



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

RESULTS UPDATE & FAQ Q4 FY25



Index

Content	Page No.
<u>Vision & Mission</u>	3
<u>Core Values of ITC</u>	3
<u>ITC's Corporate Governance structure</u>	3
<u>Key elements of ITC's strategy</u>	4
<u>Overview of Q4 FY25 results</u>	4
<u>Financial Performance Track Record</u>	6
<u>Company's transformation in the FMCG-Others segment</u>	7
<u>Company's distribution channel</u>	8
<u>Scale, offerings, Brands & market standing in FMCG-Others segment</u>	9
<u>Foray into new categories in the FMCG space</u>	10
<u>Leveraging inorganic growth in the FMCG space</u>	10
<u>Update on the margin expansion trajectory in the FMCG-Others segment</u>	11
<u>Update on Hotels Business Demerger</u>	12
<u>Overview of other Operating segments</u>	13
<u>Overview of the capex plan of the Company</u>	14
<u>Leveraging inorganic growth in the Other Segment</u>	14
<u>Dividend policy: Trend of dividend pay-outs in recent years</u>	14
<u>The Triple Bottom Line philosophy</u>	15
<u>ITC's Digital Journey</u>	16

Q1. What is ITC's Vision and Mission?

Vision:

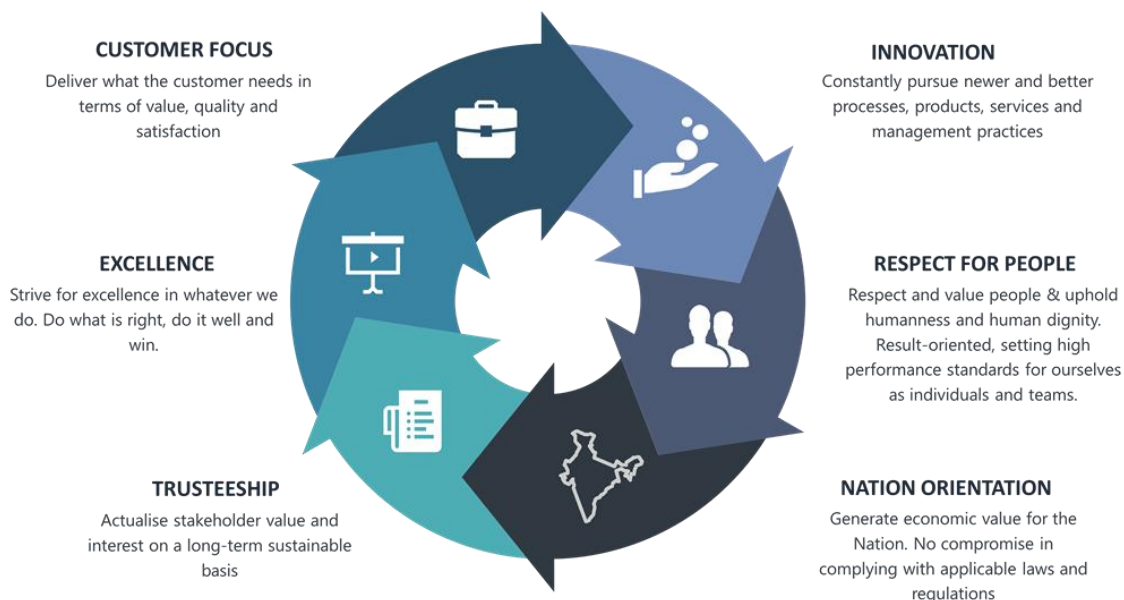
To sustain ITC's position as one of **India's most valuable and admired corporations** through **world-class performance**, creating **growing value for the Indian economy** and the **Company's stakeholders**.

Mission:

To enhance the wealth generating capability of the enterprise in a globalising environment, **delivering superior and sustainable stakeholder value**.

Q2. What are the Core Values of ITC?

ITC's core values are aimed at developing a customer focused, high-performance organisation which creates value for all its stakeholders.



Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb2>

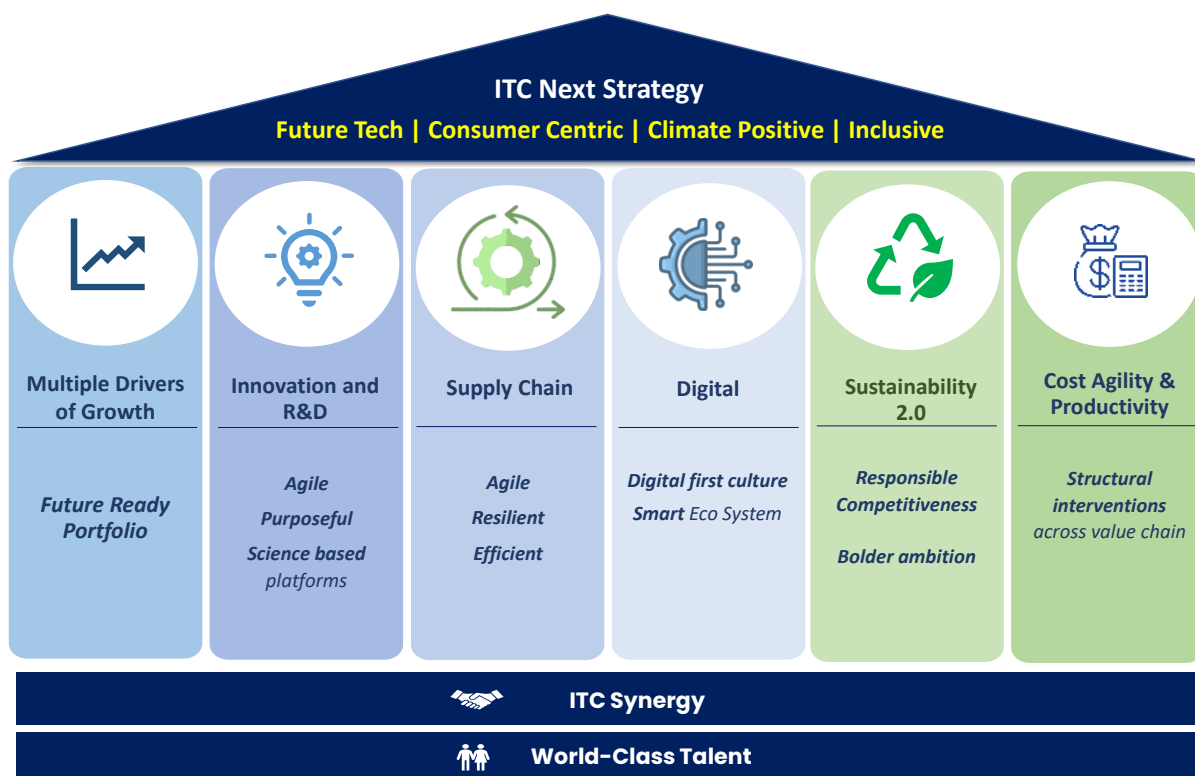
Q3. How does the Company effectively manage a highly diversified business portfolio? What is the Company's Corporate Governance structure?

ITC's 'Strategy of Organisation' is crafted in a manner that enables focus on each business while harnessing the diversity of the portfolio to create unique sources of competitive advantage.

Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb4> for details of ITC's Governance Structure.

Q4. What are key elements of ITC's strategy?

ITC Next strategy is focused on creating structural drivers that will power the Company's next horizon of growth and ensure that the enterprise remains future-ready, consumer-centric and nimble.



Q5. Please provide a brief overview of Q4 FY25 results.

Global growth slowed down from 3.5% in 2023 to 3.3%¹ in 2024 and remained appx. 40 bps below the long-term trend rate², with the slowdown being largely attributable to slowdown in Advanced Economies and structural weakness in the Chinese economy.

India continues to remain the fastest growing large economy in the world - a relatively bright spot amidst the challenging global operating environment. The pace of growth, however, moderated from 9.2% in FY 2023-24 to 6.5% in FY 2024-25. While headline inflation (CPI) remained within the RBI's target range at 4.6%, food inflation witnessed a sharp uptick (FY 2024-25: 7.3% YoY). The impact of inflationary pressures on household savings weighed on consumption expenditure, particularly in urban markets; however, demand in rural markets was relatively resilient. The weakness in consumption was reflected, inter alia, in the muted volume growth of the FMCG sector. While growth in Industry witnessed deceleration at 5.6% (Vs. 10.8% in 2023-24), Services sector grew at 7.3%, and the Agri sector witnessed an uptick at 4.6% (Vs. 2.7% in 2023-24).

¹ IMF WEO April '25

² Average Global Real GDP growth from 2010 to 2019

India's macro-economic variables are expected to remain stable in the year ahead, with GDP growth for FY 2025-26 expected to be appx. 6.5%. Consumption expenditure is expected to pick up progressively led by continued recovery in rural demand backed by a good monsoon, along with improvement in urban demand as inflation stabilises and tax cuts announced in the Union Budget boost disposable incomes. The cumulative impact of pick-up in capex in the second half of FY 2024-25 and front loading of Government capex outlay in FY 2025-26, along with interest rate cuts and liquidity support from RBI, would also be supportive of growth.

The Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment. For FY25, Gross Revenue and EBITDA from Continuing Operations stood at Rs. 73464.55 crores and Rs. 24024.83 crores respectively. Profit Before Exceptional items and Tax stood at Rs. 26000.86 crores. Earnings Per Share for the year stood at Rs. 16.07 (previous year Rs. 15.98).

Profit Before Exceptional items and Tax from Discontinued Operations³ for the 9 months ended 31st December, 2024 stood at Rs. 572.52 crores (Rs. 445.04 crores for the same period in previous year; Rs. 691.22 crores for FY24). Profit After Tax from Discontinued operations for FY25 stood at Rs. 15103.76 crores (previous year Rs. 511.74 crores), including an exceptional gain of Rs. 15163.06 crores (2024 (-) Rs. 7.57 crores).

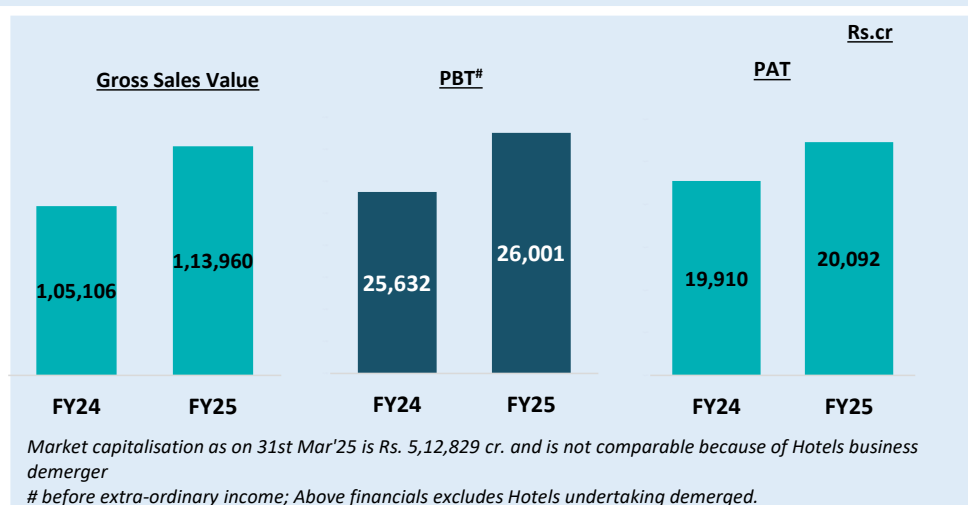
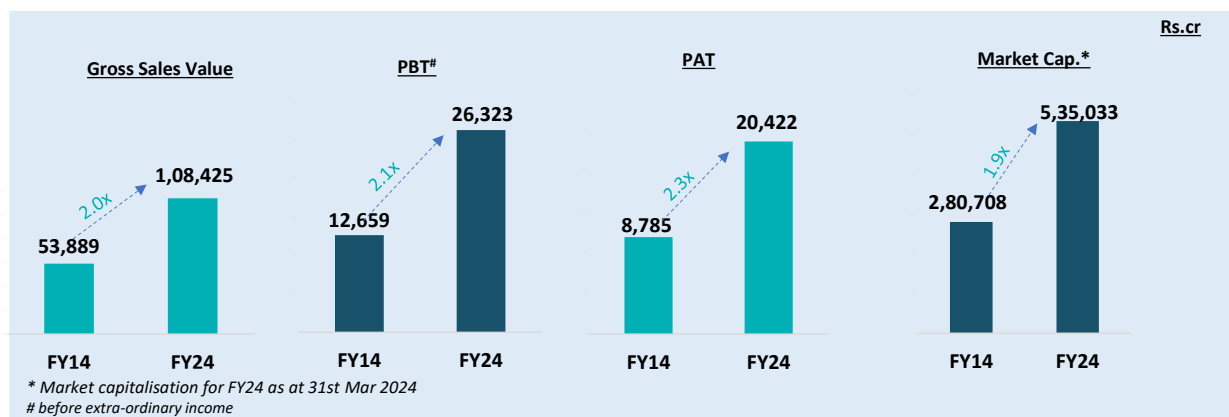
Overall Profit After Tax for FY25 (including Profit from Discontinued Operations) stood at Rs. 35195.61 crores (previous year Rs. 20421.97 crores). Total Comprehensive Income for the year stood at Rs. 34266.23 crores (previous year Rs. 22703.03 crores).

Please refer to the quarterly Press Release and Investor Presentation uploaded on the Corporate Website for detailed segment wise update.

1. Quarterly Press Release: <https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q4-FY2025.pdf>
2. Investor Presentation: <https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q4-FY2025.pdf>

³ Pursuant to the Scheme of Arrangement ('the Scheme') amongst the Company and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors for demerger of the Hotels Business of the Company into ITCHL, which became effective from 1st January, 2025, the Hotels Business (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held by the Company in Hospitality entities, have been transferred to ITCHL on a going concern basis

Q6. What has been the financial performance track record of the Company over the last decade?



Growth largely organic and funded through Retained Earnings

Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)

Q7. What has been the performance track record of the Company over the medium term?

- The performance of all operating Businesses of the Company over last five years period (between FY20 and FY25) is as follows:
 - **FMCG-Others segment:** Segment Revenue grew at a CAGR of 11.3% and Segment Results grew at CAGR of 30%
 - **FMCG – Cigarettes segment:** Net Segment revenue grew at CAGR of 7% and Segment Results grew at CAGR of 6%
 - **Agri Business segment:** Segment Revenue and Results grew at CAGR of 14% and 13% respectively
 - **Paperboards, Paper & Packaging segment:** Segment Revenue grew at a CAGR of 7%. Segment Results were impacted during the last 24 months (Refer Question 16)

Q8. Please provide some dimensions of the Company's transformation in the FMCG-Others segment over the years.

The Company remains focused on rapidly scaling up the FMCG businesses anchored on strong growth platforms and a future-ready portfolio powered by purpose-led brands and supported by agile innovation leveraging the robust R&D platforms of ITC Life Sciences and Technology Centre (LSTC). In addition to fortifying their core portfolio, the Businesses continue to address adjacent growth opportunities by leveraging the 25+ powerful mother brands established over the years. Simultaneously, the Businesses continue to make strategic investments in building categories of the future and establishing the Company's 'right to win' by progressively scaling up those nascent categories where beachheads have been created.

The FMCG Businesses continue to create structural competitive advantages and enhance profitability by leveraging world-class distributed manufacturing and logistics infrastructure, multi-channel distribution network and newer routes to market, smart buying & value engineering and smart manufacturing on the twin pillars of Digital and Sustainability.

ITC's FMCG-Others Segment has grown manifold in scale, diversity of portfolio and in terms of resources deployed, as shown below:

	2001-02		2024-25
Diversity of Portfolio	1	Categories	40+
	<100	SKUs	2900+
Scale of Distribution	3	Channels	10
	72K	Markets Serviced	1.6 lakh+
	0.75 Mn	Outlets Serviced	2.9 Mn+*
Strength of Resources	6	Factories	200+
	0.4 Mn sqft	Warehousing Space	6.1 Mn sqft
	0.1 Mn MT	Throughput	~2.5 Mn MT

*Serviced directly. Total reach appx. 7 million outlets

Q9. Please provide some insights on how the Company is strengthening its presence across distribution channels.

- The Company continues to strengthen its deep & wide multi-channel distribution network and sharpen channel-specific strategies to efficiently service consumer demand across the country. Valuable insights of consumer behaviour and channel/region specific trends gained over the years continue to be leveraged to deliver superior performance in terms of product availability, visibility and freshness.
- Strategic portfolio augmentation leveraging agile and purposeful innovation continues to be stepped up towards addressing evolving consumer needs and accelerating premiumisation. Emerging channels (viz. Modern Trade, e-Commerce, Quick Commerce) witnessed robust growth on the back of sharp execution of channel-specific business plans, collaborations, format-based assortments and category-specific sell-out strategies.
 - In line with the Company's multi-channel Go-to-Market strategy, market coverage was stepped up to appx. 2x of pre-pandemic levels. In rural markets, direct reach enhancement was supported through a hub and spoke distribution model with the continued expansion of rural stockists network to 1.4x over last three years and collaborations with rural-focused eB2B players.
 - E-Commerce sales witnessed rapid growth driven by account specific strategies, new product introductions and customised supply chain solutions; availability in Quick Commerce and Social Commerce platforms continues to be scaled up. Further, digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now accounts for ~31% in FY 2024-25 of the Company's Branded Packaged Foods, Personal Care Products, Incense Sticks (Agarbattis) and Safety Matches sales (Vs. 17% in FY 2019-20).
 - Presence in the Food Service and Institutional channels continues to be scaled up by leveraging existing partnerships and enhancement of product range.
 - The Company's digitally powered eB2B platform, UNNATI, has been rapidly scaled up during the year, covering nearly 8 lakhs outlets with a large number of retailers placing orders directly on the platform. UNNATI facilitates sharp and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, and deeper brand engagement.
 - Multi-pronged interventions continue to be made to accelerate growth across categories leveraging the Company's strong growth platforms. The portfolio continues to be further augmented with sharper focus on fortifying the core categories, addressing value-added adjacent opportunities leveraging mother brands and scaling up new growth vectors. Appreciable progress has been witnessed in these newer categories, which continue to be scaled up.
 - Focused investments continue to be made to enhance distribution infrastructure and drive penetration across markets. Significant investments in capability augmentation in emerging channels (Quick commerce, e-Commerce and Modern Trade) is being made to enable portfolio premiumisation and enhance market standing.
 - Over the years, the Company has made significant investments in setting up state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs)

proximal to large demand centres. These facilities are at the heart of the Company's strategy to create structural advantage by enhancing product freshness, elevating market agility, minimising the cost of servicing proximal markets, enabling scalability, while also setting new benchmarks in safety and product quality. The Company continues to leverage the benefits of the state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLFs) at Pudukkottai, Kapurthala and Panchla. These state-of-the-art automated facilities are co-located with the ICMLs and provide several structural advantages including inventory optimisation, layering operations and lowering cost of market servicing.

- The Company continues to leverage the integrated planning and supply chain tool, powered by best-in-class algorithms for inventory optimisation and productivity enhancement to significantly improve supply chain agility and market servicing through enhanced forecast accuracy
- Tech-enabled cloud kitchens were scaled up to actualise emergent opportunities.

Q10. In the FMCG-Others Segment, please provide an overview of ITC's scale, offerings, Brands and market standing.

The Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy in a relatively short period of time, represents an annual consumer spend of over Rs. 34000 crores in FY25. To illustrate, the market standing of some of ITC's brands is as follows:

Brand	Offerings	Market Standing
	- Staples (Atta, Spices, Salt), Fresh Dairy, Ghee & RTE	#1 in Branded Atta
	- Biscuits & Cakes	#1 in Cream Biscuits
	- Bridges, Potato chips & Namkeens	#1 in Bridges
	- Noodles & Pasta	#2 in Noodles
	- Educational & Stationery products	#1 in Notebooks
	- Matches, Dhoop & Agarbatti	#2 in Incense Sticks

Other Key Brands:



Q11. How does the Company choose new categories in the FMCG space? Which are the new categories it has forayed into in recent years?

The choice of category is guided by its growth prospects, profitability profile and the ability of the Company to effectively leverage its institutional strengths with a view to achieving leadership status within a reasonable time frame. Synergies with existing categories in terms of overlap of distribution reach, brand extension possibility, procurement efficiencies, etc. are considered while choosing new categories.

The Company continues to scale-up presence in value-added adjacencies leveraging powerful mother brands and invest in categories of the future.

In the Branded Packaged Foods Businesses, Chocolates, Dairy, Coffee and Frozen Foods are some of the areas that the Company has entered into over the last few years. In line with the Company's commitment to fostering nutrition, health and wellness, the Business has launched a range of nutrition dense products under the 'Right Shift' brand to address the nutritional needs of consumers over 40. The portfolio has been curated using natural and proprietary ingredients developed at the ITC Life Sciences & Technology Centre. Anchored on the vectors of strength and energy building, the range currently comprises Millet Oats, Jaggery Cookies, Multigrain Flour and Roasted Snacks, with other products in the pipeline.

In the Personal Care Products Business, the Business has successfully entered the Hygiene space with the acquisition of 'Savlon' brand a few years ago and the 'Nimyle' brand in the Floor Cleaner segment.

Q12. Is the Company open to making acquisitions in order to accelerate growth in the FMCG segment?

ITC examines prospects for inorganic growth that arise from time to time not only in this business segment but also in the other businesses, guided by considerations such as strategic fit, valuation, financial viability and ease of integration.

In recent times, the Company has acquired Brands such as 'Savlon' and 'Nimyle' to strengthen its presence in Personal Care Products Business. In July'20, the Company **acquired 100% of the equity share capital of M/s Sunrise Foods Private Limited** (Sunrise), an Indian company primarily engaged in the business of spices under the trademark 'Sunrise'.

Fortifying its presence in the 45,000 crores, fast growing, nutrition-led healthy foods space, the Company made a strategic investment in M/s. Sproutlife Foods Private Limited (SFPL), a D2C start-up engaged in the manufacture and sale of innovative products catering to health-conscious consumers under the clean label, new-age digital-first brand 'Yoga Bar'. The Company currently holds 47.5% stake in SFPL and will acquire 100% stake in the entity over next few years.

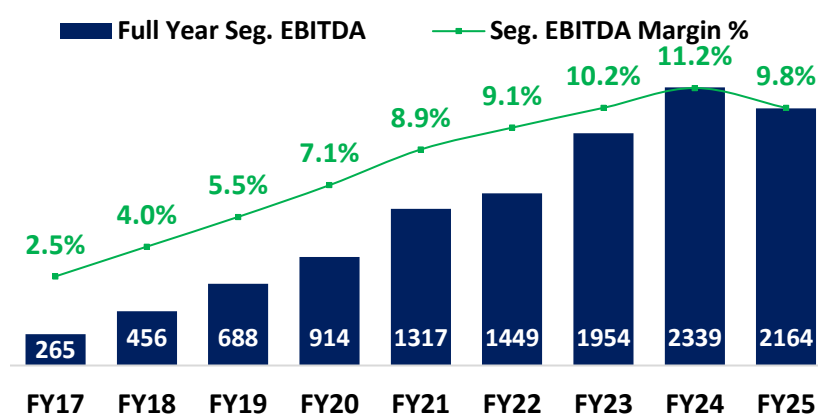
Further, in line with the ITC Next Strategy of building a future ready portfolio, accelerating growth and enhancing competitiveness, several value accretive acquisitions were announced during the year in the FMCG space viz. M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo). These interventions are expected to augment the Company's presence and market standing in high-growth and future-facing businesses.

The Company shall continue to pursue opportunities for inorganic growth that are value-accretive and synergistic.

Q13. (a) Please update on the margin expansion trajectory in the FMCG-Others segment.

As evident from the chart below, the **Segment EBITDA margin** of the FMCG-Others segment has been on an upward trajectory and has **expanded by ~862 bps (between FY17 to FY24)**. Margin expansion was driven by multipronged interventions viz. premiumization, supply chain optimization, digital interventions across the value chain and strategic cost management.

Segment EBITDA for FY25 stood at Rs. 2163.92 crores, with margins at 9.8%. Costs of several major inputs such as edible oil, wheat, maida, potato and cocoa witnessed sharp escalation, especially in the second half of the financial year, weighing on margins. The inflationary pressures were partially mitigated through focused cost management, portfolio premiumisation, supply chain agility, digital interventions and calibrated pricing actions. Trade and marketing investments were sustained at competitive levels during the year towards supporting growth and market standing.



Please refer to the Investor Presentation for further details:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q4-FY2025.pdf>

(b) Please provide an overview of the margin profile of the Branded Packaged Foods Businesses and the Personal Care Products Business.

The **Branded Packaged Foods Businesses** of the Company comprise 'Staples & Meals', 'Snacks', 'Dairy & Beverages', 'Biscuits & Cakes' and 'Chocolates, Coffee & Confectionery'.

These Businesses **have evolved over a period of time and are currently at different stages of their lifecycles**. As such, the revenue dimensions, cost structures and profitability profiles of each of these businesses are distinct from one another. For example, **EBITDA margins of the more mature categories in the portfolio are either in early double digits or in the mid-to-high single digit range** whilst margins of other nascent categories are lower, reflecting scale of investments towards category development and brand building.

The Personal Care Products Business comprise 'Personal Wash & Hygiene', 'Health', 'Fragrances', 'Home Care', 'Skin Care' and 'Talc' categories. The Company continues to **make significant investments** in this Business primarily in the **area of brand building, R&D and product development** towards competing effectively with incumbent players comprising firmly entrenched MNCs and domestic companies.

Presently, each category is **operating at industry benchmarked gross margins**. With enhanced scale and consumer franchise, each category is expected to earn best-in-class EBIT margins progressively over the medium-term.

Q14. Please provide an update on the demerger and performance of the Hotels Business.

- The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT), vide Order dated 4th October, 2024, sanctioned the Scheme for demerger of the Hotels Business of the Company into ITC Hotels Limited. The Appointed Date and Effective Date of the Scheme is 1st January, 2025, in accordance with the provisions of the Scheme.

Upon the Scheme becoming effective, the Hotels Business (along with all assets and liabilities thereof, excluding ITC Grand Central Mumbai, as at the Appointed Date) and the investments held by the Company in Hospitality entities, along with certain identified Corporate assets and liabilities have been transferred to ITCHL on a going concern basis. ITC Hotels Limited was listed on the BSE and NSE on 29th January, 2025.

For further details on the demerger of Hotels Business please refer below:

Press Release – 24th July, 2023: <https://www.itcportal.com/media-centre/press-releases-content.aspx?id=2608&type=C&news=itc-board-accords-in-principle-approval-to-demerge-the-hotels-business-into>

Investor Presentation – 24th July, 2023: <https://www.itcportal.com/investor/pdf/proposed-demerger-of-hotels-business-240723.pdf>

Analyst / Investor Meet transcript – 27th July, 2023:

<https://www.itcportal.com/investor/pdf/analyst-call-transcript-hotels-demerger.pdf>

Stock Exchange Intimation and Investor Presentation – 14th August, 2023: <https://www.itcportal.com/about-itc/shareholder-value/pdf/lodr-14aug23c.pdf>

Investor Presentation – 25th November, 2024:

<https://www.itcportal.com/investor/pdf/investor-presentation-hotels-business.pdf>

The Hotels Business was demerged into ITC Hotels Limited (ITCHL) with effect from 1st January 2025. Consequently, the Hotels business has been reported as 'Discontinued Operations' in the financial results for the year ended 31st March, 2025 in line with applicable Indian Accounting Standards.

- Hotels Business posted its highest ever Revenue and operating profits on the back of strong growth in RevPar for the 9 months ended 31st December, 2024. Profit Before Exceptional items and Tax stood at Rs. 573 crores (Rs. 445 crores for the same period in previous year; Rs. 691 crores for FY24).
- Profit After Tax from Discontinued operations for FY25 stood at Rs. 15104 crores (previous year Rs. 512 crores), including an exceptional gain of Rs. 15163 crores.

Q15. Please provide an overview of other Operating segments

AGRI No 1. Agri business Player	Paperboards, Paper & Packaging Clear Market Leader
<ul style="list-style-type: none"> ▪ Leading Agri Business player in India ▪ Pioneer in rural transformation (<i>e-Choupal</i>) ▪ Digitising Agri value chain with ITCMAARS – a crop-agnostic ‘phygital’ full stack AgriTech platform ▪ Largest procurer of Wheat after FCI ▪ No 1. leaf tobacco exporter in India (5th largest in the World) 	<ul style="list-style-type: none"> ▪ No. 1 in Revenue ▪ World-class Environmental Performance ▪ Best-in-Class financial & operating metrics ▪ Leader in Value Added Paperboards ▪ One stop shop for packaging solutions
<ul style="list-style-type: none"> ▪ Best-in-class profitability ▪ Sourcing & Supply operations in 22 states ▪ Delivering competitive advantage to ITC’s Foods Business through distinctive sourcing capabilities ▪ World-class processing facilities ▪ Focus on scaling up Value-added segment (<i>Spices, Coffee, Aqua, MAPE, etc.</i>) 	<ul style="list-style-type: none"> ▪ Integrated Operations (<i>BCTMP first-of-kind in India</i>) ▪ Secure, sustainable & cost competitive fibre base (<i>Cumulative plantations @ over 13 lakh acres</i>) ▪ More than 50% of energy consumption from renewable sources

Q16. Please provide an update on the performance of the other Operating segment for Q4 FY25

- Agri Business Segment** Revenue up 18% YoY led by Leaf Tobacco, Value Added Agri products & Rice exports. Segment PBIT witnessed robust uptick - up 26% YoY. Strong customer relationships and agile execution continue to drive growth in Leaf Tobacco & Value Added Agri exports (Coffee, Spices, etc.)
- Operating environment in the **Paperboards, Paper & Packaging Segment** remained challenging with significant low-priced Chinese supplies in global markets including India, soft domestic demand, unprecedented surge in domestic wood costs; Amidst such a challenging environment, the segment registered a resilient performance

Q17. Please provide an overview of the Capex plan of the Company.

The Company's capex plans are directed primarily towards capacity gearing, productivity enhancement, ensuring the highest standards in quality and environment, health & safety, and R&D.

In the FMCG-Others segment, in recent years, the Company has been investing behind setting up **state-of-the-art owned integrated consumer goods manufacturing and logistics facilities (ICMLs)** across regions in line with demand projections. These ICMLs provide structural advantages such as enhancing market responsiveness, reducing the cost of servicing proximal markets, ensuring delivery of fresher products to the market and providing heightened focus on product hygiene, safety and quality. Currently, **eleven ICMLs have been operationalised**. Going forward, over the next few years, additional investments in these ICMLs will be largely through equipment lines on a modular basis in line with demand growth.

The major items of capital expenditure in the **Paperboards, Paper and Packaging segment** going forward comprise investments for gaining structural cost advantages in the segment and capacity augmentation for Value added Paperboards in line with the growth needs of the Business.

Q18. Is the Company open to making acquisitions in order to accelerate growth in the Other segment?

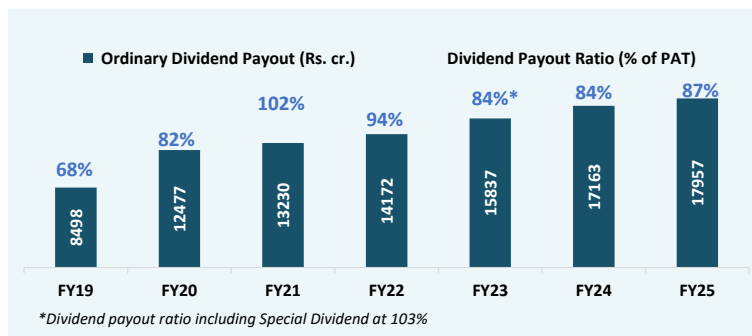
In Paperboards, Paper & Packaging Segment, the Company has entered into a Business Transfer Agreement to acquire the Pulp and Paper Undertaking of Aditya Birla Real Estate Limited (Century Pulp and Paper). The acquisition will immediately add significant scale and economies to existing operations with potential for further capacity expansion, provide locational advantage for efficient customer servicing and proximity to key raw material sources, mitigate operational risks through multi-site operations and enhance resilience across industry cycles through portfolio diversification

The acquisition is also expected to strengthen the market standing of the Company's Paperboards and Specialty Papers Business and engender new opportunities in the domestic and international markets. The acquisition aligns with the Company's strategy of driving the next horizon of growth in the Paperboards and Specialty Papers Business by expanding capacity at a new location considering that the existing facilities are already saturated.

Q19. What is the Dividend policy of the Company? What has been the trend of dividend payouts in recent years?

As per the Dividend Distribution policy approved by the Board of Directors on 18th March, 2020, effective financial year 2019-20, in the medium term, the dividend pay-out ratio is expected to be around 80% to 85% of the Profit After Tax of the Company. The Board may declare interim dividend(s) at its discretion.

The Board of Directors of the Company have recommended to the shareholders for their approval a Final Dividend of Rs. 7.85 per share for the financial year ended 31st March, 2025.



Together with the Interim Dividend of Rs. 6.50 per share paid on 7th March, 2025, the total Dividend for the financial year ended 31st March, 2025 amounts to Rs. 14.35 per share (previous year: Rs. 13.75 per share). Total cash outflow on account of Dividend (including Interim Dividend of Rs. 8133.11 crores paid in March 2025) will be Rs. 17956.69 crores.

Refer chart above for Dividends in the last 7 years.

Please refer to the following link for the Dividend Distribution policy of the Company.
<http://www.itcportal.com/about-itc/policies/dividend-distribution-policy.pdf>

Q20. Please explain the Company's 'Triple Bottom Line' philosophy & Environment, Social & Governance (ESG) credentials.



**Gross Sales Value (GSV) for continuing business (excl. Hotels business)*

ITC believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. At ITC, this paradigm is called 'Responsible Competitiveness' - an abiding strategy that focuses on extreme competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

The Company's innovative business models synergise the building of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making the Company a global exemplar in 'Triple Bottom Line' performance. The Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 23 years), 'carbon positive' (for 20 years), and 'solid waste recycling positive' (for 18 years) and is a global exemplar in sustainability. This approach has enabled the Company and its businesses, to support sustainable livelihoods for more than six million people.

ITC has sustained its 'AA' rating for the 7th successive year by MSCI-ESG - the highest amongst global tobacco companies. The Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row.

In the area of water stewardship, the Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard, which is a credible, globally applicable and recognised framework for ensuring sustainable water management within the wider water catchment context. The Kovai unit of the Company is the first site in India and the first paper mill in the world to achieve the highest Platinum rating under AWS. Further, the Kapurthala

unit of Foods Business and Bhadrachalam paper mill recently achieved Platinum level certification under AWS. With this, 9 units of the Company have achieved Platinum level certification under AWS till date.

The Company also won the first UNDP Mahatma Award for Biodiversity in recognition of efforts in promoting biodiversity conservation through intensive community engagement.

Further, ITC Sankhya, Bengaluru became the world's first Data Centre to achieve LEED Zero Carbon certification by the USGBC making it an icon of environmental stewardship.

Refer link below for highlights:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q4-FY2025.pdf>

The Company is actively working towards its Sustainability 2.0 agenda which calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy. With its bold Sustainability 2.0 ambitions, the Company is setting the bar higher with a multi-dimensional contribution to societal value creation, and remains committed to making a meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar.

To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of sustainability policies and is being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. Sustainability 2.0 broadly captures the theme of reducing resources utilisation, recycling, restoring the environment and replenishing. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.

The Company's Sustainability & Integrated Report for FY 2023-24, in addition to conforming with Global Reporting Initiative (GRI) Standards, is also aligned with the requirements of the International Framework developed by the International Integrated Reporting Council.

Please refer to the following link

- **Sustainability Report:**

<https://www.itcportal.com/sustainability/sustainability-integrated-report-2024/ITC-Sustainability-Integrated-Report-2024.pdf>

- **ITC Sustainability at a glance:**

<https://www.itcportal.com/sustainability/index.aspx>

Q21. Please provide a brief on ITC's Digital journey.

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The FMCG Businesses continue to leverage the power of digital to drive superior consumer insights & innovation, deepen consumer engagement and enhance brand loyalty. Strategic interventions continue to be made towards delivering delightful brand experiences seamlessly across touchpoints through personalised journeys mapped to individual needs, preferences and context.

Cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) continue to be deployed towards strengthening the Company's real time operations and execution platform, enhancing productivity, driving efficiency and cost agility. These initiatives are anchored on the key pillars of synchronised planning and forecasting, agile, resilient & efficient supply chain, smart buying & value engineering, smart manufacturing and smart demand capture & fulfilment. Strategic investments have been stepped up to build platforms of insights by harmonising and integrating large and isolated datasets powered by AI/ML technologies and 'human-centred design' & visualisation tools.

Towards enhancing the competitiveness of domestic agri-value chains, strengthening market linkages and building traceable & climate smart value chains, the Company has successfully scaled up ITCMAARS – a crop-agnostic full stack AgriTech digital platform, together with a physical ecosystem, across 11 states. The ITCMAARS 'Phygital' platform now spans more than 2,050 Farmer Producer Organisations (FPOs) encompassing more than 2.1 million connected farmers and several industry partners including agri input manufacturers, banks, financial institutions and agri-tech startups. By synergistically integrating NextGen agri technologies, ITCMAARS is developing a robust ecosystem to seamlessly deliver hyperlocal and personalised solutions to the Indian farming community leveraging world-class digital tools (including IoT) to develop new and scalable revenue streams, strengthen sourcing efficiencies and power the Company's world-class Indian brands.

The Company's TM&D vertical continues to remain at the forefront of leverage cutting-edge digital technologies and building a digital ecosystem to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. Technology enablement in the form of customised mobility and routing solutions, machine learning algorithms, data science models, data analytics comprising insightful visualisation tools and predictive analysis are being increasingly leveraged to enable speedy and accurate data capture, enable real-time informed decisions and aid optimisation of trade & marketing inputs to enhance sales.

Several Robotic Process Automation BOTs are operational across businesses thereby eliminating non-value adding and repetitive work. Access to secure and contemporary platforms has been provided by seamlessly and securely implementing remote working for its employees through extensive IT enablement.

Notes

