BUILDING WORLD-CLASS INDIAN BRANDS

ITC: CREATING ENDURING VALUE FOR INDIA
As a Company deeply rooted in India's soil, ITC is inspired by its vision to serve larger national priorities. ITC’s pursuit of global competitiveness in economic value creation, whilst simultaneously creating larger societal value, spurred innovation in business models to synergise the building of economic, ecological and social capital as a unified strategy. This commitment to create enduring value for its stakeholders and the nation is manifest in its credo of ’Putting India First’ – an abiding philosophy that seeks to put Country before Corporation and the Institution before the Individual.

Creating Multiple Drivers of Growth: Leveraging Enterprise Strengths

Over the years, ITC’s multiple drivers of growth have been carefully crafted to match internal competencies with the emerging opportunities of a growing Indian market. A robust portfolio of businesses leverage ITC’s unique enterprise strengths in terms of its deep consumer insight, intimate rural linkages, superior agri-sourcing, cutting-edge Research & Development, world-class manufacturing, brand building skills, culinary insights of ITC Hotel’s master chefs, innovative consumer packaging, focus on digital technologies and an extensive trade marketing, distribution and logistics network. These unique enterprise strengths enable ITC to create multiple drivers of growth across all the three sectors – agriculture, manufacturing and services, whilst making a significant and holistic contribution to society, environment and the economy.

Contribution to the Exchequer

ITC is amongst the top three corporates in the private sector in terms of Contribution to the Exchequer. Over the last five years, the Value-Added by ITC, i.e. the value created by the economic activities of the Company and its employees, aggregated over ₹2,00,000 crores, of which nearly ₹1,50,000 crores accrued to the Exchequer. Including the share of dividends paid and retained-earnings attributable to
government-owned institutions, ITC’s contribution to the Central and State Governments represents about 80% of its Value-Added during the year. Since 1996, ITC’s Total Shareholder Returns, measured in terms of increase in market capitalisation and dividends, grew rapidly at a compound rate of 22.4% per annum, placing the Company amongst the foremost in the country in terms of efficiency of servicing financial capital.

Creating World-Class Indian Brands
It is ITC’s belief that tomorrow’s world will belong to those who create, own and nurture intellectual capital for the country. Successful brands and trademarks, which represent such intellectual capital, are a badge of honour for the country they belong to. ITC’s world-class Indian brands anchor competitive and inclusive value chains that create, capture and retain larger value within the country as opposed to brands owned overseas that rely on global supply chains besides necessitating payments in the form of royalties, etc. ITC has built 25 world-class mother brands within a short span of time. ITC’s new FMCG brands currently represent nearly ₹16,000 crores in terms of annualised consumer spend, and several of the Company’s brands have assumed market leadership in a short period of time.

Creating Value for Indian Consumers
ITC is committed to delivering superior and differentiated products that create value for the Indian consumer. Some of the differentiated products include ITC Master Chef Super Safe spices that are tested for over 470 pesticide residues and the ITC Master Chef Super Safe prawns that are Individually Quick Frozen and undergo over 240 tests to conform to the best international standards offering consumers and future generations a safer and better product. ITC’s differentiated products focused on health and wellness include the Aashirvaad Sugar Release Control Atta – a low Glycaemic Index atta, Sunfeast Farmlite biscuits, Farmland Naturally Low Sugar potatoes, among others.

Building World-Class Assets for India
ITC’s commitment to create enduring value for India is also manifest in its investments in the development of world-class manufacturing and hospitality assets. These investments that contribute to the Company’s competitiveness and in building assets to serve the nation are in the form of state-of-the-art manufacturing facilities, iconic luxury hotels, logistics hubs and the globally benchmarked Life Sciences and Technology Centre. Contributing to the Make in India vision, ITC is investing in creating 20 Integrated Consumer Goods Manufacturing & Logistics facilities for its FMCG businesses, which promise to lend significant competitive edge to ITC’s businesses in the future. An investment outlay of ₹25,000 crore has been envisaged to support the Company’s projects in manufacturing, hospitality, distribution and agri-backend. Several of these projects are already on stream. Commercial production commenced this year at ITC’s integrated facilities in Uluberia and Panchila in West Bengal, Guwahati in Assam and Kapurthala in Punjab.

Building a Sustainable Future for all Stakeholders
ITC’s quest is to attain extreme competitiveness in each of its businesses, whilst at the same time ensuring the replenishment of environmental resources and creation of large-scale sustainable livelihoods. Today, ITC’s businesses create sustainable livelihoods for over 60 lakh people, many of whom represent the weakest in the society. The philosophy of ‘Responsible Competitiveness’ makes ITC the only company in the world to attain the global environmental distinction of being carbon positive, water positive and solid waste recycling positive for over a decade. Over 43% of the total energy requirement of the Company is met from renewable sources, a testimony to its commitment to a low carbon growth path. ITC’s sustainability initiatives and social investments programmes, such as the celebrated e-Choupal, Social & Farm Forestry, Watershed Development, Animal Husbandry, Women Empowerment, Vocational Training, Primary Education, Health and Sanitation and Solid Waste Management have had a transformational impact on rural India. Many of ITC’s social investment interventions are aligned to the United Nation’s Sustainable Development Goals. In the field of waste management, ITC has spearheaded a 360-degree solutions framework, which includes packaging optimisation, resource conservation, over 99% of waste generated in operations being recycled, enabling source segregation of municipal solid waste, facilitating collection, re-use and re-cycling, thereby moving towards a circular economy. Over the next decade, ITC pledges to ensure that, going beyond Extended Producer Responsibility requirements, the Company will deploy superior solutions so that 100% of all packaging of the Company will be recyclable, reusable or compostable.

Creating an Exemplary National Enterprise
ITC’s super-ordinate vision to create enduring value for the nation is today manifest in the foundation of multiple drivers of growth across businesses of tomorrow, which have achieved significant market standing and leadership. Today, ITC is the leading FMCG marketer in India, a pre-eminent hotel chain and a globally acclaimed icon in green hoteliering, the clear market leader in the Indian Paperboard and Packaging industry, a pioneering trailblazer in farmer and rural empowerment through its Agri Business and a global exemplar in sustainable business practices. This transformation of the Company has also enabled ITC to be a growing and significant contributor to the national economy. In the coming years, ITC’s world-class manufacturing facilities will expand the nation’s industrial capital, whilst the Company’s iconic hotel properties will contribute to the country’s tourism landscape. ITC’s investments and multipronged initiatives in supporting agricultural and rural development will further contribute to doubling of farmers’ income. ITC’s commitment towards a paradigm of growth that is sustainable and inclusive will continue to shape a better and secure future for its stakeholders and the nation.
ITC’s Businesses
Spanning all three sectors of the economy
– Agriculture, Manufacturing and Services

FMCG Businesses

- India’s leading FMCG marketer
- ITC Foods is the 3rd largest in India

Hotels

- One of India’s fastest growing hospitality chains
- ITC’s super premium luxury hotels are LEED Platinum-certified

Agri Business

- Pioneer in rural transformation through ITC e-Choupal
- Largest private sector procurer of wheat in India

Paperboards & Packaging

- Clear market leader in the segment
- Most environment friendly pulp mill in India

Information Technology

- Digital full services global player
- 9 development centres
ITC: An Exemplar in Triple Bottom Line Performance

- **Sustainable livelihoods supported by ITC’s businesses:** 6 million
- **The only Company in the world to be:**
  - Carbon Positive 13 years
  - Water Positive 16 years
  - Solid Waste Recycling Positive 11 years
- **Renewable energy:** Over 43% of total energy consumption
- **ITC’s contribution to the Central and State Governments represents about 80% of Value-Added during the year**
- **Total Shareholder Returns CAGR since 1996:** 22.4% (as in March, 2018)
- **ITC’s FMCG products reach every 2nd household in India**

- **e-Choupal:** 4 million farmers empowered
- **Afforestation:** Over 6,80,000 acres greened
- **Watershed Development:** Nearly 8,75,000 acres covered
- **Livestock Development:** Providing animal husbandry services in 7 states and 25 districts
- **Solid Waste Management:** Well-being Out of Waste (WoW) programme covers 77 lakh citizens
- **Women Empowerment:** Over 61,000 rural women benefitted
- **Skilling and Vocational Training:** Covering over 55,000 youth
- **Primary Education:** Reaching over 5,60,000 children
- **Health & Sanitation:** Over 31,000 toilets built
- **Pioneer of green building movement in India:** Established over 23 green buildings

*Gross Sales Value (net of rebates) includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)*
Within a relatively short span of time, ITC has built 25 mother brands, many of which are market leaders in their segments. This vibrant portfolio of brands represents an annual consumer spend of nearly ₹16,000 crore today.

Today, ITC’s FMCG products reach every second household in India. In terms of annual consumer spend, Aashirvaad is today over ₹4000 crores; Sunfeast over ₹3500 crores; Bingo! over ₹2000 crores; Classmate & YiPPee! are over ₹1000 crores each and Vivel, Mangaldeep & Candyman are over ₹500 crores each. These world-class Indian brands support the competitiveness of domestic value chains of which they are a part, ensuring the creation and retention of value within the country.

ITC’s FMCG brands have achieved impressive market standing in a relatively short span of time. Today, many of ITC’s products have assumed market leadership – Aashirvaad is No. 1 in Branded Atta, Sunfeast is No. 1 in Premium Cream Biscuits, Bingo! is No. 1 in the Bridges segment of Snack Foods, Classmate is No. 1 in Notebooks. Other ITC brands are also gaining significant consumer franchise – YiPPee! is No. 2 in Noodles, Engage is No. 2 in Deodorants and Mangaldeep is No. 2 in Agarbattis and No. 1 in the Dhoop segment.
ITC’s World Class Indian Brands

Aashirvaad  Sunfeast  BINGO!  Yippee!  Natural
Mom’s Magic  Farmlite  Dark Fantasy  ITC MasterChef  Farmland
ITC Hotels  Fabelle  Sunbean  Wills Lifestyle
Fiama  Vivel  Engage  Shower to Shower  Savlon
Classmate  Paperkraft  John Players  Mint-o  Candyman
Mangaldeep  AIM  Charmis  Superia  Kitchen of India
ITC’s World Class Indian Brands

25 mother brands in FMCG with an annual consumer spend of nearly ₹16000 cr

ITC’s FMCG products reach every second household in India

Consumer Spend

Aashirvaad - over ₹4,000 cr

Sunfeast - over ₹3,500 cr

Bingo! - over ₹2,000 cr

Classmate, YiPPee! - over ₹1,000 cr each

Vivel, Mangaldeep & Candyman - over ₹500 cr each

Brand Leadership

Aashirvaad is No. 1 in Branded Atta

Sunfeast is No. 1 in Premium Cream Biscuits

Bingo! is No. 1 in the Bridges segment of Snack Foods

Classmate is No. 1 in Notebooks

Aim is No. 1 in Matches

YiPPee! is No. 2 in Noodles

Engage is No. 2 in Deodorants

Fiama is No. 2 in Shower Gel

Mangaldeep is No. 1 in Dhoop segment and No. 2 in Agarbatti
Branded Packaged Foods

Aashirvaad is India's No. 1 in Branded Atta with an annualised consumer spend of over ₹4,000 Crores

Sunfeast

Among Top 3 Biscuit Brands
No. 1 in Premium Cream Biscuits
Branded Packaged Foods

**Bingo!**
Potato Chips & Finger Snacks

No.1 in Bridges segment of Snack Foods

**YIPpee!**
Instant Noodles & Pasta

YIPpee! is No. 2 Instant Noodles brand in India

**B Natural**
Juices & Beverages

All of B Natural variants today, are made from fruit pulp or juice and are not from concentrates
Branded Packaged Foods

**ITC Master Chef**
- Blended Spices
  - Super Safe spices tested for 470+ pesticide residues

**ITC Master Chef**
- Frozen Prawns
  - Individually quick frozen technique ensures ITC’s prawns are ‘Fresher than fresh’

**Farmland, ITC’s new brand of fresh, safe & nutritious fruits and vegetables**
- Dehydrated Onions
- Potatoes, Apples
  - Made from select high quality Red Onions without added colour or preservatives

Foray into Fruits and Vegetables
Branded Packaged Foods

- **Fabelle**
  - Luxury Chocolates
  - World-class luxury chocolate for the Indian connoisseur

- **Sunbean**
  - Gourmet Coffee
  - Exquisite fusion blends that bring together some of India’s best and the world’s finest coffees

- **Kitchen of India**
  - Ready to Eat Gourmet Cuisine, Daily Treat Masala Mixes, Chutneys & Conserves
  - Rich heritage of authentic Indian Cuisine

- **Candyman**
  - Candies, Toffees, Mints, Gums
  - ITC’s range of confectioneries delights consumers of all ages
Personal Care Products

Fine Fragrances, Deodorants, Hair and Body Shampoos & Bathing Bars

Sublimely crafted to encapsulate the very essence of fine living

No. 2 in Shower Gel
Joy of bathing with a range designed for instant mood upliftment

Shower Gels, Bathing Bars & Bath Essentials

Eau de Parfum, Perfume Sprays, Pocket Perfumes, Deodorants and Colognes

No. 2 in Deodorants
Innovative first-to-market format – Engage On Pocket Perfume
**Personal Care Products**

**Vivel**
Soaps, Body Wash

Vivel is already a ₹500 Crore brand in terms of annualised consumer spend

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**Savlon**
Antiseptic Liquid, Soaps & Handwashes

For over 50 years, Savlon has kept Indians protected against germs

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**Shower in Shower**
Ayurvedic Prickly Heat Powder

Preferred choice in the prickly heat segment

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**CHARMIS**
Moisturising Cold Cream

Enriched with the nourishing goodness of vitamin A, C and E
Education & Stationery Products

Classmate
No. 1 notebook brand in India with a deep-rooted commitment to the environment

Premium Notebooks and Notepads
Aesthetically designed with a positive environmental footprint

Agarbatti
Mangaldeep is the 2nd largest Agarbatti Brand

Safety Matches
Number 1 in Safety Matches
Lifestyle Retailing

WILLS LIFESTYLE
Formal Wear, Casual Wear, Evening Wear & Designer Wear

Presents a complete fashion wardrobe

BE YOU NIQUE
JOHN PLAYERS
Casuals, Denims, Formals & Accessories

Stands for fun, freedom and friendship
ITC’s Brands: Empowering Value Chains

A conscious strategy to drive the competitiveness of value chains linked to its businesses enables ITC to make a more enduring contribution to national economic development. ITC’s winning brands drive synergies to make these value chains sustainable and inclusive. At the same time, by nurturing and strengthening these value chains, ITC adds a unique source of competitive strength to its brands. These value chains contribute to farmer empowerment and enrich the rural ecosystem.

ITC’s Farm-to-Fork Value Chain

ITC’s agri value chain provides a unique competitive edge to the Company’s Foods Business by sourcing identity-preserved high-quality agricultural raw material that enables manufacturing of world-class food brands with consumer-preferred value traits. This is manifest in brands like Aashirvaad Atta, Aashirvaad Spices, Bingo! chips, ITC Master Chef Super Safe Spices and B Natural juices that source wheat, chillies, turmeric, coriander, potato, fruits, among others, from the farmer.
ITC’s Paper Value Chain

ITC’s large-scale Afforestation Programme provides sustainable livelihoods to marginal and tribal households along with a commercially viable land use option. These renewable plantations contribute to the carbon sequestration and soil conservation objectives of the country and enable ITC to offer the greenest paper and paperboards products manifest in stationery brands such as Classmate and Paperkraft, whilst creating largescale livelihoods. These plantations also provide a competitive source of wood pulp to ITC’s Paperboards and Specialty Papers Business. ITC has also developed a unique agro-forestry model, which enables marginal households to convert their low productivity lands into pulpwood plantations, while at the same time helping derisk the farmer through additional production of crops within the same land area.
ITC’s strong portfolio of world-class brands and products is supported by cutting-edge research and development executed by the globally benchmarked, state-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru. This Centre is working on game-changing R&D driving science-led product innovation with a world-class team of over 350 highly qualified scientists. In a short span of time over 750 patent applications have been filed from the Centre. The focus is on designing differentiated and superior solutions that address the unique needs of the Indian consumer.

ITC has been a forerunner in introducing first-in-the-market innovative products for Indian consumers. A slew of innovative and superior products is already in the market and there is a continuous pipeline of such products that are being readied for launch. Some of the innovative first to the market products launched by ITC include the Aashirvaad Sugar Release Control Atta – a low Glycaemic Index atta, Sunfeast Farmlite Active Protein Power biscuits made from roasted Bengal gram, Farmland potatoes with Natural Antioxidants and the Farmland Naturally Low Sugar potatoes, pocket perfume range Engage On, among others.
ITC is investing in 20 modern state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities across the length and breadth of the country to enable its FMCG Businesses to rapidly scale up, supporting the nation’s Make in India mission. Creation of such world-class physical infrastructure for the future would enable ITC to constantly craft and deliver best-in-class products and provide ITC’s brands a competitive edge in terms of scale, freshness and close-to-market distribution. Such facilities, which include state-of-the-art food processing units, will further strengthen ITC’s leadership across the farm-to-fork value chain, enhance cost efficiency whilst enabling greater value realisation to the farmer, and reducing India’s agri wastages. Commercial production has already commenced at ITC’s integrated facilities in Uluberia and Panchla in West Bengal, Guwahati in Assam and Kapurthala in Punjab. Consumer Goods facilities in Trichi, Medak and Ambarnath are in advanced stages of development.
Leveraging its unmatched distribution infrastructure, ITC has enhanced the market standing and consumer franchise of all its brands. Continued focus on supply chain improvements both in the traditional and modern trade arena enhances accessibility of ITC’s large portfolio of products. ITC’s formidable distribution network covers over 1 lakh markets and over 6 million retail outlets directly and indirectly across various trade channels. This enhances the reach and availability of ITC’s large and diverse FMCG product portfolio comprising many brands and hundreds of stock keeping units. This extensive network provides significant sustainable livelihoods across the distribution value chain.
ITC e-Choupal
- Empowering 4 million farmers

Afforestation Programme
- Greening more than 6,80,000 acres

Watershed Development Programme
- Providing Soil & Moisture conservation to nearly 8,75,000 acres of drylands

Livestock Development Initiative
- Providing animal husbandry services in seven States and 25 Districts

Women Empowerment Initiative
- Creating over 61,000 sustainable livelihoods for women

Primary Education Initiative
- Benefitting nearly 5,60,000 children

Skilling & Vocational Training Initiative
- More than 55,000 youth trained

Health & Sanitation Programme
- Over 31,000 low-cost sanitary units constructed

Renewable Energy
- Over 43% of energy consumption at ITC is from renewable sources

Responsible Luxury
- ITC Hotels: Trailblazer in Responsible Luxury
- All ITC’s Premium Luxury Hotels are LEED® Platinum Certified

Promoting Sustainable Agricultural Practices
- Increasing farm productivity and farmer incomes
- Covering 4,15,000 acres

Solid Waste Management Initiative
- Well-being Out of Waste programme covers 77,30,000 citizens

ITC is the only enterprise in the world of comparable dimensions to be Carbon Positive, Water Positive and Solid Waste Recycling Positive.

ITC’s businesses and value chains support around 6 million sustainable livelihoods.