



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

**Creating Enduring Value Through Responsible Competitiveness**

**Focus on FMCG Business & Sustainability**

*Kotak Securities Investor Conference  
22<sup>nd</sup> February, 2021*

### Branded Packaged Foods



### Personal Care Products



### Education & Stationery Products



### Matches & Agarbatti



### Foods

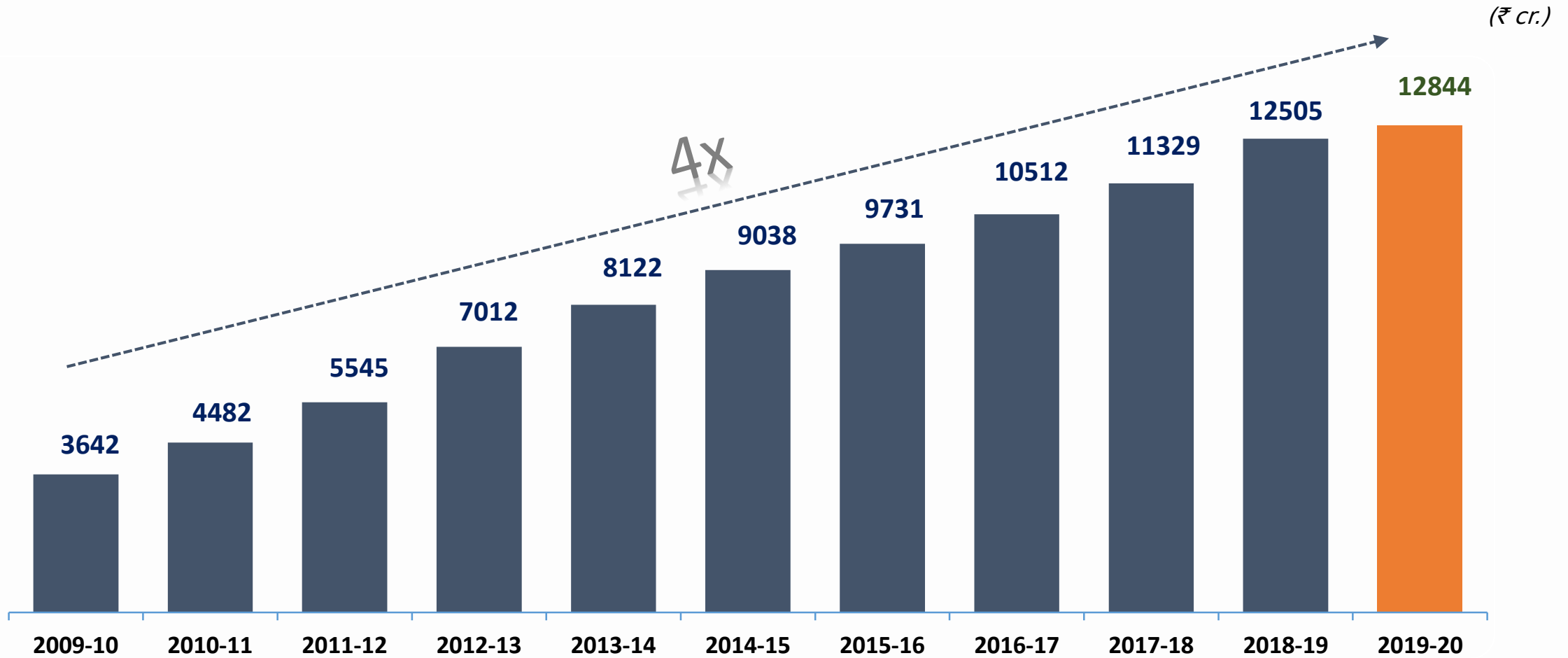


### Personal Care



### Stationery, Matches & Agarbatti

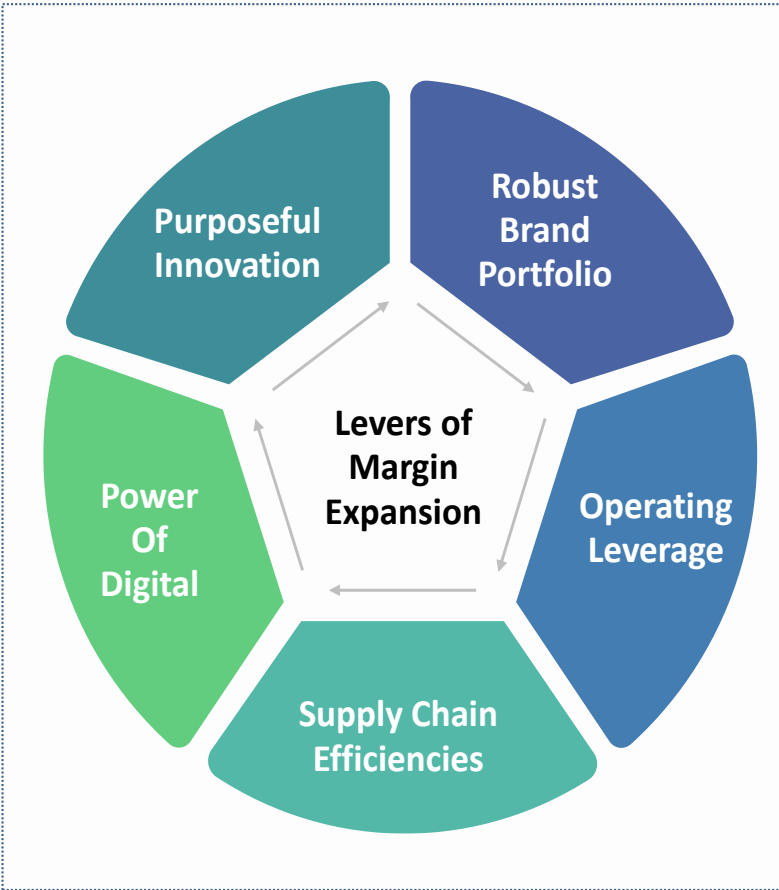




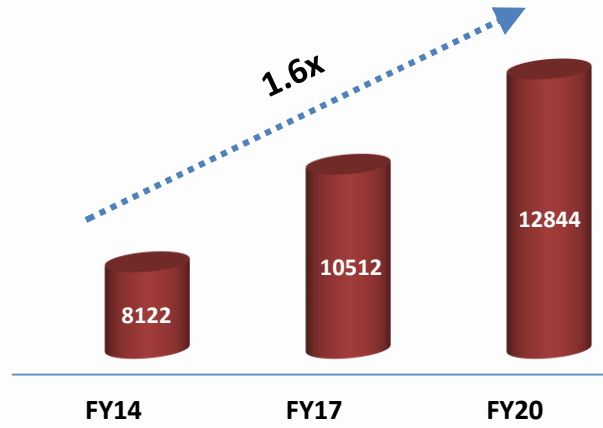
**3<sup>rd</sup> Largest FMCG Player in India**  
**One of the Fastest Growing Foods Businesses in India**

# Significant increase in **Scale & Profitability** in last 3 years

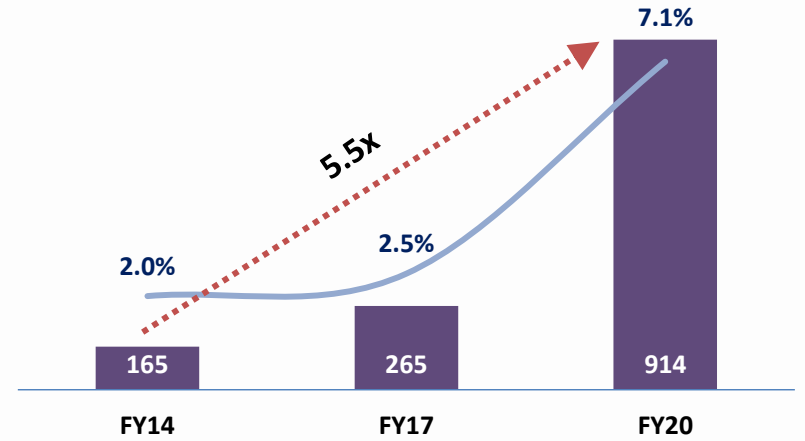
## Segment EBITDA Margins up 460 bps in last 3 years



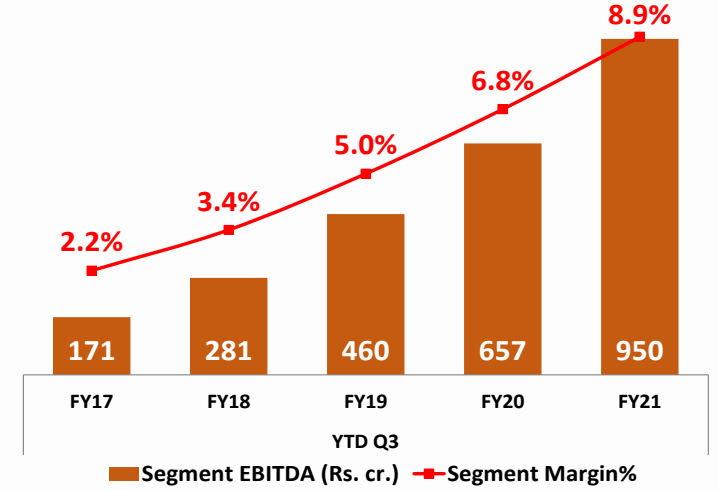
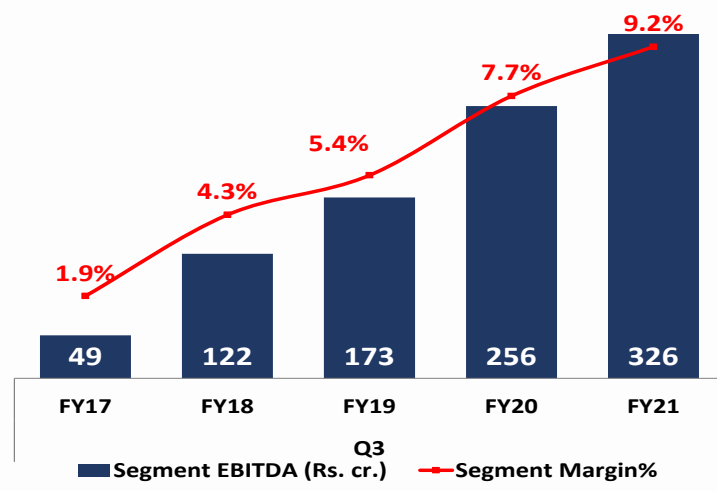
### Segment Revenue



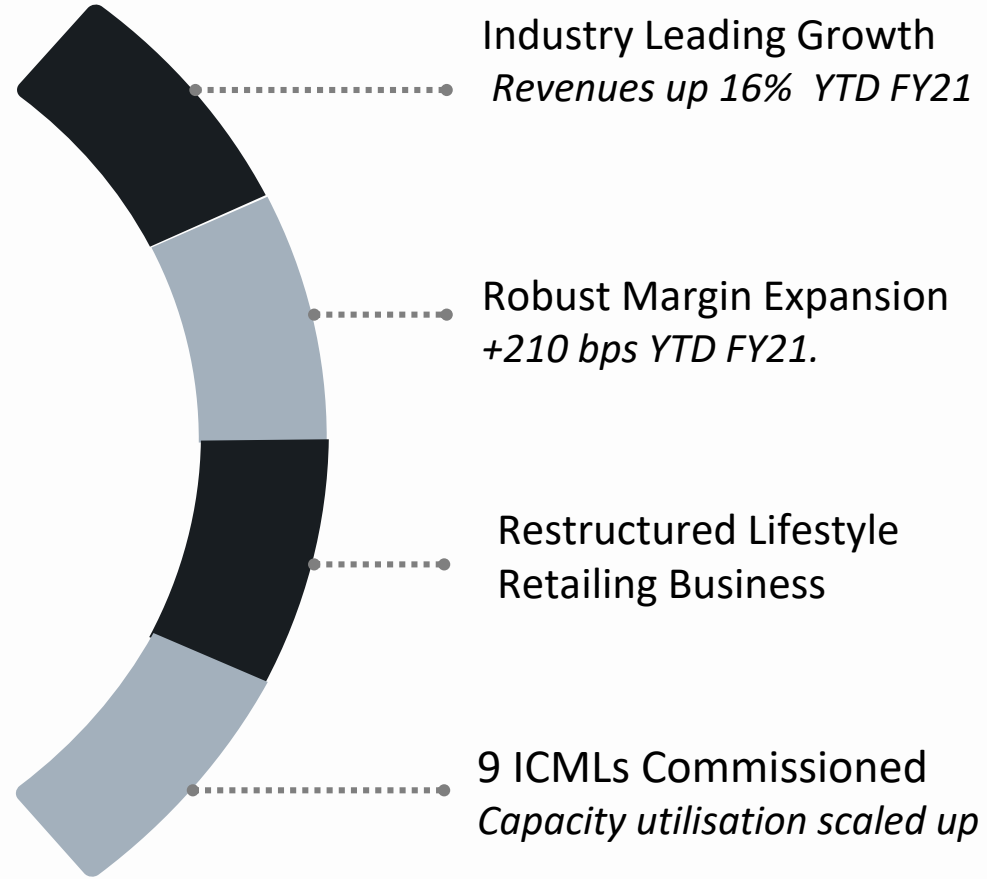
### Segment EBITDA & Margins



### Consistent improvement in EBITDA Margin

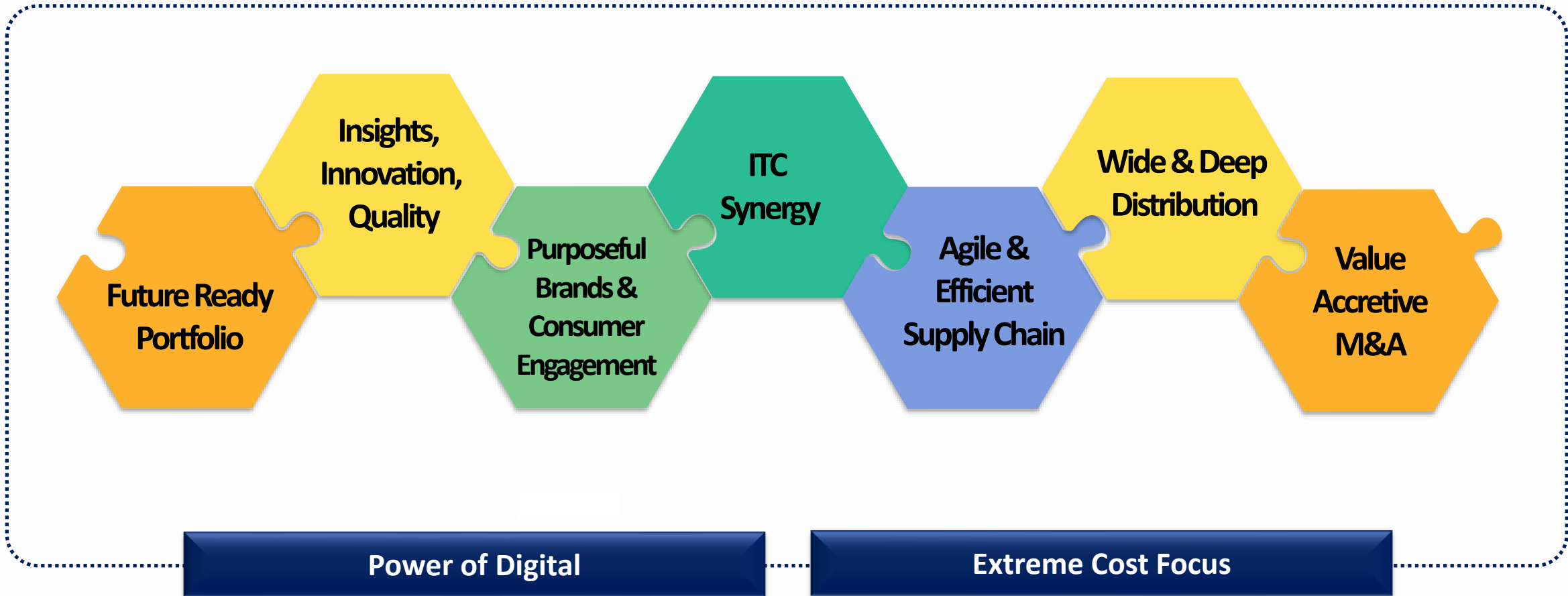


**Robust Revenue Growth & Margin Expansion**



**Future Ready: Portfolio, Innovation, Digital**

<p><i>Seeded 14 New Categories/Sub-Categories</i></p> <p><i>Multi-channel Go-to-market</i></p>	<p><i>Sharper Alignment of R&amp;D &amp; Innovation to business outcomes</i></p> <p><i>100+ products launched in record time</i></p>
<p><i>Consumer insights</i> <i>Brand campaigns</i> <i>Sales operations enablement</i> <i>E-commerce</i></p>	<p><b>Structural Cost Advantage</b> <i>Reduced distance to market</i> <i>Direct to market shipments</i> <i>Smart manufacturing</i> <i>Delayed operational nodes</i></p>

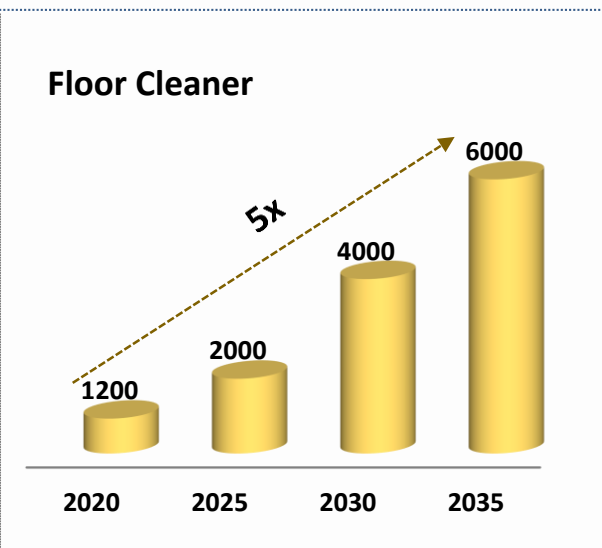
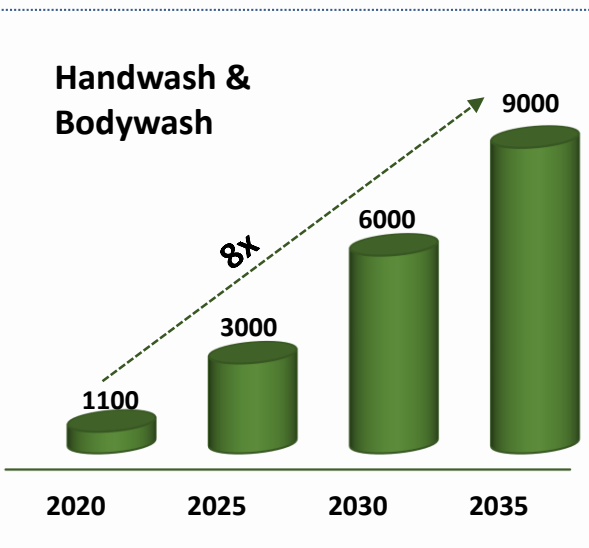
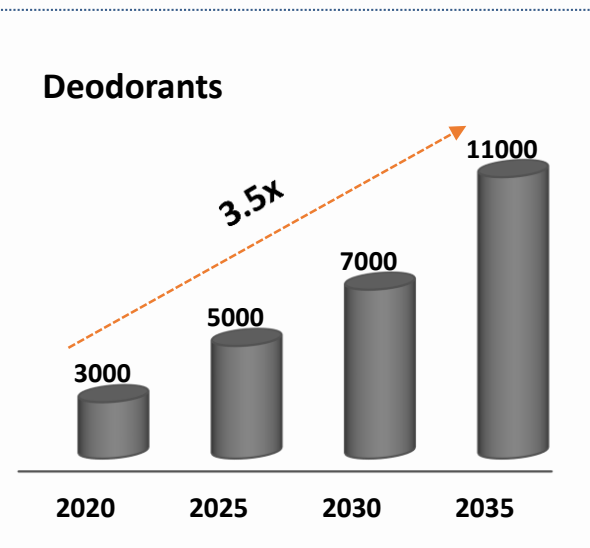
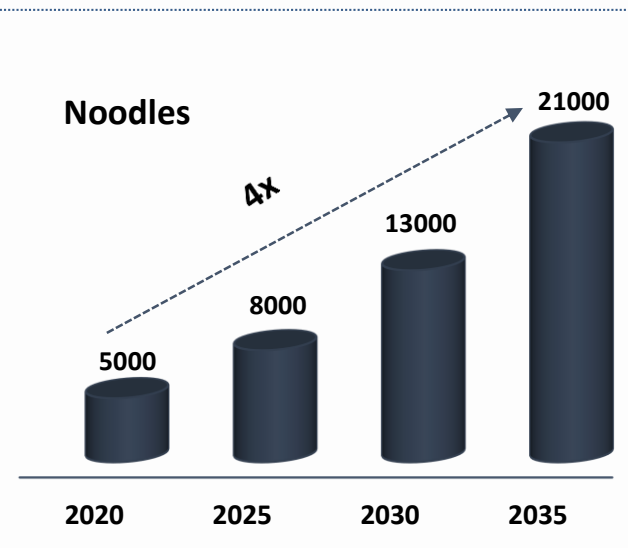
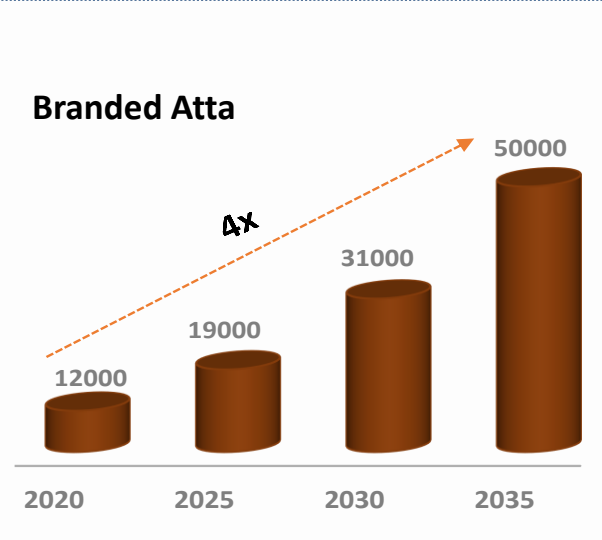
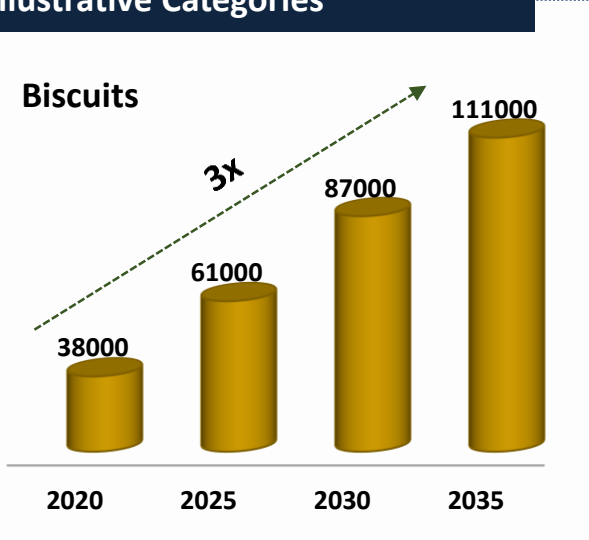
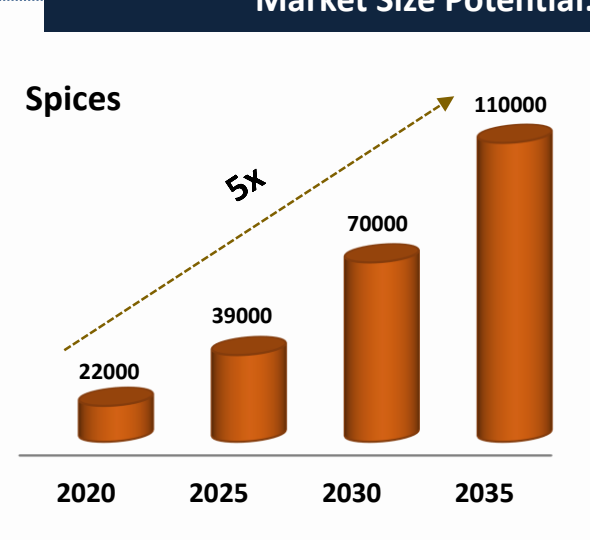
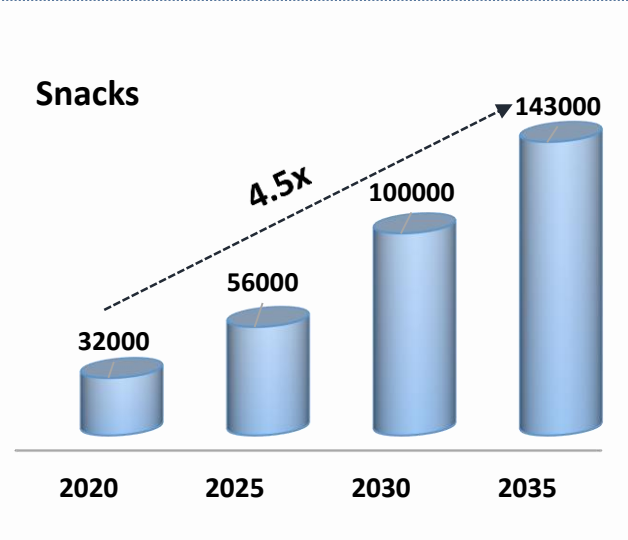


# Addressable Market Expansion Potential : Amongst the highest in Indian FMCG space



## Market Size Potential: Illustrative Categories

(₹ cr.)





### Fortifying the Core



**No.1** In Branded Atta  
~6,000 cr.



**No.1** In Cream Biscuits  
~4,000 cr.



**No.1** In Bridges Snacks  
~2,700 cr.



**No.1** In Notebooks  
~1,400 cr.



**No.2** In Noodles  
~1,300 cr.



**No.1** In Dhoop  
No.2 in Agarbatti  
Over 800 cr.



Achieved  
**Rs. 1000 cr.** in FY21

Figures above denote Annual Consumer Spends

### Addressing Adjacencies thru Mother Brands



### Building the New Core



## Hygiene++, Protection & Care



**Savlon**

Hexa, Disinfectants, Masks & Wipes



**Nimyle**

Floor Cleaner

**Nimwash**

Fruits & Veggie Cleaner;  
**Nimeasy** Dish Wash Gel

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



**Aashirvaad Nature's Super Food**

Organic Atta & Dals



**Sunfeast**

Digestive Range



**Aashirvaad**

Crystal & Proactive Salt



**B Natural**

Soups & Immunity Juices

## Convenience & On-the-Go



**Aashirvaad**

On-the-Go Range



**Aashirvaad**

Ready to Cook



**ITC Master Chef**

All purpose Gravies



**ITC Master Chef**

Frozen Snacks



**ITC Farmland**

Frozen Vegetables



**Sunbean**

Pheta Coffee

## Indulgence



**Fabelle**  
Luxury Chocolates



**Sunfeast**  
Caker



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



**Sunfeast**  
Bakery Range

## Skin Care



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



**Dermafique**  
Bio Cellulose Face Masks



## Interactive Education



**Classmate Interaktiv**  
Origami Books



## Capabilities

**350 highly qualified scientists; over 900 patent applications**

**Partnerships with Global R&D centers & Academia**

**LSTC**

**Pilot Plants for all product categories**

**State of the Art Analytics Labs**



### Healthier Children. Healthier India



### Women Empowerment



### Responsible Citizens for the Future



### Saluting Mothers



## Driving Engagement



## Deep understanding of Regional tastes & Preferences



## Moment Marketing



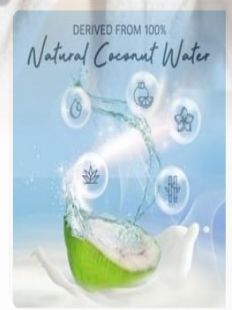
### DIY and Influencer led



### Creating Brand Love



### Digital First Brands



## Hygiene & Safety



#NoHandUnwashed

### Introducing ITC Nimwash, Vegetable and Fruit wash.

The first step of every recipe is to clean vegetables and fruits. ITC Nimwash washes away pesticides\* and 99.9% germs.\*\*



## Spreading Positivity



## Self Care



AB NAHI CHUPEGA ANDAR KA RADIANCE.

KA RADIANCE, CHUPEGA ANDAR



## Dominating India's Kitchen



## Building on India's Passion



## Immersive Mass Media Content



## Puja for India's Wellbeing





Savlon's innovative 'Healthy Hands Chalk Sticks' initiative bagged 7 Cannes Lions







Savlon - 1st Indian brand to win Grand Prix for 'Creative Effectiveness' at Cannes



## Smart Consumer



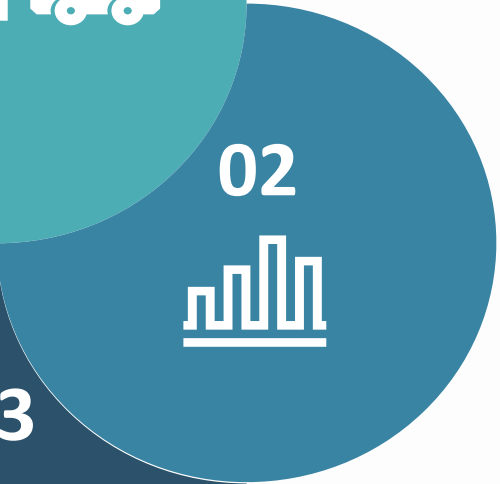
## Smart Trade

	<b>Retail Tech</b>	<ul style="list-style-type: none"> <li>App for online ordering/engagement with top outlets</li> <li>Virtual Salesman App for online ordering/scheme communication</li> </ul>
	<b>POS Solutions</b>	AI driven customised consumer offers integrated with POS solutions
	<b>Payments &amp; Financing</b>	Channel Financing, Direct Payments
	<b>B2B2C</b>	Whatsapp based store locator & ordering



## Smart Operations

**ICML Network**  
*Reduce Distance-to-Market*  
*Fresher Products*  
*Responsive supply chain*

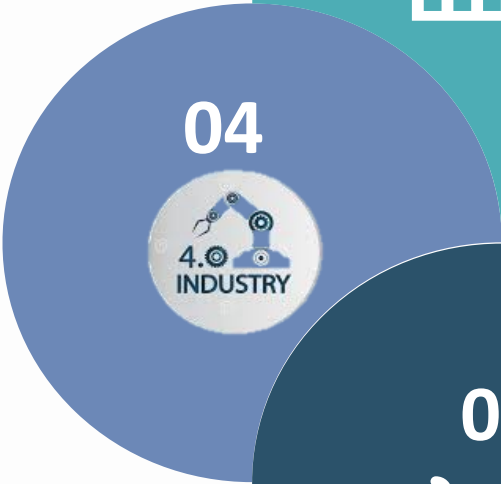


**Delaying Operations**  
*Direct shipments*  
*Eliminate Multiple Handling*



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

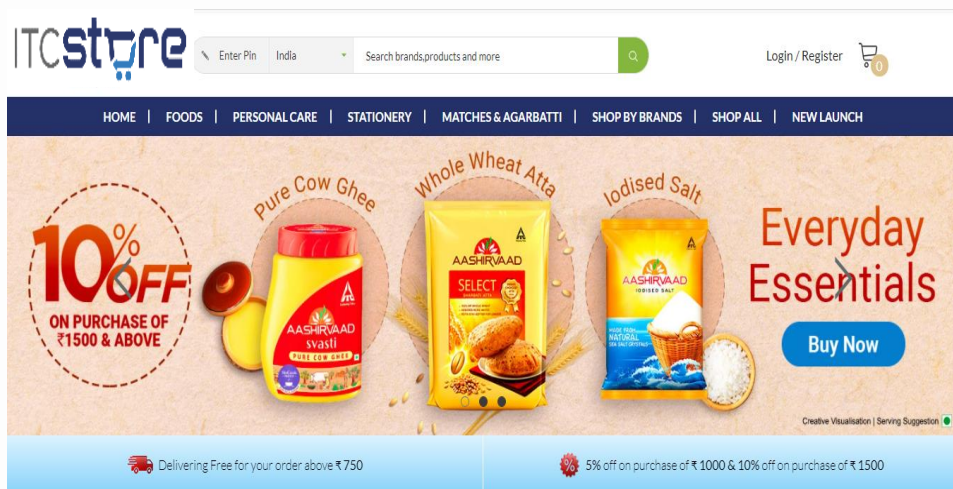
**Smart Manufacturing**  
*Industry 4.0*  
*Automation*  
*Energy, Quality, Yield management*



## Winning In Strategic Channels MT/e-Com/On-the-go/Food Service



## Direct to Consumer



ITC 'Store on Wheels'



- **Leading Agri Business player in India**
- **Pioneer in Rural Transformation**
- **No. 1 in Leaf Tobacco**



- **Sourcing & Supply operations** spread across **22 States** covering Wheat, Oilseeds, Coffee, Spices, Milk etc.



- **Largest procurer of Wheat** after FCI
- **Globally 5th largest leaf tobacco exporter** (~40% share in Indian Exports)



- Leveraging **Information Technology** for the transformational 'e-Choupal' initiative
- **Quality & Cost-optimized agri commodity sourcing**



- **Providing Institutional Support & Empowering Grassroots Institutions**



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



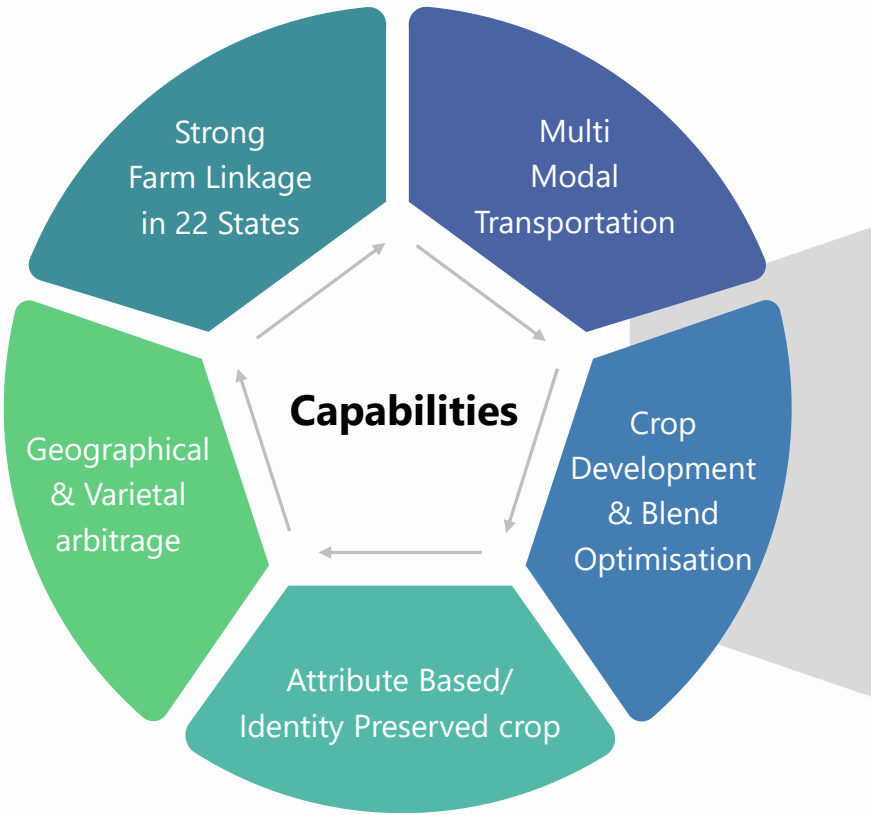
Deliver **sustainable competitive advantage** to ITC's FMCG Businesses  
- high quality & cost competitive agri sourcing



Build a robust portfolio of **value-added products** - Establish B2B & B2C brands  
Develop a **Future Ready portfolio** - Organic/Food safe/Attribute/MAPE

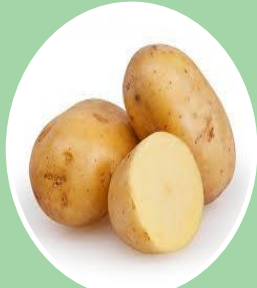


Build **Digitally Powered & Climate Smart** Agri Value Chains  
Reengineer commodity sourcing through **FPO networks**





**Wheat**

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

**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*



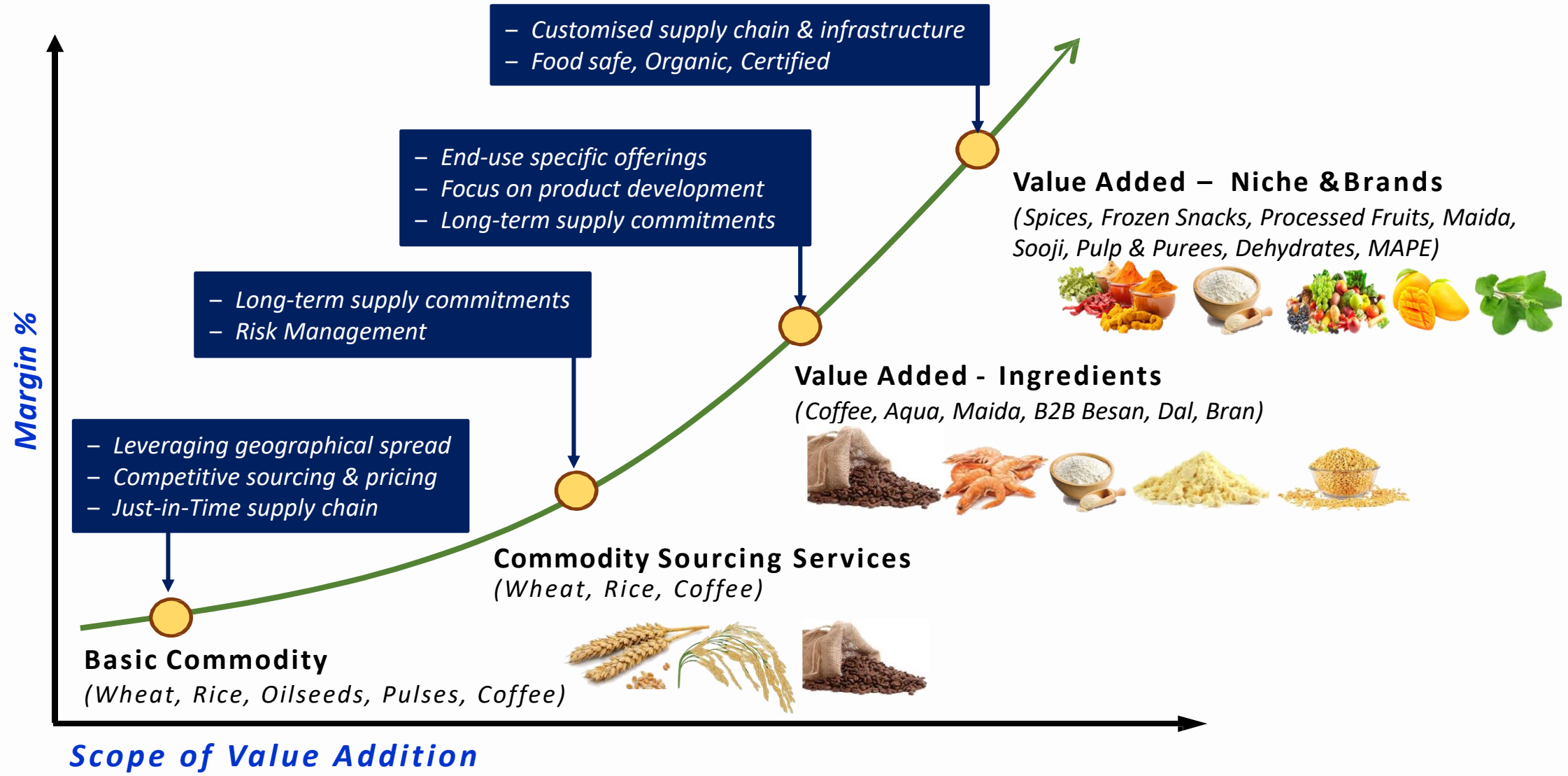

**Milk**

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



**Straddling Multiple Agri Value Chains**







**ITC Master Chef  
Frozen Prawns**



**ITC Master Chef  
Dehydrated Onions & Mango Pulp**



**Organic Spices  
for B2B channel**



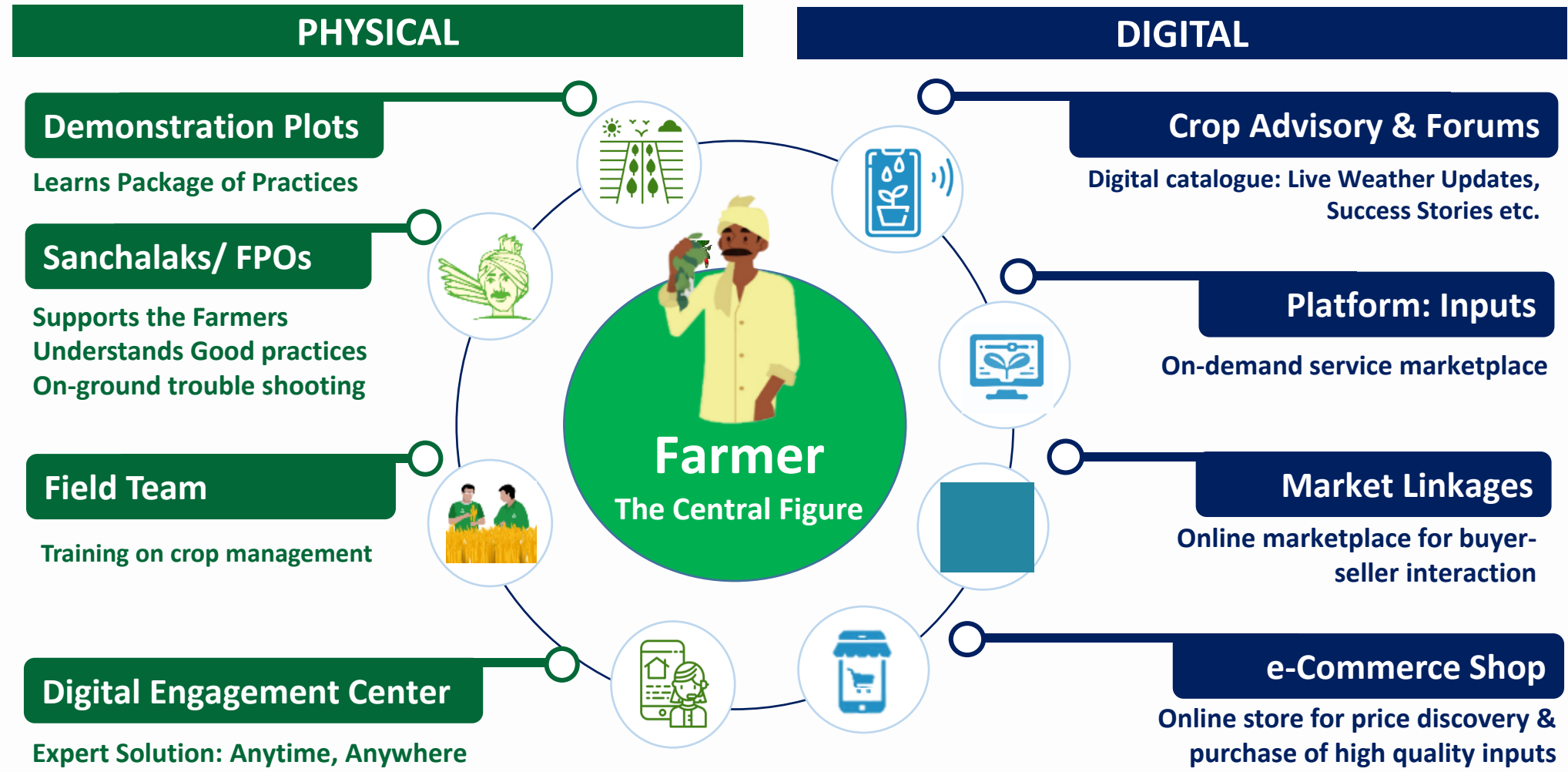
**ITC Farmland  
Frozen Vegetables**



**ITC Farmland  
Potato, Tomato Puree & Apples**



**Maida, Suji, Dal & Besan  
for B2B Channel**



**Physical transactions complemented by Digital interventions**  
Lower Transaction Costs | Customized Solutions at Scale

# ITC's Sustainability Initiatives

## Building a Secure, Sustainable & Inclusive Future

*Innovative Business Models that synergise Extreme Competitiveness with Environmental Stewardship and Exemplary Social contribution.*

## Enabling Impactful Outcomes

### Climate Resilience

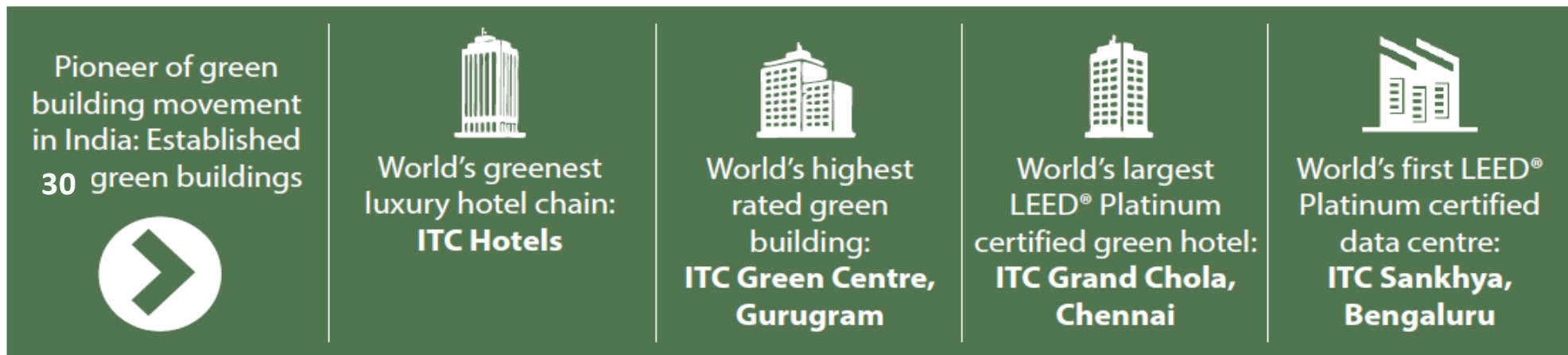
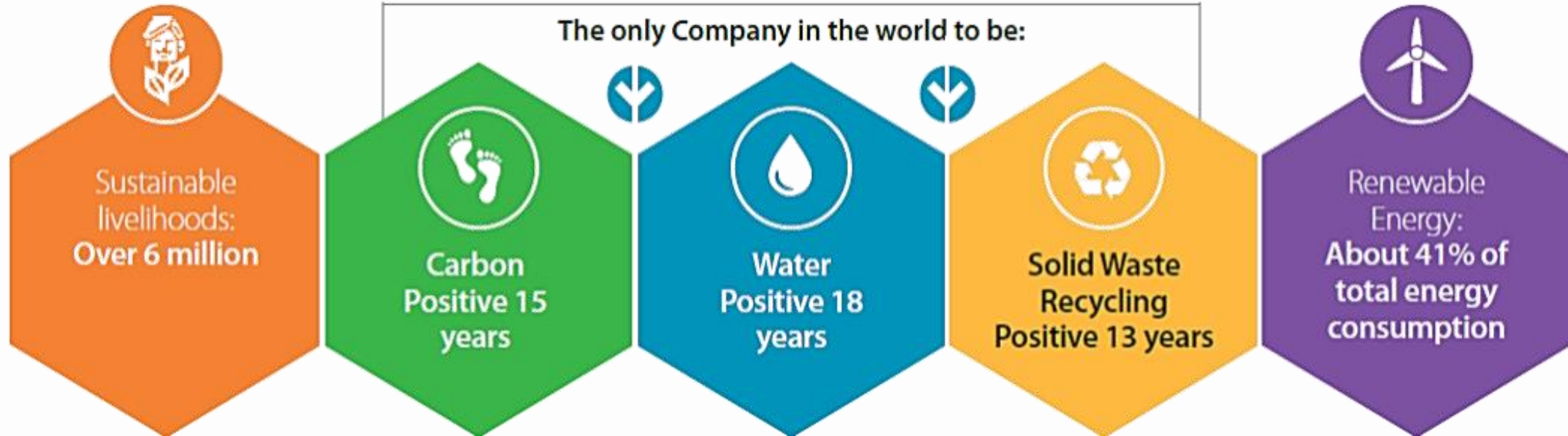
- Water Stewardship
- Afforestation
- Climate Smart Villages
- Renewable Energy
- Green Buildings
- Benchmarked Energy & Water Consumption

### Livelihood Creation

- Robust Agri-Value Chains
- Agro-Forestry
- Women Empowerment
- Primary Education
- Vocational Education
- Livestock Development

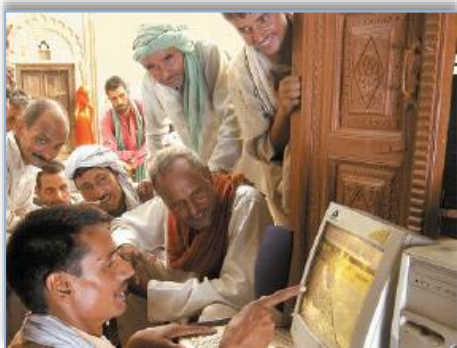
### Strategic Partnerships

- PPPs with Government & Local Communities
- Internationally & Nationally renowned organisations
- Civil Society Orgs



- Pioneer of green building movement in India: Established 30 green buildings**
- World's greenest luxury hotel chain: ITC Hotels**
- World's highest rated green building: ITC Green Centre, Gurugram**
- World's largest LEED® Platinum certified green hotel: ITC Grand Chola, Chennai**
- World's first LEED® Platinum certified data centre: ITC Sankhya, Bengaluru**

# Impactful **Social** Performance



**ITC e-Choupal**  
4 Million Farmers empowered



**Afforestation**  
Over 8,27,000 acres greened



**Watershed Development**  
Over 11,56,000 acres covered



**Livestock Development**  
Over 18.70,000 milch animals covered



**Solid Waste Management**  
Well-being Out of Waste programme covers 1 crore Citizens



**Women Empowerment**  
over 76,300 poor women benefitted



**Skilling & Vocational Training**  
Covering over 86,300 youth



**Primary Education**  
Reaching over 8,13,000 Children





**Health & Sanitation**  
Over 37,700 toilets built



**Pioneer of Green Building movement in India**  
30 platinum rated green buildings

<h3>CO2 Sequestration</h3> <p>From 2x now to 4x of CO2 emissions</p>	<h3>Rainwater Harvesting Potential</h3> <p>From 3x now to 5x of Net consumption</p>	<h3>Renewable Energy (RE)</h3> <p>From 41% now to 50 % of total energy consumption</p>
<h3>Specific GHG Emissions</h3> <p>50% ↓</p>	<h3>Specific Water consumption</h3> <p>40% ↓</p>	<h3>Specific Energy Consumption</h3> <p>30% ↓</p>

### Sustainable Packaging Plan

<h4>Recyclability</h4> <p>100%  recyclable, reusable or compostable</p>	<h4>Plastic Neutrality</h4> <p> Sustainable waste mgmt., innovative substitutes, optimisation</p>
--	--

**Livelihood Generation**  
From 6 million to 10 million

**Biodiversity**  
2.5 lac acres

**Climate Smart Villages**  
3 lac acres





**ITC rated AA by MSCI-ESG**

Highest amongst Global Tobacco cos.

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**ITC included in Dow Jones Sustainability Emerging Markets Index**

Recognition of being a sustainability leader in the industry & Company's commitment to People and Planet.



**ITC PSPD - Kovai Unit, awarded Alliance for Water Stewardship Platinum-level Certification**

Highest recognition for water stewardship in the world - second facility globally, first in India.



**World Business & Development Award**



**Inaugural UNDP-ICC Award**



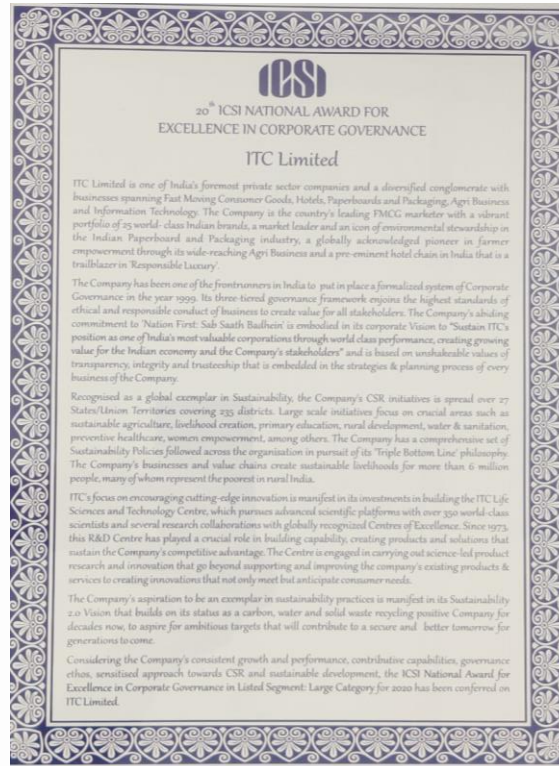
**Sustainability Leadership Award**



**The Stockholm Challenge Award**



**Development Gateway Award**



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



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

**A passion for  
profitable growth....**



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



**.... and  
inclusive**

**Thank You**