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11th August, 2021

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The General Manager
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P. J. Towers
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Mumbai 400 001

The Secretary
The Calcutta Stock
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7, Lyons Range
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Dear Sirs,

110th Annual General Meeting of the Company - 11th August, 2021

We enclose a copy of the address by the Chairman on 'ITC NEXT: Reimagining Businesses for a Redefined Future' delivered at the 110th Annual General Meeting of the Company held on 11th August, 2021.

Yours faithfully,
ITC Limited

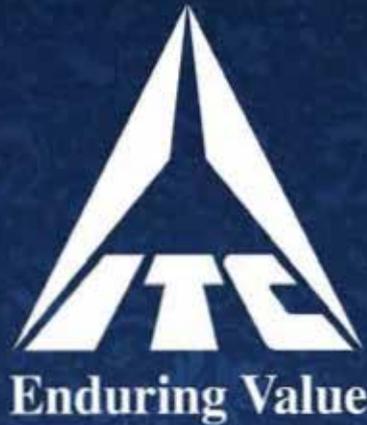
(R. K. Singhi)
Executive Vice President &
Company Secretary

Encl. as above.



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110TH ANNUAL GENERAL MEETING
ITC LIMITED

AUGUST 11, 2021

**ITC NEXT:
REIMAGINING BUSINESSES
FOR A REDEFINED FUTURE**

ADDRESS BY CHAIRMAN
MR SANJIV PURI

As we gather today, new hopes are being rekindled as the economy recovers from the depths of the second wave even though increasing caseloads are causing concern. Undoubtedly, it will take a while to heal the scars inflicted by the successive waves. The events of the last few months have caused unimaginable grief for many who have lost family members, close friends and valued colleagues. In their memory, may I request you to observe a minute of silence as we pray for their eternal peace.

Ladies & Gentlemen, let me begin by expressing our deepest gratitude to all the doctors and healthcare professionals across the country for the extraordinary fortitude displayed in serving humanity during these trying times. It has also been immensely reassuring to see society rise as one to lend its shoulders to the endeavours made by the Central and State Governments, to address the colossal challenge. Unprecedented efforts were witnessed as the country rallied together to provide crucial support in augmenting oxygen supplies, ramping up healthcare infrastructure and extending relief to the vulnerable.

The Government's endeavours to accelerate vaccination brings optimism for the future. This undoubtedly is most critical to restore normalcy, and collectively, all efforts must be made to increase the pace. The crisis, however, is far from over. The distress caused by the pandemic continues to be of concern for lives and livelihoods as well as for economic growth. Despite near-term uncertainties, the Indian economy holds immense promise. The visionary Budget, which announced path-breaking reforms, enhanced capital expenditure and

heightened spends on agriculture, will over time foster competitiveness and spur economic activity.

While the disruptions caused by the pandemic initially impacted some segments of our Businesses such as Cigarettes, Hotels, and Education and Stationery Products, your Company pivoted smartly to address the dynamic operating environment with speed and agility and staged a resilient recovery during the latter part of the year. The FMCG Businesses, with its robust portfolio and innovative offerings in food, health and hygiene products delivered industry leading performance. Gross Revenue and Profit After Tax for FY 21 stood at over Rs 48,000 crores and Rs. 13,000 crores respectively. In a way, the pandemic stress-tested and validated the robustness of the 'strategy reset' and structural interventions that your Company had embarked upon in recent years to sharpen competitiveness and shape a new future.

Your Company's resilient performance is a testimony to the untiring efforts of our talented pool of dedicated professionals, associates and partners who left no stone unturned to bounce back from the crisis despite all adversity. It was this grit and determination that enabled your Company to resume operations in over 180 manufacturing units and 85% of the distribution network within a span of 10 days following the initial lockdown in March 2020. From the workers on the shop floor to the scientists in our labs to the salespeople in the market, the sentiment prevailing was that of putting Nation First. I am sure all of you will join me in applauding them.

During the second wave, the localised lockdowns and restrictions once again

posed challenges. The recovery over the last couple of months is encouraging, though the possibility of subsequent waves creates near-term uncertainties. Your Company will constantly monitor and proactively address these dynamic changes with agility.

Undoubtedly, the pandemic has reinforced the need to build back better and collectively create a world that is greener, more sustainable and inclusive. Your Company has always championed this purpose and embedded sustainability in core business strategy. Raising the bar further, your Company has embarked on Sustainability 2.0, an ambitious and bold agenda to contribute even more meaningfully to a better tomorrow.

Before I dwell on some of the strategic aspects of our journey ahead, I would like to share with you a snapshot of your Company's contribution to supporting society during the pandemic.

ITC: Humble Contribution in Combating Covid-19

Your Company's commitment to contribute to national priorities inspired our efforts in combating the impact of the pandemic on society. As the first wave hit the country, your Company set up a Covid Contingency Fund of Rs 215 crores to support the vulnerable. Essential food and hygiene products were speedily distributed in 25 States and Union Territories.

The severity of the second wave put untold pressure on the availability of oxygen and on medical infrastructure. Your Company was among the first to initiate the airlifting of 24 cryogenic containers to ease the bottlenecks in

transporting oxygen. ITC also sourced more than 1,200 concentrators and 22 oxygen generators to help enhance healthcare infrastructure. Addressing this critical need, your Company also helped set up 3 temporary medical facilities with 600 beds in record time in West Bengal, Madhya Pradesh and Bihar. In addition, ITC's Paperboards unit in Bhadrachalam stepped in to produce and supply medical oxygen to Government hospitals in Telangana. To ensure the well-being of your Company's human resources, nearly 100% of eligible employees have been vaccinated with at least one dose. We are also extending this assistance to our partners and communities in the ecosystem.

The pandemic also reinforced the urgent need for quality healthcare services in rural India. Addressing this crucial requirement, I am happy to announce today that your Company is progressively launching an Integrated Rural Healthcare Programme as part of our social initiatives. This community-based rural healthcare initiative, envisaged as a 'phygital' model, will provide comprehensive, onsite primary and secondary healthcare facilities together with telemedicine services.

An unfortunate fallout of the pandemic was the loss of livelihoods. Redoubling our efforts to assist in creating livelihoods and developing community assets, ITC facilitated daily wage earners access the MGNREGA scheme. This helped generate 55 lakh person days of work in nearly 2,500 villages, including the building of over 5,600 crucial water harvesting structures.

Even as these interventions were carried out to help society deal with the crisis, unprecedented transformation took place in the business environment, redefining the future in more ways than one.

A New Era of Responsible Capitalism

The pandemic fast-tracked the future into the present in ways unimagined. The Black Swan event accentuated the undercurrents of digital and sustainability as predominant megatrends. The rapid development and roll out of vaccines demonstrated the power of science and technology to develop and implement new solutions rapidly. The world is redefining a new future where 'normal' is transient and the 'next' horizon is ever evolving shaped by constant breakthroughs in technology and innovation, escalating sustainability concerns as well as geo-political realignments.

Increasing digital adoption is also scripting new social ecosystems. How people work, get educated, engage, buy and sell products and services, seek entertainment, form new cohorts and social groups have fundamentally changed. The future will no doubt be an evolving hybrid. As society forges ahead, it is important to ensure that technology and the digital revolution also foster inclusive and sustainable growth, else social inequity will only get accentuated. An example of bridging this digital divide lies in the innovative way your Company enhanced capacity of farmers during the pandemic. Digital training platforms were leveraged through customised apps together with the formation of more than 4,800 WhatsApp groups in 5,000 villages, building capacity of 3.8 lakh farmers to

achieve the objectives of your Company's collaborative initiative with NITI Aayog in 27 Aspirational Districts. Cumulatively, over 25 lakh farmers have been trained so far, raising farmer incomes by nearly 60% for select crops in the Kharif 2020 season.

Even as these megatrends define a new tomorrow, the future of the planet is gravely threatened by the twin challenges of climate change and livelihood generation. Never before has the world witnessed such an alarming frequency of extreme weather events. Experts predict that heatwaves will become more intense in India, with wheat yields dropping by 50% in some areas by 2050. Reports also suggest that 21 major cities will run out of groundwater by the end of this decade. The enormous task of providing gainful employment to the millions entering the job market has also got aggravated by the pandemic. By 2050, world population will cross 9 billion. Providing food security, with finite land and depleting natural resources, will be a formidable task. I firmly believe that regenerative agriculture, with replenishment of natural resources, can help ensure food security, strengthen climate resilience and create substantial livelihood opportunities. There is also enormous potential to develop the employment-intensive food and wood value-chains as well as the tourism sector in India.

We are clearly at an inflexion point in history today, which calls for a paradigm shift in crafting new economic models that innovatively integrate environmental stewardship and livelihood generation as core outcomes. I believe, it is crucially important today to usher in a new era of Responsible Capitalism. Corporates are indeed uniquely placed to bring about

such transformational change in society. Enterprises of tomorrow will not only have to be agile, consumer centric, innovative and digital first but also purpose-driven and responsibly competitive.

As the world embraces a new era of Responsible Capitalism, your Company's presence across the three sectors of the economy and our bolder Sustainability 2.0 vision will enable us to make a multi-dimensional contribution to societal value creation. It is in this backdrop that I now present to you the broad contours of *ITC Next* – the future horizon of your Company that we will continue to pursue to create enduring value for our stakeholders.

ITC Next: Reimagining the Future

An extensive strategy reset has been undertaken to architect the structural drivers that will power ITC's next horizon of growth and ensure that the enterprise remains future-oriented, consumer-centric and nimble. Each of your Company's businesses has pivoted to create new frontiers for the future, with enhanced competitiveness as well as sharper focus on cost management to strengthen leadership or rapidly attain the top positions in the case of newer segments. This is reflected in your Company's resilient performance last year despite the disruptions, as well as in the 3 years prior to the pandemic, with EPS growing by 47%. Return on Segment Capital Employed also moved up from 61% to 72% in the same period.

As a core element of the *ITC Next* strategy, your Company will continue to explore opportunities to craft disruptive business models anchored at the intersection of

Digital and Sustainability, the two defining trends in the 'new normal', leveraging its institutional strengths. Let me highlight some of the contours of this *ITC Next* strategy.

Winning the Future with Digital Transformation

At ITC, we recognise that enterprises must possess distinctive digital capabilities to win the future. Your Company is therefore pursuing an accelerated journey to build a dynamic 'FutureTech' enterprise by investing in cutting-edge digital technologies to shape a new paradigm of competitiveness, create innovative business models and tap newer opportunities.

Your Company's digital transformation is being built on a foundation of an agile 'Digital First' culture. New frontiers are being explored across the entire value-chain ecosystem to add significant impetus to digital marketing, digital commerce, digital products and digital operations.

A smart ecosystem with an Integrated Real Time Operations Platform continues to be deployed across the organisation, enabling next generation supply chains and smart manufacturing with digitally enabled factories. Multi-dimensional digital interventions are being implemented to ensure higher order efficiencies, heightened impact and faster go-to-market. These include 'Project Astra' for smart sourcing, the 'ITC One Supply Chain' for smart logistics across businesses, Project Manthan for Industry 4.0 implementation in manufacturing as well as customised apps such as the UNNATI and VIRU to facilitate digital ordering and trade engagement.

Today's new age consumers are digital natives with extensive engagement in social and e-commerce platforms. Recognising the need to engage deeply with consumers, your Company established state-of-the-art Marketing Command Centres called 'Sixth Sense' in Bengaluru and Kolkata. The Centre plays a critical role in identifying emerging trends in real-time, enabling your Company to speedily launch differentiated products as also creatively engage with consumers. As a vibrant content factory, the Centre has generated more than 2,000 'moment marketing' ideas, leading to campaigns with over 1 billion impressions.

Your Company fast-tracked its journey in e-commerce, anticipating the surge in demand for 'contactless shopping' and home delivery. Sales through e-commerce channels have more than doubled during the year. ITC also strengthened its direct to consumer platform, 'ITC e-Store', reaching consumers in 11 metros. The ITC e-Store, currently comprising 800 products across 45+ categories, provides a single platform to showcase the wide array of ITC's product portfolio, besides enabling micro trendspotting and gaining valuable consumer insights. Your Company is also progressively introducing more 'digital first' brands to leverage the growing e-commerce space. During the pandemic, some of your Company's premium brands such as 'Dermafique' and 'Fiama', were repositioned as 'digital first' brands, receiving encouraging consumer response.

Your Company's digital platforms like the Mangaldeep App have also received immense appreciation, with over 1 million

downloads. During the pandemic, when devotees, specially elders, could not visit temples, Mangaldeep initiated a first-of-its-kind series of live digital pujas with large participation. In addition, Classmateshop.com offers mass personalisation of notebook covers as a first-to-market initiative.

I firmly believe that your Company's young professionals can be a driving force in its digital transformational journey. We have accordingly set up a 'Young Digital Innovators Forum', mentored by a global thought leader, for better ideation and adoption of a 'digital first' culture. This will be guided by a 'DigiNext' Council comprising your Company's distributed leadership to mentor, cross fertilise and identify opportunities to scale up.

I will now turn to some of the strategic interventions taken in the different businesses.

Fast Moving Consumer Goods

It has been your Company's unwavering focus to build a formidable FMCG business at scale. Your Company's high-quality brands have today garnered consumer spends of over Rs 22,000 crores and delighted more than 150 million households. This also makes ITC one of the largest incubators of world-class Indian brands. It is indeed satisfying that several of your Company's FMCG brands have achieved leadership positions. These trademarks build intellectual capital for India, besides anchoring inclusive rural value-chains, retaining and multiplying larger value in the country in the true spirit of *Atmanirbhar Bharat*.

In this journey to the *ITC Next* horizon, several strategic interventions are being

executed to achieve sustained, competitive and profitable growth. Accordingly, the FMCG portfolio has been revitalised to make it future-ready, address emerging trends and develop categories of the future. Business segments that were incongruent to our growth aspirations, such as the Lifestyle Retailing Business, have been shrunk. Whilst the existing growth platforms comprising megabrands will be scaled up and fortified, new platforms, whether developed or acquired, will be nurtured to power growth across time horizons. The overarching strategy for new platforms of innovative products is to first validate the concept and business model in select beachheads and then progressively scale up segments, creating new vectors of growth for the future. For example, recognising the undercurrents of hygiene and naturals, your Company acquired 'Savlon', a brand with latent germ-protection equity, and 'Nimyle', a neem-based natural floor cleaner. Since then, Savlon has progressively grown 13x and Nimyle by nearly 4x. To address evolving consumer needs for a variety of healthy, tasty and preservative-free snacks, your Company launched a delectable range of frozen snacks under the 'ITC Master Chef' brand, leveraging the cuisine expertise resident in ITC Hotels with availability being extended to 100 new markets. As consumers exercise increasing preference for trusted brands, your Company's purpose-led brands such as 'Aashirvaad', 'Sunfeast' among others, are well poised to address market opportunities. Aashirvaad, for example, a strong centre-of-plate brand, provides a platform for a larger play in staples and also addresses value added adjacencies such as organic atta and pulses, gluten free and sugar

release control atta as well as vermicelli and instant meals.

These purposeful brands anchor large categories and have immense headroom to grow given the relatively lower household penetration currently, and particularly with per capita incomes rising in the future. Sustained investments to drive innovation and accessibility will continue to fuel growth and enhance market standing.

Innovation has powered the growth of your Company's world-class Indian brands, enabling superior consumer delight. Your Company's Life Sciences and Technology Centre (LSTC) has recently been acknowledged as one of the leading and largest innovation centres in India with strong presence in nutrition, health and well-being, plant breeding, genetics, microbiology, genomics and proteomics. ITC-LSTC has established futuristic Centres of Excellence in Biosciences, Agri-sciences and Materials among others leading to several innovations and first-to-market products. In recent years, your Company has invested in the development of future-ready platforms, in areas aligned to market opportunities, enabling agile and purposeful innovation. During the pandemic, these specialised platforms were put to test and demonstrated encouraging results. A case in point is the health and hygiene platform of Savlon that enabled the launch of several first-to-market products. The Savlon portfolio was first expanded with surface and fabric disinfectants, progressing to wipes and masks as mobility increased and subsequently to a moisturising sanitiser, in tandem with emerging consumer needs. Similarly, the Foods portfolio was

reinforced with the vectors of wellness and immunity manifest in innovative products like the 'B Natural' immunity juices. LSTC's platform-based R&D was pivotal in enabling your Company launch 120 products to meet emerging preferences to address many Indias as well as different channel dynamics.

Your Company's integrated end-to-end distribution platform has been leveraged to widen and deepen the route to market, through a robust multi-channel network that also caters to specialised segments including climate-controlled infrastructure for frozen foods, B2B channels for food services as well as e-commerce. Your Company continues to scale up market, outlet and stockist coverage to drive penetration-led growth, effectively service emergent demand and sharply target rural markets.

To create structural advantages and drive enhanced competitiveness of your Company's FMCG Businesses, 5 state-of-the-art integrated consumer goods manufacturing facilities (ICML) have been set up recently, taking the total to 9 such mega units. This distributed manufacturing footprint enables economies of scale & scope, optimises costs and ensures superior market servicing and freshness. These world-class factories enable higher order operational efficiencies and are being progressively integrated with automated warehouses as well as local agri value-chains to support crop development and procurement, thereby benefitting farmers. With higher levels of capacity utilisation, your Company will realise the full benefits of these investments and drive enhanced competitiveness of the FMCG Businesses over time.

As part of the next horizon vision, your Company is proactively exploring inorganic opportunities. This was manifest in the earlier acquisition of Savlon and Nimyle brands, and more recently of Sunrise Foods Pvt Ltd. A clear market leader in eastern India, 'Sunrise' has a brand legacy of over 70 years. This acquisition will enable ITC to address the growing opportunities in branded spices in underpenetrated markets. Your Company will continue to evaluate such value accretive inorganic opportunities as an additional pillar of growth.

Winning organisations must remain consumer centric and nimble even as the portfolio expands over time. A new strategy of organisation has been put in place, for example, in the Foods Division. Empowered and integrated teams have been formed to focus on specific product markets enabling enhanced consumer centricity and agility, whilst providing undiluted attention to each segment.

During the last 4 years, FMCG Segment EBITDA margins improved considerably by 640 basis points, whilst revenue increased from around Rs 10,500 crores to nearly Rs 15,000 crores. In the year gone by, ITC's FMCG Revenue recorded an industry-leading growth of about 16% on a comparable basis. Your Company continues to be bullish about the Indian consumer space. Accordingly, sustained investments are being made to build and strengthen ITC's world-class Indian brands, which will derive fresh impetus from the strategic revitalisation of the FMCG Businesses as well as the synergies of ITC's institutional strengths, to realise our aspiration to be India's no.1 FMCG Company.

Your Company sustained its leadership position in the cigarette industry by nurturing a portfolio of world-class products anchored on a robust innovation pipeline, superior product development capabilities, world-class manufacturing and best-in-class execution capabilities. The Business was severely impacted by the disruptions last year, though a smart recovery was staged to nearly pre-COVID levels towards the end of the year. With the onset of the second wave, the business was again affected by localised lockdowns and restrictions. However, the week-on-week improvement in market conditions consequent to easing of restrictions augurs well for a pick-up in the recovery momentum.

Agri Business

Your Company's Agri Business is synonymous with the Indian agriculture landscape. Today, the Business sources 3 million tonnes of agri-commodities from more than 20 crop value-chain clusters in 22 States. This Business also provides a unique source of competitive advantage to ITC Foods with superior sourcing strengths encompassing quality, consistency, traceability and product safety. Your Company's world-class Indian brands also anchor a wide range of agri value-chains benefitting farmers across the country.

India's potential in agriculture is immense, given its leadership in production of several crops supported by rich & diverse agro-climatic conditions and established scientific institutions. Experts have assessed that India's agri-exports, which currently account for only 2.5% of global share, can be doubled over time. To realise this potential, it is critical

to strengthen the competitiveness of agri value-chains in areas aligned to global demand and where the country possesses inherent advantages. This calls for a transformation of the agri eco-system from the conventional production-centric supply chains to demand-responsive value-chains anchored by market players.

Agri exports constitute 56% of your Company's aggregate forex earnings of USD 7.3 billion over the last 10 years, effectively linking small farmers to international markets, contributing to the rural economy and the Government's endeavours to Double Farmer Incomes. The recent policy measures announced by the Government, once implemented, can bring about a paradigm shift in enhancing investments in the agri-food value-chain, spur innovations, accelerate technology adoption and raise farmer incomes.

Your Company's Agri Business has recently embarked on its next phase of transformation, anchored on NextGeneration Agriculture and accelerated value addition to build yet another pillar of growth. Accordingly, a new vertical has been created in the Business. The objective is to foster demand-responsive value-chains, promote climate-smart agriculture and digitally empower farmers. Your Company is working with farmers to develop robust models for value-added segments, such as food-safe IPM Chillies, organic mango pulp traceable to farms, specialty coffee certified for fair trade, end-use specific wheat flours and so on. The customised crop development programme with farmers in Madhya Pradesh, aimed at deepening expertise in Medicinal and Aromatic Plant Extracts, has also been expanded. Many of these

models have been validated and will be scaled up over time. Going forward, your Company proposes to foster inclusive agri value-chains through nearly 4,000 FPOs benefitting around 10 million farmers across multiple crop clusters.

To bring the power of cutting-edge digital technologies and unlock the potential of India's small farmers, I am happy to announce that your Company will launch a Super App during the year, called ITC-MAARS or Metamarket for Advanced Agriculture and Rural Services. ITC-MAARS will lend new wings to ITC e-Choupal and create a robust 'phygital' eco-system to deliver seamless customised solutions to farmers, anchored by FPOs, whilst creating new revenue streams, strengthening sourcing efficiencies and powering your Company's world-class Indian brands. Leveraging cutting-edge technologies, ITC-MAARS will offer a full complement of agricultural solutions while its micro-services structure will enable plug-in by a range of agtech solutions.

Hotels

Your Company has, over the years, built a footprint of iconic hospitality properties, which are globally acknowledged for service excellence and superior cuisine offerings.

While the Hotels Business was among the most impacted by the pandemic, this period also gave us the opportunity to reimagine the business model and emerge stronger. Structural interventions were put in place to enable new revenue streams together with aggressive cost management both at a strategic and tactical level. Innovative offerings such as the 'Gourmet Couch' at-home fine dining experiences have gained popularity, whilst other unique out-of-home cuisine services are being piloted. These initiatives will further enhance your Company's service excellence and operational efficiencies.

The Business raised the bar on safety by swiftly re-engineering operating protocols with a contactless service design to reassure guests of best-in-class safety & hygiene standards. An industry defining programme titled 'WeAssure', designed with medical professionals and disinfectant experts, was accorded a first-of-its-kind global Platinum Level certification by DNV.

The *ITC Next* horizon for the Hotels Business is premised on pursuing an 'asset-right' strategy while simultaneously leveraging ITC's world-class properties to drive growth. Accordingly, the 'Welcomhotel' brand has been refreshed, receiving encouraging interest from property owners, while a new boutique brand christened 'The Storii' is being introduced to offer the new-age traveller curated nature experiences. The Business is well poised to leverage emerging opportunities as

mobility increases in the future. In the medium term, the asset-right strategy is expected to double the number of properties in your Company's Hotels Business. As stated earlier, your Company will continue to examine alternate structures in this segment in line with industry recovery dynamics and opportunities for value creation.

Information Technology

Your Company's wholly owned subsidiary ITC Infotech has delivered impressive growth in recent years on the back of structural changes and a new leadership team that is sharply focussed on chosen domains of growth. Robust revenue growth and best-in-class operating margins have led to doubling of net profits in FY21.

Leveraging its expertise in digital technologies and automation, the company has positioned itself as an effective technology partner delivering superior business-friendly solutions.

As the world increasingly leverages digital as a core strategy, ITC Infotech is well positioned to seize the emerging opportunities as well as provide ITC with cutting-edge solutions.

Reimagining Sustainability

The pandemic has brought to the fore the critical need to address sustainability challenges as we collectively resolve to build back better.

While India has made commendable progress in its commitments for the Nationally Determined Contributions, collective efforts can lead to even more significant outcomes. Your Company's multidimensional initiatives are geared to address several of the nation's

sustainability imperatives through a bold and ambitious Sustainability 2.0 vision that aims to build back better, effectively manage climate risks and further strengthen our superior ESG performance. Sustainability 2.0 calls for inclusive strategies that can support livelihoods, pursue newer pathways to fight climate change and enable transition to a net zero economy as also create an effective circular economy for post-consumer packaging waste.

I am sure as valued shareholders, you will draw immense pride from the fact that your Company is the only enterprise in the world to have achieved the distinction of being water positive, carbon positive and solid waste recycling positive for over a decade. Despite a growing manufacturing footprint, over 41% of the Company's total energy consumption is from renewable sources. As many as 33 green buildings have received Platinum certification, which also includes several iconic luxury hotel properties and the world's first certified data centre. ITC Windsor in Bengaluru recently became the first luxury hotel in the world to achieve a LEED® Zero Carbon Certification. As part of the Sustainability 2.0 vision and to contribute to the global fight against climate change, your Company will, by 2030, enhance the share of renewable energy usage to 50%, meet 100% of electricity requirements from renewable sources, significantly reduce GHG intensity and enhance sequestration.

Your Company draws immense encouragement from the transformation achieved through its Social Investments programme. ITC's businesses support over 6 million sustainable livelihoods. Addressing the critical problem of water

stress, ITC has spearheaded an extensive watershed development programme covering over 1.2 million acres. A focussed initiative for demand side management has led to water savings of 25-40% in 7 crops, contributing meaningfully to the Hon'ble Prime Minister's vision in promoting 'More crop per drop'. Your Company's Sustainability 2.0 agenda will strive to create rainwater harvesting potential equivalent to over 5 times the net water consumption and bring in substantial demand side efficiency by 2030. It is also a matter of immense pride that your Company's Paperboards unit in Kovai is the first paper mill in the world to achieve the highest platinum rating under the Alliance for Water Stewardship Standards. ITC intends to certify all sites in high water stressed areas according to these stringent international standards by 2035.

Several other initiatives encompassing bio-diversity, sustainable agriculture, women empowerment, mother and child care, vocational training and primary education have been expanded, yielding encouraging results. To amplify impact, more than 83 Public Private Partnerships have been established in areas like Water Stewardship, Sustainable Agriculture and Solid Waste Management. The Climate-Smart Agriculture initiative, aimed at building climate resilience of farmers, has covered over 2.5 lakh farmers across 8,000 villages. A pilot at scale has 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. Your Company is committed to reviving and sustaining ecosystem services, through

adoption of nature-based solutions and biodiversity conservation covering over 250,000 acres by 2030. The overarching aspiration of Sustainability 2.0 is to support livelihoods for 10 million people.

Your Company has implemented industry leading efforts in promoting a circular economy. The Well-being Out of Waste (WOW) programme, an end-to-end waste management initiative, currently reaches out to 1.5 crore citizens, supporting livelihoods for nearly 17,000 waste collectors. The Green Temple Initiative for conversion of waste to biogas for kitchens and compost for gardens covers nearly 190 temples and is being expanded. The WOW programme will also be scaled up over time whilst innovations are being pursued to reduce plastic intensity in packaging. Your Company aims to be plastic neutral this year and envisages that 100% of its packaging will be reusable, recyclable or compostable by 2028.

In Conclusion

Ladies & Gentlemen, your Company looks to the future with optimism by drawing enormous strength from the strategy reset as also from the lessons learnt in the past few months. Lessons of confronting challenges in uncertain terrains, of pursuing innovations with limited resources, of seeking new avenues to keep operations running in constrained circumstances, of forging new collaborations in trying times and bouncing back with agility. These experiences will be invaluable as we move purposefully in our journey to shape a stronger and exemplary institution of national pride.

I would like to once again, on behalf of the Board and my own, express our deepest appreciation for Team ITC and our partners for their tremendous efforts in braving the new normal amidst every adversity.

ITC is humbled by the opportunity to contribute meaningfully to national development in multi-dimensional ways. In this quest, your Company's credo of Nation First: *Sab Saath Badhein* continues to be a powerful force of inspiration and a guiding beacon.

As I conclude, I would like to once again thank you, our valued shareholders, on behalf of the Board, for your continued support and goodwill. Let me take this opportunity to wish you and your families the very best for a safer and healthier tomorrow. I would also urge you to continue following all precautions, be it proper usage of masks, safe distancing or other hygiene protocols. These are steps that we can and must take to contribute to this fight against the pandemic.

Stay Safe, Stay Healthy.

Thank you, Ladies & Gentlemen.

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