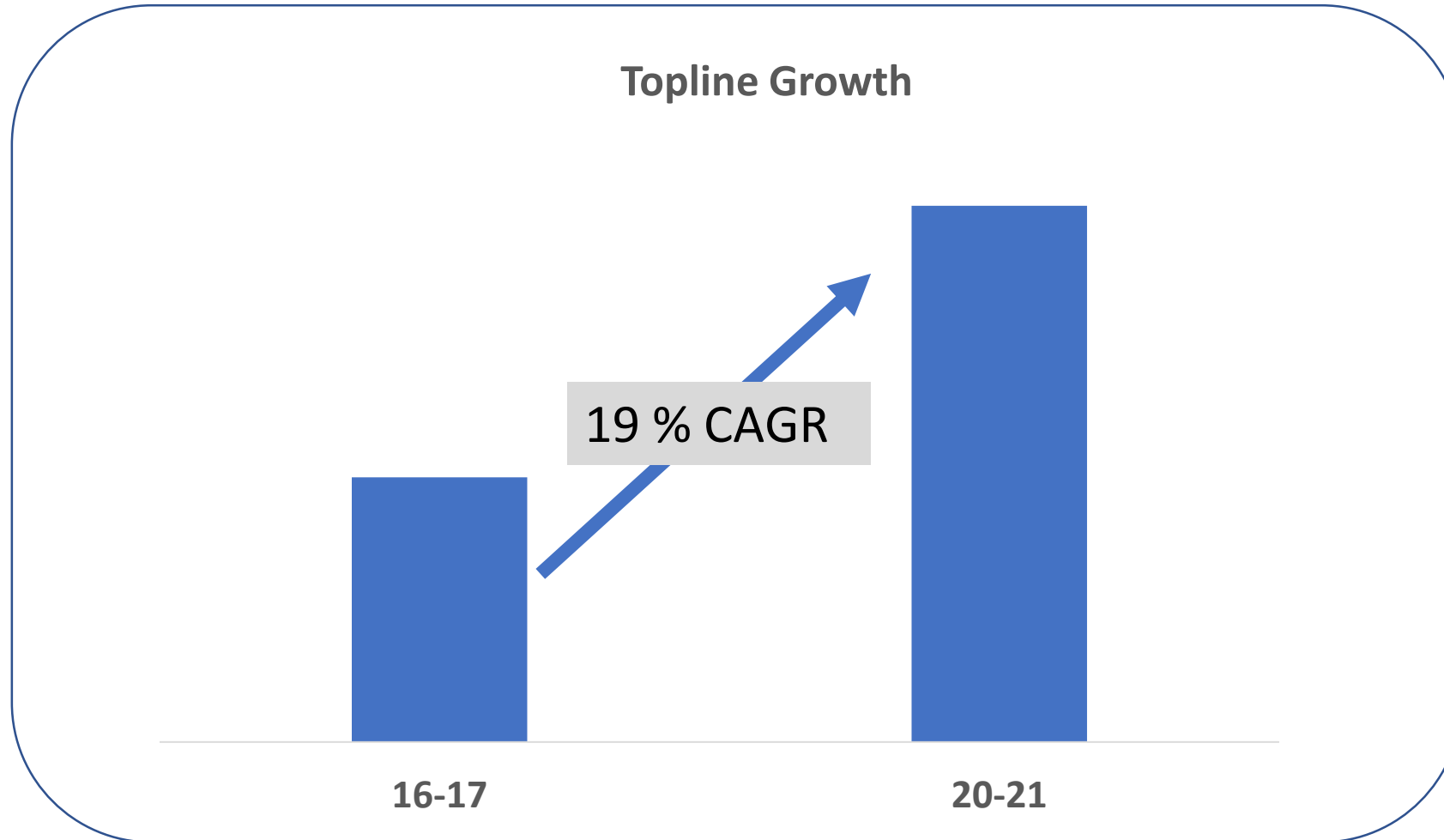


**ENGAGE**

**Home care** 2250 Crs



**nimyle** **nimeasy**  
Dish Wash Gel



Accelerated Growth in Focus Brands





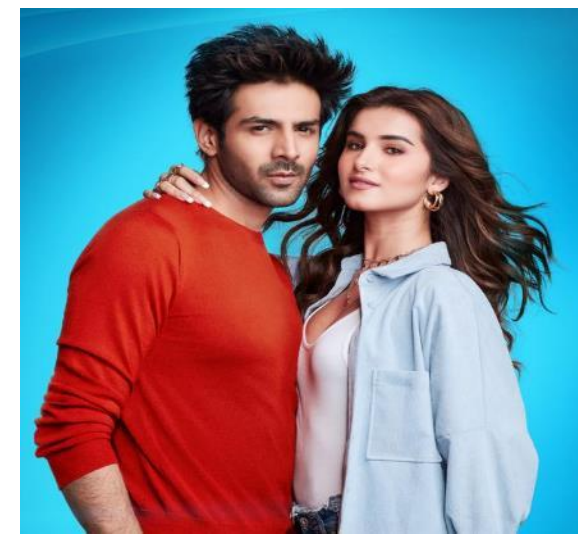
**Leading Player in Health & Hygiene**  
**Leader in Disinfectants**



**No 2 All India in Body wash**

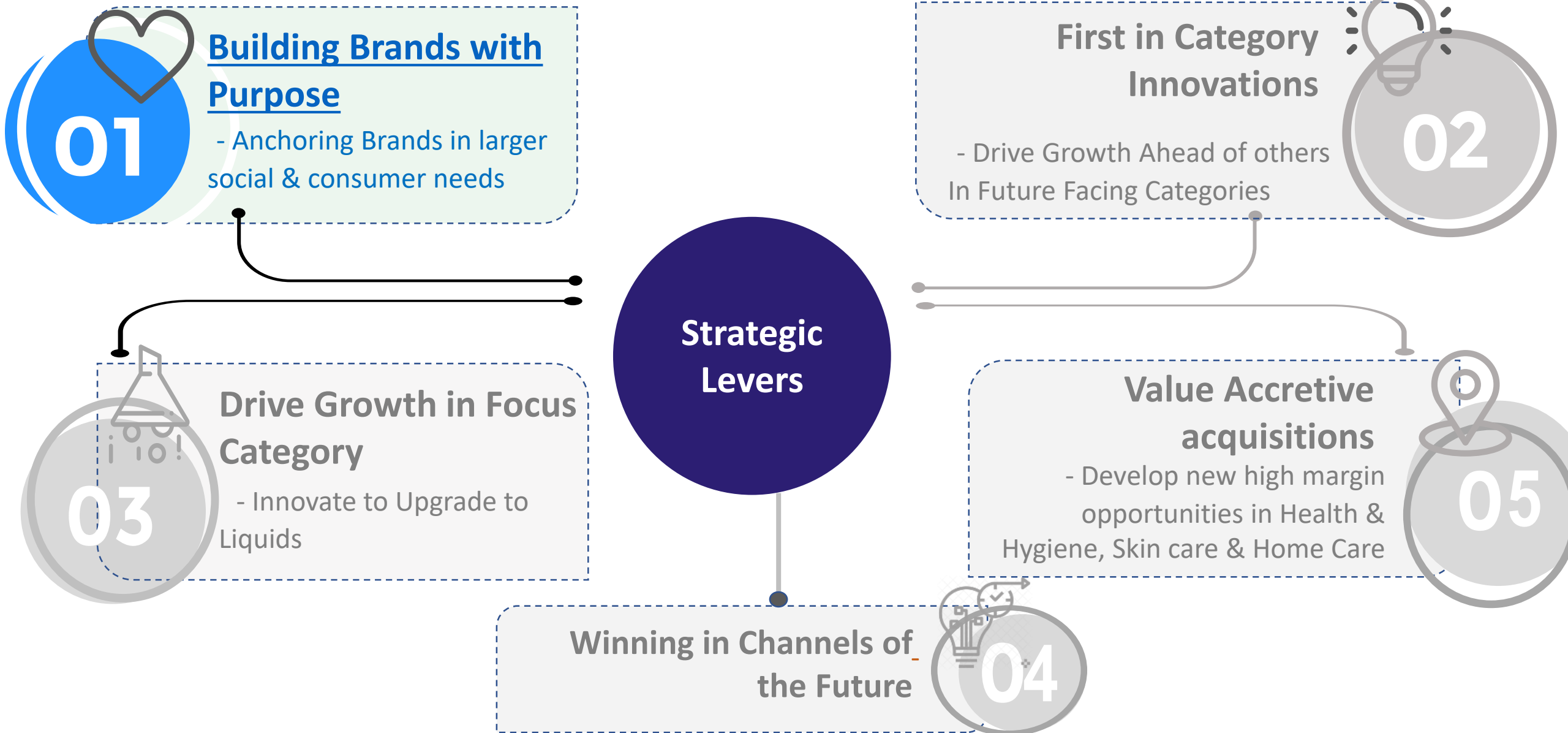


**Regional Leader In Category**  
 (No 1\* in Assam & North East  
 No 2\* in WB & Orissa in mid popular segment)



**No.2 in category**







## SAVLON

Healthier Kids  
Stronger India



- Building a healthier India
- Driving Public Awareness

## VIVEL

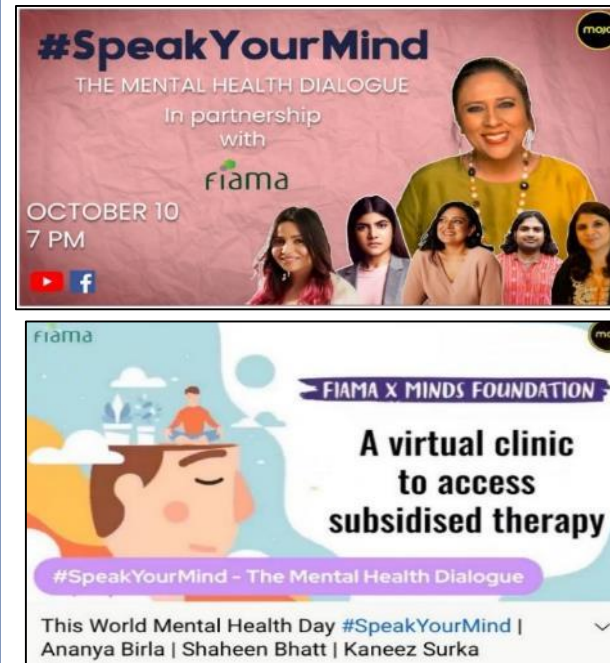
Empowerment



- Breaking Stereotypes
- #AbSamjhautaNahin – UnCondition

## FIAMA

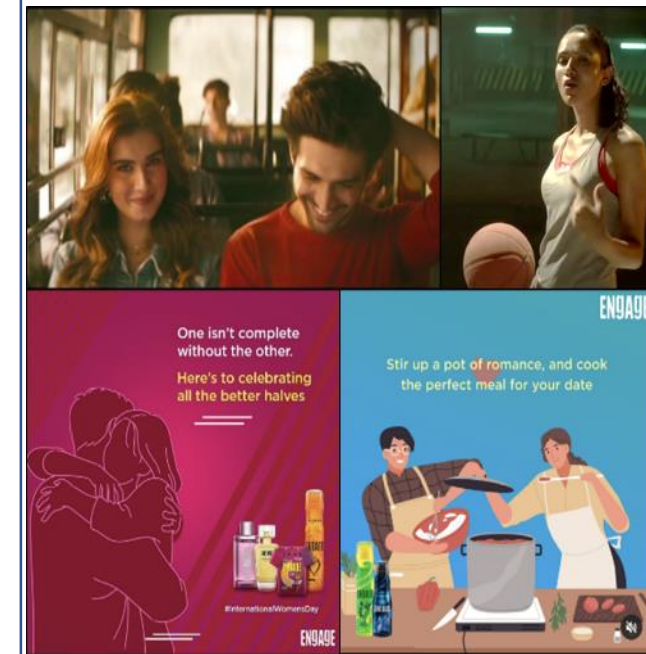
Mental Wellness



- Breaking taboo
- Encouraging relevant conversations

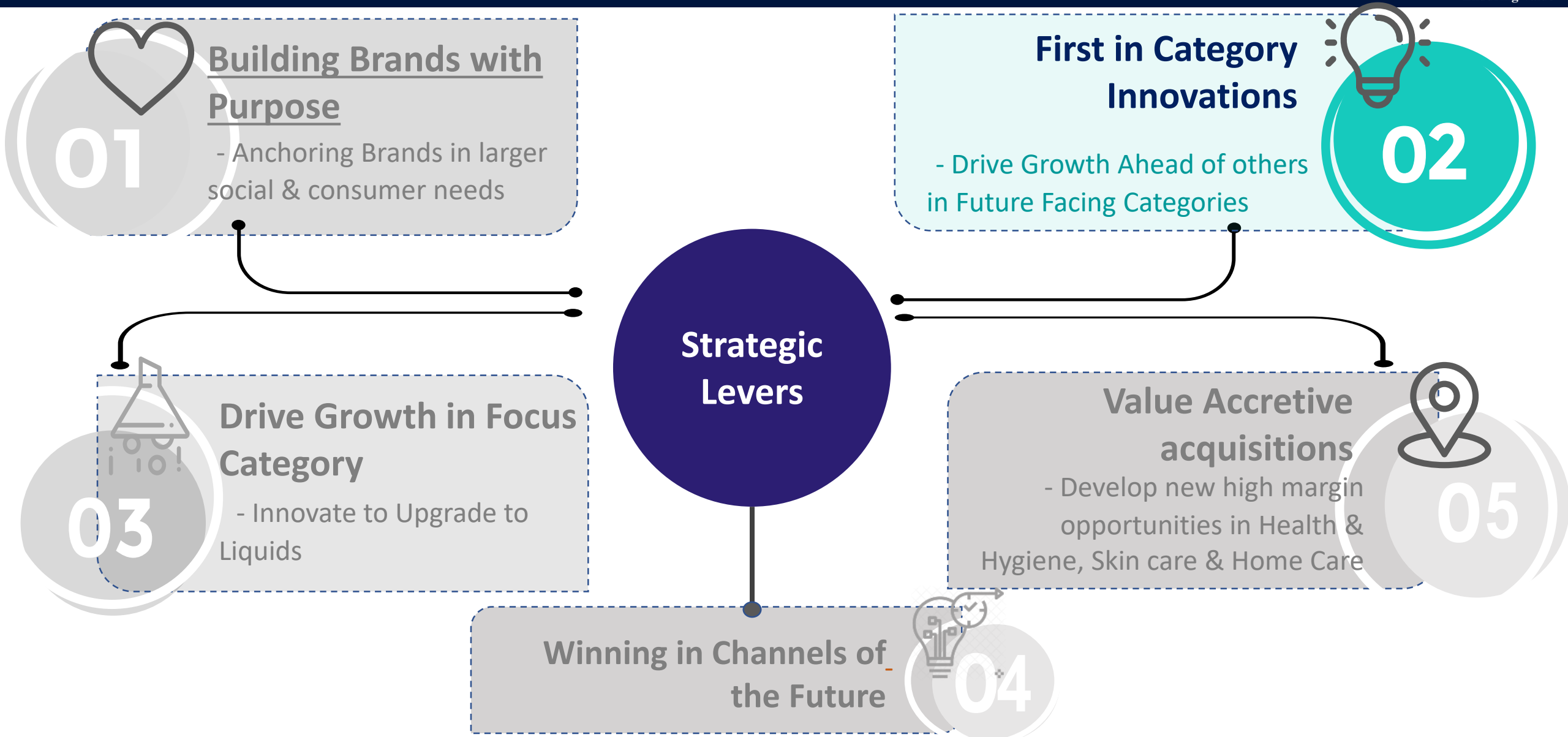
## ENGAGE

Gender Equality



- Equality in Relationships
- Respectful & Gender Sensitive

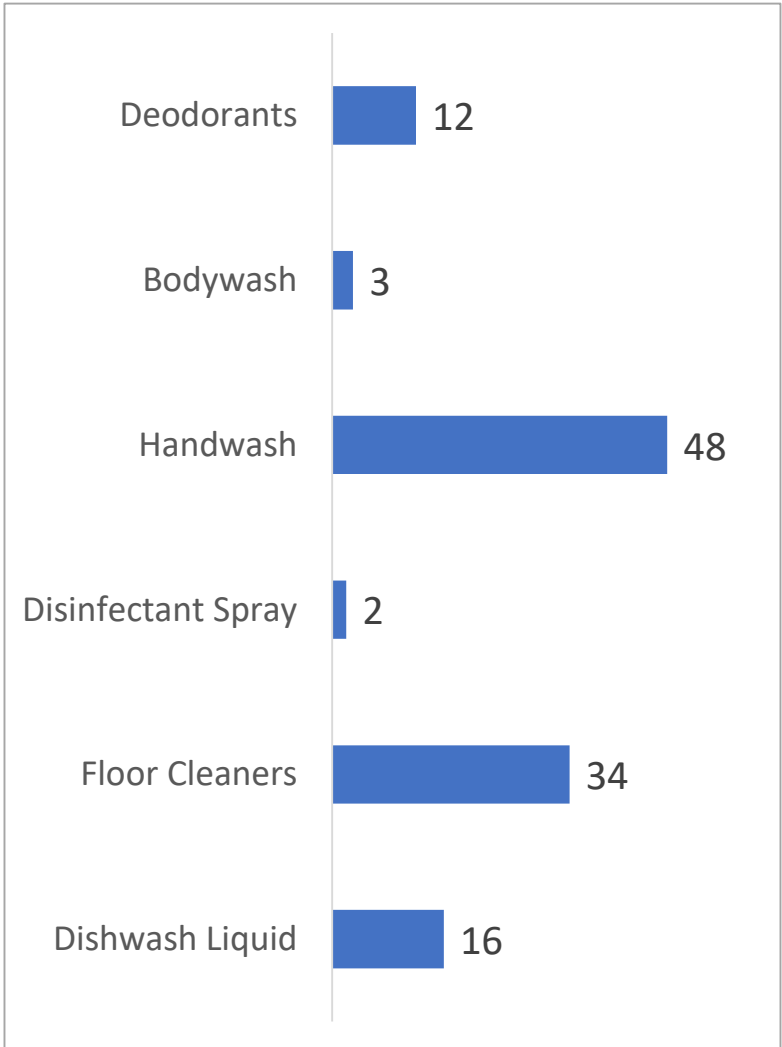




# Leading in Future Facing Categories



## % Penetration



## ITC Play

Deodorants	# 2
Bodywash	# 2
Handwash	# 3
Disinfectant Spray	# 1
Floor Cleaners	# 2
Dishwash Liquid	New Launch

All India (Urban) MAT Sept'21

All India (U+R) MAT Sept'21



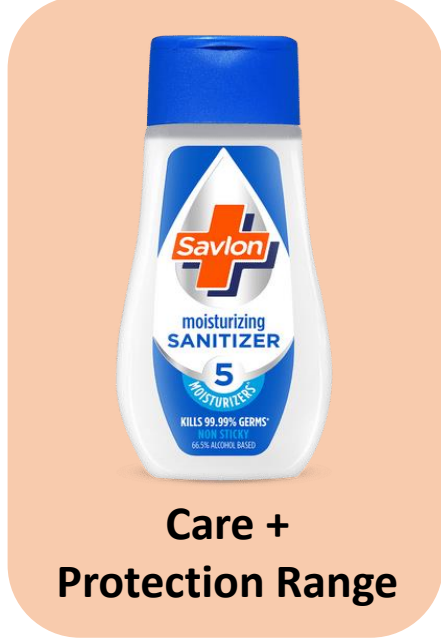
**Pocket Fragrance**



**Clothes Disinfectant Spray**



**Fragrance Technology Encapsulation | Mood**



**Care + Protection Range**



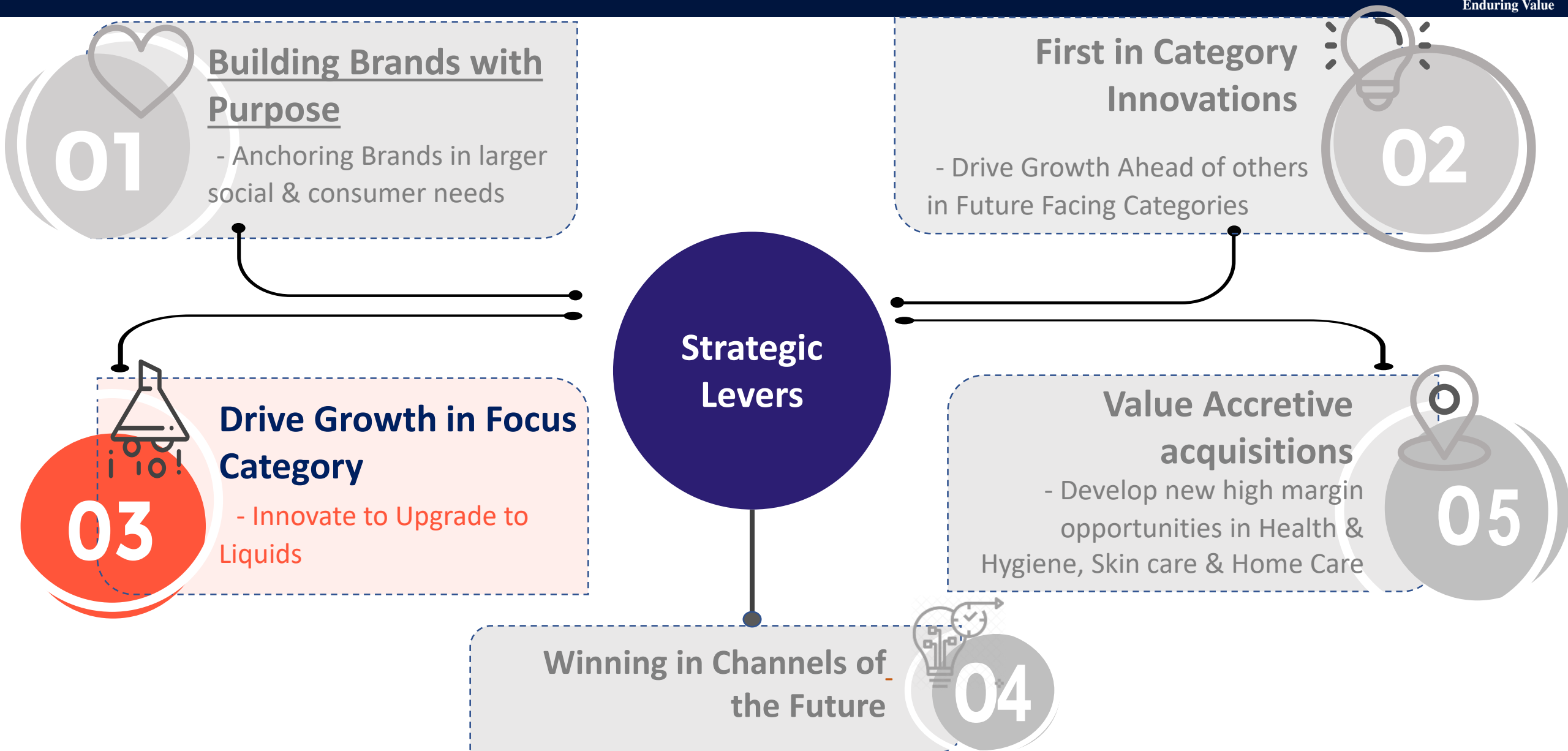
**Gel Bathing Bars**



**Bio Cellulose Mask | Soleil Defense**



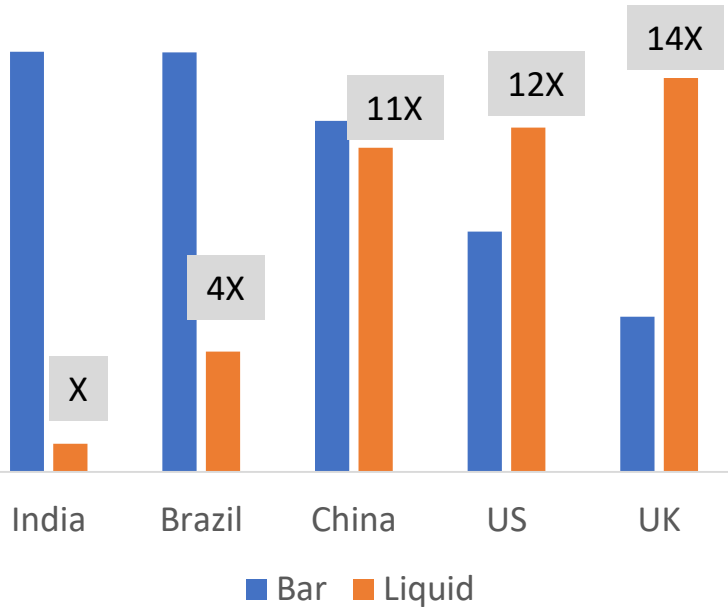
**Dishwash Gel with New Enzyme Technology**





## Personal Wash

### Liquid vs Bar soap Penetration

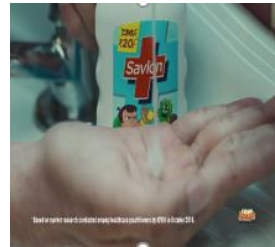


- Large headroom for growth
- Opportunity to leverage our early presence in Category

## Shifting Game from Soaps

### Market Development : Building Category Relevance

Soap Inertia



Need Loofah



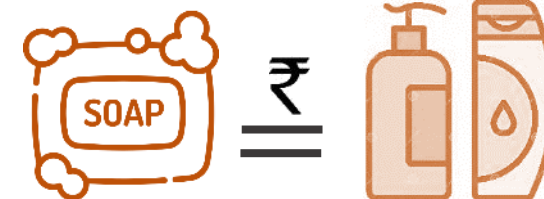
Expensive



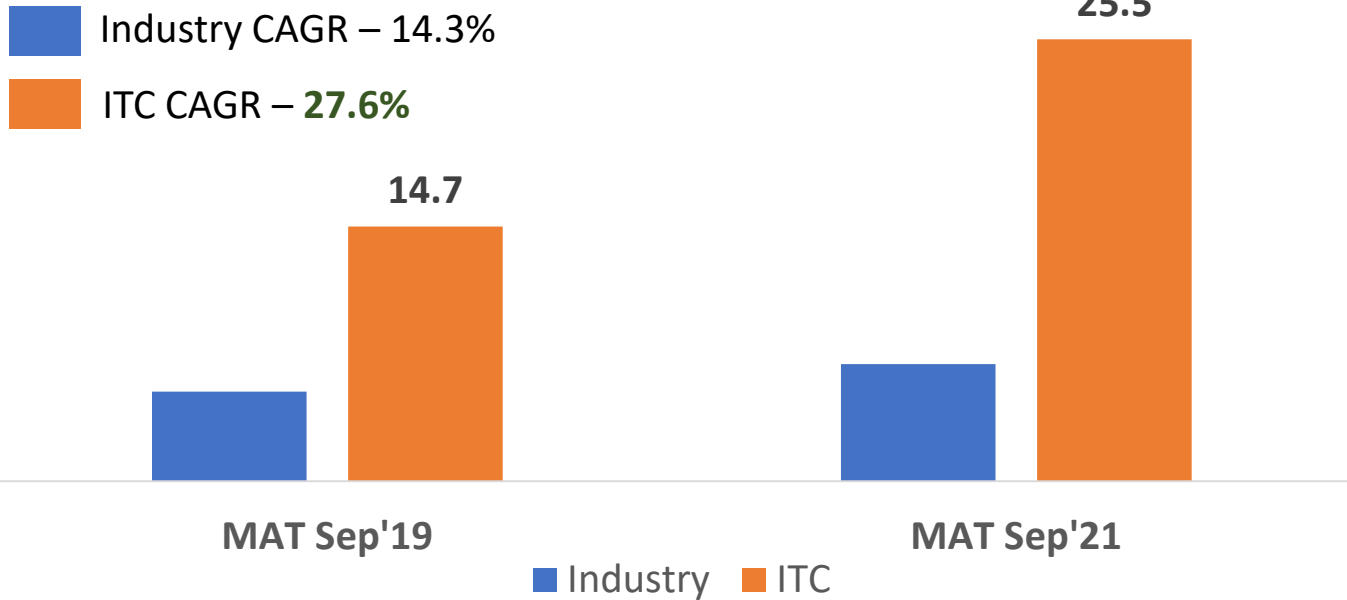
Time Consuming



- Price Democratization : Entry Price || Price per wash equation

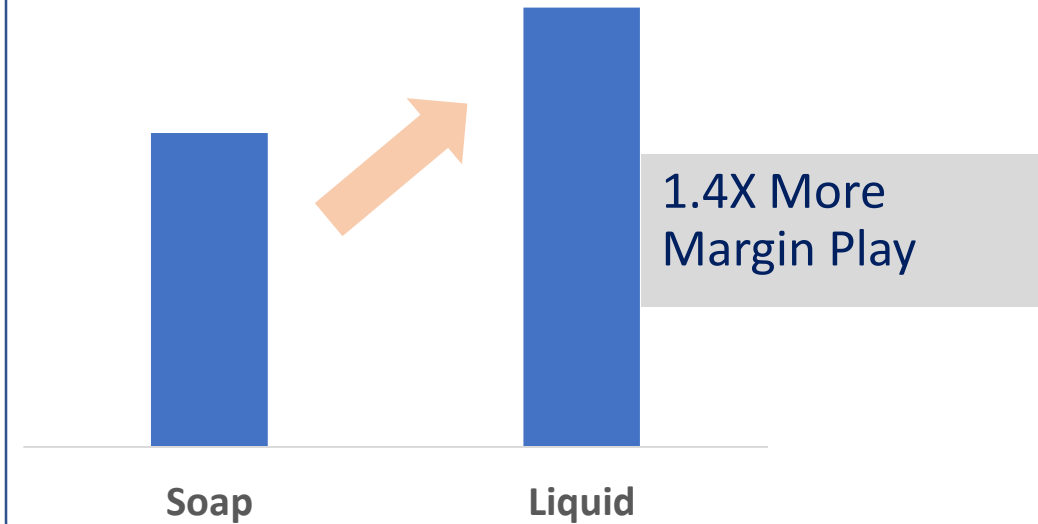


## Liquid as a % of Total Personal Wash



Growing faster than Industry in Liquids

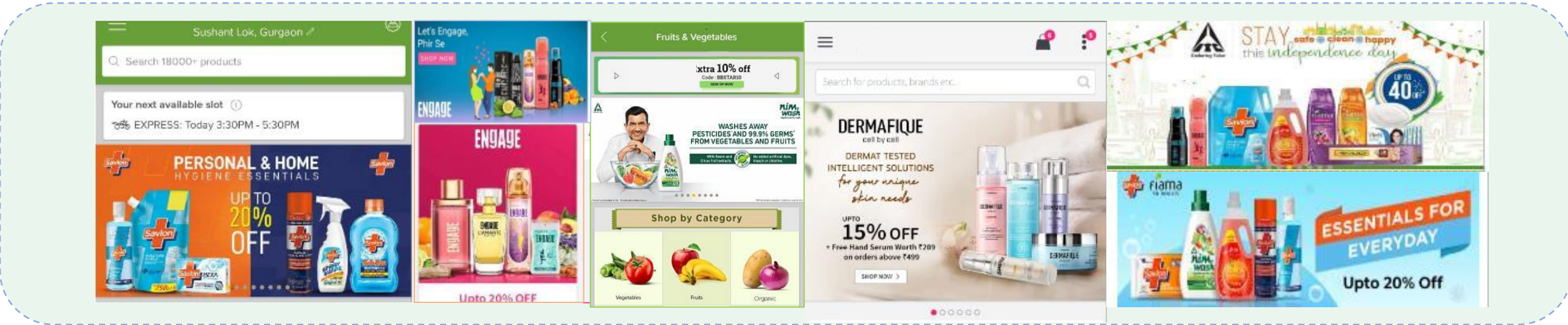
## Margin



\*H1 2021-2022









## DERMAFIQUE



## MOTHER SPARSH



### ITC enters D2C arena, buys 16% stake in Mother Sparsh

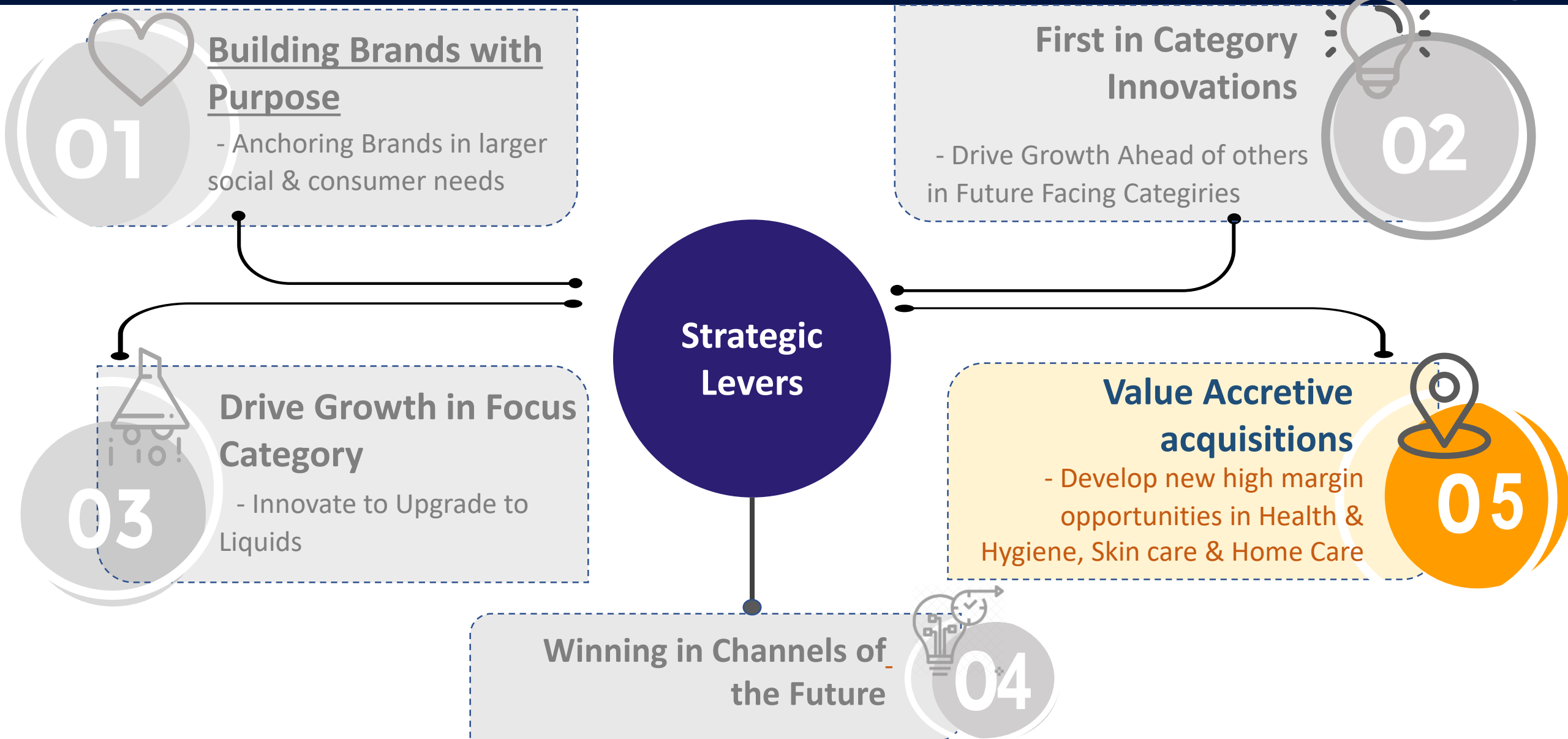
Suneera Tandon  
suneera.tg@livemint.com  
NEW DELHI: ITC Ltd will make its first investment in a direct-to-consumer (D2C) brand as the cigarette-to-chocolate conglomerate raises its bets on the fast-



### ITC to acquire 16% in personal care brand Mother Sparsh

FMCG major ITC said it has agreed to invest 16 per cent of the share capital of Mother Sparsh, an ayurvedic and natural personal care brand,

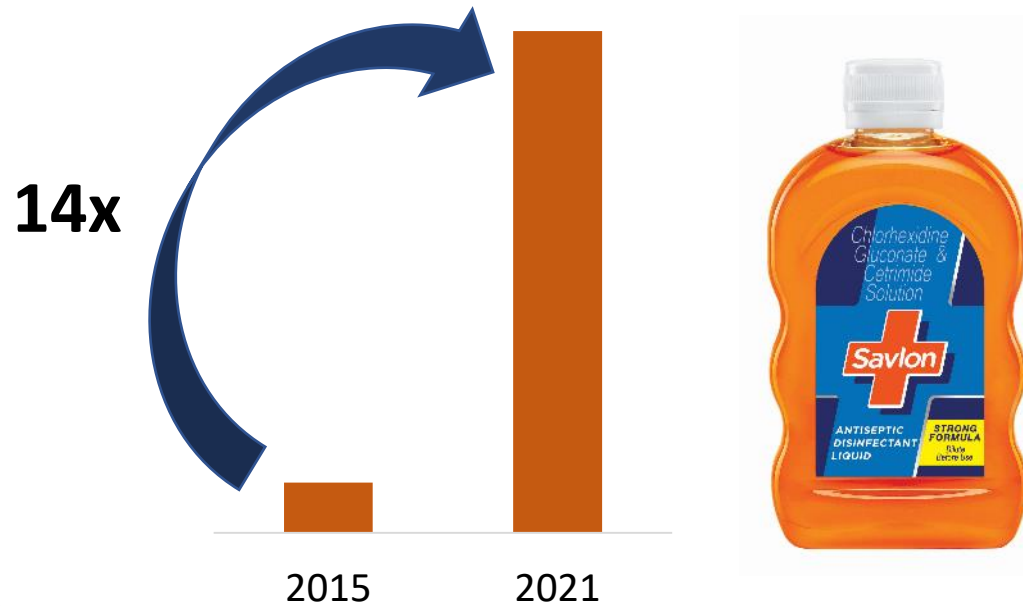
Talent | Capability | Brand



# Value Accretive Acquisitions

# Savlon +

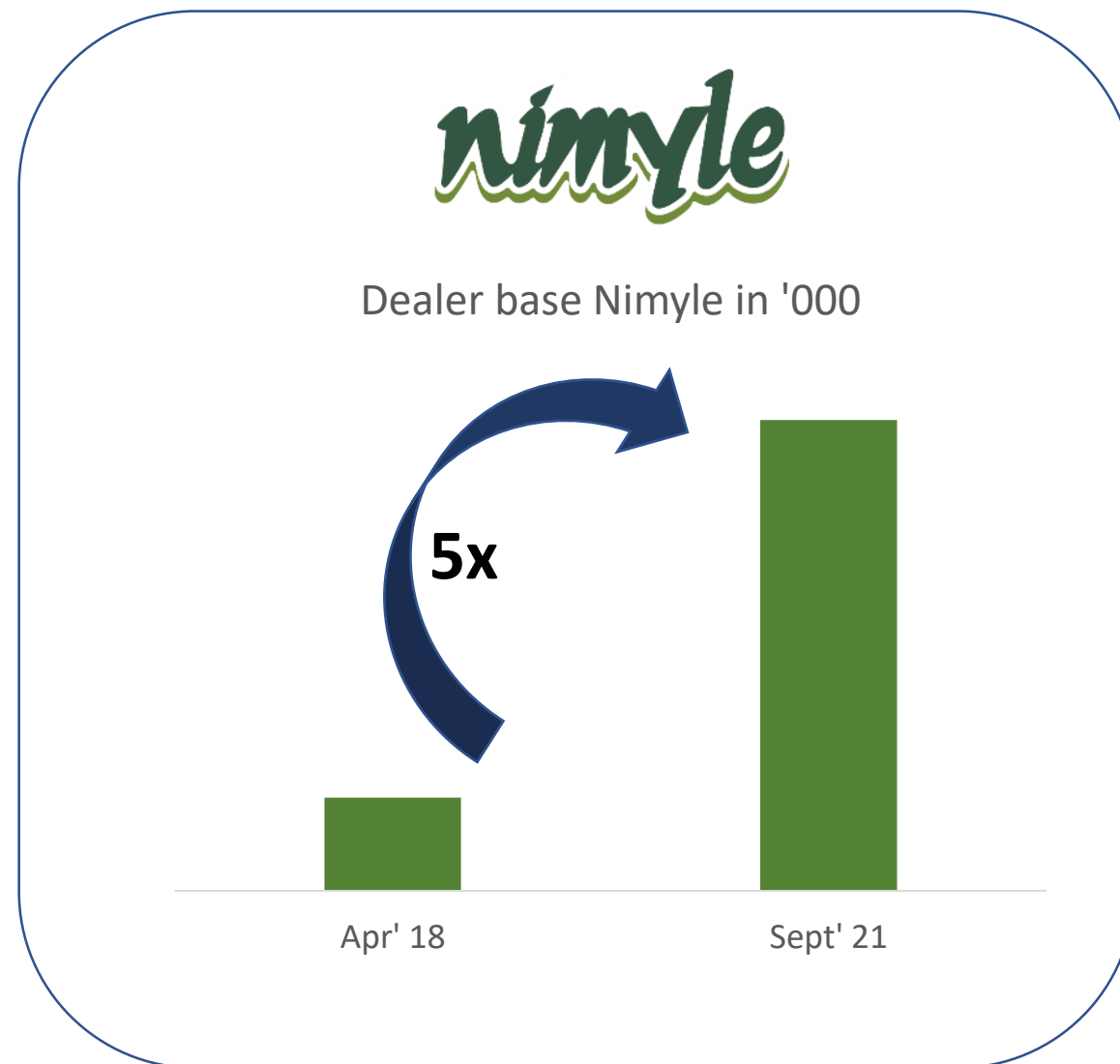
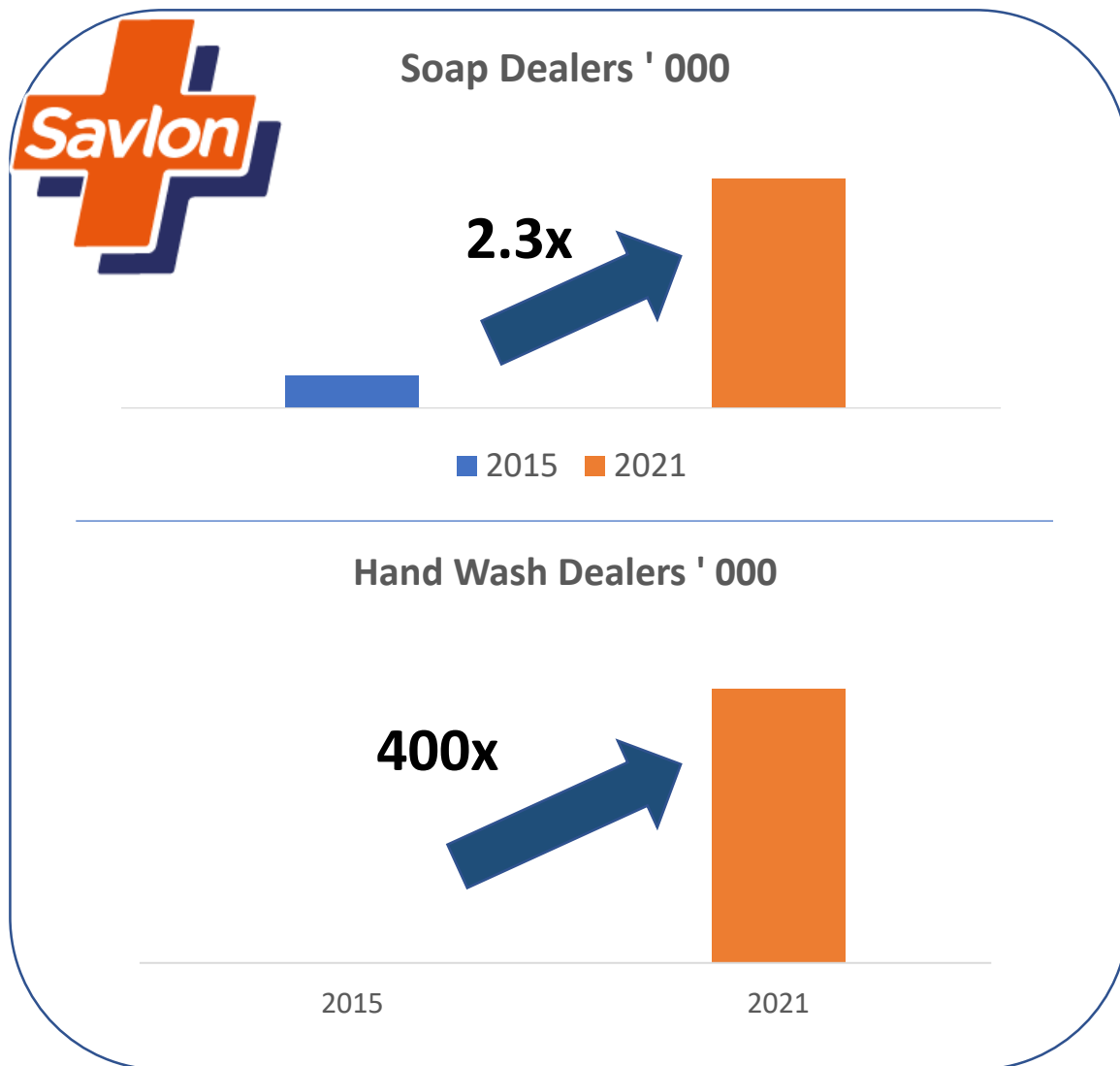
**1000 + Cr in consumer spends\***



# nimyle

**Fastest growing\* Floor cleaner in India**



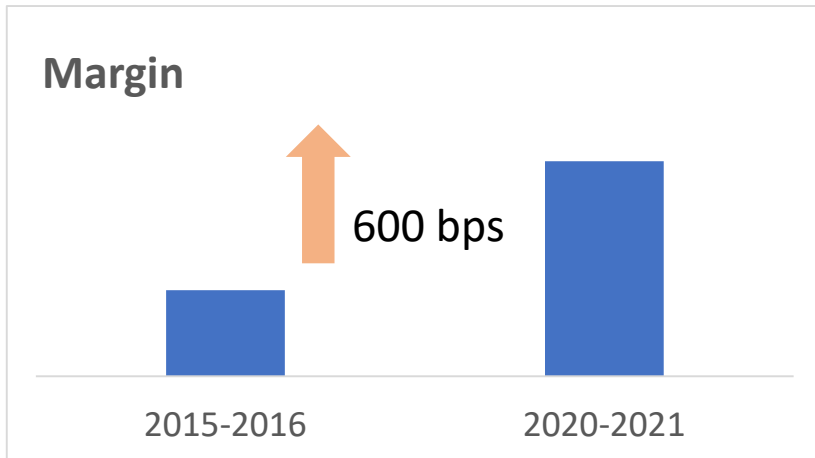
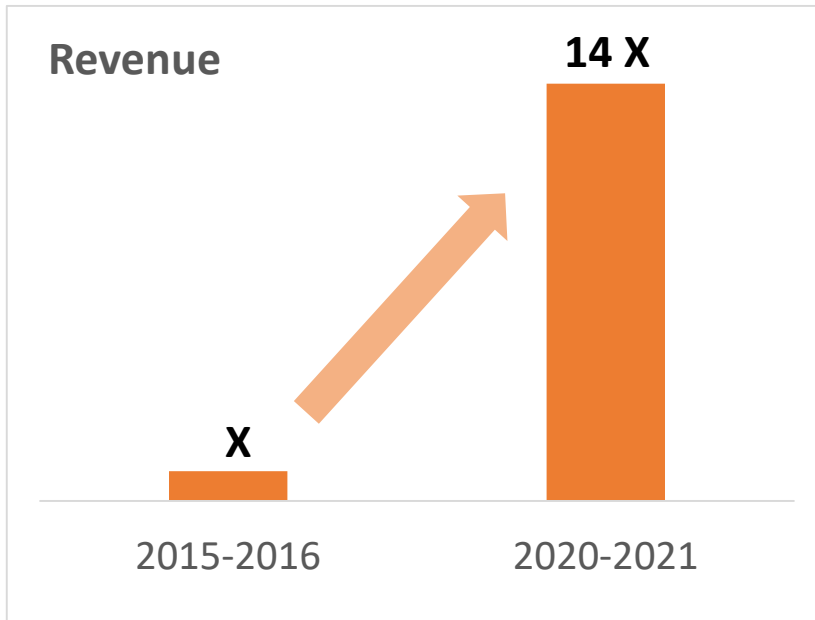




# ITC Savlon



1000 cr. brand\* in 6 yrs. post acquisition in 2015



# Savlon +



## SAVLON STRENGTHS



**50 years of heritage in India**

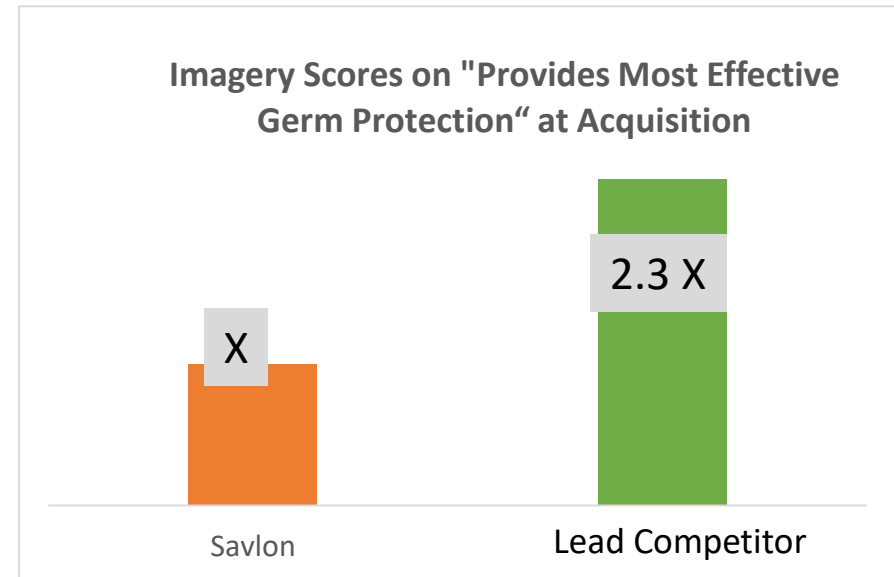


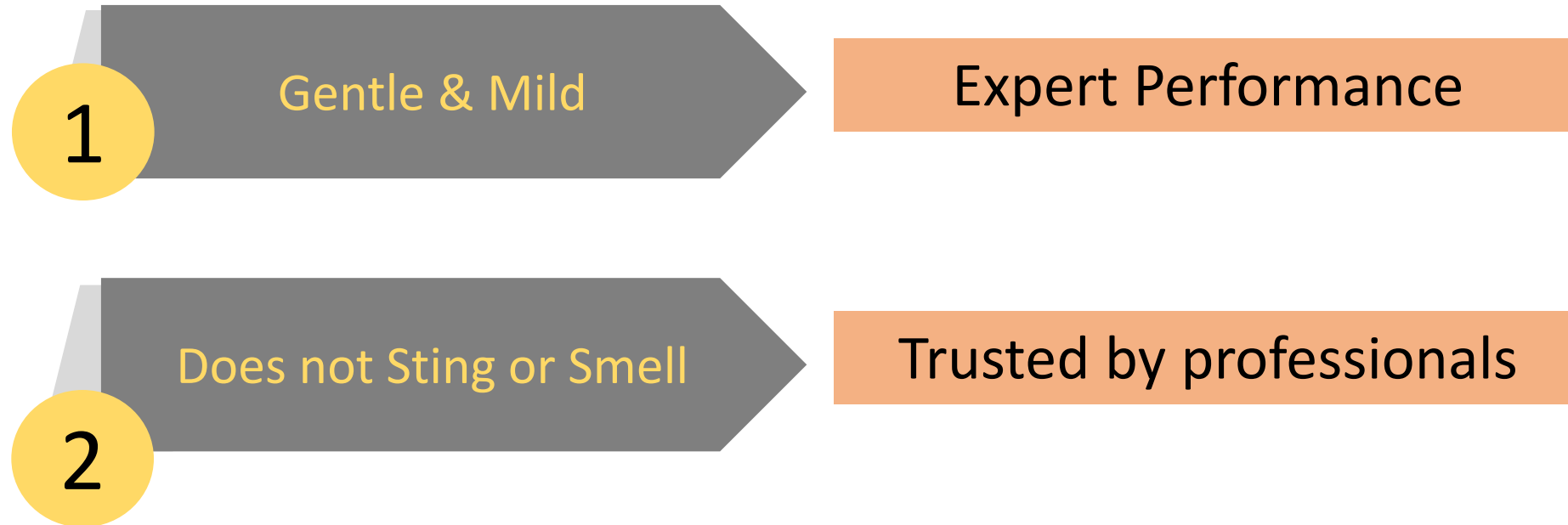
**Association with "Gentleness"**



**Antiseptic Liquid, Orange, Ripple, Plus**

***However, there existed a big gap on "Performance" equity\* with lead competition***





***Build Savlon's Performance equity through : Doctor's Most Trusted***



## Healthier kids Stronger India: Driving good hygiene habits through kids



**Savlon HEALTHY HANDS Chalk Sticks**

**बच्चों को हाथ धो के सपनों के पीछे पड़ना सिखाओ।**

आज का डिजिटल बॉय, कल का लिटिल मैनसू बन सकता है। इसके लिए उसका स्वस्थ रहना ही बहुत जरूरी। सेबलॉन स्वस्थ हैंडिया मिशन बच्चों को साबुन या हैंडगॉल से हाथ धोने के फायदे सिखाता है। हैंडगॉल की आदत खरी लो दुधों से फैलने वाली बीमारियां होगी रन आवट और बच्चों के सपने होंगे नाट आवट।

हाथ धोना जरूरी है

खाने से पहले

टॉयलेट के बाद

**#NoHandsUnwashed**

## Spreading awareness and education during the pandemic



**Mask Hai. Mazaak Nahi.**

AN INITIATIVE BY Savlon SWASTH INDIA

**WHAT ON EARTH WOULD A VIRUS BE AFRAID OF?**

The world at large is trying hard to contain the spread of virus. It's obvious to ask-how does washing hands with soap help? The answer is simple. The exterior envelope of the virus is made of fatty cell membrane. Soap degrades this exterior envelope of the virus and traps its tiny fragments. These are then washed away with water.

To achieve this, wash your hands for at least 20 seconds and do it well so that the germs hiding inside nails and wrinkles also get washed away.

Do, while the author likes to draw it, let's do ours by frequently washing our hands with soap and water.

Frequently wash hands with soap for 20 sec.

Soap molecules break the fatty cell membrane of the virus.

Soap traps virus fragments and washes it away.

**SWACCH HAATH, SWASTH KUMBH.**

1000 hand hygiene stations creating a safer Kumbh

16000 + Schools || More than 5.7 Million Children

# Disrupting with Liquids: Democratizing Category

Standard Pack

Value packs for higher consumption

Format Innovation for penetration & Sustainability



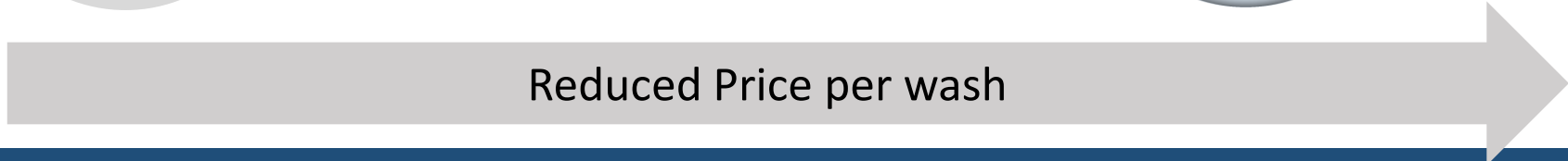
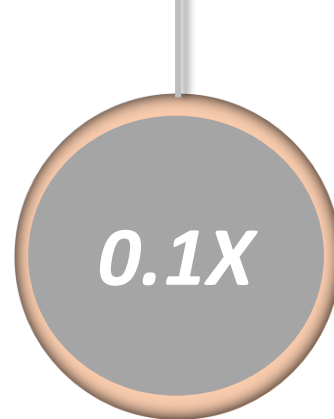
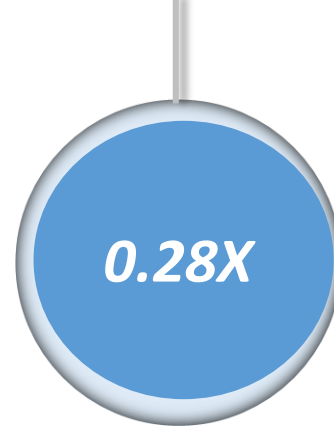
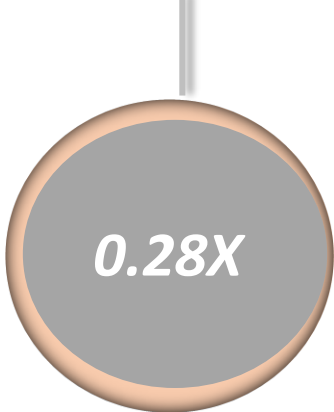
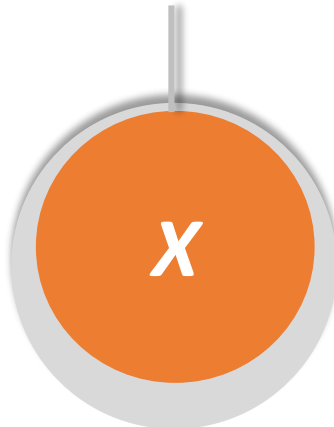
Innovation



Pichkiao



Price per wash



# Rapid Pace of Innovation – Platform Based



Wave 1

APR - MAY



Savlon Wet wipes & Multipurpose disinfectant liquid

Wave 2

AUG - SEP



Moisturizing Sanitizer & Laundry disinfectant liquid

Savlon Surface disinfectant  
Savlon Hexa range



JUN - JUL

Laundry Disinfectant  
Spray & Wipe, Mask,  
Surface disinfectant pocket



APR - MAY





# Rapid Pace of Innovation – Platform Based

Wave 1

Wave 2



Future Forward  
Platform based  
R&D



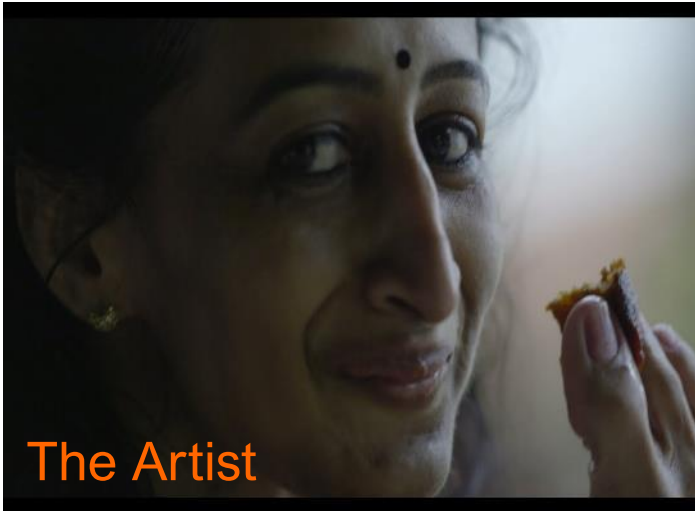
A robust pipeline of  
New Products  
enabling rapid GTM

JUN-  
JUL

APR -  
MAY

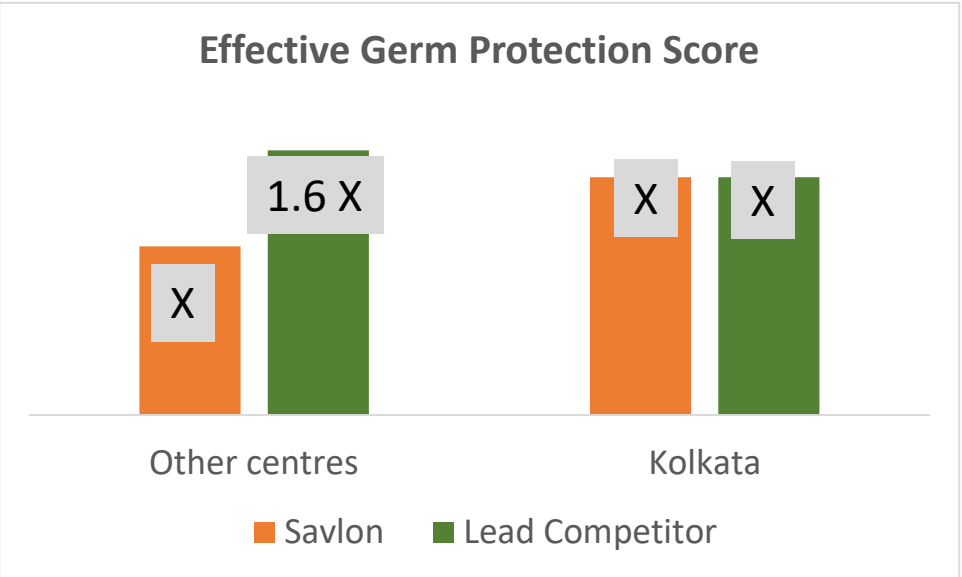




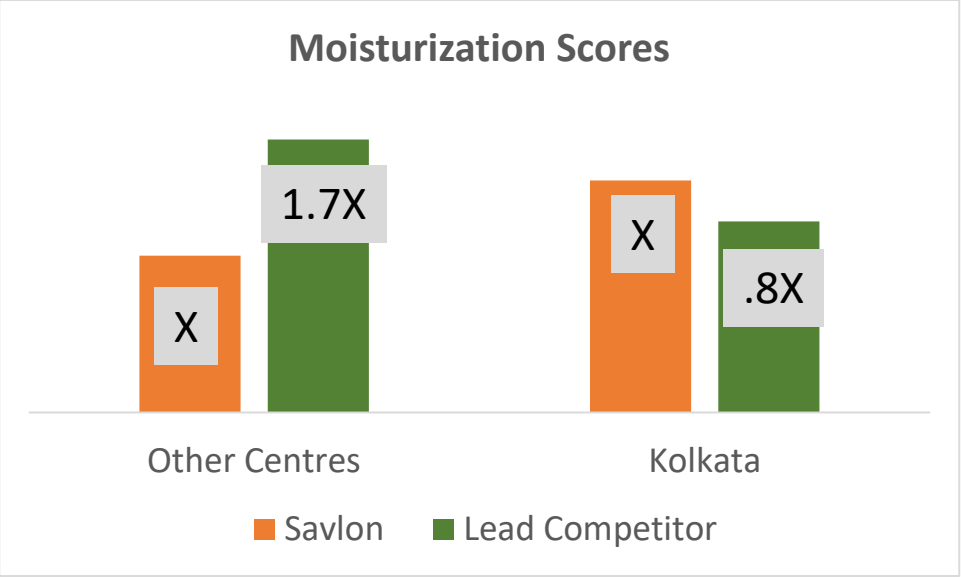


**First Ever Grand Prix for Creative Effectiveness  
Part of Cannes Lion Creativity Report of the Decade**

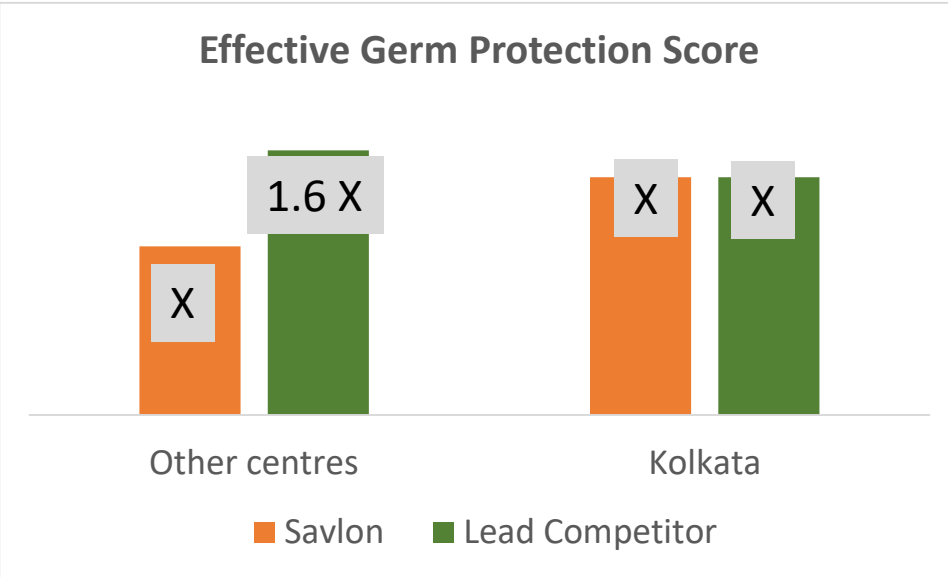




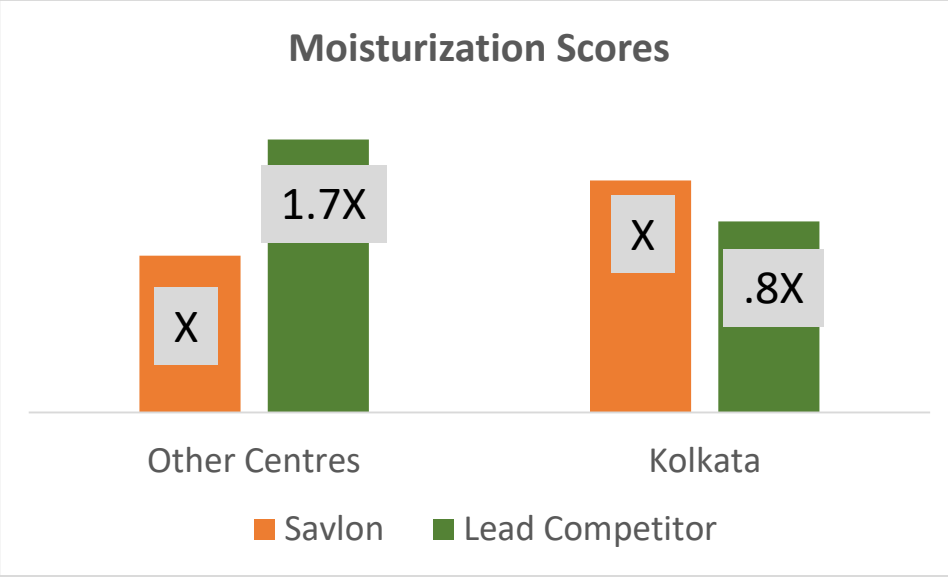
At Par on 'PERFORMANCE' in East  
Gap with Competition narrowed from 2.3X to 1.6X



Savlon ahead in Skin Benefit scores  
Opportunity to drive growth with Differentiation



At Par on 'PERFORMANCE' in East  
Gap with Competition narrowed from 2.3X to 1.6X





## Savlon Nasal Spray

- First of its kind, breakthrough innovation
- Intermediate Results Promising
- Final Phase of Clinical Testing



- Focusing on **Future Facing Categories** offering huge headroom for growth
- Driving growth through **Penetration** and **Market Development**
- **Science-based R&D Platforms** powering **Innovation & Speed to Market**
- **Purpose-led brands** backed by impactful communication & deep consumer engagement

**Well positioned to seize emerging opportunities – Drive scale and Profitability**



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Digital: Powering the ITC NEXT Strategy

**B. Sumant**  
Executive Director



# India's Digital Transformation



**Digital India Programme**  
Department of Electronics & Information Technology,  
Government of India

**25 Bn+**  
**UPI**  
UNIFIED PAYMENTS INTERFACE

Smartphone market growing at 14% YoY, aiming to hit 170Mn+ units in 2021

Rapidly growing start-up culture, with unicorns transformed every month

Government backed India's Digitization Service Orientation & Transparency

1.  
**STATEMENTAL**  
Mind set to make a statement; look better and stand higher



2.  
**NEW-YOUer**  
Constant need to be a better version of ourselves



3.  
**MYOPIUM**  
Being intoxicated with yourself



4.  
**DESI COOL**  
Being Indian and buying Indian... continues to be cool



5.  
**CHILLSUMERS**  
How do you bring some much-needed fun to your daily life?



6.  
**NOWians**  
Indians want it right here, right NOW



7.  
**CHANGE CHAMPIONS**  
With great power, comes great responsibility and therefore, greater involvement



8.  
**CONNECTIFY**  
The eternal desire for connection, and the many (new) ways it can be satisfied



9.  
**OMNI-TECH**  
The ever-greater pervasiveness of technology

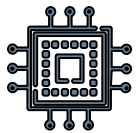


10.  
**INFO-BURST**  
Why consumers' voracious appetite for (even more) information will only grow





## Consumer Behavior



**Smartphones** are enabling better experiences for **payments, shopping, communication** etc



Changes in consumers' perception in favor of **health, safety & home**



**Connected Devices & Phygital Experiences**

## Alternate Channels



**e-Commerce** channels gaining traction as **convenience** remains a key trend in consumption



**D2C** enables direct & **sharper engagement** with consumers



Hyper-local models enabling increasingly **faster deliveries**

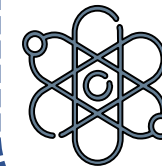
## Enhanced Analytics



**Digitization** across the ecosystem enabling robust **data capture** for analytics



**Emerging technologies** AI/ML enhancing efficiencies & crafting **better consumer experiences**



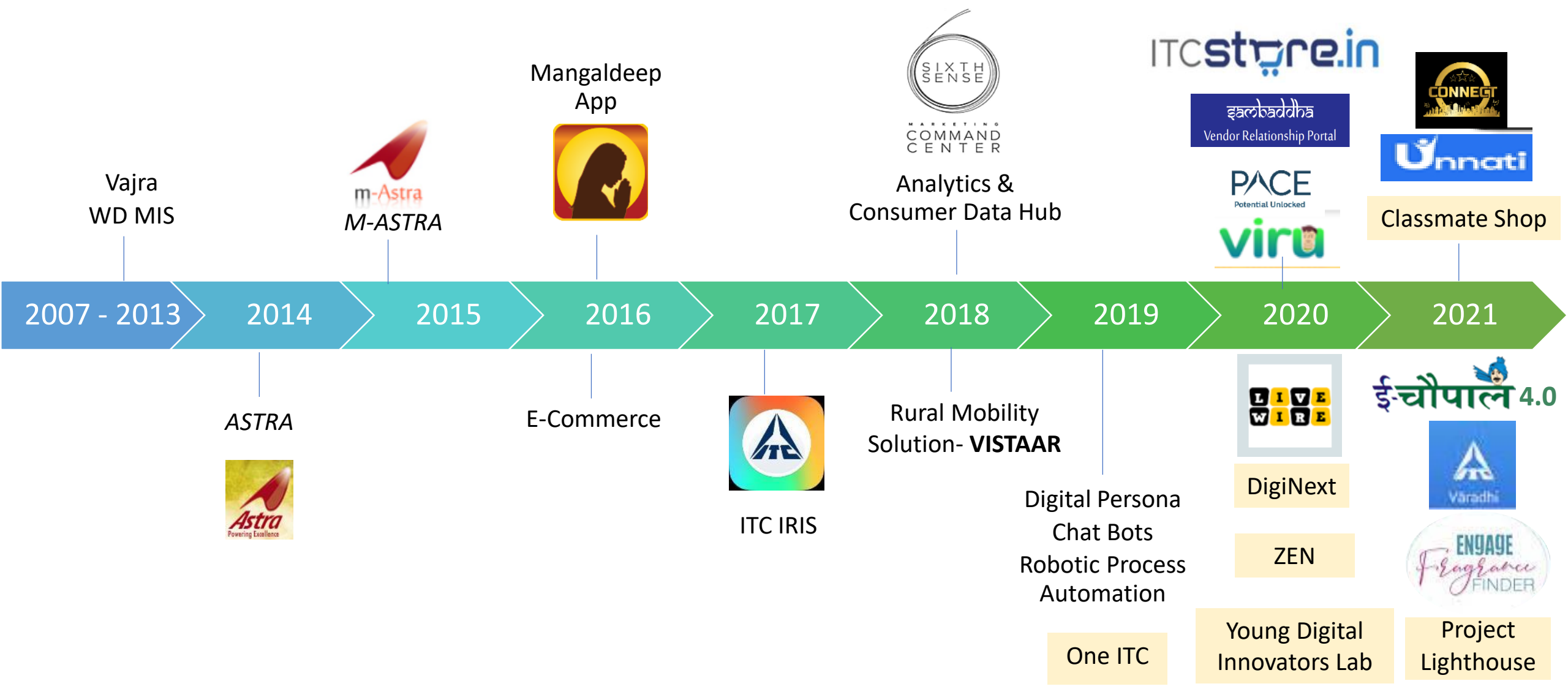
**Analytics** driven insights being leveraged for brands



Digital@ITC

*Building a Dynamic 'Future-Tech' Enterprise*

# Our Digital Transformation Journey





**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



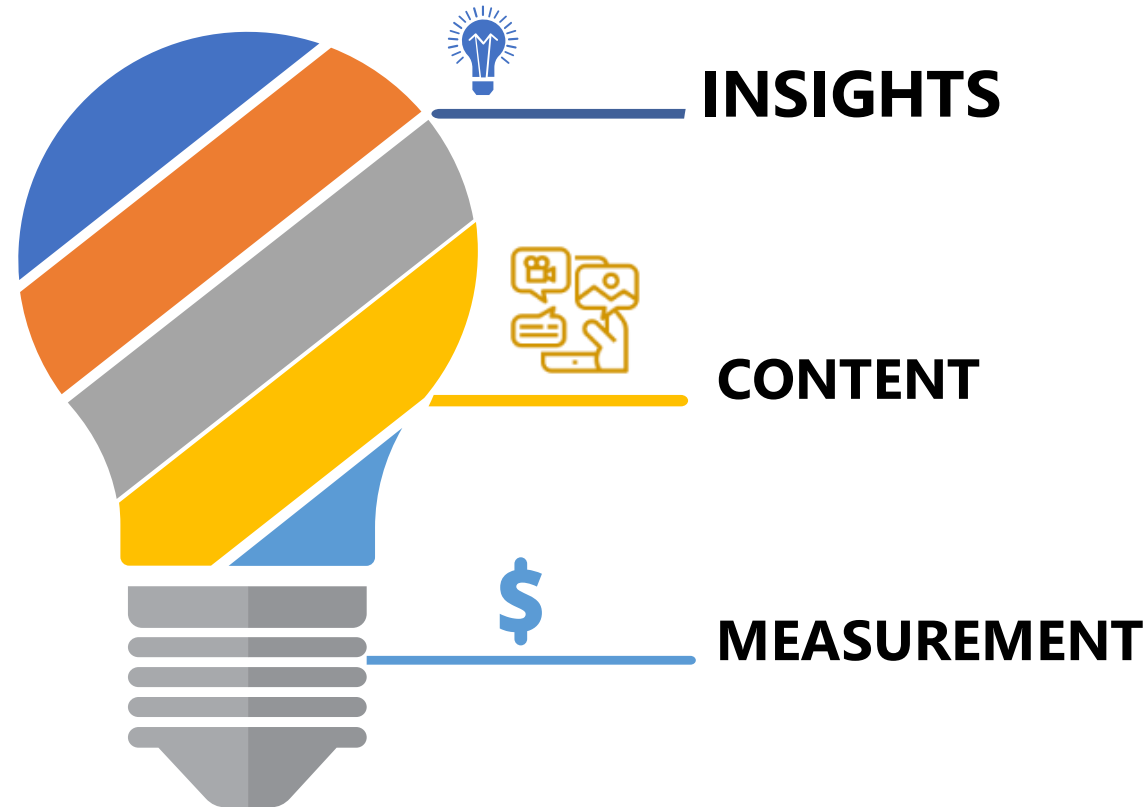
**Skills, Culture  
&  
Work Designs**



**Business Model  
Transformation**  
Platform | D2C

**Learn | Re-imagine & Re-invent**





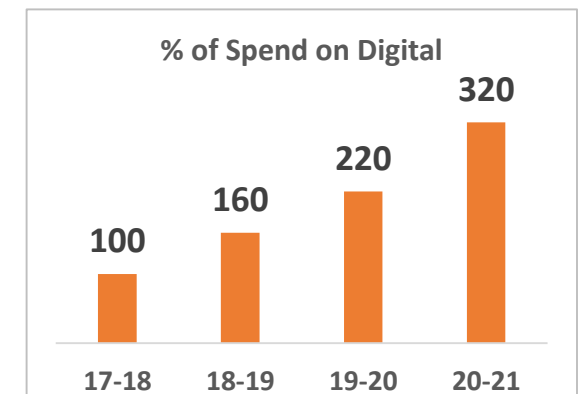
- Social conversations
- Image analytics
- Consumer Journeys

- Consumer trends
- Topical Conversations
- In-House Creative Engine

- Real time measurement & Optimization of Brand Performance



Over 2500 Content pieces created in-house  
70% first party Data



3.2X Increase in Digital Spends



**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



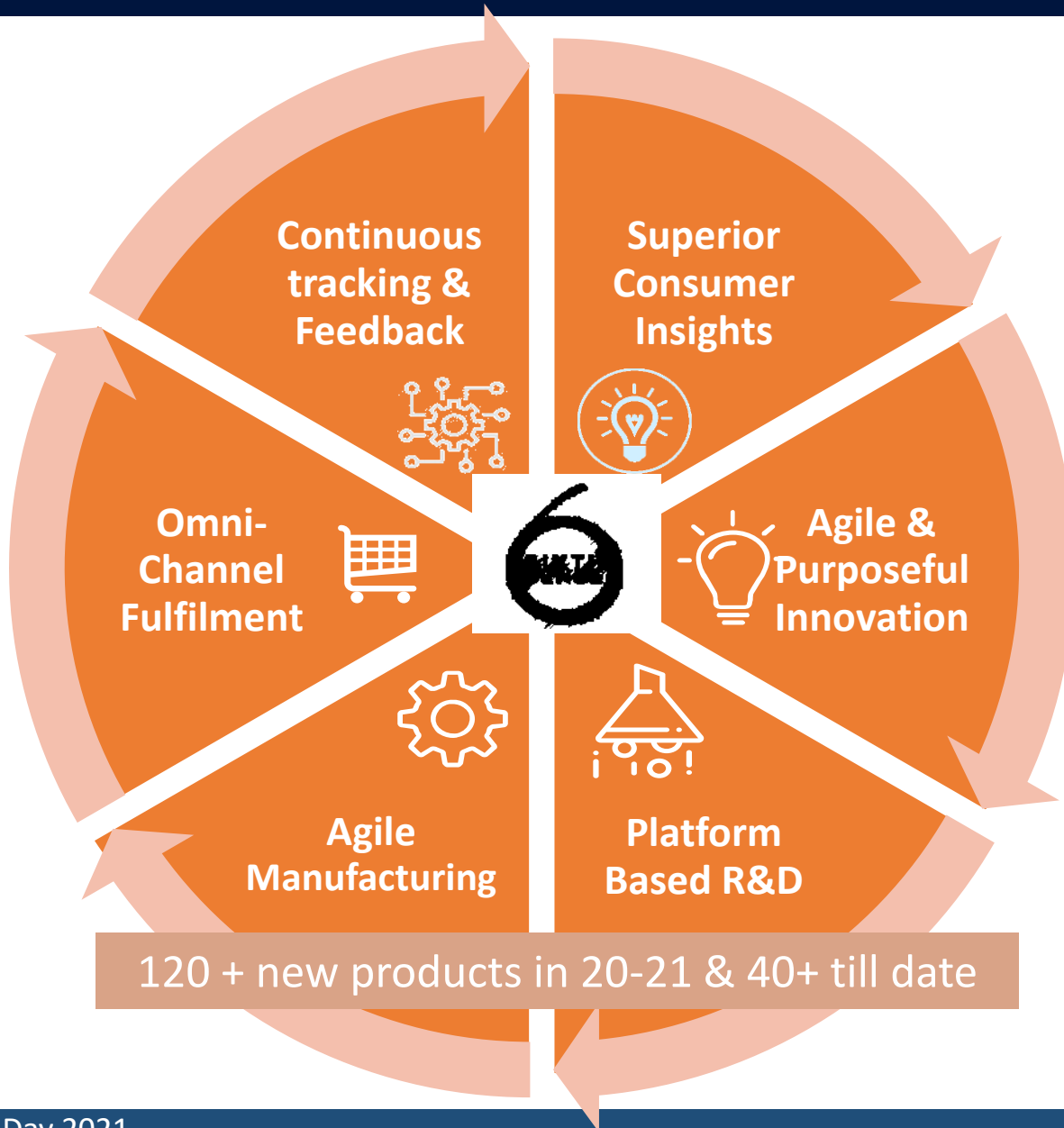
**Skills, Culture  
&  
Work Designs**



**Business Model  
Transformation**  
Platform | D2C

**Learn | Re-imagine & Re-invent**

# Fueling Speed & Scale of Innovation



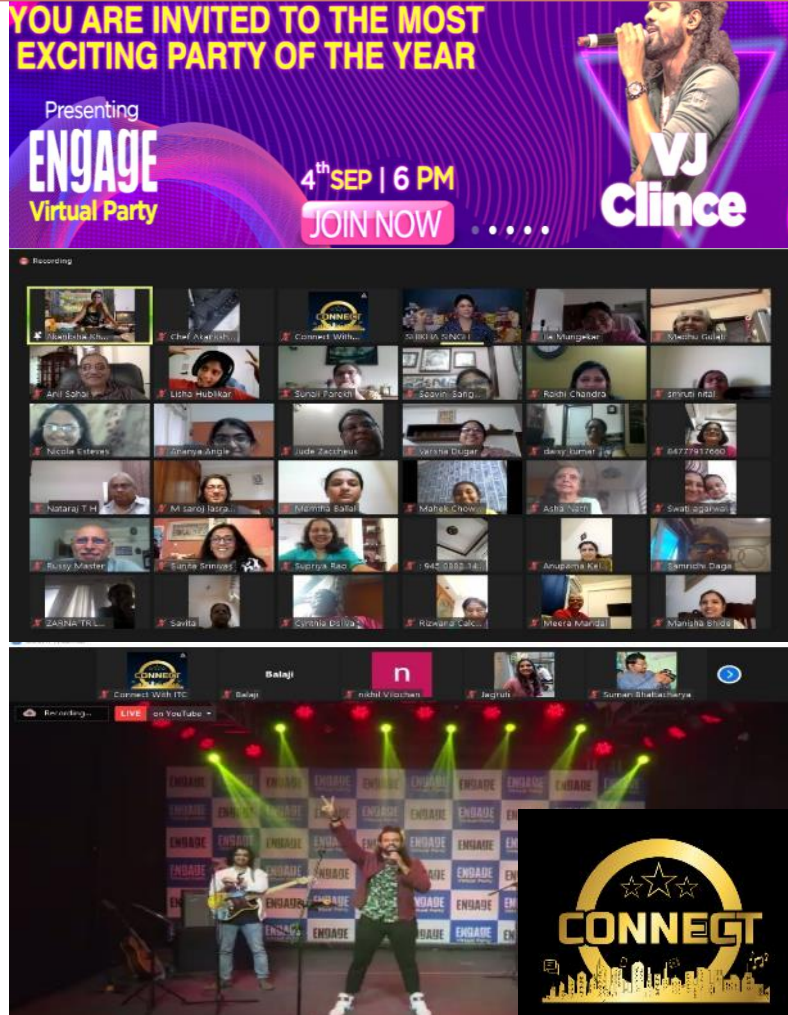
Need Identification | Claims | Formats



Emerging Trends | Collaborations



## 45+ Events on the Platform



Multi Brand | Multi Genre

## Online Pujas for Consumers at Scale



Multi Pujari Lokashema Puja garnered 32 Mn views

## 1.15 Mn App downloads



## Festival Campaigns @ 95Mn views



IG follower base of 92K amongst the highest in FMCG space





**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



**Skills, Culture  
&  
Work Designs**



**Business Model  
Transformation**  
Platform | D2C

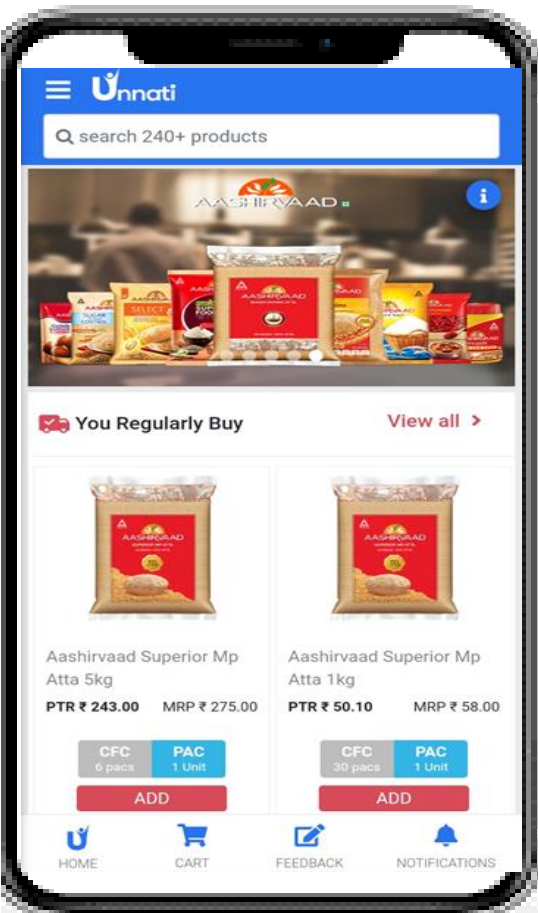
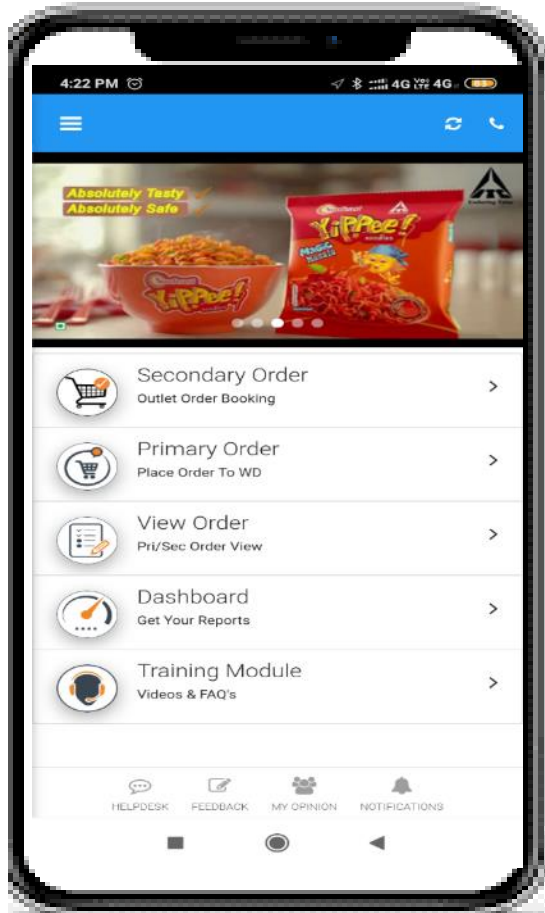
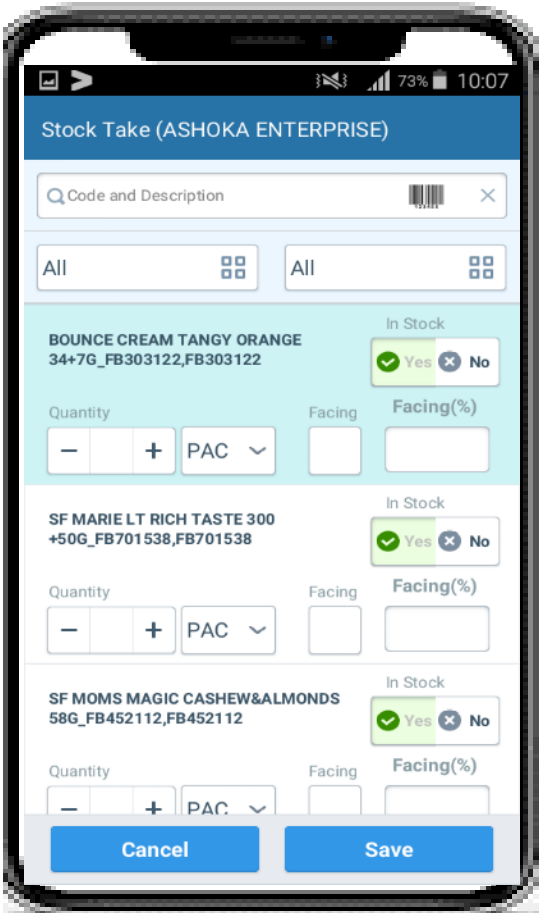
**Learn | Re-imagine & Re-invent**

**VAJRA: Salesman App**

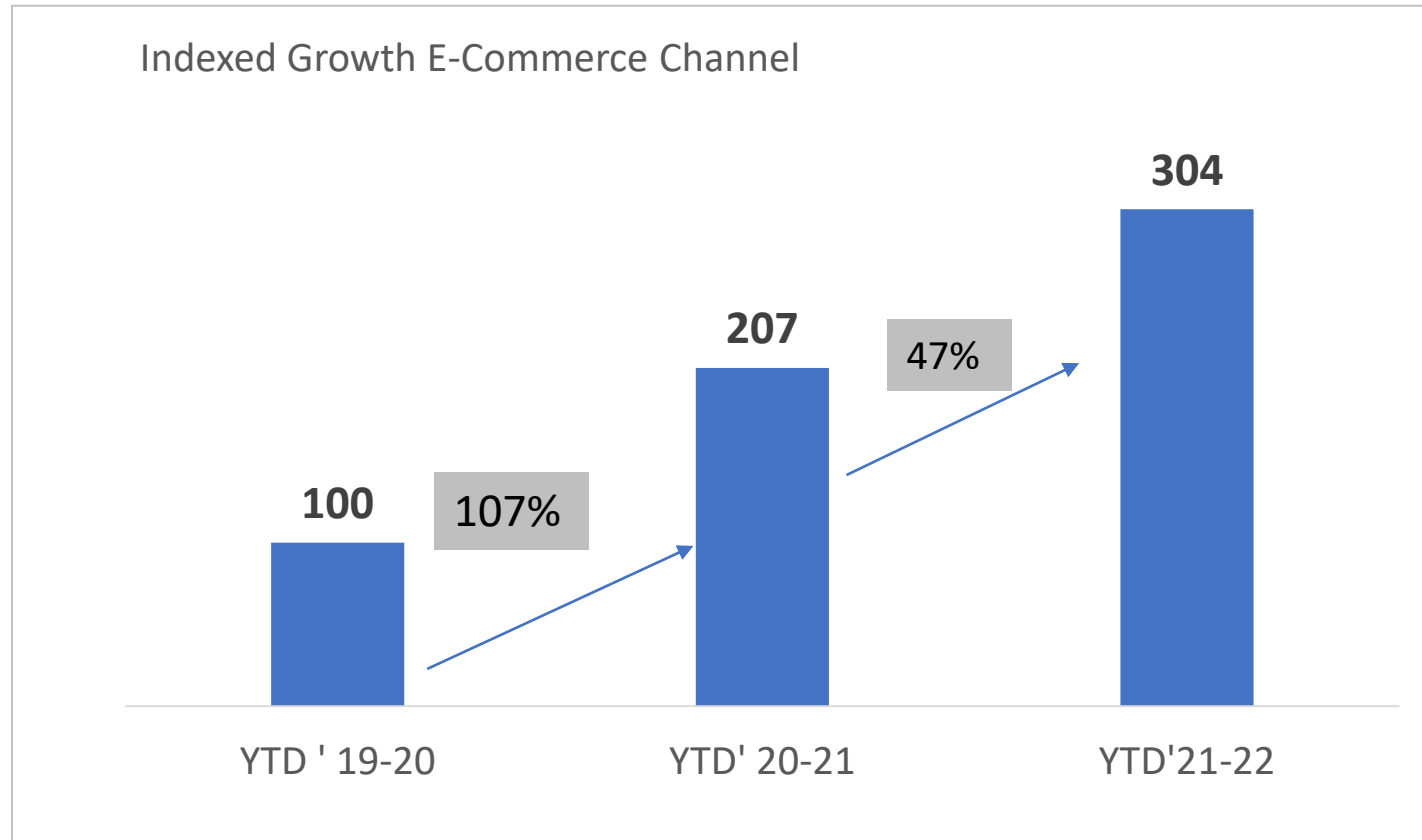
**VISTAAR: Rural App**

**VIRU: Virtual Salesman**

**eB2B: UNNATI**



# Strong Growths across Portfolio in Channels of the Future



E-Commerce Channel salience is 7%  
For Personal Care Categories is 14%

## Synchronized Planning

- Data-led integrated & synchronized planning processes
- Advanced demand & forecasting models
- Planning Control watch tower

## Agile Supply Chain

- Automated end-to-end planning, operations, inventory optimization, logistics processes
- Flexible design – portfolio segmentation (lean, responsive, agile, churn)
- Supply Chain Cockpit



## Smart Sourcing & Manufacturing

- Digital Factory - best-in-class Yield, Efficiencies & Quality
- Real time monitoring of process and product performance
- Digital Sourcing platforms

## Digitized Fulfilment

- Data driven optimization of Last Mile delivery
- Omni Channel fulfillment
- Channel based offerings

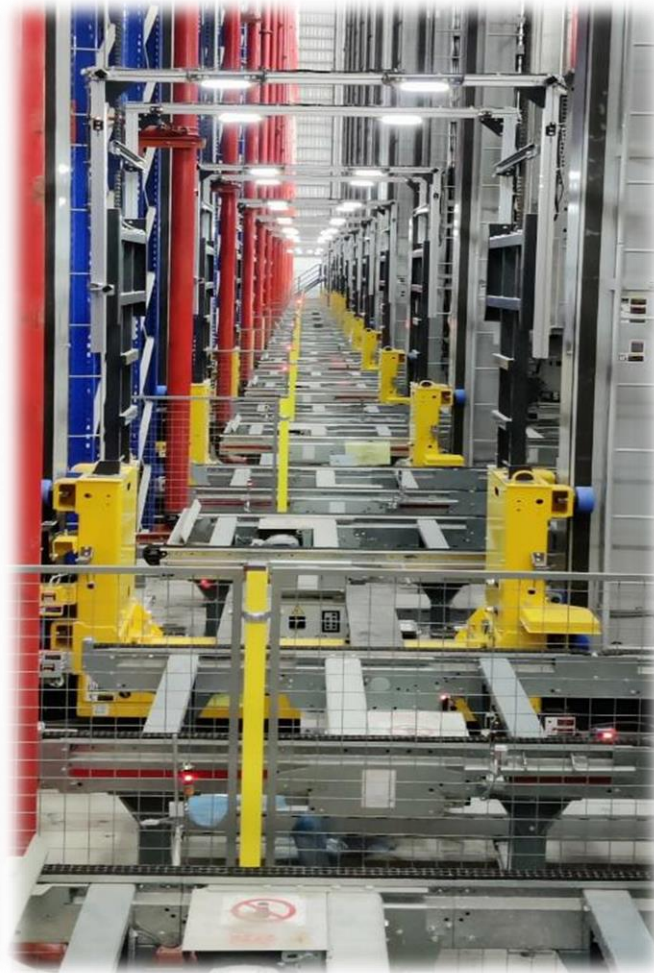
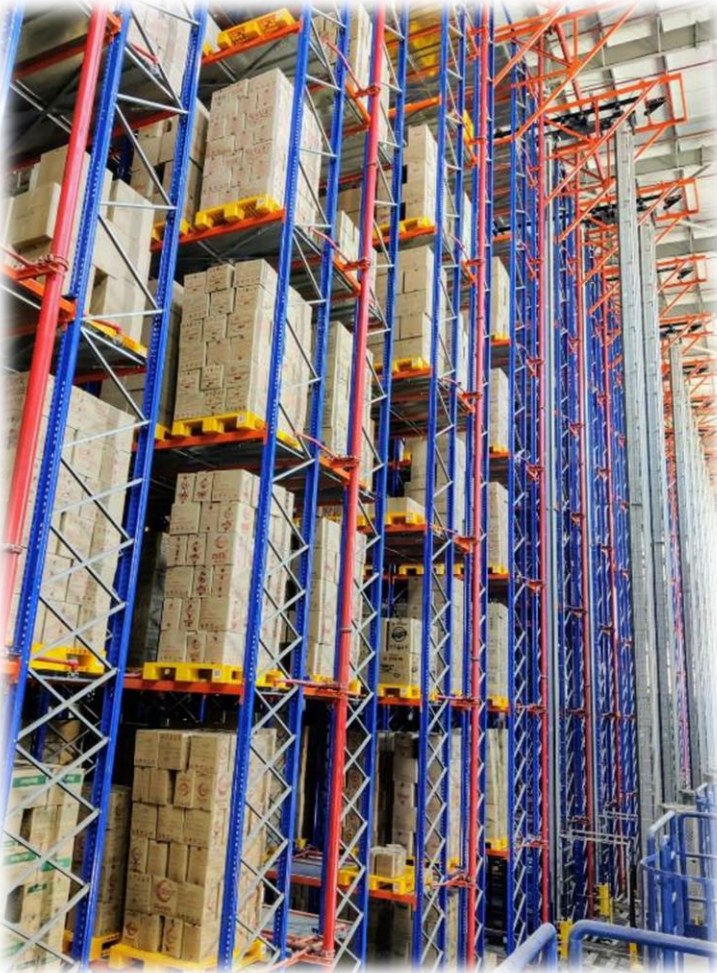


## Smart Robotics in Manufacturing Operations





# Future Ready Smart Supply Chain - AMLF



23/07/21  
6:31 pm



Enduring Value

ANCILLARY MANUFACTURING & LOGISTIC FACILITY  
PUDUKOTTAI, TAMIL NADU



**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



**Skills, Culture  
&  
Work Designs**

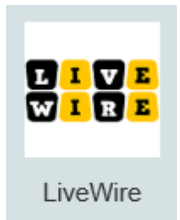


**Business Model  
Transformation**  
Platform | D2C

**Learn | Re-imagine & Re-invent**



Data Visualization



**Data Analytics and Visualization for Business Insighting**



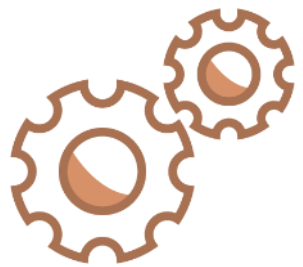
E-WorkFlow



**Digital Persona Chat Bots and RPA for enhancing Efficiency & Agility**



**e- Team Building and Superior Employee Experience**



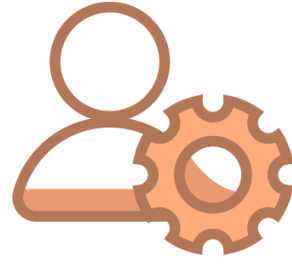
Operations



Marketing



Legal



Quality Control



HR



Finance



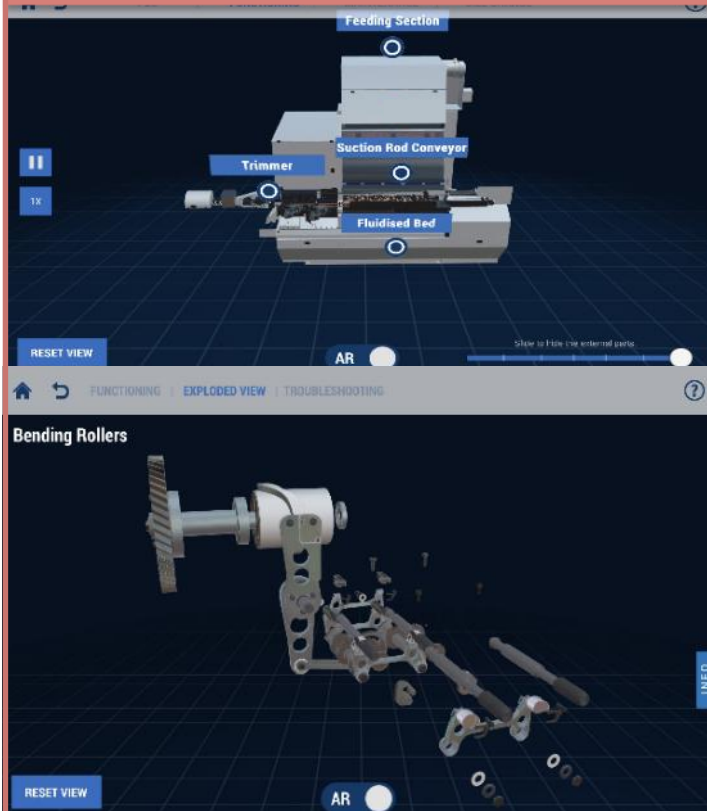
R&D

**Transparent & Efficient Workflow**



## Immersive technology based solutions : For operations & skill enhancement

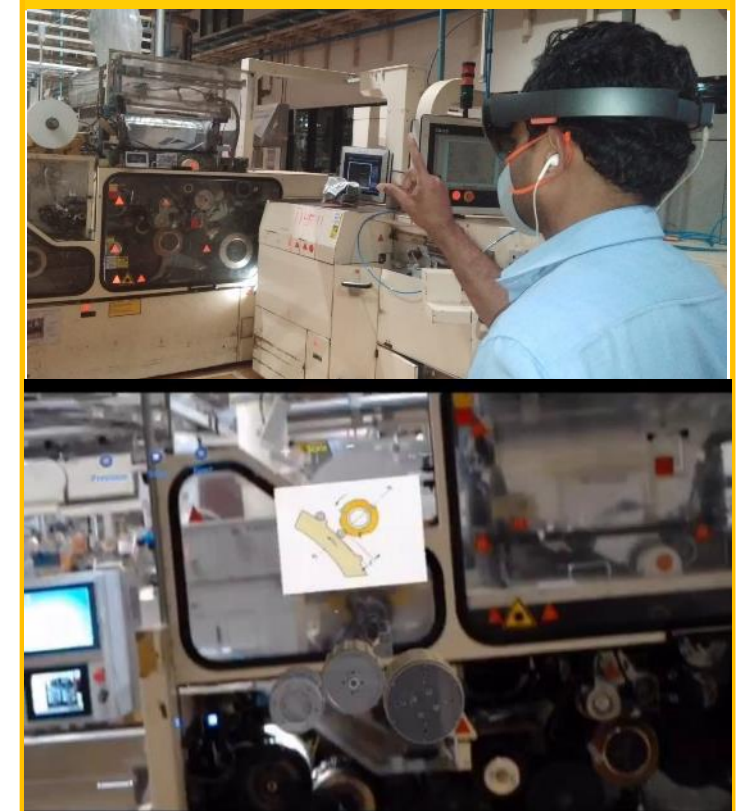
### Augmented Reality for process understanding



### Virtual Reality for assembling and disassembling of complex sub-assemblies



### Mixed Reality for online maintenance





**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



**Skills, Culture  
&  
Work Designs**



**Business Model  
Transformation**  
Platform | D2C

**Learn | Re-imagine & Re-invent**

## DigiNext

The North Star to accelerate digitization @ ITC

## Young Digital Innovators Lab

Young Managers, Digital Natives, incubates creative and impactful ideas using technology

## Skilling

- Industry 4.0 CoP
- D&A CoE
- Digital Academy
- Working with Global Faculty

## Enablement

- Creating our Own D2C Platform
- Partnering with Startups – through Direct and Indirect Investment
- Creating an Internal Start Up Environment
  - *Reimagine Next*
  - *Internal Digital First Brands*
  - *Creating Connected Communities*



**New Age  
Insights**



**Reimagined  
Consumer  
Experience**



**Smart  
Operations**



**Transform  
Employee  
Experience**



**Skills, Culture  
&  
Work Designs**



**Business Model  
Transformation**  
Platform | D2C

**Learn | Re-imagine & Re-invent**



A new avenue to interact with the consumers  
800+ Products | Top 10 Cities in India

Digital First Brands  
Showcasing Range  
Trial Range  
Data Insights & Personalization



## Superior Personalized Brand Experience



ENGAGE *Fragrance Finder*

finding your perfect fragrance has never been easier

VISIT  
[WWW.ENGAGEDEO.COM/SEARCH](http://WWW.ENGAGEDEO.COM/SEARCH)  
TO FIND YOUR FRAGRANCE

Engage Fragrance Finder



classmate

TREASURE THEIR **FIRST CRAWL**

**CUSTOMISE NOW**



classmate

CHERISH THE **FIRST STEPS** OF YOUR CHILD

**CUSTOMISE NOW**

## Dermafique's Smart Skin Advisor



Hi, I am your **Smart Skin Advisor**

I can guide you to take better care of your skin by analysing the 7 pivotal parameters of skin physiology from basic inputs like gender, skin type and a selfie.

Dark spots  
Sensitivity  
Dullness  
Hydration levels  
Fine lines & wrinkles

Not just any selfie. **A No Makeup Selfie!**

So I can analyse your bare skin and virtually construct your skin graph to give you accurate results.

That's it! **Leave the rest to me**

I'll tell you all about your skin health, and what you can do to boost it, as well as recommending personalised solutions that will help you advance in your skin care journey.

I agree with your terms and privacy.

**Start the Test**

## Customized Note Books from Classmateshop.com



classmate

A GIFT THAT **MAKES YOU NOSTALGIC**

**CUSTOMISE NOW**



classmate

NOTHING TOPS A **CUSTOMISED GIFT**

**CUSTOMISE NOW**





**DERMAFIQUE**  
FOAMING CLEANSER

Anti-bacterial  
cleansing for  
protected skin

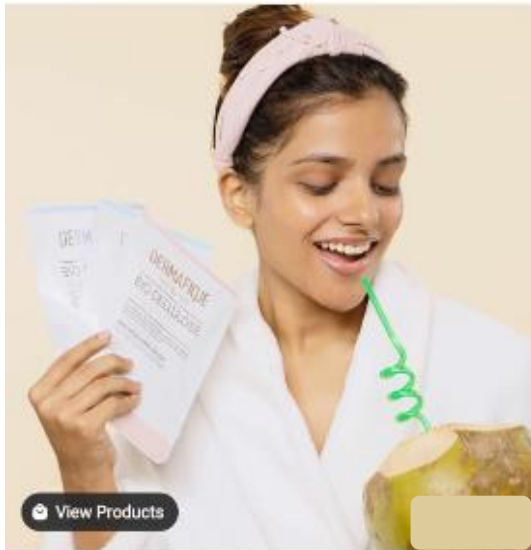


UP TO  
**15% OFF**



**BUY NOW**

**Foaming Cleanser**  
Introducing Dermafiq Skin Science  
that works cell by cell to balance your  
skin health parameters for you to reach  
your unique skin potential 🥰  
👉 Upto 15% off Shop them at ...more



**View Products**

1,302 likes

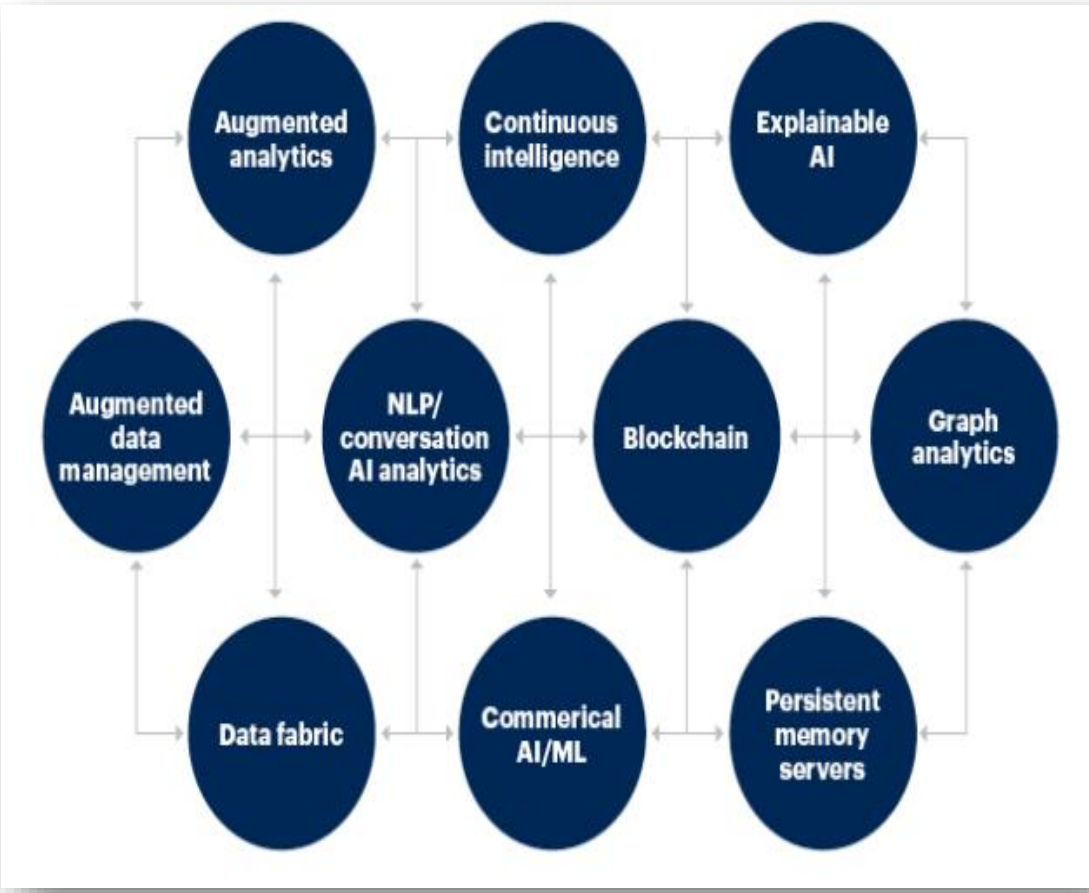
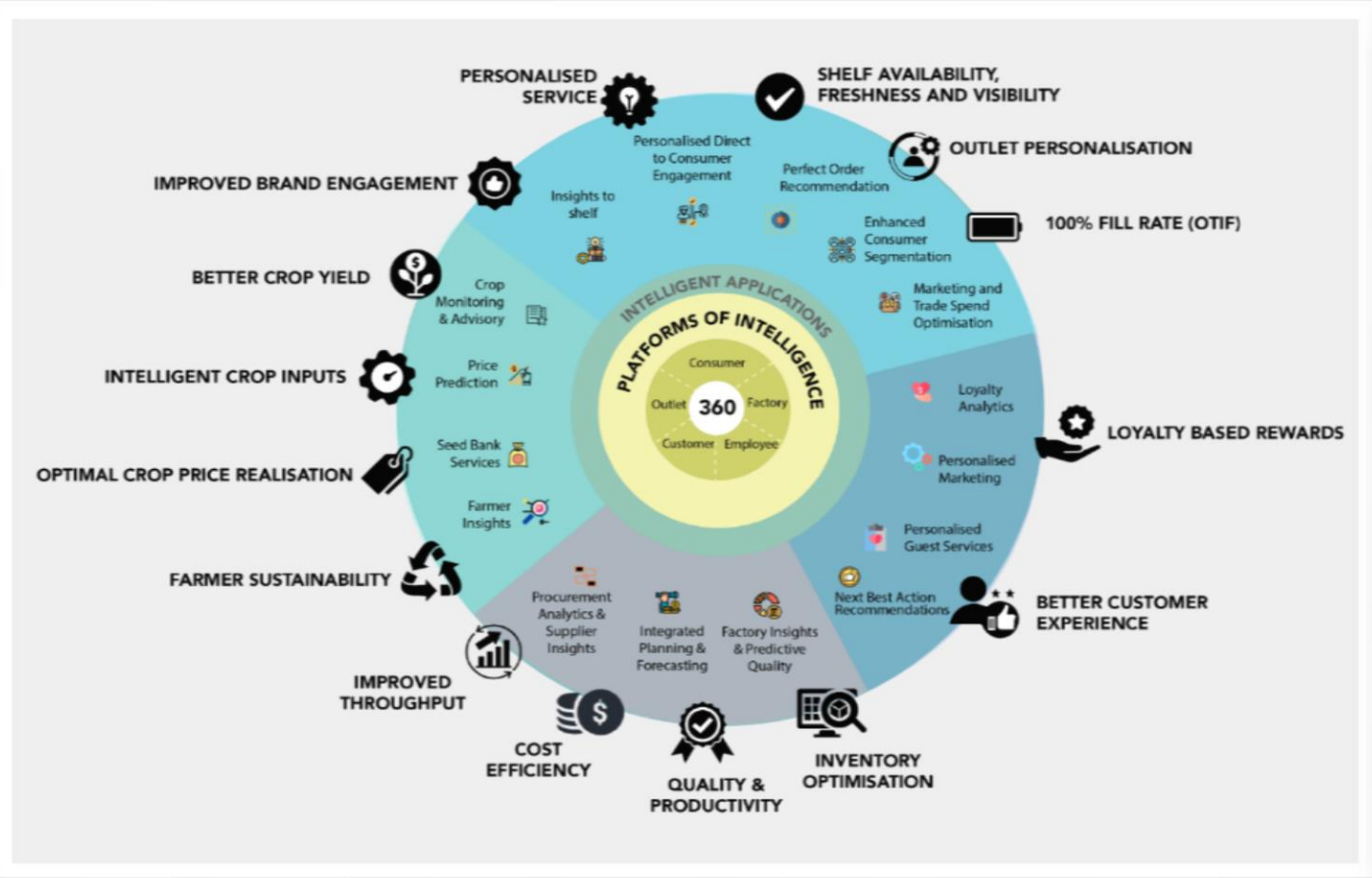
Friday night plans : Getting sheet faced 🌟👩

**ESSENZA DI WILLS**



*Crafted for you*

# Lighthouse – Powering Synergies Across Value Chain



Technology Driven robust Analytical Platform guiding Business Decisions





**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

## **Sustainability at ITC : Raising the Bar**

**Nazeeb Arif**

**Executive Vice President & Head, Corporate Communications**





**Carbon  
Positive**

**16 years**

**Water  
Positive**

**19 years**

**Solid Waste  
Recycling Positive**

**14 years**

**Over 41 % of Total Energy from Renewable Sources**

**Sustainable Livelihoods for 6 million people**

**Sustainability 2.0 – A Bold Agenda for a Secure Tomorrow**



Inaugural UNDP-ICC Award



World Business & Development Award  
2012 at the Rio+20 UN Summit



Sustainability Leadership  
Award, Zurich



Porter Prize 2017 for 'Excellence in  
Corporate Governance and Integration'



The Stockholm Challenge Award



Development Gateway Award



ICSI National Awards for Excellence in  
Corporate Governance 2020





Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

**ITC rated AA by MSCI-ESG**  
Rated AA every year since 2018

ITC has been **included in the Dow Jones Sustainability Emerging Markets Index**



Rated at the **'Leadership Level'** by CDP with scores of 'A-' for both Climate Change and Water Security



**ITC PSPD unit, Kovai, awarded Alliance for Water Stewardship Platinum-level Certification**, highest recognition for water stewardship in the world -  
- second facility globally, first in India



**ITC Windsor** Becomes First Hotel in the World to achieve LEED Zero Carbon Certification. **ITC Grand Chola** becomes the largest hotel to be certified LEED Zero Carbon

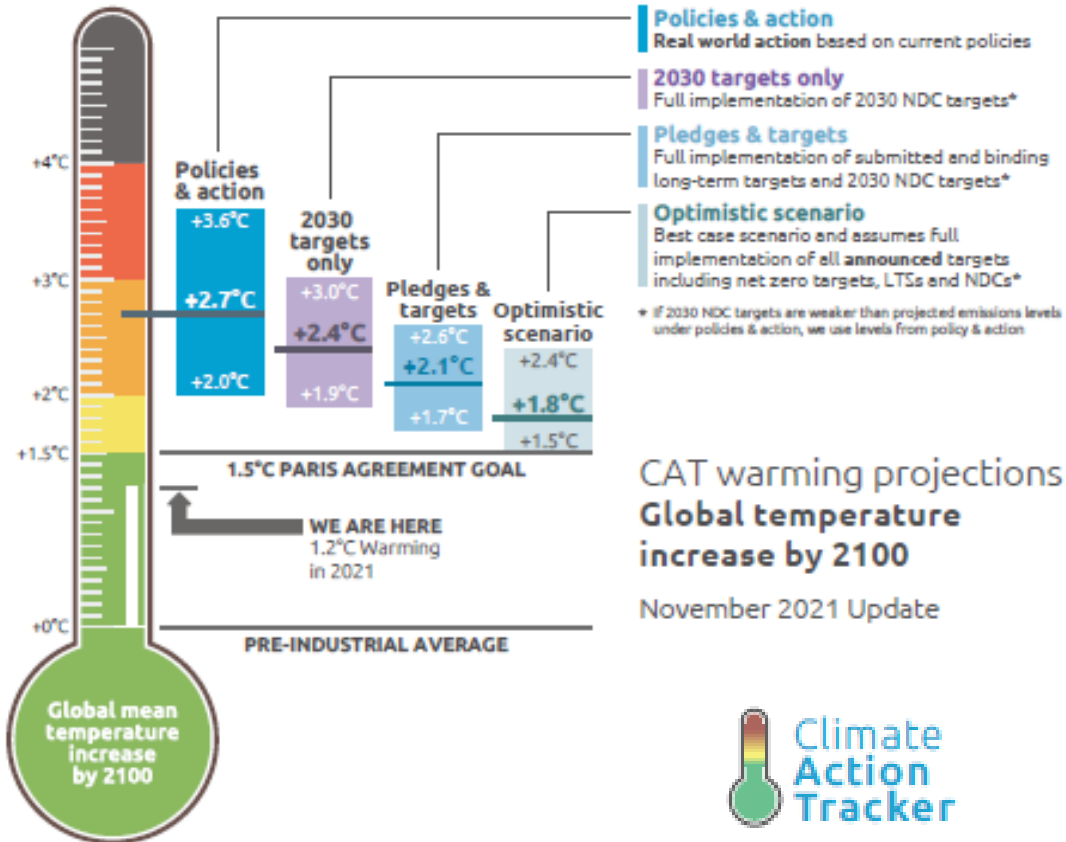




ITC's  
Sustainability  
Vision

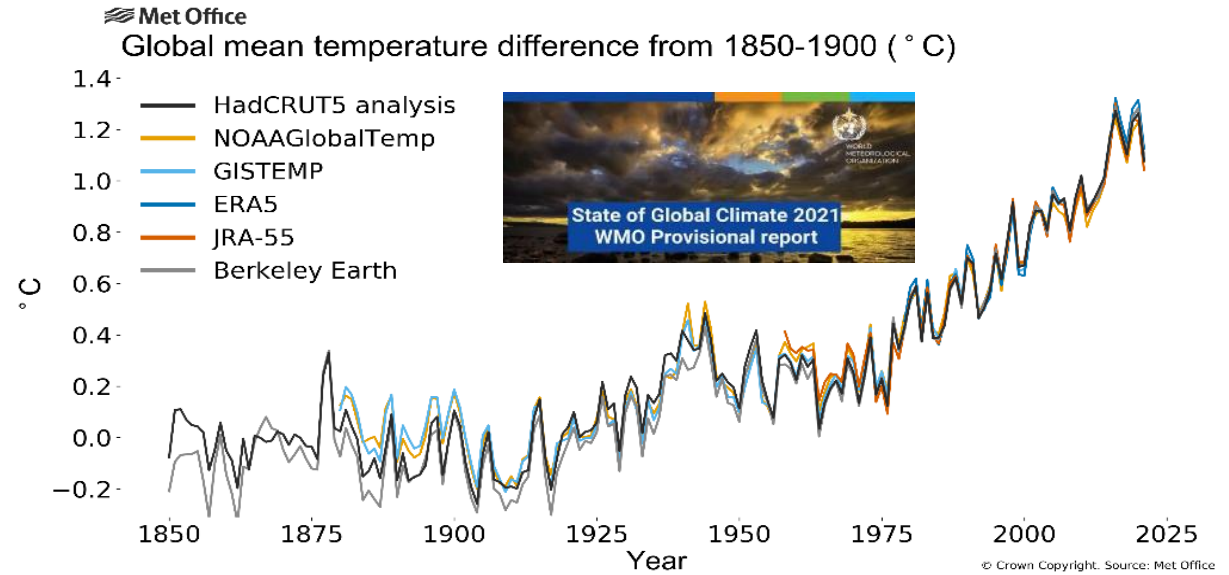


- With Current Policies : + 2.7°C
- With Pledges & Targets : +2.1 %
- Best Case Scenario : +1.8%



CAT warming projections  
Global temperature increase by 2100

November 2021 Update



- Past 7 years are the warmest on record
- Global sea level rise accelerated since 2013 to a new high in 2021
- UN : **1.23 million died** and **4.2 billion** affected by droughts, floods and wildfires since 2000.

Unless urgent and collective action is taken, estimates suggest:

**75 times**

Increase in frequency of extreme events like heatwaves by 2050

**50%**

Reduction in wheat yields in the Indo-Gangetic Plains by 2050

**2.8%**

of GDP is the estimated economic losses due to climate change by 2050

**21**

Major cities are expected to run out of groundwater by 2030

**12**

Coastal cities are at risk of being submerged by rising sea levels by end of century

**7.1 million**

Could be displaced with a 1 metre rise in sea level

**India has faced 478 extreme weather events between 1970-2019, most occurring after 2005**



Poorest half of global population possess just 2% of the total wealth.



Planet must produce more food in next 40 years than all farmers in history have harvested in the past 8,000 years



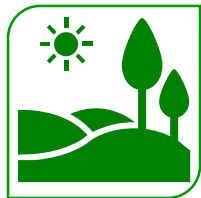
- Large proportion of world's poor live in India
- 12 million youth join workforce every year



## A Paradigm shift that we call '**Responsible Competitiveness**' @ ITC



**Growth that is Extremely Competitive and Agile**



**Growth that Protects and Nourishes the Environment**



**Growth that supports Livelihood Generation**

**Spurring unique business models that simultaneously create economic, social & environmental capital**

## Foundation

ITC's 'Nation First: Sab Saath Badhein' Philosophy

ITC's Vision, Mission and Values

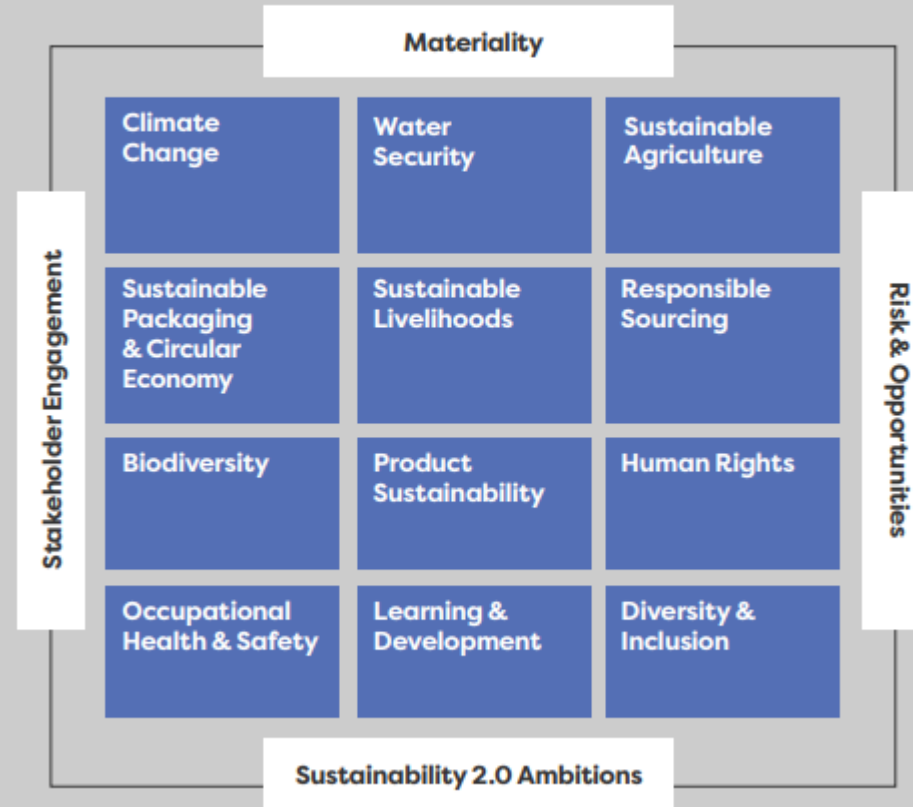
ITC's Sustainability Policies

## Management System

Guidelines, Standards & Assurance System for Sustainability Management

Sustainability Performance Monitoring & Management System across Businesses

## Sustainability 2.0 Priorities



## Transparency and Disclosures

ITC's Sustainability Report

ITC's Integrated Report

ITC's Business Responsibility Report

ESG Frameworks

## Sustainability 2.0 Enablers

ESG and Sustainability Governance

ITC-wide Sustainability Culture

ITC's Centers of Excellence

Partnerships and Collaborations

Innovation and Digital





Enduring Value

Sustainability in  
Action

Addressing  
Climate Risk &  
Competitiveness



# Strategic Pillars to Combat Climate Change



**Nature Based Solutions**



**Adaptation & Resilience**



**Inclusive Value Chains**



**Green Infrastructure**



**Decarbonisation**



**Circularity**



# Combating Climate Change

## Nature Based Solutions





# ITC'S PAPER VALUE CHAIN LEVERAGING TECHNOLOGY & INNOVATION













# Greening over **9,00,000 acres**

- Supporting nearly **165 million person days** of employment
- **Environmental Impact**
  - Carbon Sequestration
  - Augmenting Green Cover
  - Top Soil Retention
  - Water Recharge
- A **Competitive Source** of Pulp-wood for ITC's Paper mill





**AGRO-FORESTRY**

**OVER 1,20,000 ACRES**



**IITC MISSION SUNEHA KAL**  
(ಬಂಗಾರು ಭವಿಷ್ಯತೆ)  
**SOCIAL FORESTRY PROGRAMME**  
**AGRO-FORESTRY PLANTATION**



Before



After



- Over 81,000 acres conserved across 7 States, Sustainability 2.0 target: 5,00,000 acres by 2030
- Green cover improvement upto 110%, tree species by 150% and bird species by 225%
- PPP with Wasteland Development Board of Rajasthan to restore 2,47,000 acres commons
- Knowledge partnership with IUCN to develop template for ‘Sustainable Agriscapes’





# Combating Climate Change

Adaptation & Resilience

Inclusive Value Chains



Enduring Value

Sustainability in  
Action

Addressing  
Water Security



## Climate Change in India's Agriculture



“ .....The last time we saw crops was during our grandfather's time.....”





**PARTICIPATORY WATERSHED PLANNING**



**RAINWATER  
HARVESTING  
POTENTIAL**



**OVER  
1.2 MILLION  
ACRES**

**23,000  
WATER  
STRUCTURES**

**5 times**

**Net Water Consumption in  
2030**

**Target**

Sugarcane  
0.20 lakh acres



Pune: drip & Seedling

85.47 m cu.m  
water saved

Wheat  
2.34 lakh acres



Munger – Zero Till

72.62 m cu.m  
water saved

Rice  
0.36 lakh acres



Chandauli – DSR

46.80 m cu.m  
water saved

Others  
(Onion, Banana,  
Coconut)  
0.10 lakh acres



Coimbatore – Banana Drip

3.95 m cu.m  
water saved

- **Water Savings achieved in 1 year is 208 m cu.m as against 41.95 m cu.m of fresh water harvesting done in 20 years**
- Reduce water use and costs, improve yields
- **3,02,000 acres covered**





Enduring Value

Sustainability  
in Action

Fostering  
Next Generation  
Agriculture





Empowering 4 Million Farmers



# ITC in Agriculture : Baareh Mahine Hariyali

Leveraging Technology & Innovation to Enhance Productivity & Incomes



Varietal Improvement



Short Duration Varieties



Cropping Intensity



Choupal Pradarshan Khet

- ✓ Pilot at scale : 2,00,00 farmers
- ✓ Doubled Income for 35,000 adopting all practices
- ✓ Balance reported 30%-75% increased income



Agri Best Practices



Zero Tillage



Water Management



Farm Mechanisation





Collaboration with NITI Aayog for improvement of agriculture in 27 aspirational districts – trained 2.5 million farmers

**Resulted in 60% increase in yields**





Weather  
Smart

Water  
Smart

Seed /  
Breed  
Smart

Carbon/  
Nutrient  
Smart

Market  
Smart

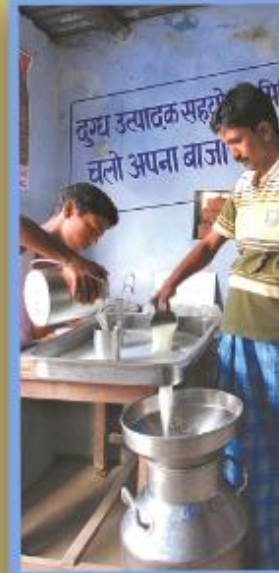
Covered over 2,50,000 farmers across 8,000 villages.

A pilot at scale reduced GHG emission of select crops by 47%,  
whilst enhancing net returns to farmers between 41% to 87%.

**The climate-smart agriculture initiative will be progressively extended to cover 3 million acres by 2030.**



# ITC'S WORLD-CLASS INDIAN BRANDS ANCHOR INCLUSIVE VALUE CHAINS



## Empowering the Nation's Farmers







**ITC's Rural Education Programme : Benefitting 833,000 children**  
**35% increase in language reading and 44% increase in numeracy skills**





**Skill Development Initiative : Over 1,00,000 youth trained**  
**Salary earned in the range of Rs 7,000 – Rs 19,000 after training**





**Empowering women : Over 79,000 rural women entrepreneurs**  
**Income of Ultra-poor women increased by 8 times and asset value by 3 times**





**Livestock Development : Animal husbandry services to over 19,00,000 milch animals**  
**Pashu Sakhis earning additional income around Rs 60,000 per annum**





**Sanitation: Nearly 38,400 individual sanitary units constructed**  
**96% of all households use the toilets**

- **6,100** e-Choupals, **35,000** villages, **4 million** farmers
- **9,00,000** acres of forestry
  - **165 million** person-days of employment
- **12,75,000** acres of watershed development
- **19,00,000** milch animals covered
- **8,33,000** children benefiting from supplementary education
- **79,000** sustainable livelihoods for rural women
- **1,00,000** youth trained through Vocational Training programmes
- **38,400** Sanitation Units

## Scale

83 PPPs to-date

Watershed  
Biodiversity  
Solid Waste  
Management  
Vocational Training  
Education  
Agriculture

## Knowledge

24 technical  
collaborations with  
national & global  
organisations

Agriculture, Water &  
Biodiversity – WWF,  
IUCN, IWMI, CGIAR,  
TNAU and others  
Financial Literacy –  
CRISIL Foundation

## Execution

Enduring partnerships  
with 82 best-in-class  
NGOs

Both thematic experts  
and grass-root NGOs  
Identified after an  
operational and  
financial due diligence  
Structured "Dialogue"  
with NGOs for pulse  
check





Enduring Value

# Combating Climate Change

**Green Infrastructure**

**Decarbonisation**



**World's largest LEED Platinum Luxury Hotel & the largest LEED Zero Carbon certified hotel – ITC Grand Chola, Chennai**

**World's First Hotel to be LEED Zero Carbon Certified– ITC Windsor, Bengaluru**

**World's Highest Rated LEED Platinum building – ITC Green Centre, Gurugram**

**PIONEERING  
GREEN  
BUILDINGS**



**33** buildings of the Company have achieved Platinum certification by USGBC-LEED/IGBC



## Recently Commissioned ITC Solar Farm at Tamil Nadu



Enduring Value

**41.3%**



of ITC's energy is from renewable sources





**Continuous Reduction in Specific Energy/Water Consumption**



**ICMLs: Reducing Distance to Market**



**Renewable Energy**  
**50%** ⚡



**Grid Electricity from Renewable Sources**  
**100%** ↑



**Specific GHG Emissions**  
**50%** ↓



**Specific Energy Consumption**  
**30%** ↓



Enduring Value

# Combating Climate Change

Circularity





## ITC Wellbeing out of Waste (WOW)

- ✓ Covering nearly 15 million citizens
- ✓ Pilot Plant for Recycling Multi-layered plastics

## Community Waste Management

- ✓ Waste to landfill reduced from 80% to 20%
- ✓ Green temple programme adopted by 226 temples



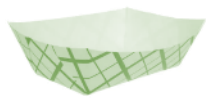
Bio-degradable Barrier Boards



Recyclable Solutions



Cupstock



QSR Packing



Ice-cream Packaging

Toughpack

E-com packaging bags



Indobowl



Sustainable Packaging



Bioseal



Oxyblock



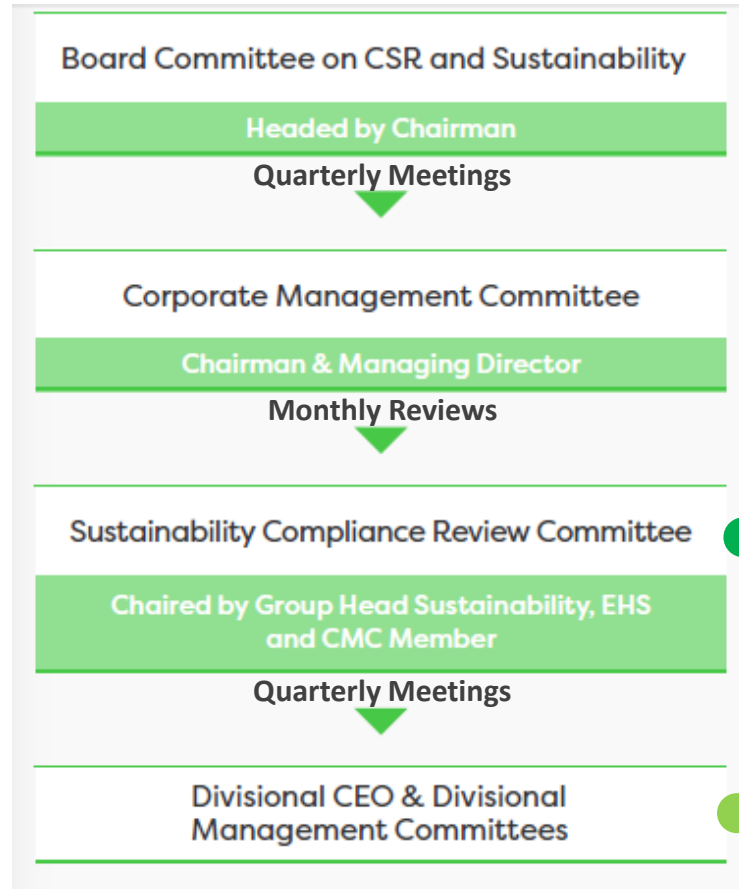
Antimicrobial Coating





# Governance

## Sustainability & ESG



The SCRC presently comprises **seven senior members** of management, with its Chairman being **Group Head – Sustainability & R&D**, and a **member of the Corporate Management Committee**. Other members represent:

- EHS & Sustainability
- Human Resources
- Accounts & Procurement
- Legal
- Social Investments Programmes
- Corporate Communications

ITC Businesses also have Business-level Sustainability Committees.

**These Sustainability Committees also have representation from Diverse Functions - Operations, EHS & Sustainability, Nutrition, Marketing, HR, Packaging, R&D & Finance.**



ITC's Suite of Board approved ESG Policies addresses ITC's Material ESG issues, and is also aligned to the requirements of Global ESG Disclosure Frameworks:



Policy implementation is monitored using defined KPIs.

SCRC reviews implementation on a quarterly basis and submits its report to the CMC.

The CSR & Sustainability Committee of the Board reviews progress annually.

ITC's ESG Policies:

- Policy on Sustainable Supply Chain and Responsible Sourcing
- Code of Conduct for Suppliers and Service Providers
- Policy on Environment, Health and Safety
- Policy on Resource Efficiency
- Policy on Biodiversity Conservation
- Policy on Deforestation
- Policy on Stakeholder Engagement
- Policy on Responsible Advocacy
- Policy on Product Responsibility
- Policy on Freedom of Association
- Policy on Diversity and Equal Opportunity
- Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace
- Policy on Tax
- Code of Conduct
- CSR Policy
- Remuneration Policy (*with linkages to ESG performance*)

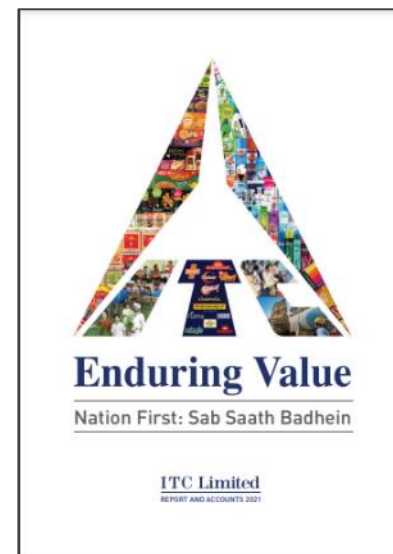
Other Policies are there at the Business Level like Responsible Marketing, Animal Welfare, Food & Nutrition



**ITC Sustainability Report 2021**



**ITC Integrated Report 2021**



**ITC Report & Accounts, and Business Responsibility Report 2021**



Dow Jones Sustainability Indexes

**Responding to CDP Climate Change & Water Questionnaire, S&P/DJSI Questionnaire** <sup>284</sup>

*Reporting aligned to Global Frameworks*

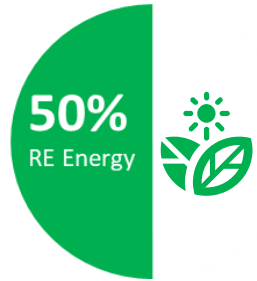




# Summary of Sustainability 2.0 Goals Reimagining the Future



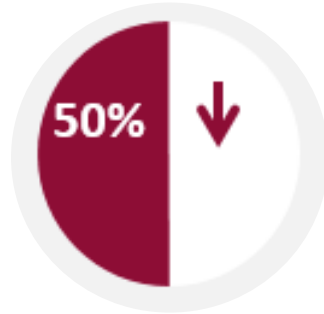
# ITC's Sustainability 2.0 Targets: Raising The Bar



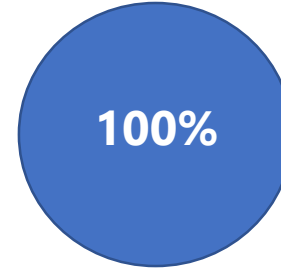
Renewable Energy (RE)



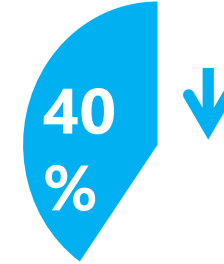
Specific Energy Consumption\*



Specific GHG Emissions\*



RE Grid Purchased Electricity



Specific Water Consumption\*



Crop Water use efficiency - savings of **2000 million KL**



Climate Smart Villages approach in **3,000,000 acres**



Biodiversity Conservation in **500,000 acres**



Rainwater harvesting potential - **5+ times** water consumption



**AWS Certification** for High Water Stressed Sites

## Sustainable Packaging Plan



## Plastic Neutrality



Supporting Sustainable Livelihoods for **10 million**



A passion for  
profitable growth....



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



.... and  
inclusive



Thank You