

ITC Limited Virginia House 37 J. L. Nehru Road Kolkata 700 071, India

Tel.: 91 33 2288 9371

Enduring Value Fax: 91 33 2288 4016 / 1256 / 2259 / 2260

14th December, 2021

The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C-1, G Block Bandra-Kurla Complex Bandra (East) Mumbai 400 051

The General Manager Dept. of Corporate Services BSE Ltd. P. J. Towers Dalal Street Mumbai 400 001

The Secretary The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata 700 001

Dear Sirs,

Institutional Investors and Financial Analysts Day

Further to our letter dated 9th December, 2021 on the subject, we enclose, in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the presentation made by the Company at the 'Institutional Investors and Financial Analysts Day' held today.

Copy of the said presentation is also being hosted on the Company's corporate website www.itcportal.com.

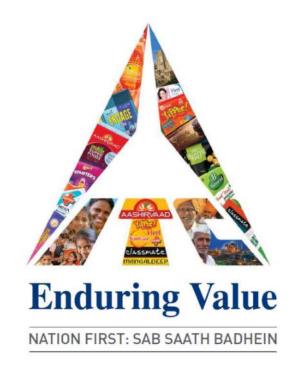
Yours faithfully, ITC Limited

(R. K. Singhi)

Executive Vice President &

Company Secretary

Enclosed: a/a



ITC Next

Creating Enduring Value | Responsible Competitiveness

Sanjiv Puri Chairman and Managing Director

Forward-Looking Statements



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.

Contributing to all sectors of the economy Agriculture, Manufacturing & Services





2nd largest Hotel chain; Trailblazer in Responsible Luxury







Foremost Agri Player



Clear Market leader in Paperboards, Paper & Packaging





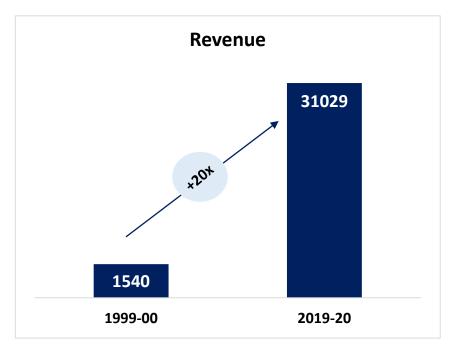


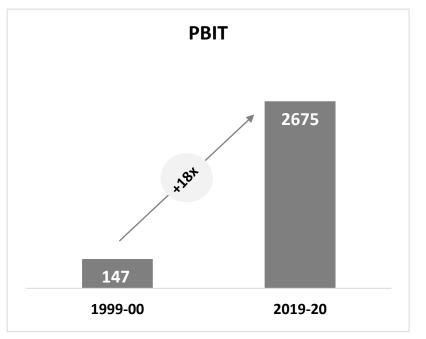
Portfolio Transformation over the years



Non-Cigarette Businesses







Quantum jump in Revenue and Profits

Leadership in traditional businesses Cigarettes, Agri, Paper & Hotels

Appreciable progress in FMCG-O

Global Exemplar In Sustainability







Water Positive
19 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

Investor Day 2021 5

Global Exemplar In Sustainability





ITC PSPD Kovai unit

Platinum Certificate Alliance for Water Stewardship

1st in India; 2nd Globally



ITC Windsor

1st 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

Investor Day 2021 6

Top notch ESG credentials





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

A-

In Climate
Change & Water Security

DISCLOSURE INSIGHT ACTION

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

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

Investor Day 2021 7

Globally recognised Sustainability Interventions





World Business & Development Award



Inaugural UNDP-ICC Award



Sustainability Leadership Award



The Stockholm Challenge Award



Development Gateway Award

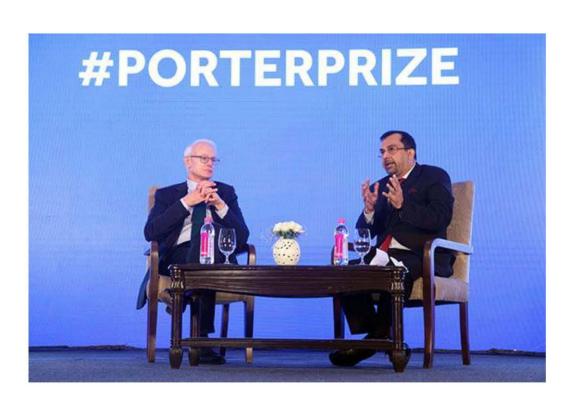
Exemplary Governance Standards







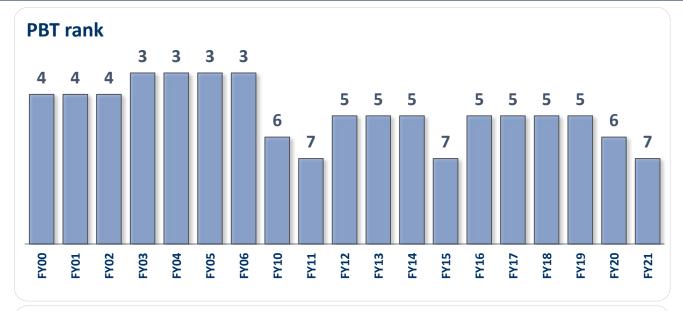
'Best Governed Company' @ 20th ICSI National Award for Excellence in Corporate Governance 2020

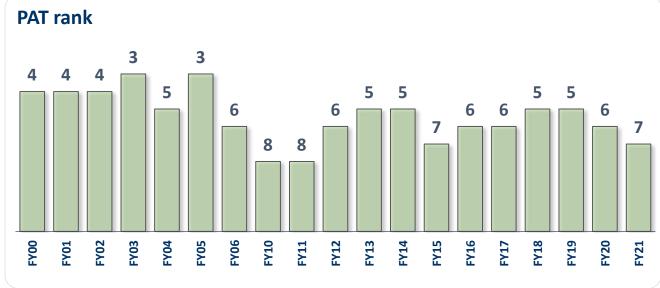


Porter Prize 2017 for 'Excellence in Corporate Governance and Integration'

ITC Consistently in the Top League



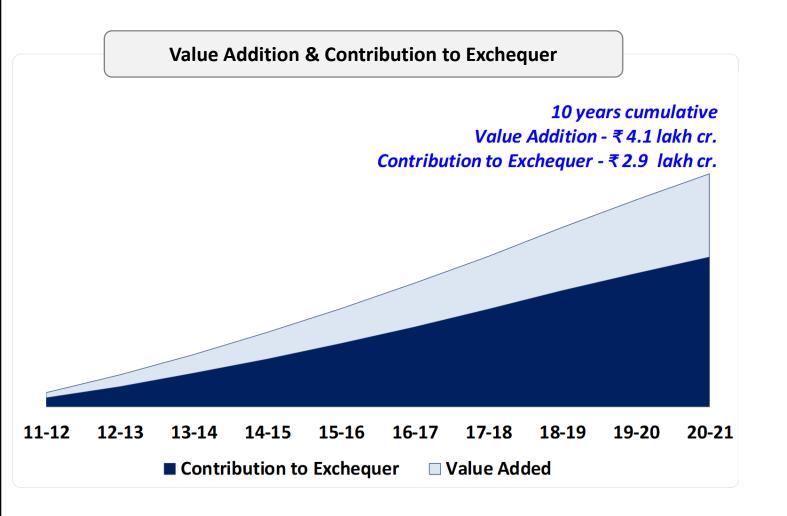


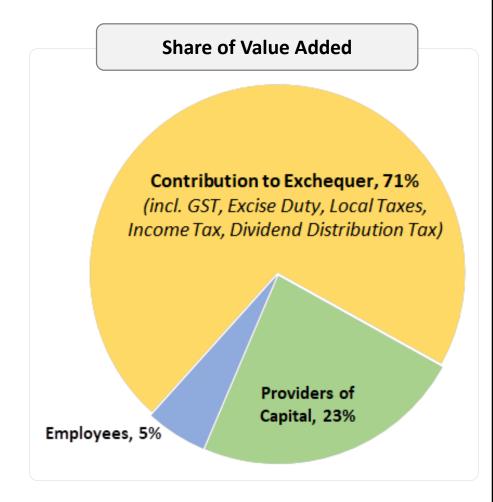


Investor Day 2021 amongst pvt. Listed cos. | 10 |

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







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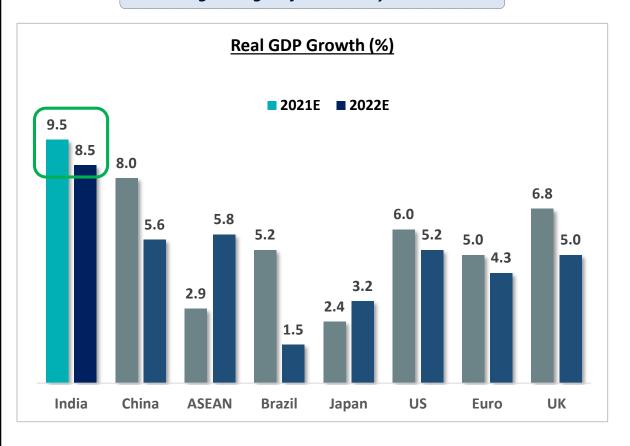
India 🐷

A Compelling Growth Story

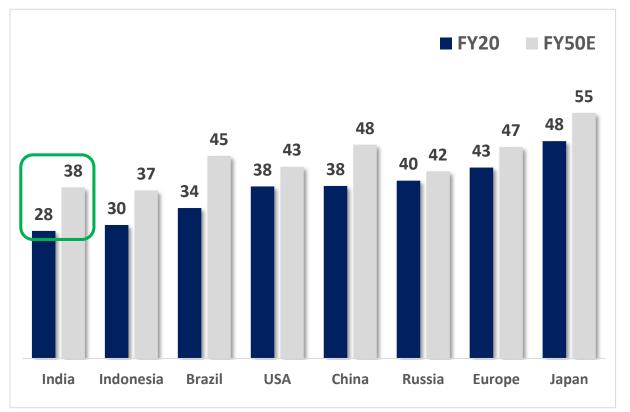
Immense Headroom for Growth



Fastest growing major economy in the world



Population Median Age amongst the lowest in the world

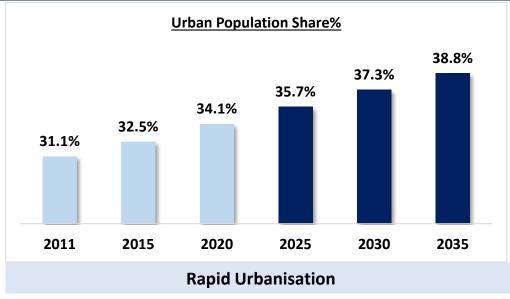


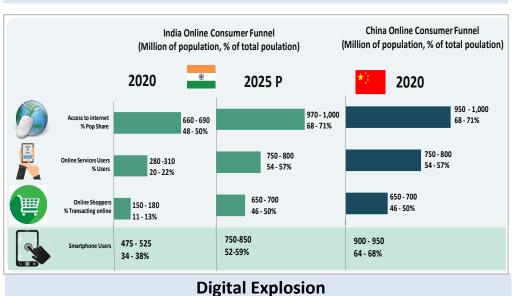
Investor Day 2021 Source: IMF WEO Oct'21; WorldoMeter | 13 |

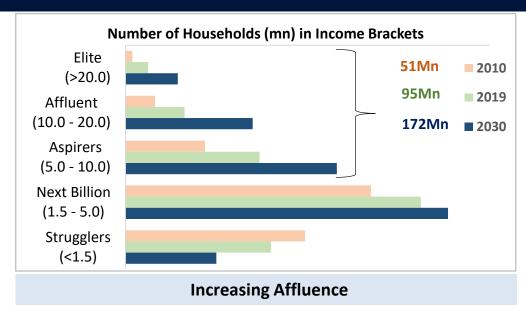
Poised for rapid growth in Consumption

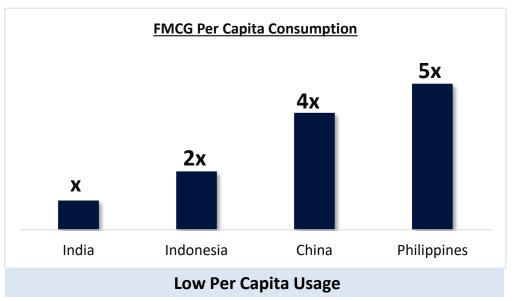


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Investor Day 2021 Sources: Redseer, United Nations, Nielsen, BCG

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

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Corporate Strategies

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Future Ready | Consumer Centric | Agile





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

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Multiple Drivers of Growth

Synergising Institutional Strengths

















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Strategy of Organisation 3-Tiered Governance Structure



Board of Directors

Strategic Supervision

Corporate Management Committee

Strategic Management

Divisional Management Committee

Executive Management

☐ Enabling Focus on each Business

☐ Harnessing Diversity of Portfolio

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Increasing Scale & Complexity -> Future-fit Strategy of Organisation



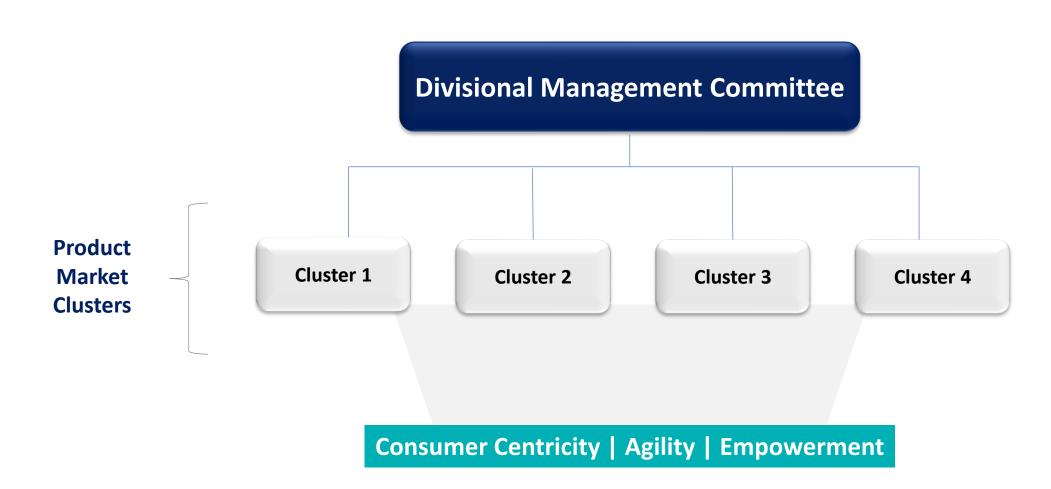


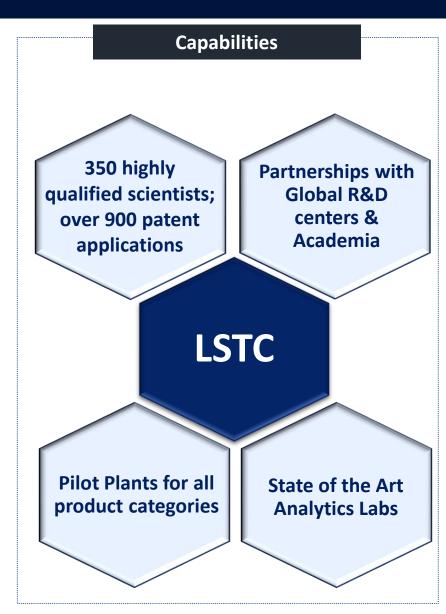
Illustration for Branded Packaged Foods Business

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Cutting-edge R&D capability

ITC Life Sciences & Technology Ranked Top Innovator in India^







Agile and Purposeful Innovation





Sustainability Targets 2030 Raising the Bar



REDUCE | RECYCLE | RESTORE

Strategic Interventions to Combat Climate Change

Building Green Infrastructure

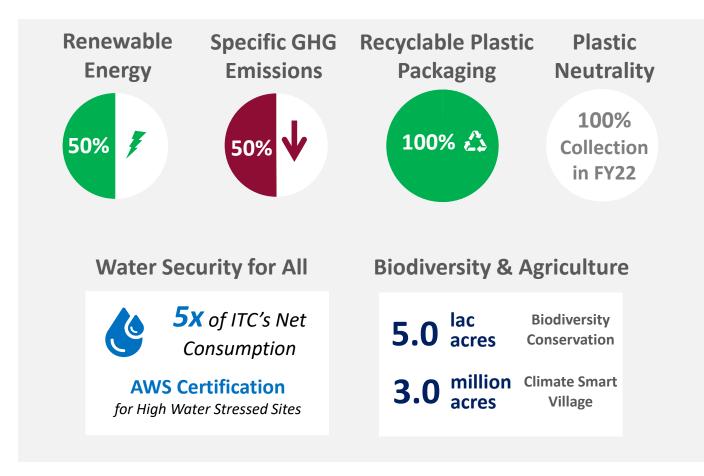
De-Carbonization

Nature based solutions

Circularity

Adaptation and Resilience

Inclusive Value Chains



Proactively work towards achieving 'Net Zero' emission status

Supporting Sustainable Livelihoods: From 6 million to 10 million

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Building a dynamic 'Future-Tech' enterprise















Skills, Culture & Work Designs

New Age Insights

Reimagined Consumer Experience

Smart Operations

Transform Employee Experience

Business Model Transformation

Strategic Interventions

DigiNext/ YDIL 6th Sense

Customer Data Hub

Industry 4.0 CoE

D&A CoE

Connected Eco-System

D2C Platforms

Learn | Re-imagine & Re-invent

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Digital @ ITC

Building a dynamic 'Future-Tech' enterprise





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

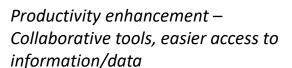








Smart Employee Experience



Employee engagement & wellbeing: e-onboarding, training and mentoring



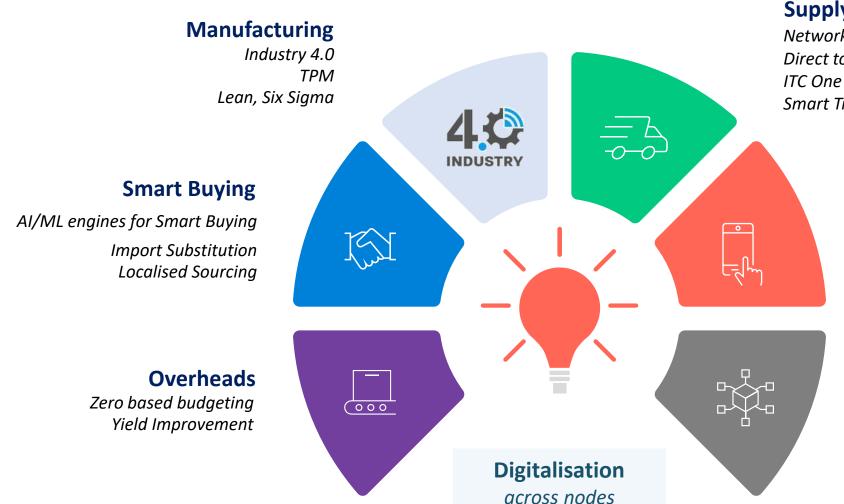




State-of-the-Art Digital Technologies, Infrastructure and Security

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Supply Chain

Network Optimization (AI/ ML Enabled)
Direct to Market
ITC One Supply chain
Smart Transportation

Marketing Efficiency & ROI

Trade Schemes Optimisation

Market-mix Modeling

Channel Profitability

Focused market/product approach

Input Optimisation

Innovation – Packaging, Raw materials, Recipes / Blends

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World Class Talent Pool













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

- Pride & Advocacy
- Vibrant Inovation 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%

2100+

95%

1%

Attrition in Senior Positions **75%**

of Leaders Grown Internally

see clear linkage between their & ITC's Goals

Ideas in company wide Innovation platform

Employees feel Proud to be with ITC

Talent Augmentation through Laterals

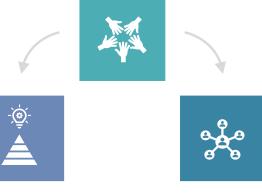
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High Performance Culture



Contemporary Capabilities

Strategy | Business Acumen
Digital Marketing
Data Science



Proneurial Culture

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

Competitively Benchmarked Compensation

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



Distributed Leadership

3 Tier Governance
Agile Market Facing Teams
Synergy through shared capability

increase in Learning
Hours in 3 years

25+

Winning Indian Brands

7000+

Applicants from Top
Tier Institutes

10,000+

Participants in Campus
Outreach Initiatives

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FMCG Cigarettes



Unique Pattern of Tobacco Consumption in India

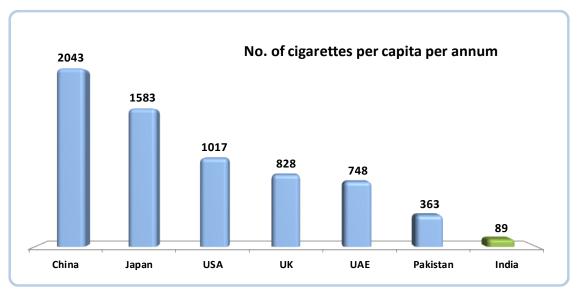


Per Capita Tobacco consumption @ ~60% of World Average

Per Capita Consumption of Tobacco in India (gms per year) 743 438 461 468 China USA Pakistan Nepal India World

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

Per Capita Cigarette Consumption @ 11% of World average



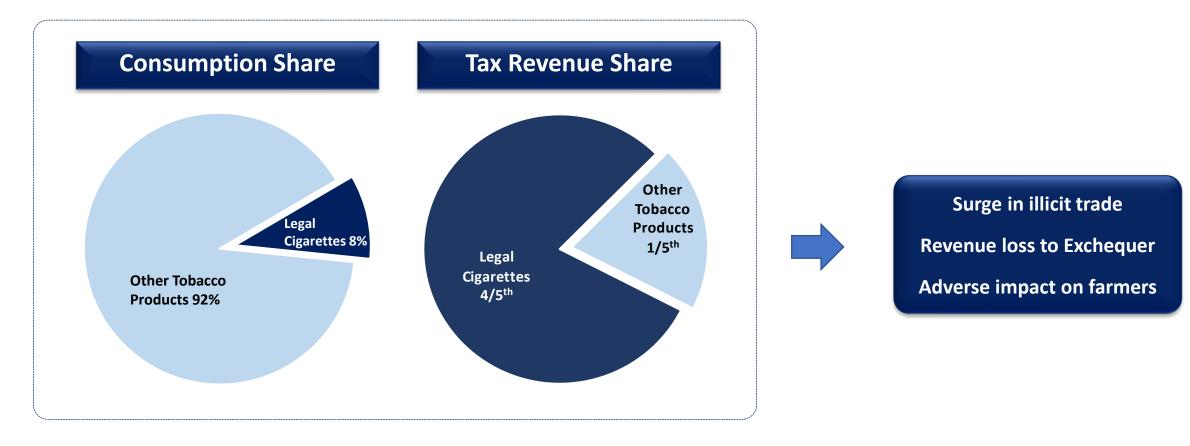
Source: Tobacco Atlas, 6th Edition, ACS 2018

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

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





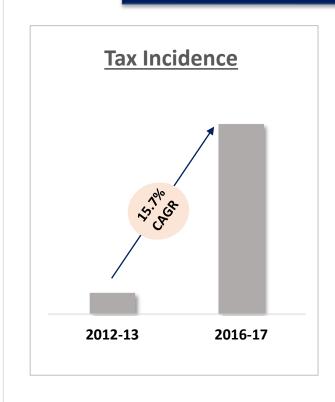
Equitable, Pragmatic Regulatory & Taxation policy > Imperative to Realise the Revenue Potential of Tobacco sector & Achieve Tobacco Control objectives

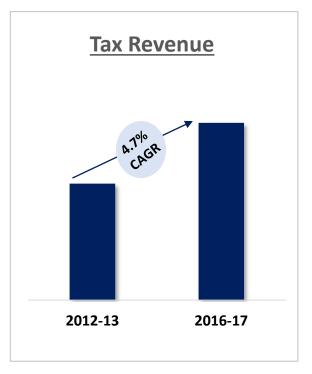
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Stability in taxes leads to tax revenue buoyancy

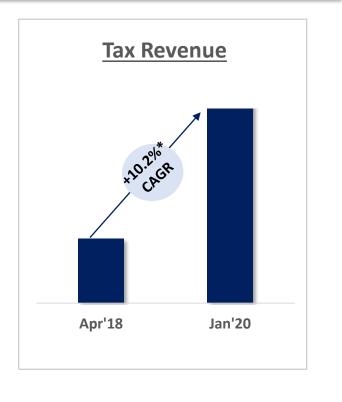








Relatively stable tax regime (April'18 to Jan'20)



Investor Day 2021 *vs. Jul'17 to Mar'18 | **31** |

World-class Brands Best-in-class Financial Metrics globally



- 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



Cigarette Business Imperatives



Maximize Cigarette Potential within Tobacco Basket

Countering illicit

Reinforce Market Standing

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Key Strategic Levers



FUTURE READY PORTFOLIO

Powerful Trust marks
Laddered Portfolio
Variety and Premiumization



INTEGRATED SEED TO SMOKE VALUE CHAIN

V&V – Agile and Efficient Make In India – Maximize Value Capture Industry 4.0

AGILE INNOVATION

Category Insights
Multiple Vectors of Differentiation
Intellectual Property: **S 2 S**



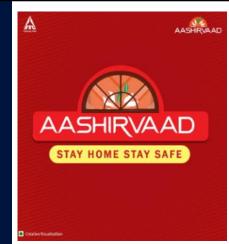
EXCELLENCE IN EXECUTION

Product Excellence
Last Mile Superiority

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FMCG Others





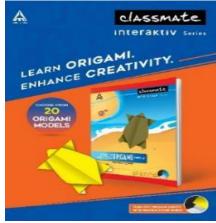






































































Branded Packaged Foods

















Education & Stationery Products



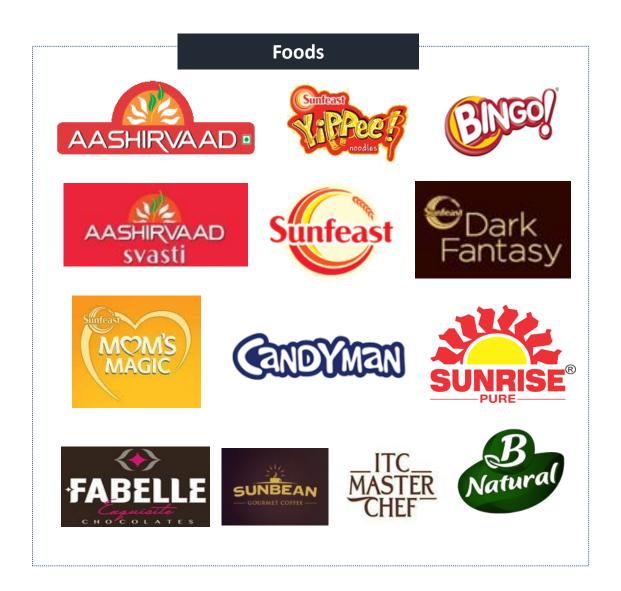
Matches & Agarbatti



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Emergent Trends





















Trusted Brand

Health & Wellness, Hygiene

Indulgence

Home Conveniences & On-the-Go

Natural / Organic

100% Organic

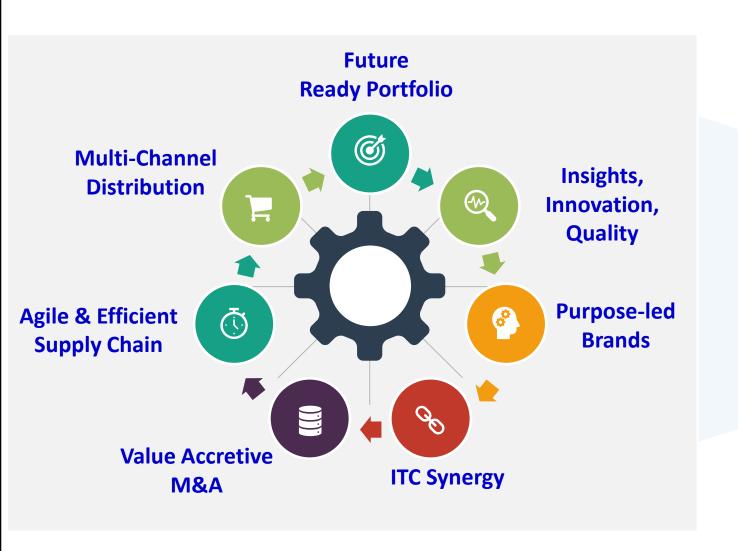
Digital Natives

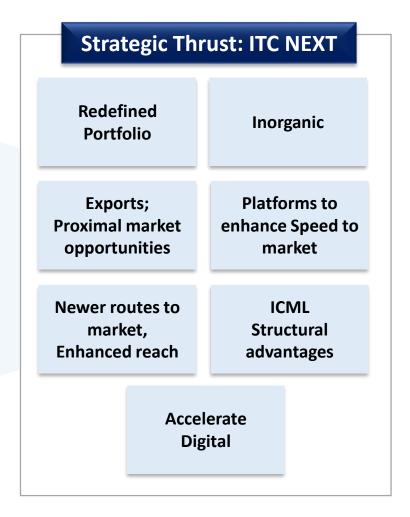
Transforming RTMs

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FMCG Strategy Pillars







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Strong Growth Platforms



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



























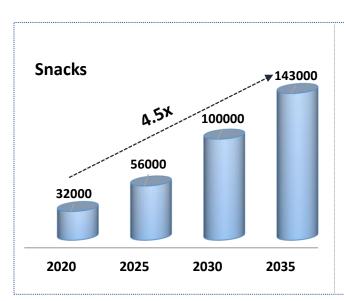


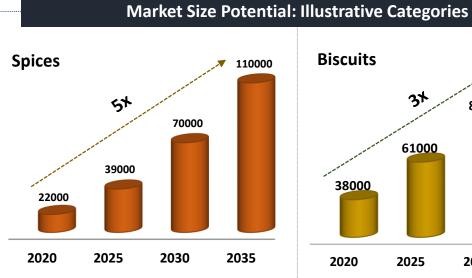
Investor Day 2021 40 |

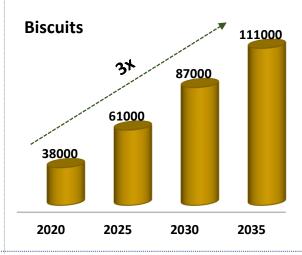
Addressable Market Expansion Potential Amongst the highest in Indian FMCG space

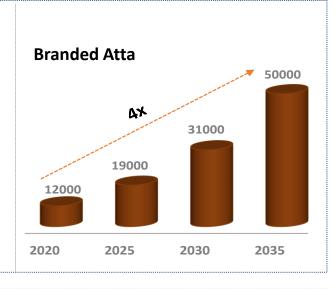


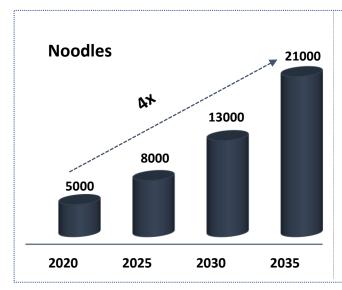
(Rs. cr.)

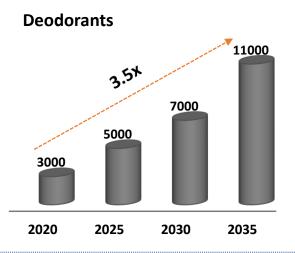


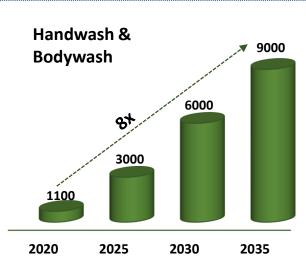


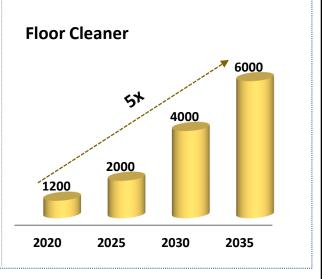












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Active Portfolio Management













Divestiture / Shrink







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Addressing Consumer Need Spaces



Hygiene++, **Protection & Care**



Savlon

Hexa, Disinfectants, Masks & Wipes



Nimyle

Floor Cleaner

'Good For You' & 'Free From'



Aashirvaad Nature's Super Food

Organic Atta & Dals



SunfeastDigestive Range



Aashirvaad Vermicelli



AashirvaadCrystal & Proactive Salt



B Natural / Sunfeast Nutrilite Health Range



Convenience & On-the-Go



AashirvaadOn-the-Go Range



Aashirvaad Ready to Cook



ITC Master Chef Gravies and Frozen Snacks



Aashirvaad Svasti Ghee



Engage ONChota Pocket Perfume



Savion HandWash Powder

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Addressing Consumer Need Spaces



Indulgence



FabelleLuxury Chocolates



Dark Fantasy Vanilla Fills



Sunfeast Dark Fantasy Choco Chip, Choco Nut Fills



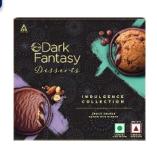
Sunfeast Caker



Sunfeast Bounce Fruit Fills



Sunfeast All Rounder



Dark Fantasy
Deserts



Sunfeast Milkshakes



Fantastik Chocobar XL

Fragrances



EngagePerfumes and Deodorants

Interactive Education



Classmate Interaktiv
Origami Books

Skin Care



DermafiquePremium Skin care



Charmis

Facewash, Face Serum & Hand Cream

Agarbatti



Mangaldeep

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Building Brands With Purpose



Healthier & Safer India



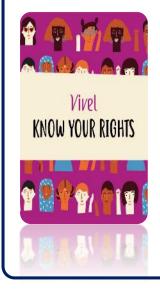


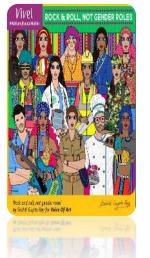




Women Empowerment







Responsible Citizens for the Future





Saluting Mothers





celebrating the wow in each one of us.

Investor Day 2021 45 |

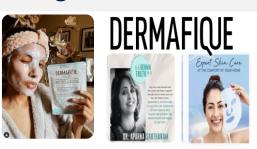
Driving Digital Engagement



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

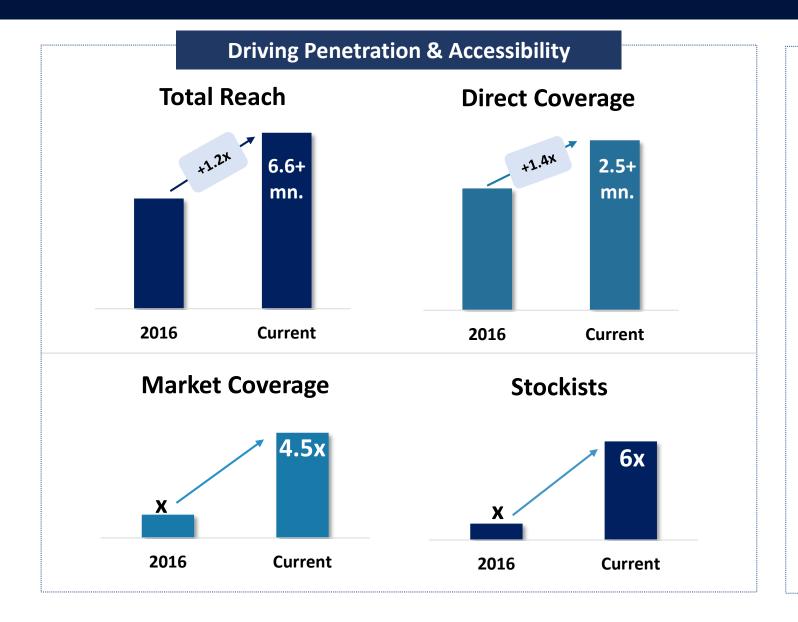
2500+

Content assets creations through ITC Sixth Sense (Moment Marketing)

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Multi channel Go-to-Market Capability





Strengthening Core Channels





Convenience & Grocery Channels

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Multi channel Go-to-Market Capability



Winning in Emerging Channels



Modern Trade





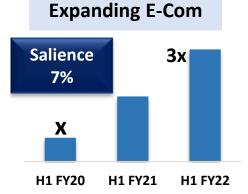








Fast-tracking E-Com, D2C, Cash & Carry



New Routes to Market

On-the-Go

Direct Marketing

QSR

Strategic Partnerships









Climate Controlled Supply Chain

Frozen | Dairy | Chocolates





Scaling-up Food Services



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Smart Manufacturing

Industry 4.0

Automation

Productivity | Efficiency | Costs



ICML Network

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



Delayering 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%)



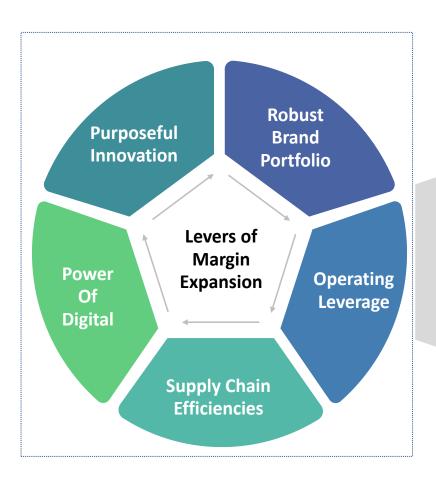




Investor Day 2021 ______^ listed cos. | 50 |

On track to Sustain Improvement in Profitability...

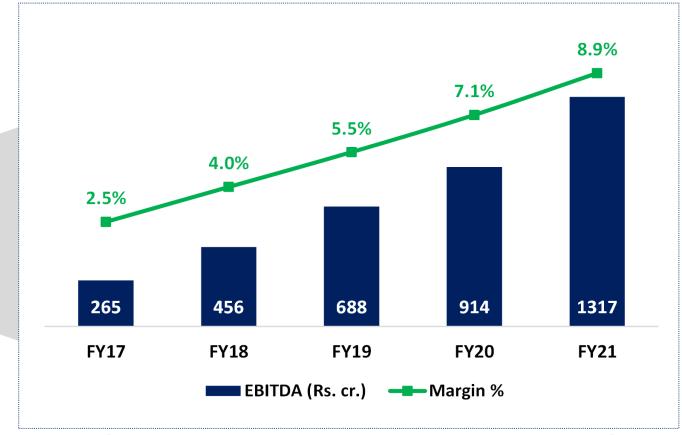


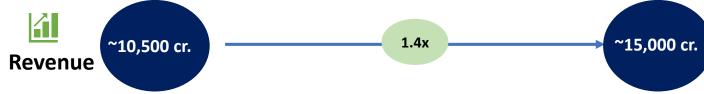


EBITDA up **44%** in FY21

Margins up **640** bps since FY17

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





Investor Day 2021 51



Agri Business



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 in22 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

Investor Day 2021 53

Superior Quality | Sustainable Sourcing





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

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Transformation Pillars





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

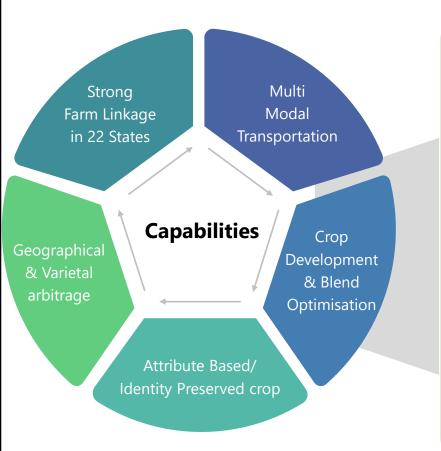
Hyperlocal solutions for input/output markets



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

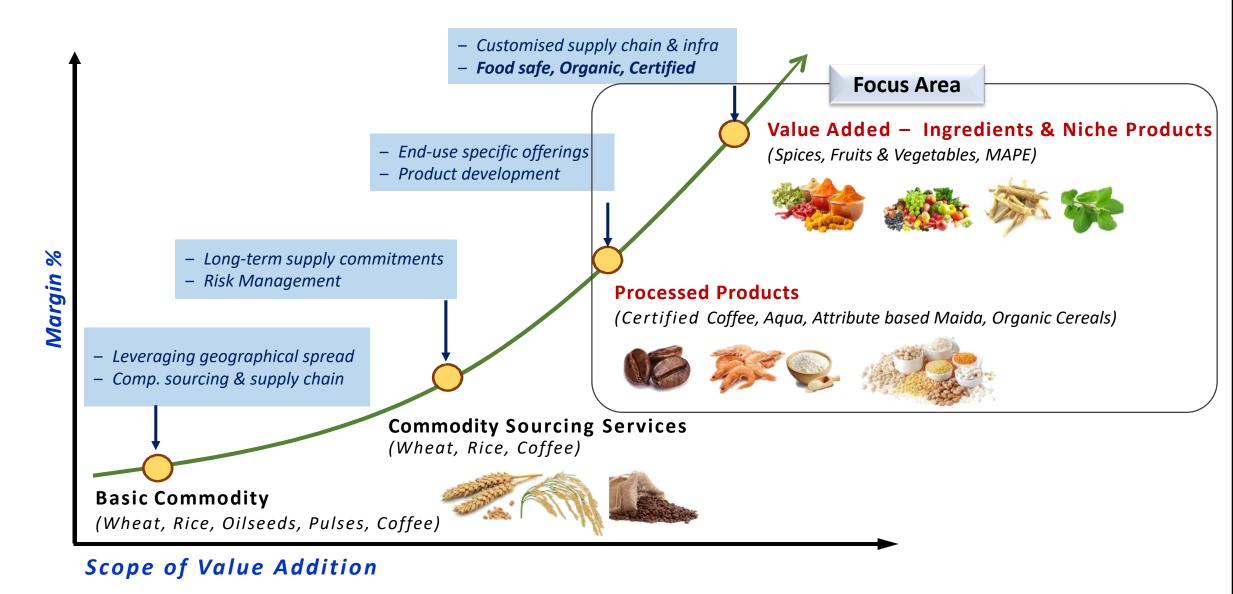


Straddling Multiple Agri Value Chains

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Moving up the Value Chain





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Driving rapid growth in value added portfolio



Spices Facility @ Guntur



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

Products tested for over 470 pesticide residues



Chilli



Turmeric



Nicotine and related products



State-of-the-art manufacturing facility

Stringent quality specifications - 99.5% Purity

US/EU pharmacopoeia standards

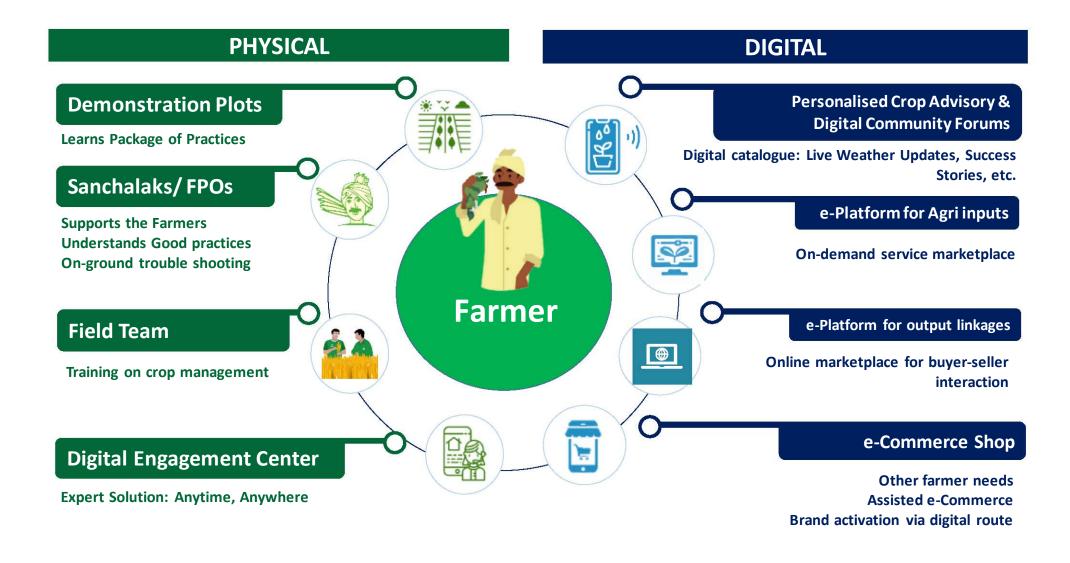
Sustainable waste disposal mechanisms

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ITC – MAARS[^] Being Built for Replication in 12 Crop Value Chains in 22 States







Personalised | Hyperlocal | Scalable



AGRI INPUTS & ADVISORY

AGRI OUTPUT RURAL MARKETPLACE







Right To Win

Low customer acquisition cost | Faster scale | Creative monetization models

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Paperboards, Paper & Packaging Business

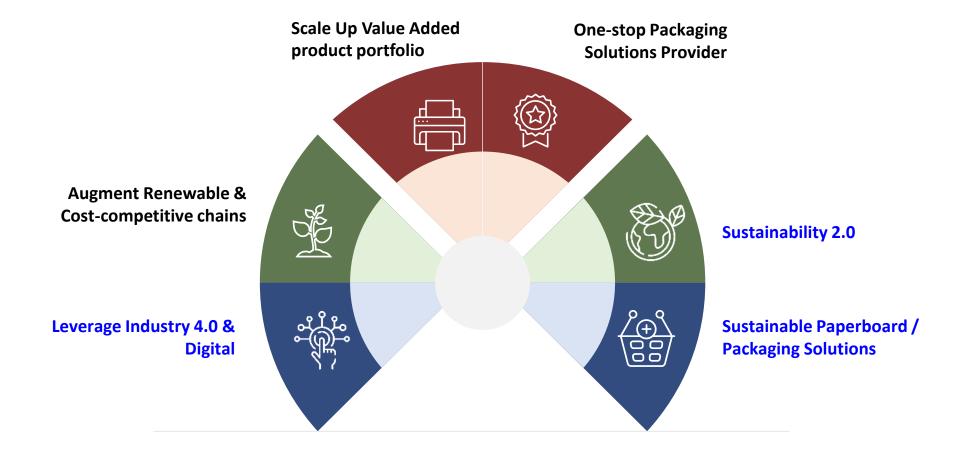




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Strategy Pillars





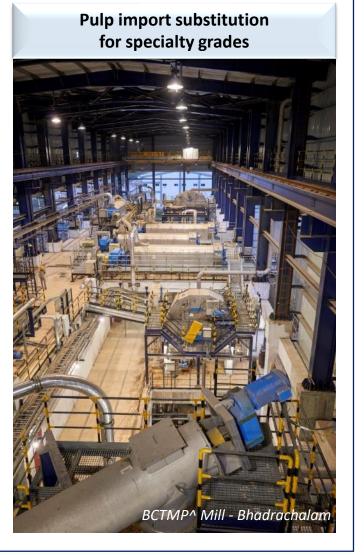
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Value Added Growth | Strategic Cost Management









Adoption of Cutting Edge Industry 4.0 Technologies





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

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ITC LSTC | External Collaborations

















Recyclable Solutions



Cupstock



QSR Packing







Toughpack

E-com packaging bags



Indobowl



Sustainable Packaging







Bioseal

Oxyblock



Antimicrobial Coating



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Hotels Business

"Responsible Luxury" ethos woven into Brand Identity





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 1st hotel chain - Platinum certification in infection risk management by M/s DNV

Investor Day 2021

Strategy Refresh













F&B Takeaway / Delivery















Revenue Mgmt.

Guest Acquisition

Guest Servicing

Loyalty Programmes



S S S S

Structural interventions across all nodes

Sustained benefits expected over the long run

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Fueling growth through 'Asset-right' model













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2 New Brands Launched Healthy Pipeline in place



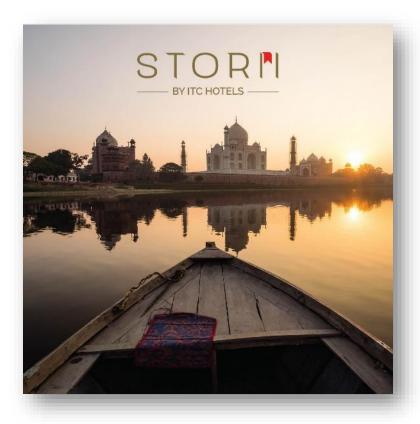
Mementos



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

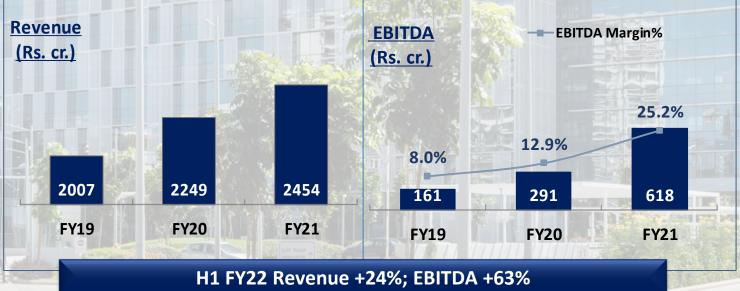
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Robust Revenue Growth & Margin Expansion

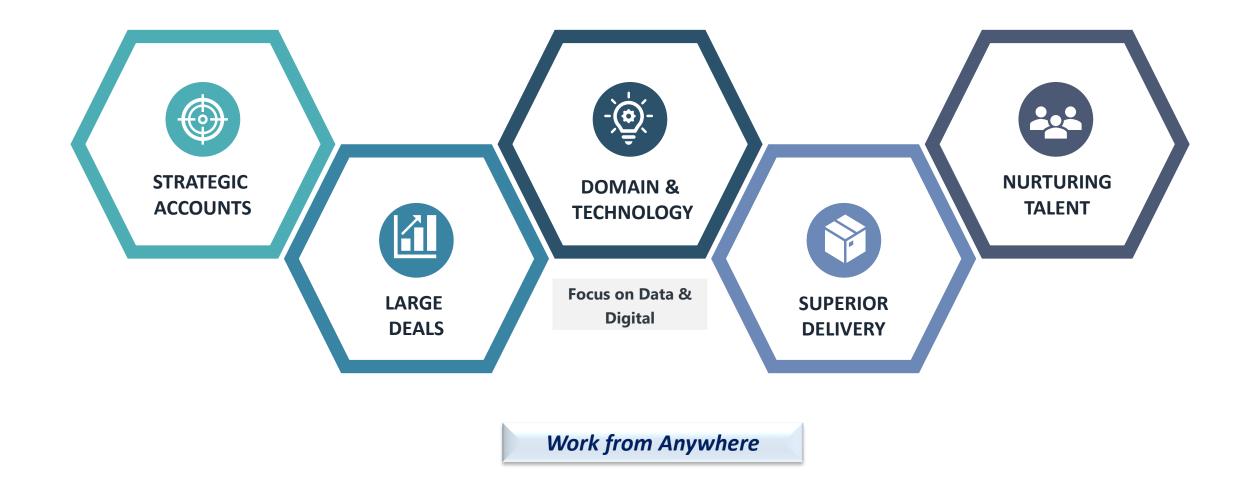






Smart Solutions | Execution Excellence Accelerating Transformation





Delivering Differentiated and Business-friendly Solutions

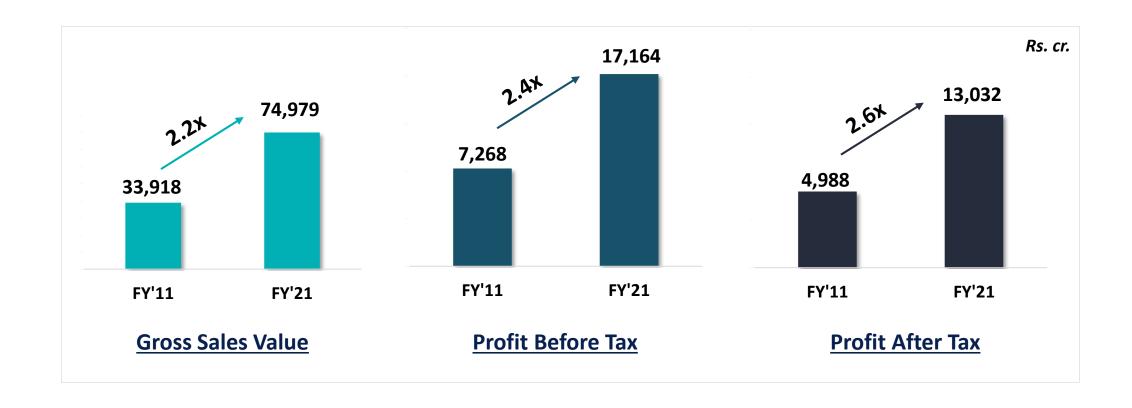
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Financials

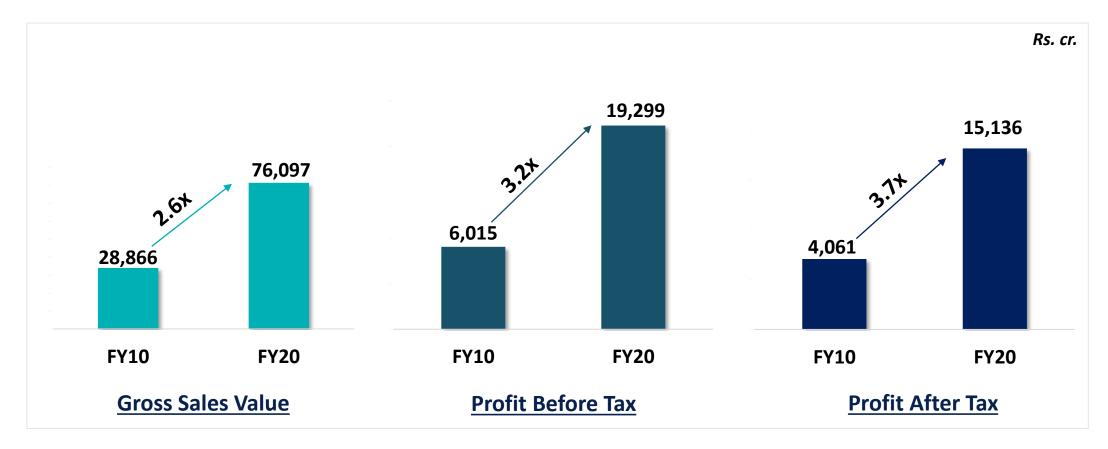
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Growth largely organic-led and funded through Retained Earnings



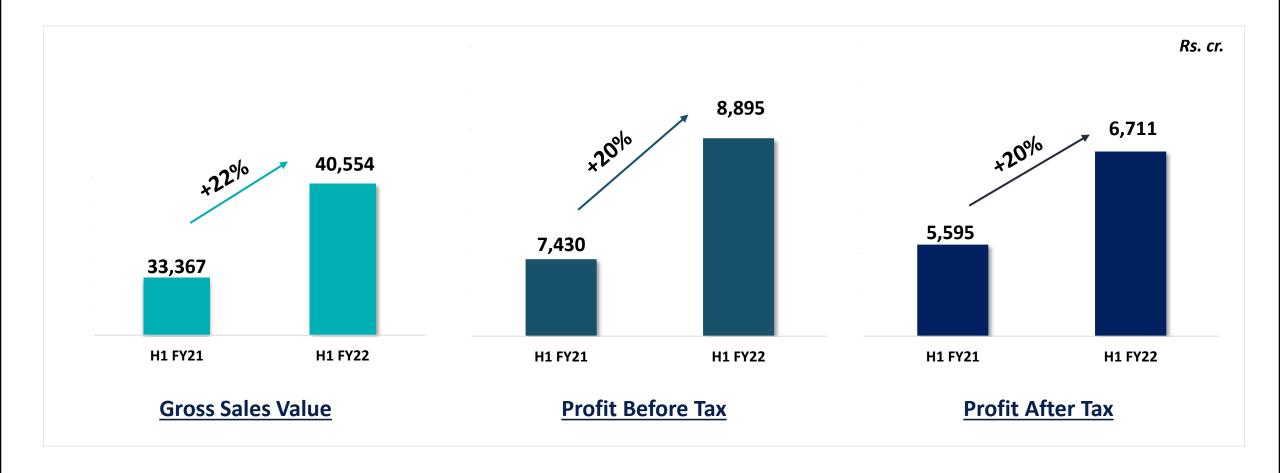


PAT growth @ 14.1% CAGR
Segment ROCE at 72% in FY20 vs. 48% in FY10

Growth largely organic-led and funded through Retained Earnings

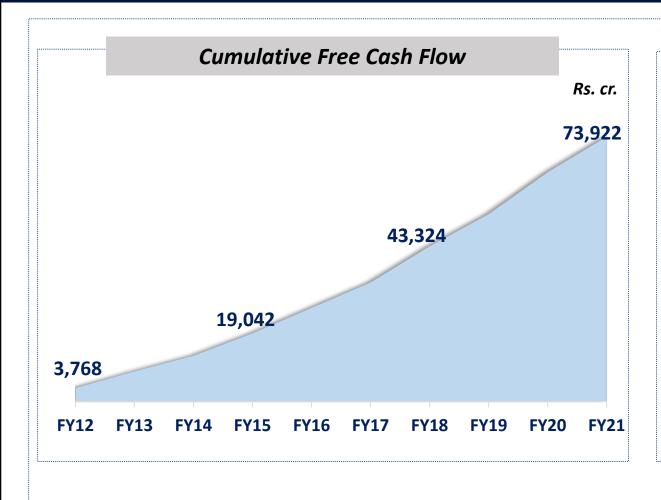
Smart Recovery in H1 FY22

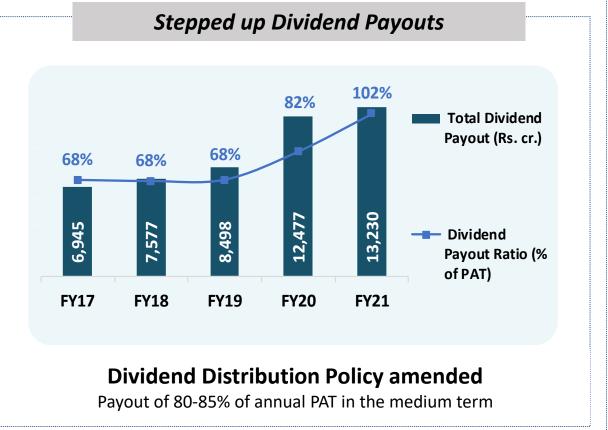




Consistently Strong Cash Flow Generation







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

Strong
Zero debt Balance Sheet

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Robust Earnings Delivery & Cash Generation Sharper Capital Allocation





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 bpssince 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

Investor Day 2021 78

ITC Next Strategy

Committed to Long-term Value Creation



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

ITC: Enduring Value









in a way that is Sustainable...

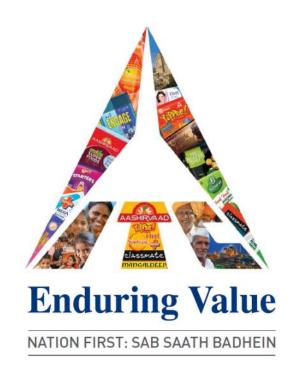


and Inclusive.

NATION FIRST: SAB SAATH BADHEIN

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Cigarettes Business

Sandeep Kaul, Divisional Chief Executive

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Tobacco in India – A Unique Environment

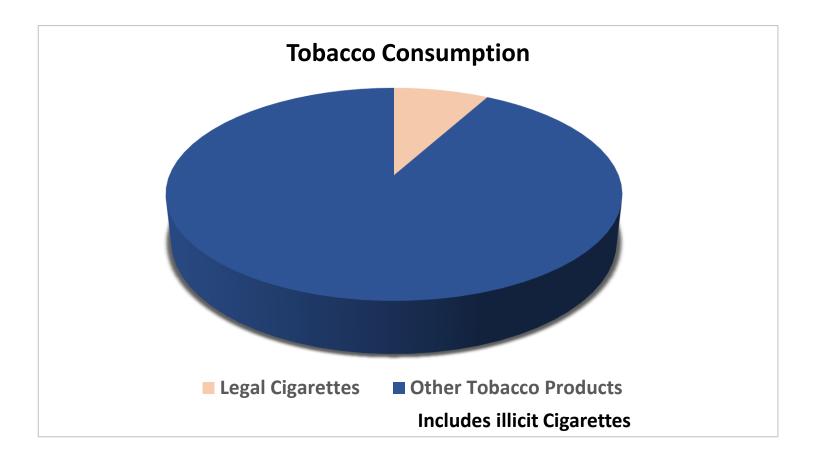


- India: 3rd largest grower of Tobacco
- Unique Market Multiple forms of tobacco consumption : Smoking - Cigarettes, Bidis; Chewing - Khaini, Zarda, Gutkha
- Per capita consumption of cigarettes is one of the lowest in the world
- Legal Cigarettes ~ 8% of total tobacco consumption but contribute to ~80% 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

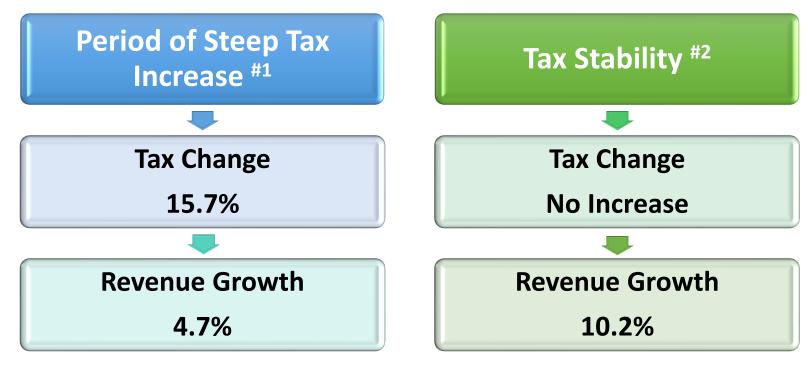


Investor Day 2021 Source – USDA: Tobacco Board. FAO | 83 |

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

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Heightened Awareness on Illicit Cigarettes: Exponential Increase in Seizures





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



moneycontrol

Thursday.

Lots of smoke: Seizure of illegal cigar higher in FY21

ASSAM RIFLES RECOVE CONTRABAND IT Serchhip Battalio on 27 Aug, based input, recovered co worth Rs 52 Lakhs Village, Champhai @ANI @PIBHomeA

@HMOIndia

news Tree

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

Mizoram border

By Chandan Sen The smuggling of illeg against tobacco in the

Nagaland: Foreign cigarettes worth Rs 1.5 Cr

Champhai District in Mizoram.

@PIBHomeAttairs

@adgpl

is incli 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.

रिपोर्ट

गई दिल्ली | मदन

'स में तंबाकू के खि

कोटपा' कानून के

गरेट की तस्करी ^{हे}

रों के अनुसार, ची

बड़े पैमाने पर सिग

THE TIMES OF INDIA

Chinese and Korean cigarette seized in Patna Debashish Karmaka / TNN / Jan 13, 2018

PATNA: Acting on a specific intelligence input, a Direction By ASSAM RIFLES IN NAGALAND a consignment of foreign manufactured cigarette sn

iunction on Saturday

manufactured smuagled

> HUGE RECOVERY OF CONTRABAND EVENTIVE Team effected back to Assam Rifles in a joint operation with

Police apprehended two indis & covered contraband to include 32 Bags of oplum seeds and 4000 cartons of assorted cigarettes worth Rs 2.15 Crores at T Khel Rd Jn. Dimapur, Nagaland,

#IndianCustomsAtWork pursuant to intelligence WB Customs ick seizure 120000 sticks of "WIN". reign origin #cigarettes worth

pees 12 Lakhs from 02514DN uwahati Secundrabad Spl @ Malda own Rly Stn on 18/3/21 evening as

Kolkata Customs

-- way to ICD (Int.

HAVA SHEVA PORT DRI seizes cigarettes worth Rs 14 crore

PRESS NEWS SERVICE

Uttar Pradesh, an officer said. The examination of the said container led to the recovigence (DRI) has seized ery of Rs 70,39,200 sticks of ettes worth Rs 14 crore cigarettes of various foreign brands like Gudang Garam intercepting a container Jungill, Benson and Hedges and

Esse lights among others," the officer added. The cigarettes were found concealed behind alumir dross/waste and scrap of motor vehicle engine parts, said

ous the Customs Act, 1962. one has been arrested so far. We are to locate the people olved in this smugg/

Nhava Sheva Customs

Seizure of around 72 Lakh sticks of igarettes of various brands (viz avidoff, Mond, Dunhill, Esse, nson Hedges etc.) valued at Rs 42 crores from a consignment lared as fabric softener, in a case cted by CIU, Customs Mumbai-II Nhava Sheva on 12.10.2021.

आंकड़ों के अनुसार, फरवरी 21 तक देश में 1772 करोड़ की अर्क्य सिगस्ट जल ो जबकि 2020 में 188 करोड़ की अवैध रिमास्ट जब हुई थी। यानी इसमें दस

Kolkata Customs @kolkata_customs

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

#IndianCustomsAtWork Assorted #cigarettes worth rupees a so

were seized

customs on

of this land, for its people

of this land, Jor its people of this land, Jo 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

HUGE RECOVERY

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Cigarette Business Imperatives



Maximize Cigarette Potential within Tobacco Basket

Countering Illicit Trade

Reinforce Market Standing

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Key Strategic Levers



FUTURE READY PORTFOLIO

Powerful Trust marks
Laddered Portfolio
Variety and Premiumization



INTEGRATED SEED TO SMOKE VALUE CHAIN

V&V – Agile and Efficient Make In India – Maximize Value Capture Industry 4.0

AGILE INNOVATION

Category Insights
Multiple Vectors of Differentiation
Intellectual Property: S 2 S



EXCELLENCE IN EXECUTION

Product Excellence
Last Mile Superiority

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India's Leading Cigarette Company



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

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Navigating the Pandemic with Agility & Responsiveness







- 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

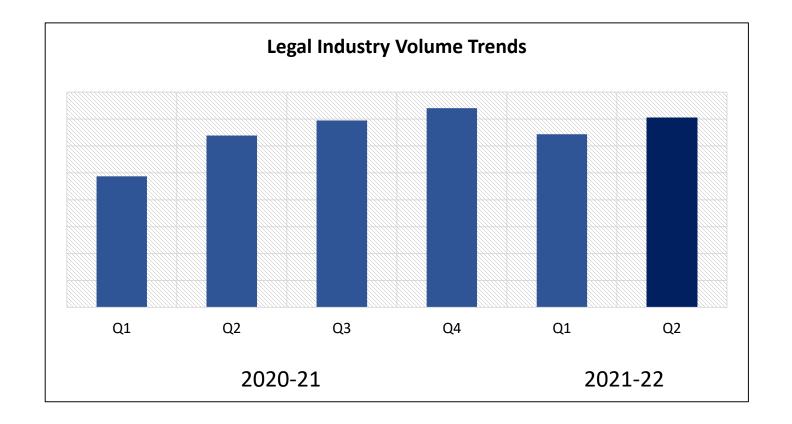
- Variants
- Formats

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Industry Leading Recovery Post Covid



- 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



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Future Ready Portfolio

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Strong & Vibrant Portfolio: Leading Brand in Every Market Segment

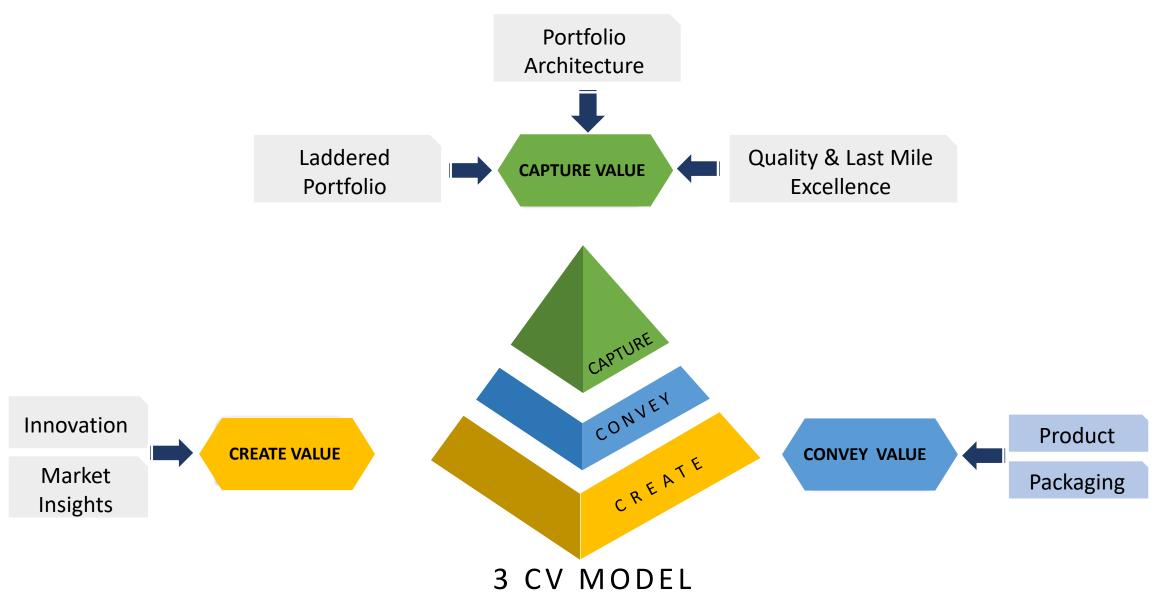


MRP / Pack of 10s			Insignia Classic Blue Leaf				
Rs.150 & Above		Classic (9 Offers)			B&H 555 (3 Offers)		
	Rs.110 – Rs.140	Gold Flake (3 Offers)	Classic (2 Offers)	American Club (5 Offers)		s Flake Offers)	
	Rs.70 – Rs.100	Gold Flake (10 Offers)	Wills (3 Offers)	Flake Scissors (5 Offers)	Player's (2 Offers)	Capstan Bristol (4 Offers)	
100+ Innovative launches in 5 years	Innovative Gold Fla nunches in 5 Rs.40 - (11 Offer		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)	

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ITC's Value Model





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Classic



• 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.

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Gold Flake



Over 100 years of Legacy and Trust

Multiple variants operating across geographies and price points

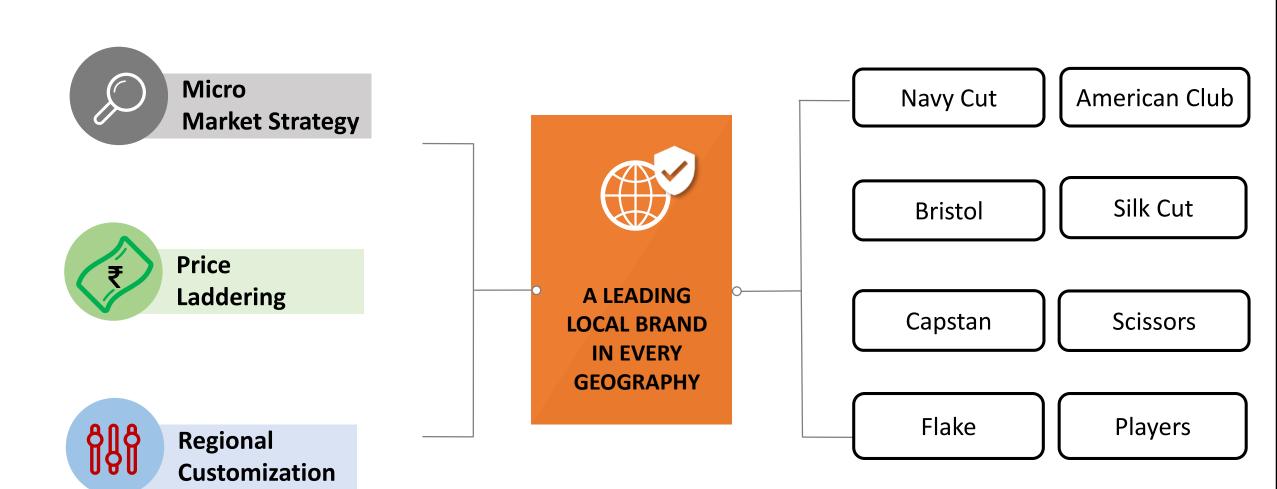
• New launches in the last 5 years account for 10% of the Portfolio

• 10+ new launches in the last 18 months – Rapid diversification into new segments

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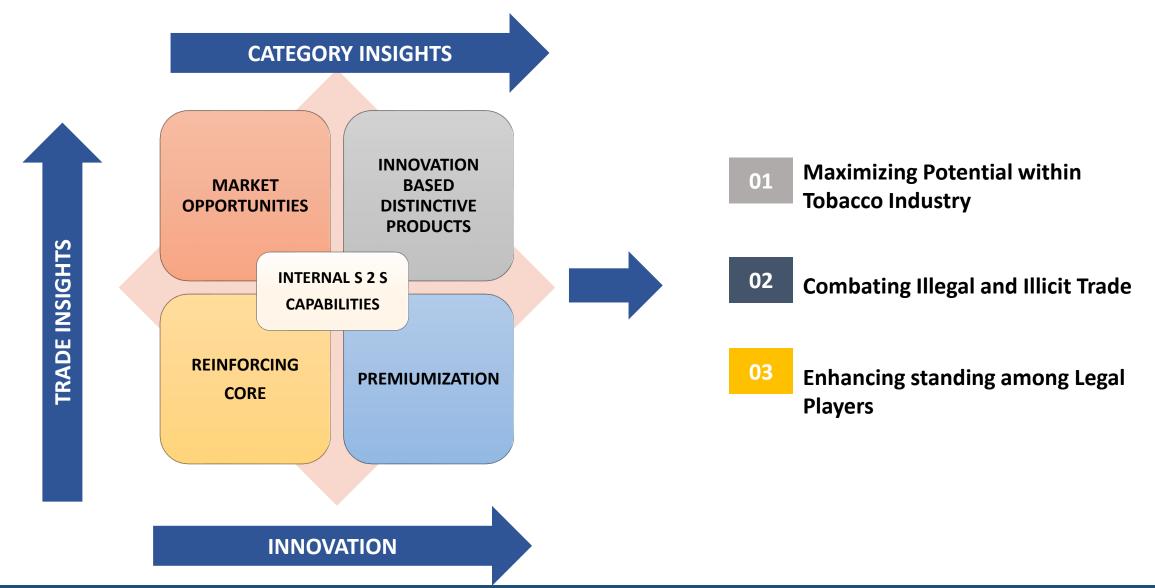
A Leader in Every Market





Driving Outcomes





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Portfolio continues to evolve



11% of Volumes from New Products

Market opportunity based First to Market products

Assortment more than Doubled in last 8 years

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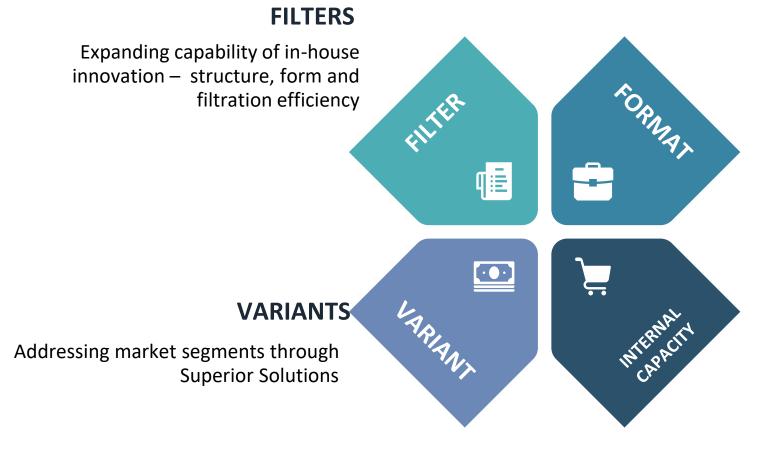


Agile Innovation

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Multiple Vectors of Differentiation





FORMATS

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

INTERNAL CAPACITY

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

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Cutting Edge R&D Capability



80 scientists

State-of-the-art IS:17025 accredited Analytics Labs

Winning with World Class R&D

20 patents granted ~60 more in progress

'Seed to Smoke' value chain expertise

Capacity to Innovation & 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

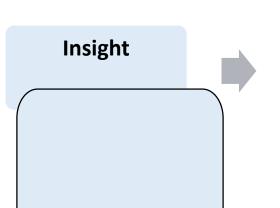


Inhouse Innovation: Online quality
Measurement & Rejection system

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Development of Inhouse Capsule Capability





Product Development

Manufacturing Capabilities

Multiple Variants

Market Segmentation Indigenization of Taste

Multiple Formats

In-house manufacture -Capsule & Capsule filter

Significant cost saving

Diverse range catering to varied market segments







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Integrated S 2 S Value Chain

Investor Day 2021 104

Integrated S 2 S Value Chain











S 2 S Value Chain – Make in India and Enhancing Value capture



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



Final Product Development





Capsule Manufacturing



DISTRIBUTION

Last Mile Execution



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New Product Capability and Skill Enhancement



Speedy Prod. Development & Prototyping

Fully equipped Center for Process Development - capsule, filter & tobacco blend



Winning with
Capability and Skill
Enhancement

Inhouse Capability for Emerging Products

- In-house mfg. capability; ingredients, special filters
- 5s Pack
- Round Corner / Bevelled Edge packs



Skill Enhancement though digital technologies

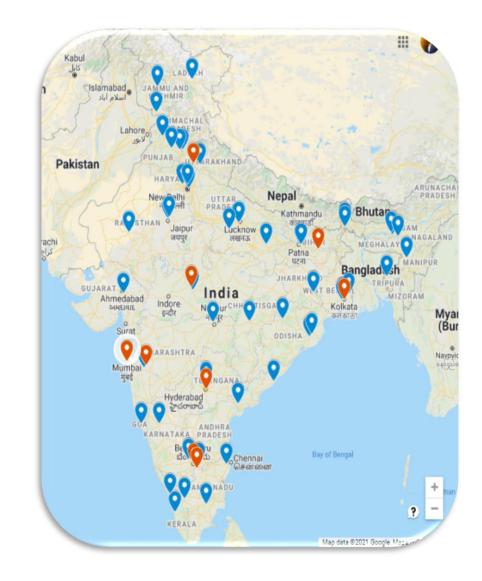
Inhouse Technical University with a library of immersive technologies - AR/VR etc.

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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



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State-of-the-art Manufacturing Infrastructure









Capsule - Encapsulator

Processing







Packaging Capsule - Driers

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Make in India: In-house Machine Design Capabilities





Capsule
Manufacturing
capability

Indigenization of Spares & Sub-Assemblies



In-House Machine design



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



Indigenously developed wrapping and end of line equipment across lines

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Industry 4.0: Digitally Contemporarised



- 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 performance

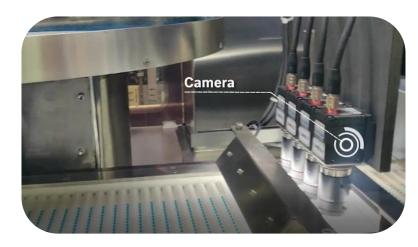


Image Analytics for online quality inspection of capsules



Deep Learning model for end product moisture consistency

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Industry 4.0: Contemporary Automation Technologies



- 'Autonomous Guided Vehicles (AGVs)' \longrightarrow 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

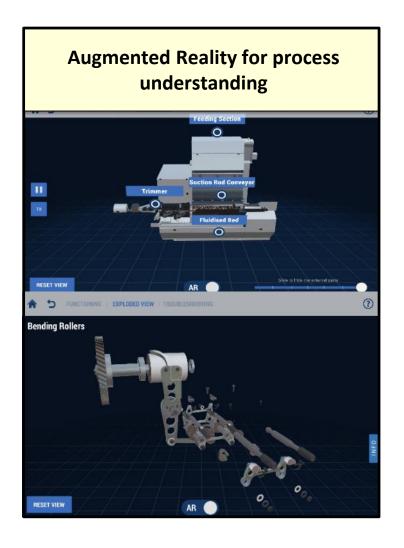


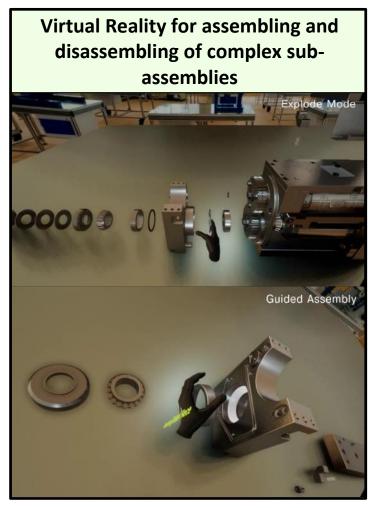
Product Mass Flow Conveyors

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Industry 4.0: Immersive Technologies









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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
Southainability 4.0 Avends Suntainability 4.0 Avends Concess of Methods 2 July 200 To Avend 10 Lines 10 Line	NATIONAL ENERGY MANAGEMENT AWARD 2020 AWARD 2020 AWARD 2070 TO LINITED SALARATHUS	Marina, Control and National Property of the Control of the Contro	MESCHARE AND	MVPA Indian Word Power Association Jon 1996 Shates on the Souther and the Sout	
"Sustainable Factory of the Year"	'Excellent Energy Efficient Unit'	'Platinum Winner' of National Occupational Health & Safety	'Winner' of SHE Excellence Award	First Prize "Best Performing Wind Farm" in Maharashtra and Gujarat Zone	"Sarvashrestha Suraksha Puraskar (Golden Trophy)"
BENGALURU	SAHARANPUR	MUNGER	KIDDERPORE	PUNE	PUNE

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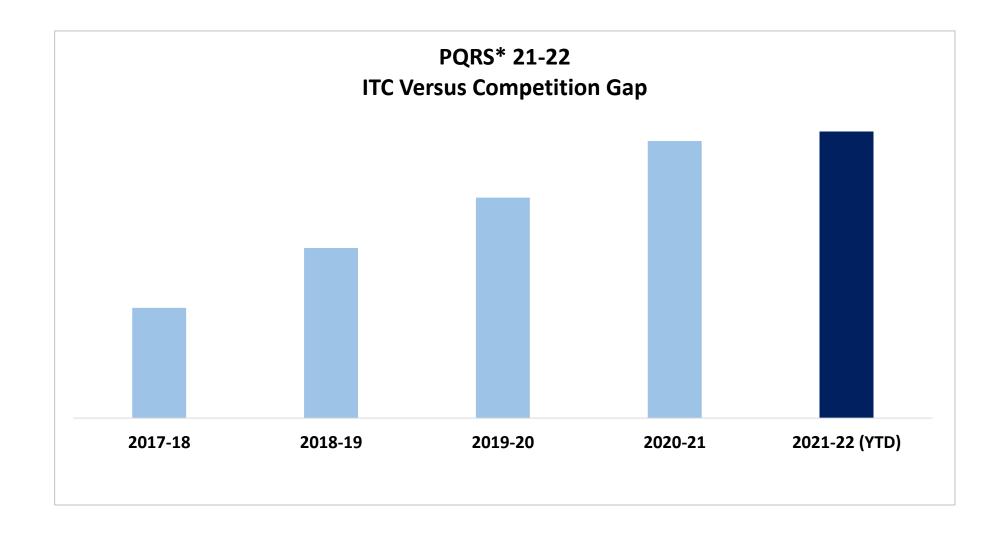
Excellence in Execution

Investor Day 2021 115

Consistently Superior Product Quality



116 |



Excellence in the Last Mile







Over 10,000+ Re-distribution Channel partners customized for micro geographies









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

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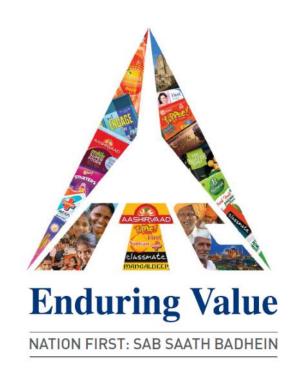
Well-Poised to Reinforce Market Standing & Grow Category Share of Tobacco



- 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

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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.

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Table of Contents



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

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Business Highlights

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ITC Foods – One of India's Leading Foods Businesses



One of the Largest & Fastest Growing



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

in 56.3L (>50%) stores across the country

Presence in 20 food categories

Net Revenue over 10 years:
Growth 4.2X

CAGR 16%

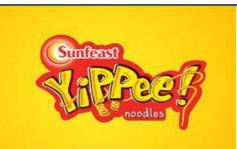


One in Two Indian HHs
use our products
- ITC Foods brands present in
17.4cr HHs (57% Pen/ annum)

20 categories | 4 power brands





























Building World Class Power Brands

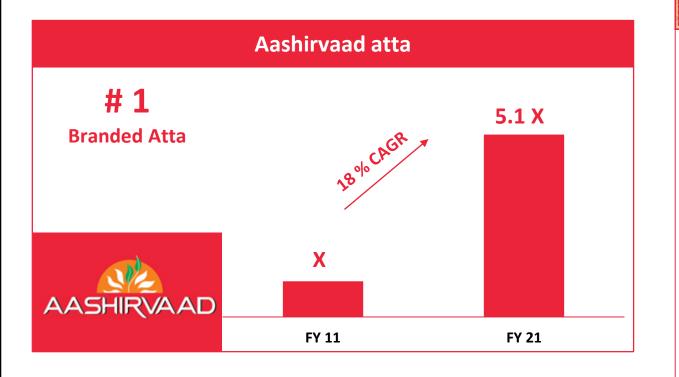














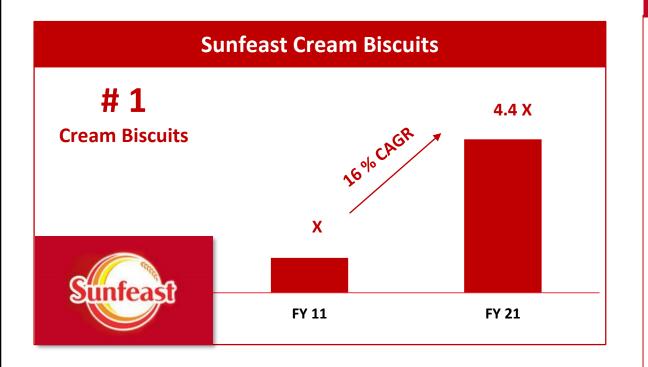
- **Aashirvaad atta** → led the category conversion
- India's No.1 Branded Atta within 4 years of launch
- Aashirvaad 10 yr. CAGR is 2.1x of branded atta
- Market leader for 15 consecutive years
- >6000 crore brand basis Consumer Spends
- Among Top 50 Most Trusted Indian Brands













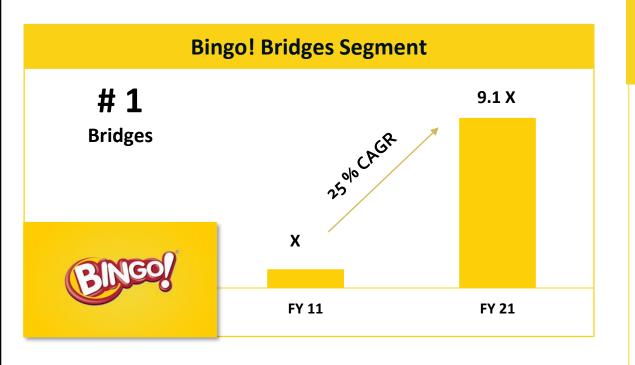
- Bounce: India's no.1 Cream Biscuit brand*
- Dark Fantasy: Market leader in premium indulgence
- Moms Magic cookies: Fastest to Rs. 500cr within 18 months of launch*
- Sunfeast: India's No.3 bakery brand
- ~4000 crore brand basis Consumer Spends















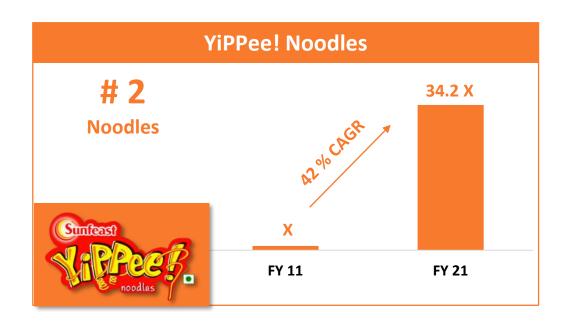
- Bingo! **No. 1 Finger Snacks brand** in the Country
- Bingo! Potato Wafers Market leader in South India
- ■Bingo! (PC+FS) 5 yr. **CAGR is 3.6x of Lead Competition**
- ~2500 cr. brand basis Consumer Spends













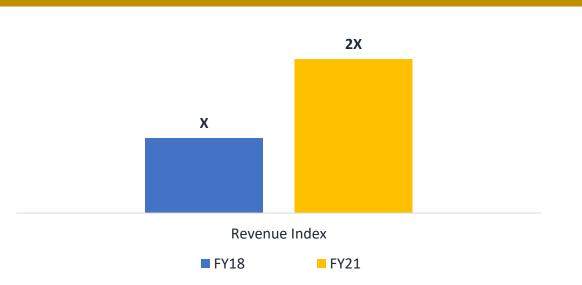


- India's 2nd largest Instant Noodles brand
- ■1000 Cr. milestone achieved in its 8th year of operations
- ■10 yr. CAGR is 5.3x of Lead Competition
- Market leader in AP, Odisha and Kerala

Further expanding our foot-print globally through **EXPORTS**



2x increase in Revenue



Global footprint extending to 58 countries



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





On-store branding







We have achieved this by

Leveraging our distinct strengths

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



Key Sources of Competitive Strength





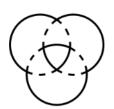
Deep understanding Regional tastes & preferences



Specific Product Development & R&D



Strong Support by the Agri Division



Region specific procurement & region specific blend







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

resulting in superior consumer ratings



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













Cross Format Chocolate Expertise













Platform Synergies

Fungible Manufacturing Technologies















Product Technologies

Common Target Group
Understanding



















Understanding diverse TGs

and synergising Institutional Strengths to deliver efficiency



















Resulting in wide recognition (1/2)













ITC FOODS

FOR WINNING THE **BRAND OF THE YEAR**

CONGRATULATIONS FROM

Dr. Annurag Batra Chairman & Editor-in-Chief BW| Businessworld & exchange4media Group

Nawal Ahuja exchange4media Group





Digital Marketing











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Resulting in wide recognition (2/2)



Manufacturing



Winner at CII National Energy Efficiency



6 awards in 6th Kaizen Competition of QCFI Haridwar



Gold Award in Category Breakthrough Kaizen

Procurement



Best Supply Chain in Foods and Beverages



Globoil Fastest Growing FMCG
Company of the Year



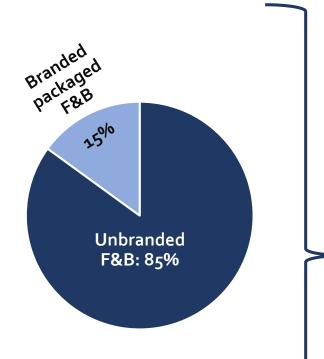
Best Procurement Team of the Year-ITC Foods

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With huge future growth potential







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

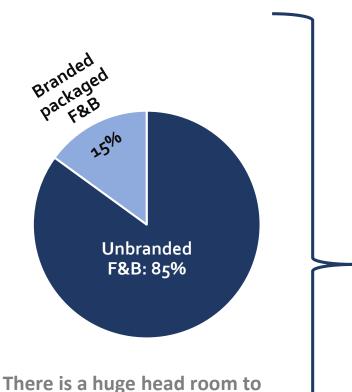
- Led by consumers seeking CONVENIENCE
 - + Increasing smartphone penetration / online user base

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With huge future growth potential







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	0	Х	Emerging: \$320 B RSV		
China		2X			
Russia		4X	Transitioning: \$415 B RSV		
USA		6X	Developed: \$1190 B RSV		
Japan	•	10X			

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Our Strategy to Win

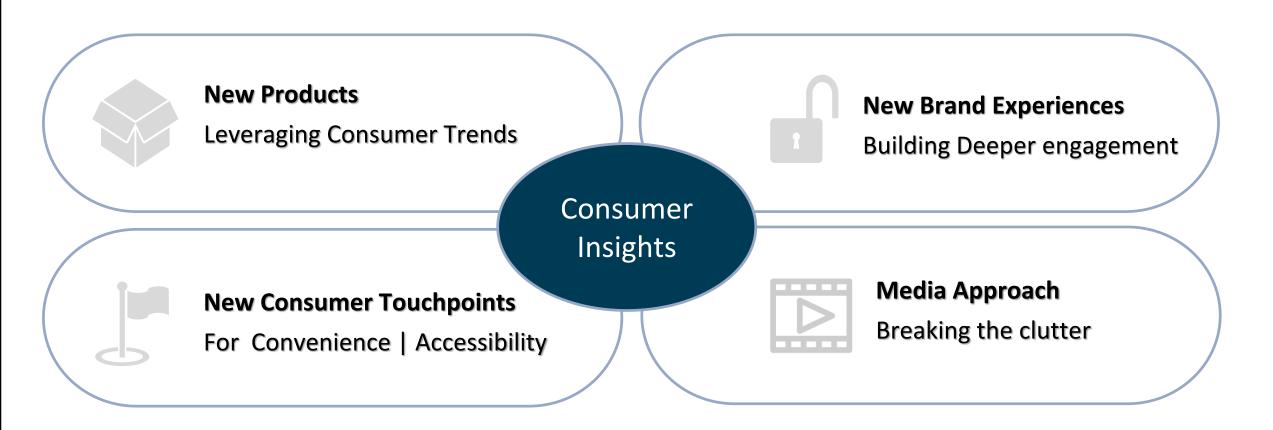
- 1. Consumer Centric Innovation
- 2. Strengthening the Core
- 3. Premiumisation

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1. Innovations keeping Consumers at the Center



Innovations



Consumer Insighting

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



Sources:

Traditional + Unconventional Data Sources

Process:

Social Listening, Image Analytics, AI, NLP, Analytical Solutions etc.

Customer Data Hub

Output:

Insights + Content +
Efficient Media Targeting

Multiple Data Sources

Market Research

Customer Care

E Commerce

Websites & Apps (Social Media

Media Impressions

Consumer Activations

Real Time Consumer Data

24X7 tracking of consumer conversations

Identifying micro trends

Contextual & relevant content in house

Create consumer golden records

Crafting personalized content

Improving media targeting & efficiencies



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



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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 homemade meal experience during pandemic

Pastes & Gravies







Instant Meals





Frozen Foods



Delighting consumers through First to market products



Unique offers in the market

Dark antasy Choco Fills Dark =antasy Coffee Fills

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..

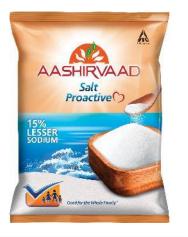


Aashirvaad Nature's Super Foods: Need for Organic





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

..& Indulgence





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



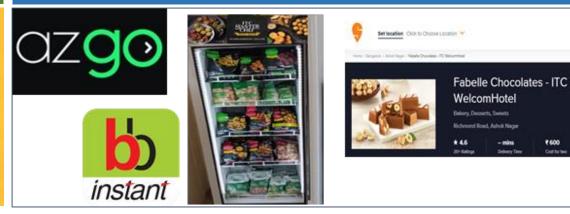
Partnering with airlines



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



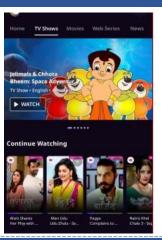
Creating brand IP - Bingo! Social Media Sticker powered by AI







Co-creating relevant content



Candyman
Jelimals – Space
Adventures on
Zee5



TOP ADVENTURE SHOWS ON KIDSPAGE

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

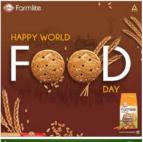












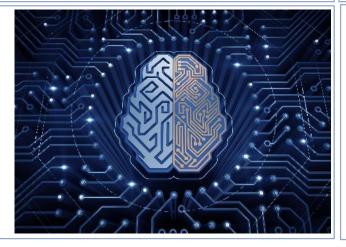


Hyper personalized content creation & deployment



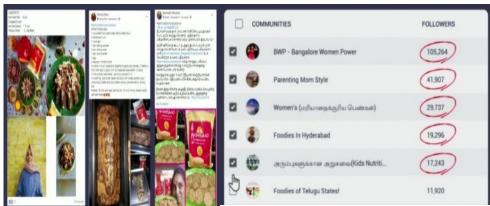
Al-based diagnostic tool for creative evaluation

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



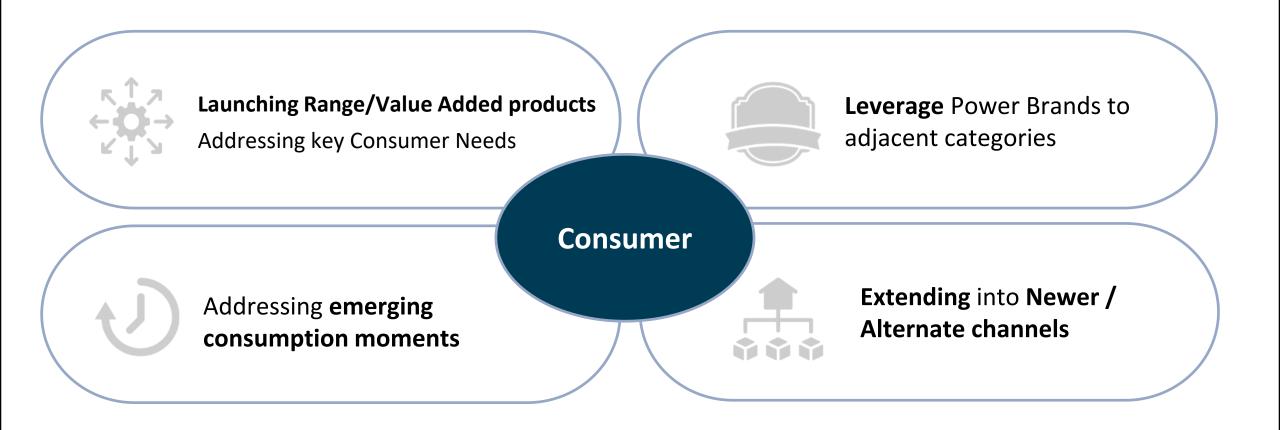


2. Strengthening the Core

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2. Strengthening the Core





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Aashirvaad driving Branded Conversion while maintaining price leadership





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



Further augmenting with value-added products Atta with Multigrains: The high fibre atta for better digestion



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





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





Further augmenting with value-added products Sugar Release Control atta



SRC Solution - Browser based video calling to facilitate easy consultation



Panel of dieticians
working remotely
- pan India



A white labelled appless 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





Moving beyond Atta, Bringing relevant Cooking Solutions for the Homemaker













And expanding into other close adjacencies

Fresh Dairy





1.6X growth over last year

New Market Expansion in Bihar



Doodh-er Report Card Proposition



Product Portfolio Expansion









Dahi Lassi

Paneer

Mishti Doi

Ambient Dairy - Ghee

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













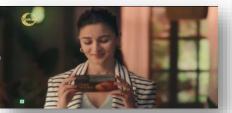
*Nielsen RMS, 2021

Leading the innovation agenda for Biscuits in India



"The Batman of Biscuits" - Forbes India





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





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



Resulting in Market Leadership in Premium Biscuits



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



Sunfeast Also, strengthening the core portfolio with thought leading ideas



Solid Insights



Strong consumer and category understanding

Innovating with Strong Ideas reflecting across the mix

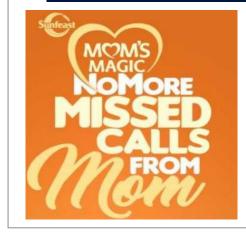




Superior Products Always



Disruptive Activations to build core thoughts







Creating Love Marks for Key Consumer Cohorts Each Brand with a strong Point of View







Health











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...





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!



Sunfeast Formlite 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



B

- 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*

"Fiber" proposition

Built on the back of a strong consumer insight



Agile topical launches in the time of COVID

New Immunity Range

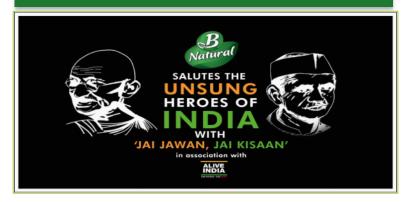


Premium juice portfolio to drive innovation & profitability



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

Leveraging brand purpose celebrating Indian Farmers & Local Sourcing



*YTD Sep



Tapping un-conventional route to market



Modern Trade & E Com







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...





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Smart Manufacturing: ICMLs - State of the Art Manufacturing Infrastructure









Integrated Facilities across 9 Food Categories



75%+ Female Workforce in Pudukkottai and Mysore

Smart Manufacturing



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

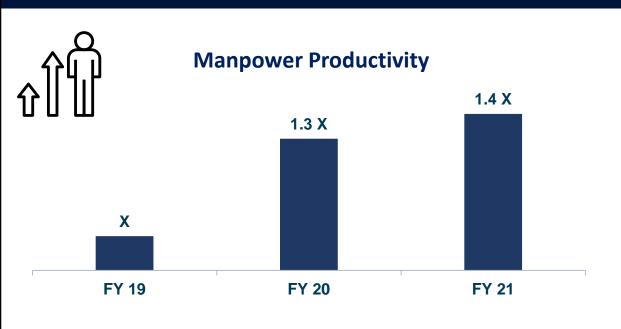


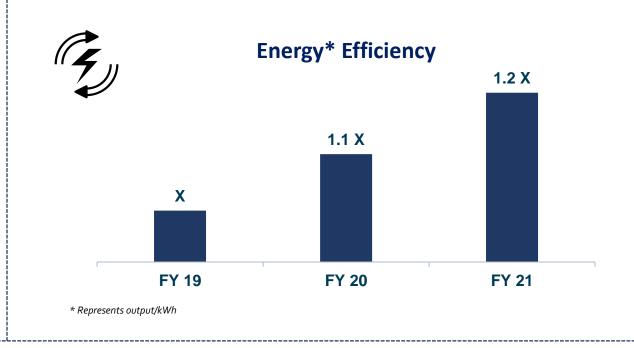
Shared Infrastructure

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

Agile Cost Management: Operating Leverage yielding Cost efficiencies







Other Levers



Industry 4.0 – Manufacturing Excellence



Renewable Energy Projects



Packaging Know-how



Process Automation

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Procurement: Handling diversity with digital interventions





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

Portfolio Premiumisation to drive profitability





Successfully Premiumising the portfolio



























MT & E-Comm Focus















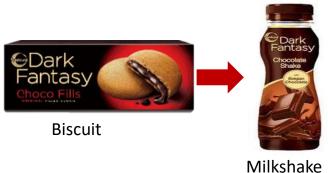


Driving Profitability through Brand Extension



Extension across categories











Frozen Food









Cooking paste & gravies

Extension within a category















Value Accretive acquisition of Sunrise – Capitalizing on Business Synergies





- 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

ITC Driving Future Growth for Sunrise...







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

In Summary...



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

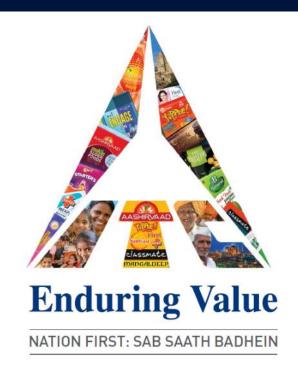
Driving Profitability & Capital productivity

- 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

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Personal Care Business

Sameer Satpathy

Divisional Chief Executive – Personal Care Products Business

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Personal Care Business Portfolio



Personal Wash 20100 Crs

3200 Crs Hygiene Health &

Fragrances

2300 Crs

Home

2250 Crs

















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Consistent Performance over the years



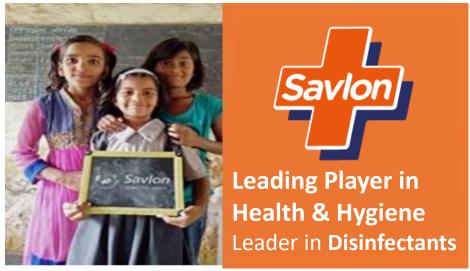


Accelerated Growth in Focus Brands

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Growing with Power brands













Strategic Levers





Building Brands with Purpose

- Anchoring Brands in larger social & consumer needs



- Drive Growth Ahead of others In Future Facing Categories



Drive Growth in Focus Category

 Innovate to Upgrade to Liquids Strategic Levers

Value Accretive acquisitions

 Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care



Winning in Channels of the Future

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Strategic Levers





Building Brands with Purpose

- Anchoring Brands in larger social & consumer needs



- Drive Growth Ahead of others In Future Facing Categories



Drive Growth in Focus Category

- Innovate to Upgrade to Liquids

Strategic Levers

Value Accretive acquisitions

 Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care



Winning in Channels of the Future

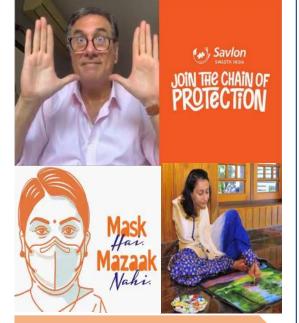
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Building Brands with Purpose



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

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Strategic Levers





- Anchoring Brands in larger social & consumer needs

First in Category Innovations

- Drive Growth Ahead of others in Future Facing Categories



Strategic Levers

Drive Growth in Focus Category

- Innovate to Upgrade to Liquids

Value Accretive acquisitions

 Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care

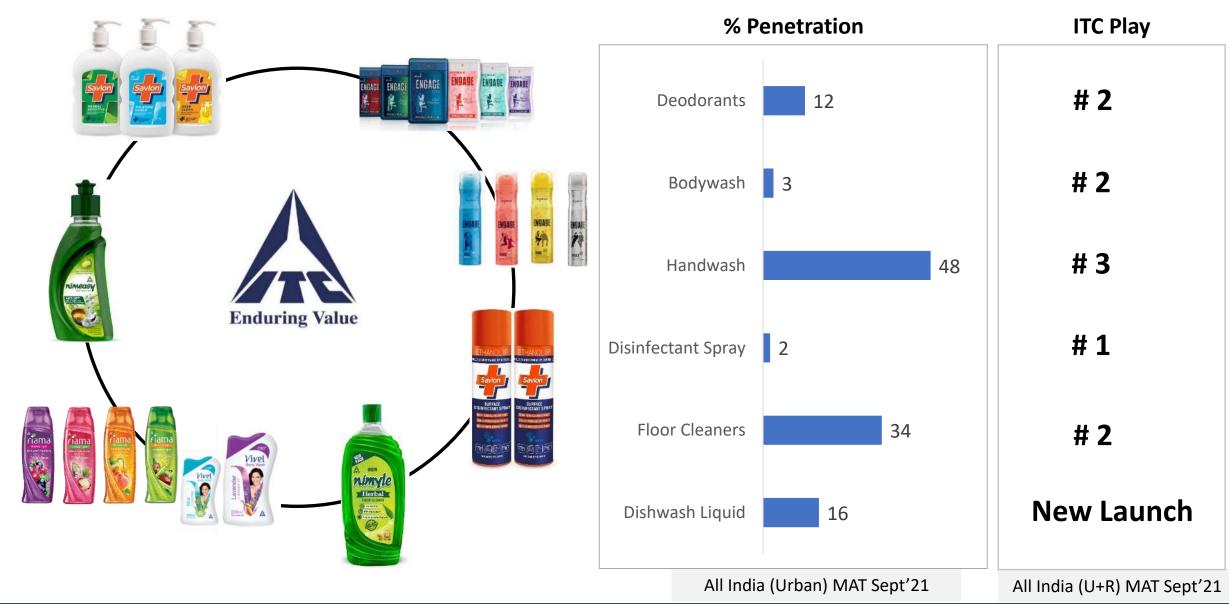


Winning in Channels of the Future

Investor Day 2021 | 183 |

Leading in Future Facing Categories





First in Category Innovation

















Bio Cellulose Mask | Soleil Defense



Investor Day 2021 | 185 |

Strategic Levers





Building Brands with Purpose

- Anchoring Brands in larger social & consumer needs

Drive Growth in Focus

- Innovate to Upgrade to

Category

Liquids



- Drive Growth Ahead of others in Future Facing Categories





Value Accretive acquisitions

- Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care



Winning in Channels of the Future



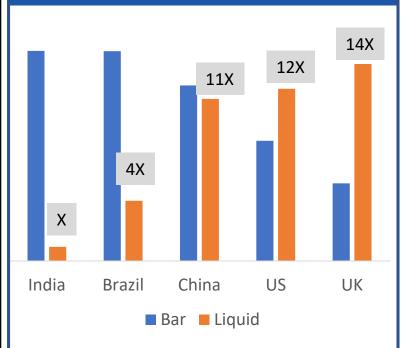
Investor Day 2021 | 186 |

Winning in Personal Wash with Liquids



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











Investor Day 2021 Source: Kantar World panel 2019 | 187 |

Growing ahead of Category in Liquids





Strategic Levers





Building Brands with Purpose

- Anchoring Brands in larger social & consumer needs



- Drive Growth Ahead of others in Future Facing Categories





Drive Growth in Focus Category

- Innovate to Upgrade to Liquids

Strategic Levers

Value Accretive acquisitions

- Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care



Winning in Channels of

the Future

Investor Day 2021 | 189 |

Ahead in Channels of the future







FIAMA

ESSENTIALS FOR

EVERYDAY

Upto 20% Off

Investor Day 2021 * H1 Ecom Salience - NTO | 190 |

Digital First to D2C Ecosystem







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



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

Investor Day 2021 | 191 |

Strategic Levers





- Anchoring Brands in larger social & consumer needs



- Drive Growth Ahead of others in Future Facing Categiries





Drive Growth in Focus Category

- Innovate to Upgrade to Liquids

Strategic Levers

Value Accretive acquisitions

 Develop new high margin opportunities in Health & Hygiene, Skin care & Home Care



Winning in Channels of the Future

Investor Day 2021 | 192 |

Value Accretive Acquisitions



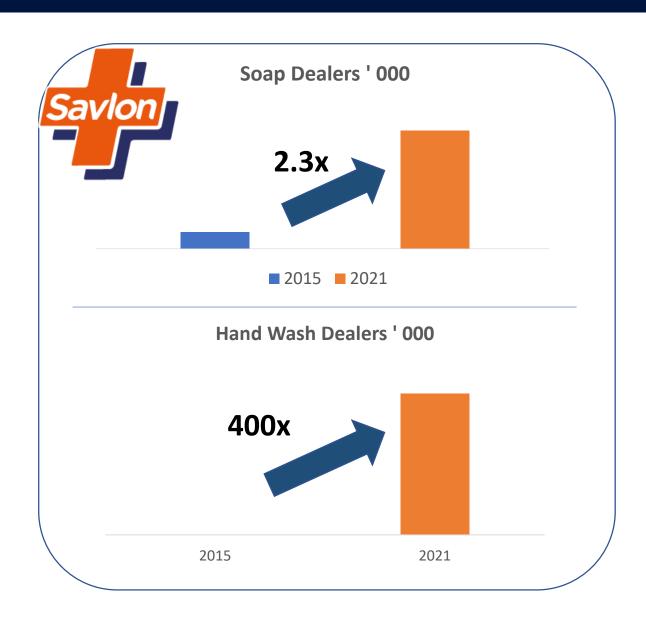


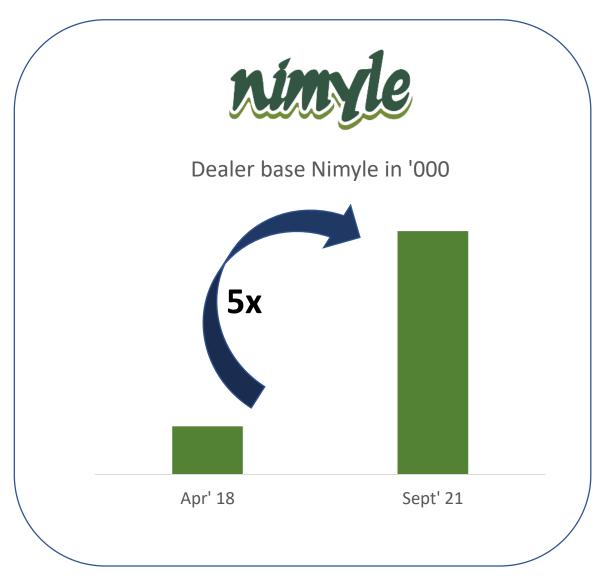


Investor Day 2021 *FY 20-21 *Basis Nielsen MAT Jul'21 | 193 |

Leveraging ITC Strong Distribution Engine







Investor Day 2021 *Basis Nielsen Sept '21 | 194 |

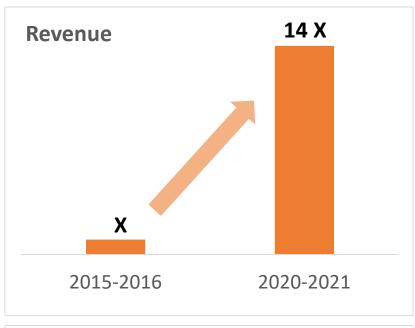
ITC Savlon

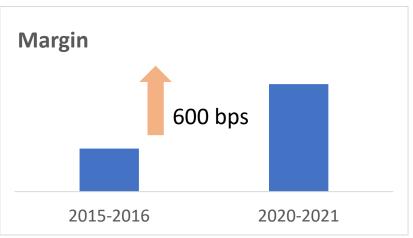


Investor Day 2021 | 195 |

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













Investor Day 2021 **in consumer spends, FY 20-21 | **196** |



SAVLON STRENGTHS



50 years of heritage in India

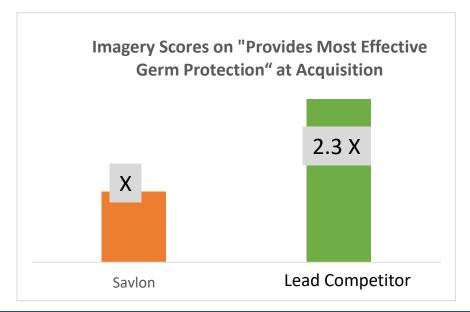


Association with "Gentleness"



Antiseptic Liquid, Orange, Ripple, Plus

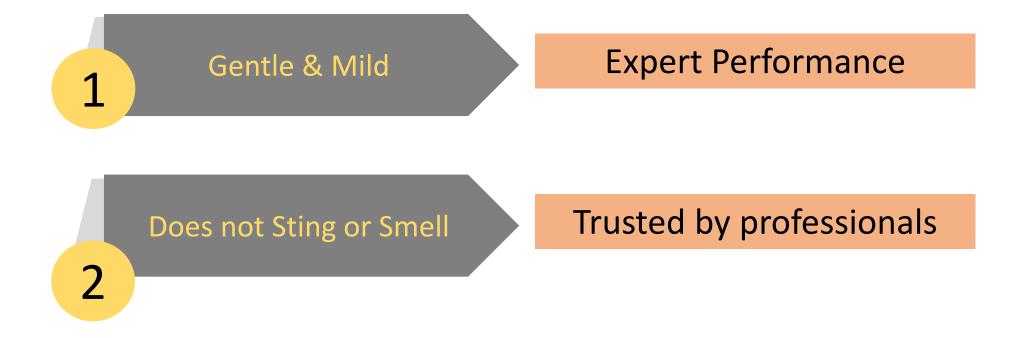
However, there existed a big gap on "Performance" equity* with lead competition



Investor Day 2021 *Source – Brand Track Q1 2016 | 197 |

Proposition Shift to Performance and Purpose





Build Savlon's Performance equity through: <u>Doctor's Most Trusted</u>

Investor Day 2021 | 198 |

Purpose led growth – Creating IMPACT At Scale



Healthier kids Stronger India: Driving good hygiene habits through kids



Spreading awareness and education during the pandemic







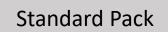


16000 + Schools | | More than 5.7 Million Children

Investor Day 2021 | 199 |

Disrupting with Liquids: Democratizing Category







Value packs for higher consumption



Format Innovation for penetration & Sustainability





Pichkiao



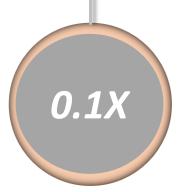
Innovation





0.28X





Reduced Price per wash

Investor Day 2021 | 200 |

Rapid Pace of Innovation – Platform Based



Wave 1





Savlon Wet wipes & Multipurpose disinfectant liquid





Savlon Surface disinfectant Savlon Hexa range





Laundry Disinfectant Spray & Wipe, Mask, Surface disinfectant pocket

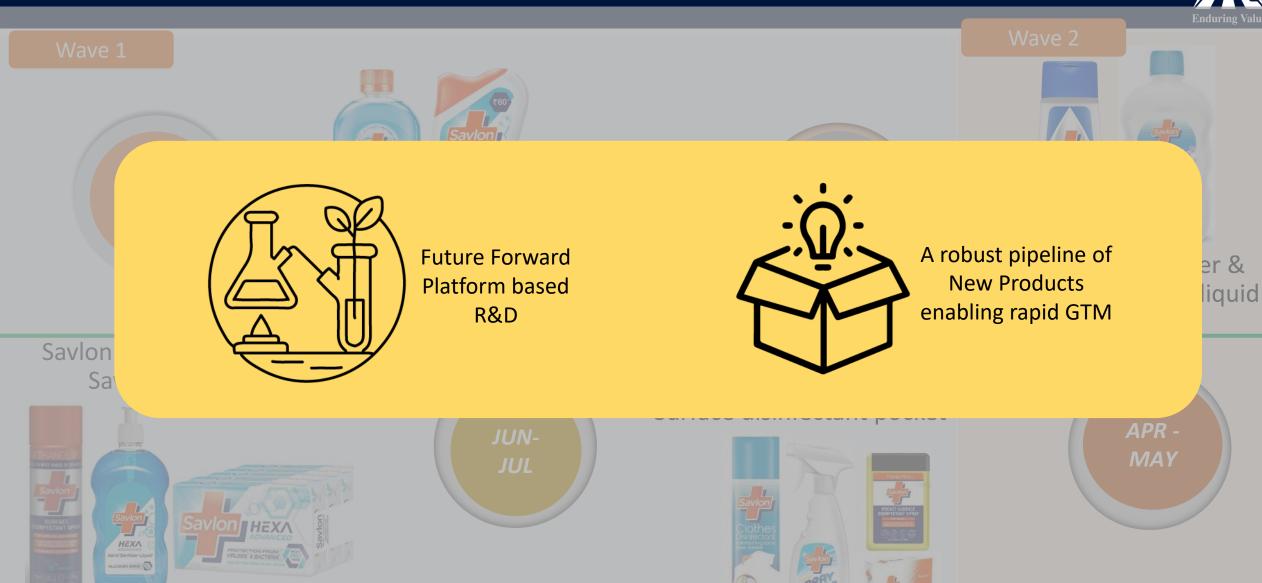




Investor Day 2021 201

Rapid Pace of Innovation – Platform Based

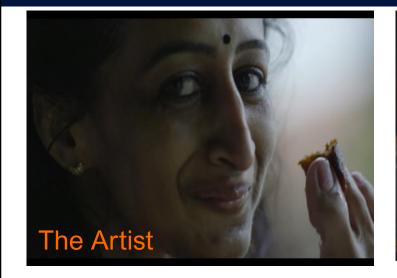




Investor Day 2021

Global Recognition





















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



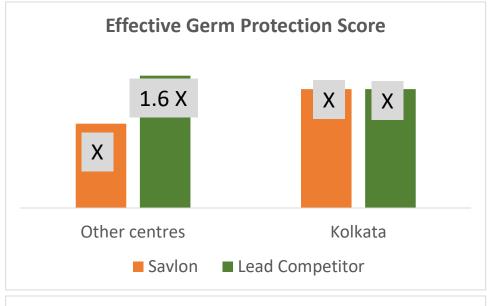




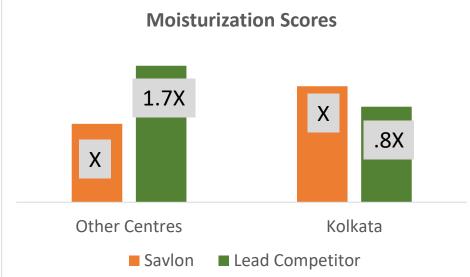
Investor Day 2021 | 203 |

Driving Point of Differentiation





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

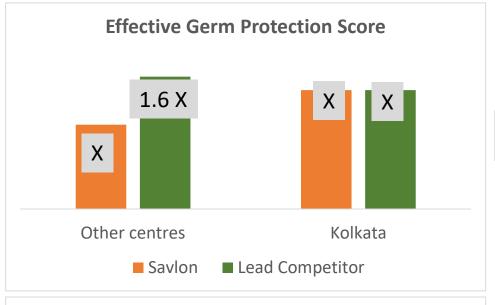


Savlon ahead in Skin Benefit scores
Opportunity to drive growth with Differentiation

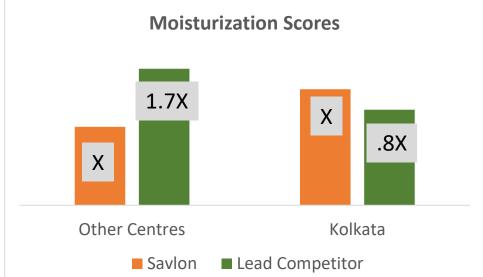
Investor Day 2021 *Source: Brand Track Q1 21 | 204 |

Driving Point of Differentiation











Investor Day 2021 *Source: Brand Track Q1 21 | 205 |

Continuous Innovation to Propel Growth





Savlon Nasal Spray

First of its kind, breakthrough innovation

Intermediate Results Promising

Final Phase of Clinical Testing

Investor Day 2021 206 |

In Summary...

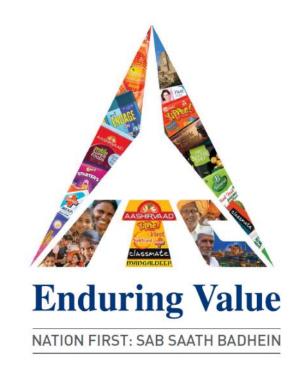


- Focusing on **Future Facing Categories** offering huge headroom for growth
- Driving growth through **Penetration** and **Market Development**
- Science-based R&D Platforms powering Innovation & Speed to Market
- Purpose-led brands backed by impactful communication & deep consumer engagement

Well positioned to seize emerging opportunities – Drive scale and Profitability

Investor Day 2021 | 207 |





Digital: Powering the ITC NEXT Strategy

B. Sumant Executive Director

Investor Day 2021 | 208 |

India's Digital Transformation





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

Investor Day 2021 | 209 |

The Digital Native Consumer



1.

STATEMENTAL

Mind set to make a statement; look better and stand higher



4.

DESI COOL

Being Indian and buying Indian.



7

CHANGE CHAMPIONS

With great power, comes great responsibility and therefore, greater involvement



NEW-YOUer

Constant need to be a better version of ourselves



5.

CHILLSUMERS

How do you bring some much-needs



8.

CONNECTIFY

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



10.

INFO-BURST

Why consumers' voracious appetite for (even more) information will only grow



3.

MYOPIUM

Being intoxicated with yourself



6.

NOWians

Indians want it right here, right NOW



9.

OMNI-TECH

The ever-greater pervasiveness of technology



Investor Day 2021 Source: WPP Genesis BM Report: Trends of Indian Youth

Changing FMCG Landscape



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



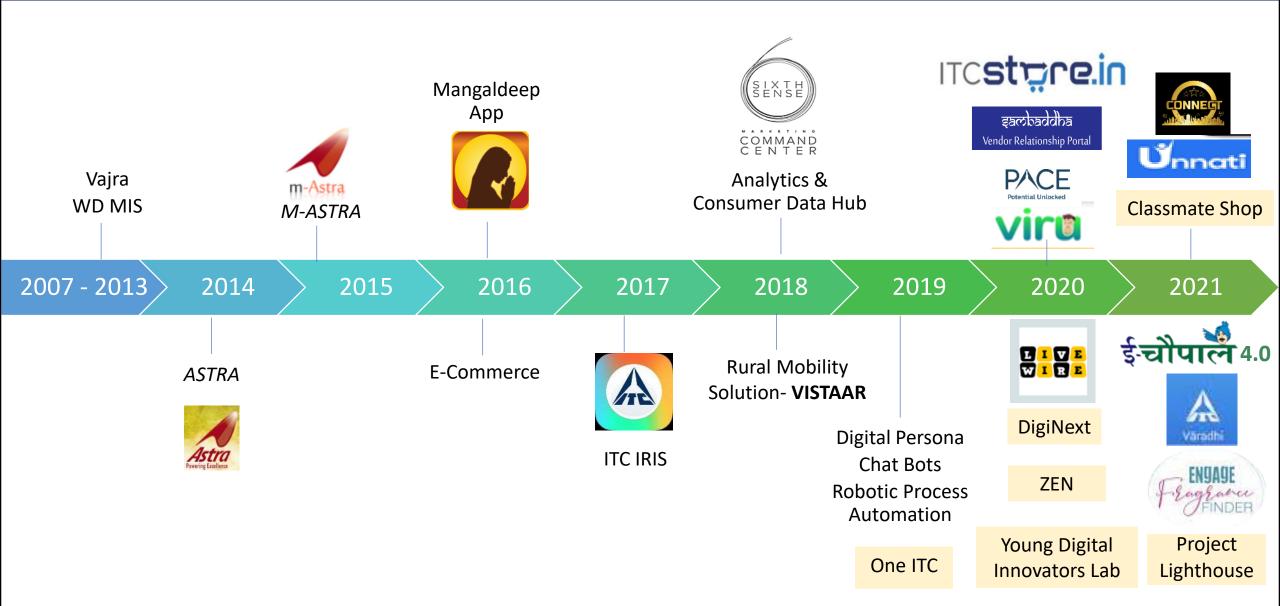
Analytics driven insights being leveraged for brands

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Our Digital Transformation Journey





Investor Day 2021 213 |

Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















New Age Insights

Reimagined Consumer Experience

Smart Operations

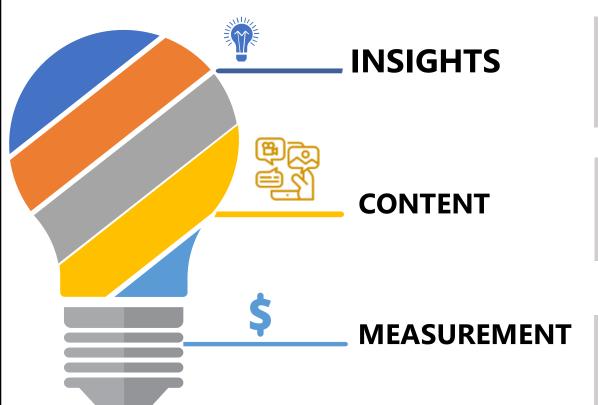
Transform Employee Experience Skills, Culture & Work Designs

Business Model
Transformation
Platform | D2C

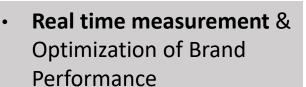
Learn | Re-imagine & Re-invent

Advanced Intelligent In-House Data Analytics



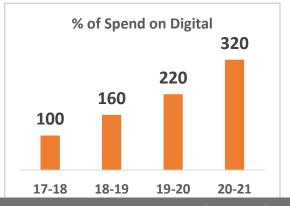


- Social conversations
- Image analytics
- Consumer Journeys
- Consumer trends
- Topical Conversations
- In-House Creative Engine





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



3.2X Increase in Digital Spends

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Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















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









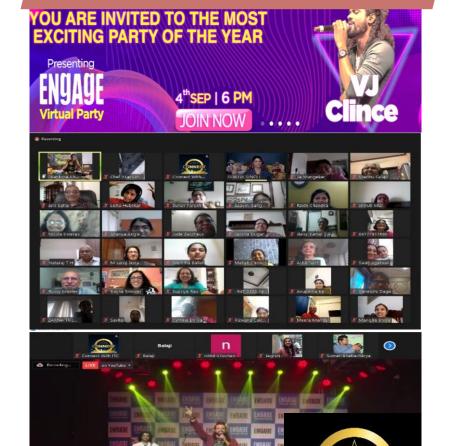
Emerging Trends | Collaborations

Investor Day 2021

Leveraging Platforms for Consumer Engagement







Multi Brand | Multi Genre

Online Pujas for Consumers at Scale



Multi Pujari Lokashema Puja garnered 32 Mn views

1.15 Mn App dowanloads



Festival Campaigns @ 95Mn views



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

Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















New Age Insights

Reimagined Consumer Experience

Smart Operations

Transform Employee Experience Skills, Culture & Work Designs

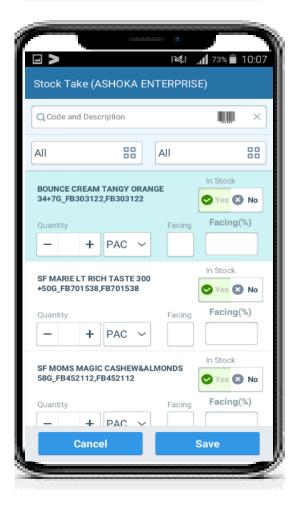
Business Model
Transformation
Platform | D2C

Learn | Re-imagine & Re-invent

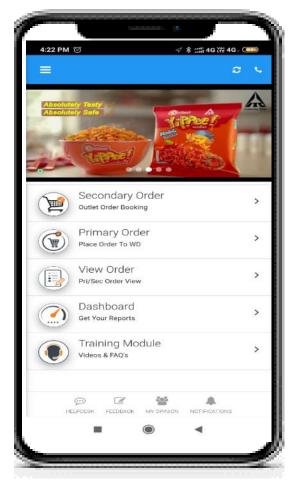
Demand Capture – Powered by Big Data Analytics



VAJRA: Salesman App



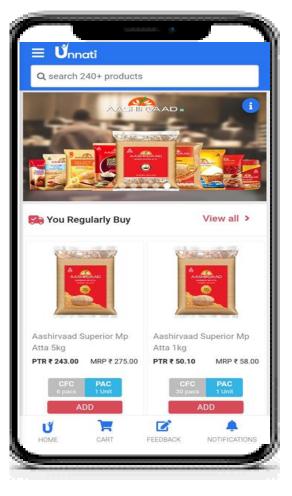
VISTAAR: Rural App



VIRU: Virtual Salesman



eB2B: UNNATI



Investor Day 2021 | 220 |

Strong Growths across Portfolio in Channels of the Future





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

Investor Day 2021 Source: Ecommerce Channel Sales | 221 |

Smart Operations: Integrated Execution Platforms



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

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Industry 4.0: Integrated Real Time Smart Operations



Smart Robotics in Manufacturing Operations













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Future Ready Smart Supply Chain - AMLF





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Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















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

Transforming Employee Experiences



























Operations

Marketing

Legal

Quality Control

HR

Finance

R&D

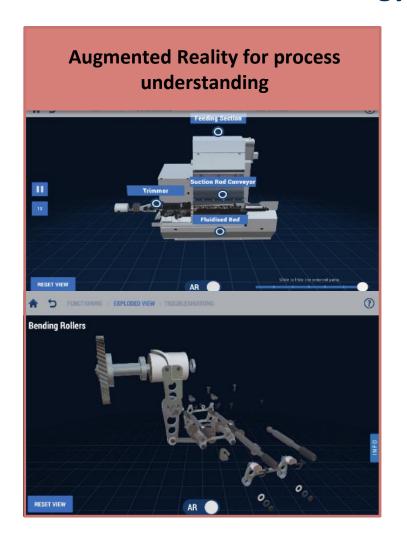
Transparent & Efficient Workflow

Investor Day 2021 | 226 |

Augmented Reality for Skill Building



Immersive technology based solutions: For operations & skill enhancement







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Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















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

Building a Digital Culture



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

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Digital @ ITC - Building a dynamic 'Future-Tech' enterprise















New Age Insights

Reimagined Consumer Experience

Smart Operations

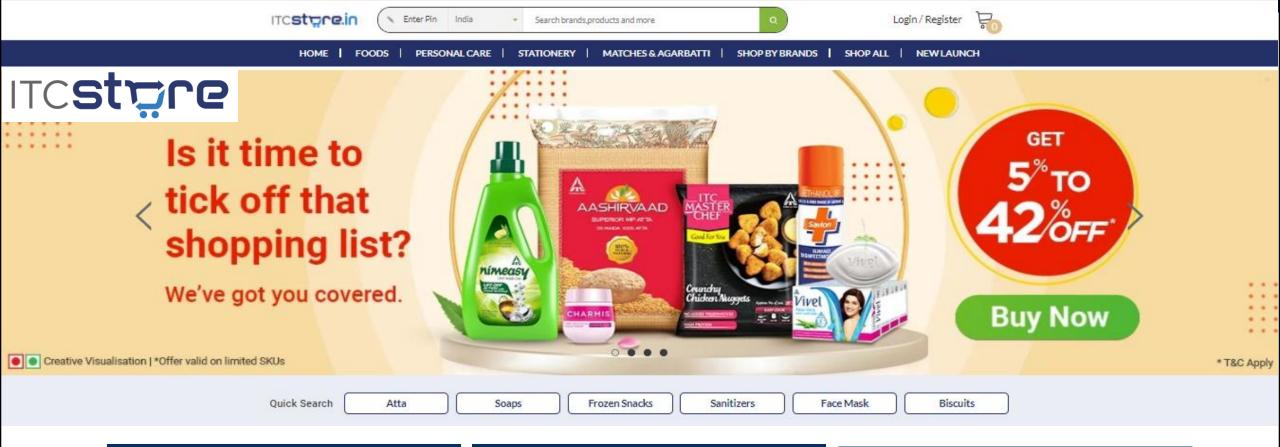
Transform Employee Experience Skills, Culture & Work Designs

Business Model
Transformation
Platform | D2C

Learn | Re-imagine & Re-invent

ITC E-STORE: Best in Class Buying Experience





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



Investor Day 2021 | 231 |

Powering Personalization through Technology



Superior Personalized Brand Experience





A GIFT THAT MAKES YOU

NOSTALGIC









That's it! Leave the rest to me

I'll tell you all about your skin health, and what you can do that will help you advance in your skin care journey. ☑ Lagree with your terms and privacy.

Customized Note Books from Classmateshop.com





NOTHING TOPS A CUSTOMISED GIFT

CUSTOMISE NOW

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Digital First Brands



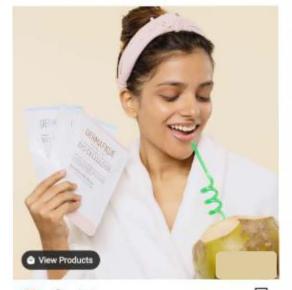








Foaming Cleanser
Introducing Dermafique Skin Science
that works cell by cell to balance your
skin heath parameters for you to reach
your unique skin potential
Typto 15% off Shop them at ...more



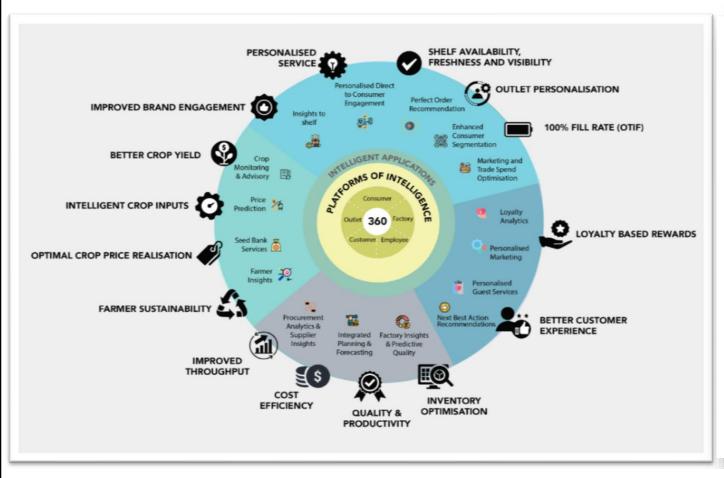


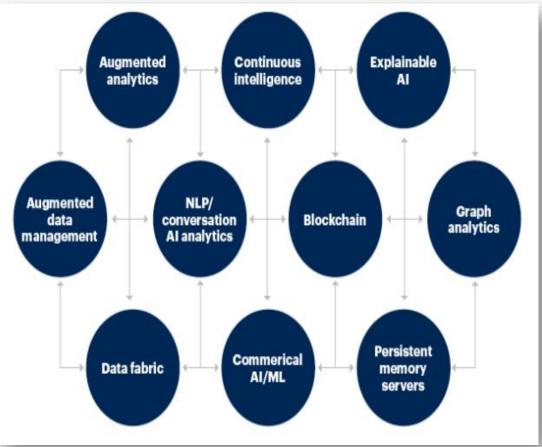


Investor Day 2021 233 |



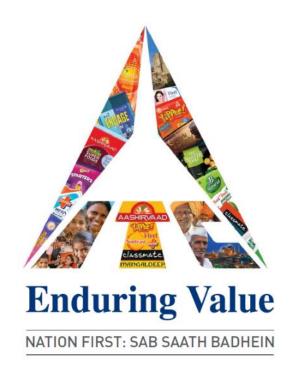
Lighthouse – Powering Synergies Across Value Chain





Technology Driven robust Analytical Platform guiding Business Decisions

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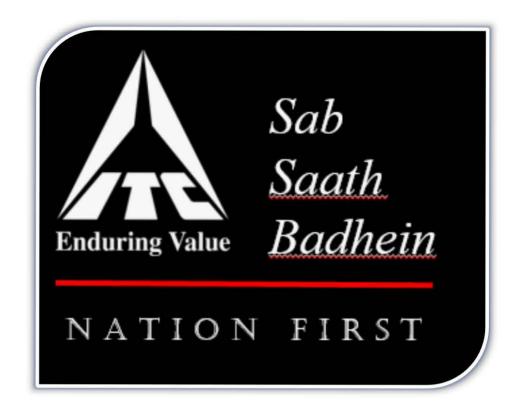
Sustainability at ITC: Raising the Bar

Nazeeb Arif
Executive Vice President & Head, Corporate Communications

Sustainability Embedded in Corporate Strategy







Investor Day 2021 | 236 |

An Exemplar in Triple Bottom Line Performance





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

Investor Day 2021 237 |

Awards and Accolades





WORLD RUSHNESS AND DIVITIONALIST AWARDS 2012

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'







ICSI National Awards for Excellence in Corporate Governance 2020

Recognition of Sustainability Performance





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 Platinumlevel 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

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ITC's
Sustainability
Vision

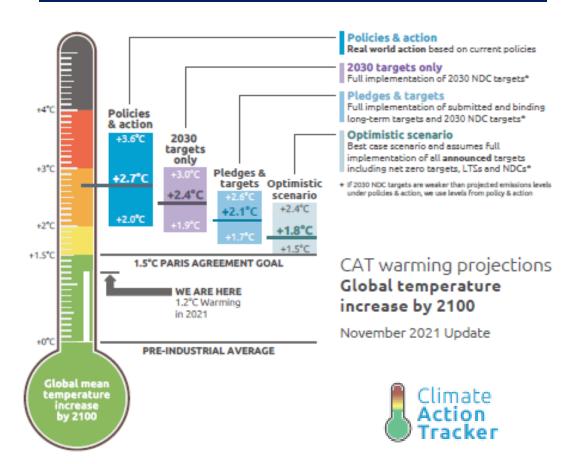
Global Challenges: Code Red on Climate Change

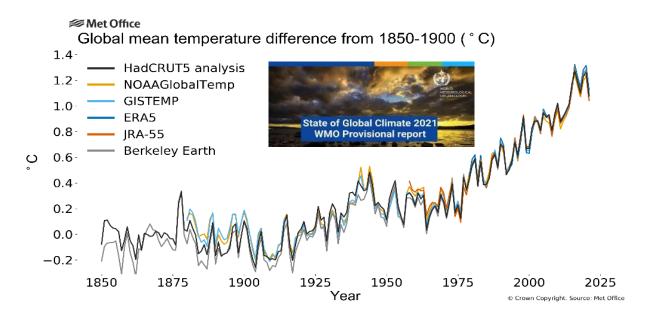


With Current Polices: + 2.7°C

With Pledges & Targets: +2.1 %

• Best Case Scenario: +1.8%





- 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 billon affected by droughts, floods and wildfires since 2000.

Investor Day 2021 241

Climate Challenges for India



Unless urgent and collective action is taken, estimates suggest:

75 times

Increase in frequency of extreme events like heatwaves by 2050

21

Major cities are expected to run out of groundwater by 2030

50%

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

12

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

2.8%

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

7.1 million

Could be displaced with a 1 metre rise in sea level

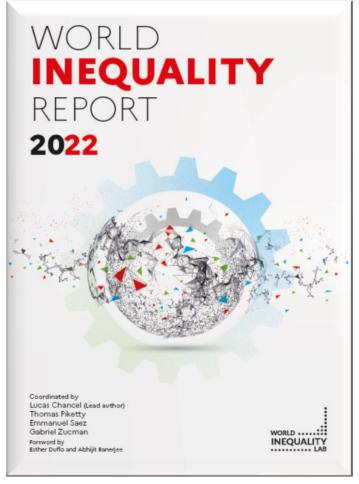
India has faced 478 extreme weather events between 1970-2019, most occurring after 2005

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Challenges of Inequality and Livelihoods



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



Investor Day 2021 243



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

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ITC's Sustainability Framework



Foundation

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

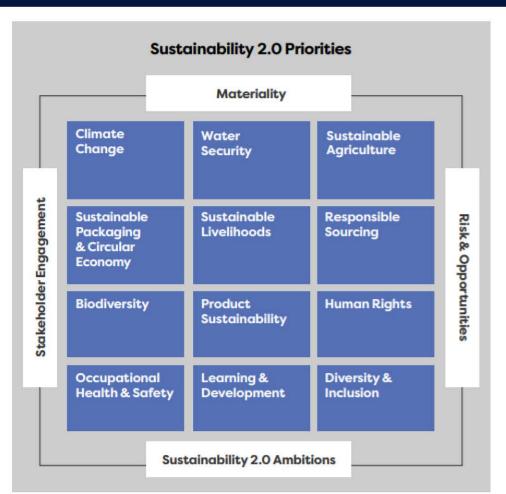
ITC's Vision, Mission and Values

ITC's Sustainability Policies

Management System

Guidelines, Standards & Assurance System for Sustainability Management

Sustainability Performance Monitoring & Management System across Businesses



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

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Sustainability in Action

Addressing
Climate Risk &
Competitiveness

Strategic Pillars to Combat Climate Change















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Combating Climate Change Nature Based Solutions



ITC'S PAPER VALUE CHAIN LEVERAGING TECHNOLOGY & INNOVATION











Biodiversity Conservation





- 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'

Investor Day 2021 254



Combating Climate Change Adaptation & Resilience Inclusive Value Chains





Sustainability in Action

Addressing Water Security







Water Demand Efficiency: More Crop per Drop



Sugarcane 0.20 lakh acres

Wheat 2.34 lakh acres

Rice
0.36 lakh acres

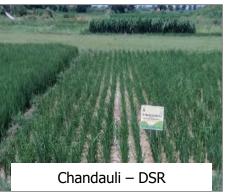
Others (Onion, Banana, Coconut) 0.10 lakh acres



85.47 m cu.m water saved



72.62 m cu.m water saved



46.80 m cu.m water saved



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

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Sustainability in Action

Fostering
Next Generation
Agriculture



ITC in Agriculture: Baareh Mahine Hariyali

Leveraging Technology & Innovation to **Enhance Productivity & Incomes**











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





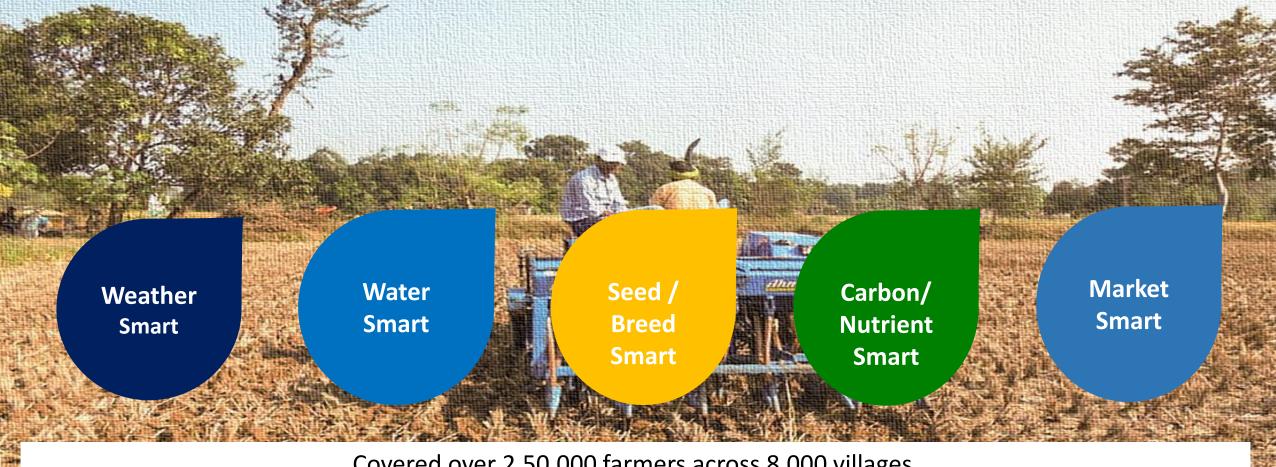






Climate Smart Agriculture





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.



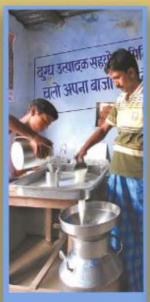
ITC'S WORLD-CLASS INDIAN BRANDS ANCHOR INCLUSIVE VALUE CHAINS















Empowering the Nation's Farmers















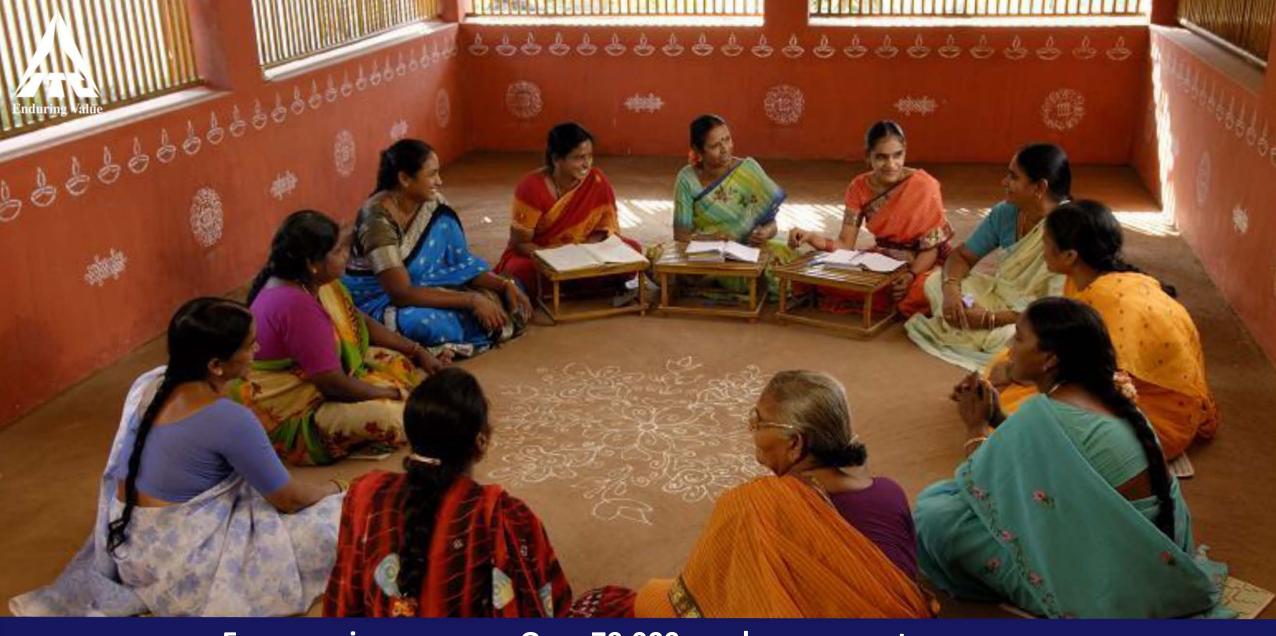
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ITC's Rural Education Programme: Benefitting 833,000 children 35% increase in language reading and 44% increase in numeracy skills



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

Scale & Impact



- 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

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Public-Private-People Partnerships



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

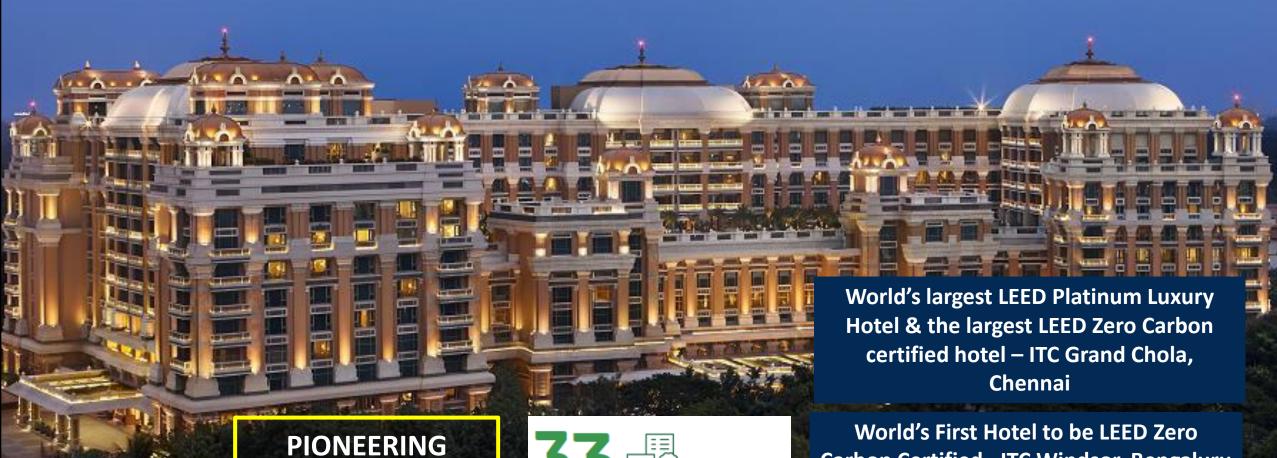
Both thematic experts and grass-root NGOs Identified after an operational and financial due diligence Structured "Dialogue" with NGOs for pulse check

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Combating Climate Change Green Infrastructure Decarbonisation





buildings of the Company have achieved

Platinum certification by USGBC-LEED/IGBC

GREEN

BUILDINGS

Carbon Certified-ITC Windsor, Bengaluru

World's Highest Rated LEED Platinum

building – ITC Green Centre, Gurugram



Reducing GHG Emissions

Raising the Bar with Sustainability 2.0

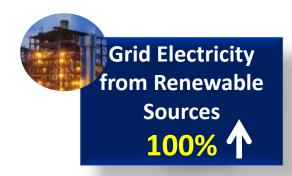




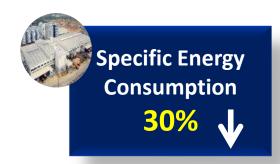
Continuous Reduction in Specific Energy/Water Consumption











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Combating Climate Change Circularity

Towards a Circular Economy





ITC Wellbeing out of Waste (WOW)

- ✓ Covering nearly15 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

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ITC LSTC | External Collaborations

















Recyclable Solutions















QSR Packing



Packaging

Indobowl

Toughpack



Sustainable Packaging











Antimicrobial Coating



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Governance Sustainability & ESG

ESG Oversight at ITC



Board Committee on CSR and Sustainability **Quarterly Meetings** Corporate Management Committee **Chairman & Managing Director Monthly Reviews** Sustainability Compliance Review Committee Chaired by Group Head Sustainability, EHS and CMC Member **Quarterly Meetings Divisional CEO & Divisional Management Committees**

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.

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ESG Policies



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)

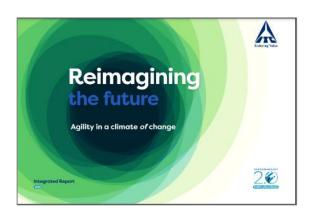
Other Policies are there at the Business Level like Responsible Marketing, Animal Welfare, Food & Nutrition

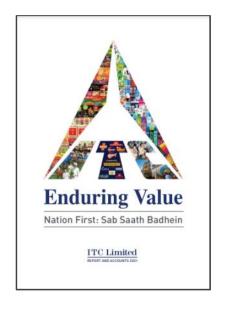
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ESG Reporting: Highest Standards of Transparency & Disclosure















ITC Report & Accounts, and Business Responsibility Report 2021

Responding to CDP Climate Change & Water Questionnaire, S&P/DJSI Questionnaire

ITC Sustainability Report 2021

ITC Integrated Report 2021

Reporting aligned to Global Frameworks







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Summary of Sustainability 2.0 Goals Reimagining the Future

ITC's Sustainability 2.0 Targets: Raising The Bar





Renewable Energy (RE)



Crop Water use efficiency - savings of 2000 million KL



Specific Energy Consumption*

Climate Smart

Villages

approach in

3,000,000 acres



Specific GHG Emissions*



Biodiversity Conservation in 500,000 acres



RE Grid Purchased Electricity



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



Specific Water Consumption*



AWS Certification for High Water Stressed Sites

Sustainable Packaging Plan

100%

Recyclable Plastic Packaging

Plastic Neutrality



100% Collections 2021-22

Supporting Sustainable Livelihoods for 10 million

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A passion for profitable growth....

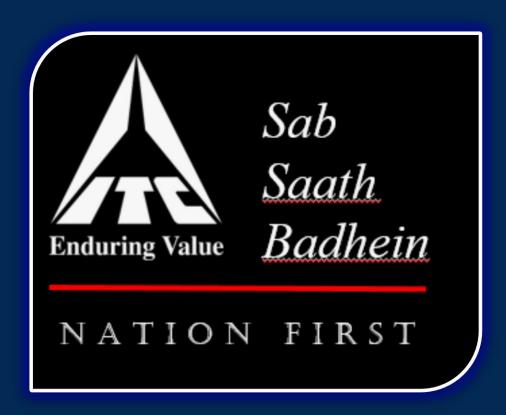




....in a way that is sustainable.....



.... and inclusive



Thank You