

ITC Ltd¹

Parent Entity Jurisdiction	HQ	Ownership	Rank	Final Score
India	India	Publicly Traded	9 (of 15)	1.41 (of 5)

Operating Environment

- ITC Ltd (ITC) operates in one Index Region (Asia Pacific), and in one of the 36 Index Countries (India).
- ITC operates exclusively in LMICs.
- ITC's product portfolio² consists of cigarettes, cigars, and NRT products.

Publicly Stated Position on Tobacco Harm Reduction

- No publicly stated position found on tobacco harm reduction as defined by this Index.

Change Since 2020 Index

- ITC's Capital Allocation and Expenditure category score increased as ITC invested in an e-cigarette manufacturing facility in 2021 for export to Europe and the USA.³
- ITC's Marketing Policy & Compliance category score increased. Its 2021 Integrated Report refers to its marketing policy, which includes specific provisions concerning health warnings and advertising.⁴
- ITC's Lobbying and Advocacy category score increased, as ITC added a policy on Responsible Advocacy to its corporate website.⁵

¹ ITC Ltd is publicly traded but state enterprises own 24.2% of the company

² Listed high to low in order of company's global volume sales in 2021.

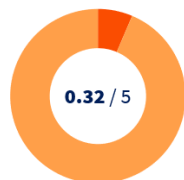
³ ITC Ltd. (2021). *Annual Report 2021*, Page 123, Accessed August 22, 2022, from <https://www.itcportal.com/about-itc/shareholder-value/annual-reports/itc-annual-report-2021/pdf/ITC-Report-and-Accounts-2021.pdf>

⁴ ITC Ltd. (2021). *Integrated Report 2021*, Page 46, Accessed August 22, 2022, from <https://www.itcportal.com/about-itc/shareholder-value/itc-integrated-report-2021.pdf>

⁵ ITC Ltd. (2021). *Corporate Website*, Accessed August 21, 2022, from <https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#ResponsibleAdvocacy>

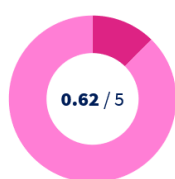
Key Performance Indicators

Strategy & Management (Category Score: 0.32/5 - Category⁶ Rank 10/15)



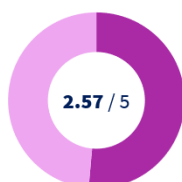
- ITC does not publicly acknowledge its role in, nor make a formal commitment to reducing, tobacco-related death and disease.
- ITC sells NRT products and has obtained regulatory approvals for the future manufacture and export of nicotine and nicotine derivative products.⁷ ITC does not set any objectives related to tobacco harm reduction.

Product Sales (Category Score: 0.62/5 - Category Rank 9/15)



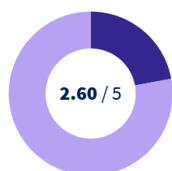
- ITC has the tenth-highest Volume Sales of HRPs (2021: 61.4 billion stick equivalents).⁸
- With 0.04% of its total volumes coming from RRP, ITC has the ninth-highest score for Ratio of Volume Sales (RRPs versus HRPs).

Capital Allocation & Expenditure (Category Score: 2.57/5 - Category Rank 9/15)



- ITC's allocation of R&D Expenditure on RRP (versus its total R&D expenditure), at an estimated⁹ 3%, is the tenth highest of the Index Companies.
- At an estimated 31%, ITC's allocation of Capital Expenditure (RRPs versus HRPs) ranks it in seventh place.

Product Offer (Category Score: 2.60/5 - Category Rank 6/15)



- ITC offers both HRPs (cigarettes, cigars) and RRP (NRT products) in one Index Country (India). Vaping and heated tobacco products are banned in India.
- In terms of product categories, ITC has two HRPs, compared to one RRP in its portfolio.

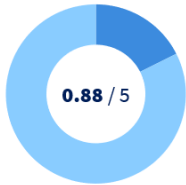
⁶ Each category is made up of multiple indicators. Certain indicator-level ranks are also listed in the text below.

⁷ Business Standard. (July 2021). *ITC diversifies tobacco into nicotine and derivatives for US vaping market*, Accessed August 21, 2022, from https://www.business-standard.com/article/companies/itc-diversifies-tobacco-into-nicotine-and-derivatives-for-us-vaping-market-121071401140_1.html

⁸ Negative indicator, i.e. a higher number indicates lower performance.

⁹ See Index Methodology, "Data Collection and Analysis"

Marketing Policy & Compliance (Category Score: 0.88/5 - Category Rank 8/15)



- ITC does not publicly disclose a Youth Access Prevention Policy.

Lobbying & Advocacy (Category Score: 0.96/5 - Category Rank 8/15)



- ITC does not disclose its policy positions related to tobacco harm reduction.
- ITC does not disclose specific lobbying activities and memberships in all jurisdictions in which it operates.

Key Figures: ITC Ltd



Headquarters:
India



Rank: 9/15 =
2020 Index restated rank: **9/15**



Ownership:
Publicly Traded



Final Score: 1.41/5 ▲
2020 Index restated score: **1.10/5**

Value sales: HRPs & RRP



Capital Allocation and Expenditure*: HRPs & RRP



*Capital Allocation and Expenditure includes Marketing, M&A, R&D and Capital Expenditure

Source: Tobacco Transformation Index 2022 and Index 2020, <https://tobaccotransformationindex.org/> Euromonitor International
Note: RRP represented 0.1% of ITC's value sales in 2021. Showing USD figures to one decimal point only.