SUSTAINABILITY 2.0

Enduring Value

Shaping the future













Reimagination.

Resilience.

Regeneration.

Sustainability Report 2026

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To know more about ITC, scan this

Creating Sustained Economic Value



Environmental Stewardship



Social Stewardship

Chairman's Message



Mr. Sanjiv Puri
Chairman & Managing Director,
ITC Limited

It gives me great pleasure to present ITC's 23rd Sustainability Report, reaffirming our commitment to sustainable growth and inclusive development. It is indeed heartening that ITC's superior Triple Bottom Line performance continues to receive global recognition. This year, the Company achieved two significant milestones - its debut on the CDP Forest 'A List' and becoming the first company in India to attain the FSA 3.0 Silver benchmark for advancing sustainable farming, traceability and farmer incomes. ITC has been ranked among global sustainability leaders in the Dow Jones Best-in-Class Emerging Markets Index, while also earning an 'A' rating for CDP Water and a 'Leadership' rating for CDP Climate. Notably, the Company has retained an 'AA' MSCI-ESG rating for 8 consecutive years. These recognitions are a testament to the unwavering commitment of our teams and to the enduring partnerships we have built with stakeholders who remain an integral part of our journey.

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The Current Context

We are navigating an era of TURN – Turbulence, Uncertainty and Rapid change necessitating Novel strategies to reimagine the future. Climate risks, geopolitical fragmentation, weaponisation of supply chains, growing concerns around energy security, technological disruption and social inequity are converging to reshape global growth.

Climate change is now a stark reality, impacting agri-food systems, water security and economic progress. The world faces the dual imperative of decarbonising rapidly while adapting at scale. Warming trajectories remain above 1.5°C, while water stress is escalating towards what is increasingly termed as "global water bankruptcy". The likelihood of a strong El Niño further heightens risks to agriculture and livelihoods, particularly in climate-sensitive regions like India.

At the same time, inequities in wealth, nutrition and livelihoods remain pronounced, underscoring the need for a development paradigm that is resilient, inclusive and sustainable. It is deeply encouraging that India is now recognised as a leader in climate action with forward-looking initiatives such as the International Solar Alliance, National Green Hydrogen Mission and Mission LiFE.

The Government's path- breaking social development interventions encompassing the National Education Policy, Ayushman Bharat, Pradhan Mantri Kaushal Vikas Yojana 4.0, PM Vishwakarma, Lakhpati Didi, SHE-MART, and Swachh Bharat Mission are creating pathways for social and economic mobility at the grassroots.

Pathways for a Greener, Cleaner and Inclusive Future

I have often highlighted that corporates have an economic and social purpose and can play a pivotal role in building a sustainable future. Sustainability is no longer an adjunct to strategy; it is a defining driver of competitiveness and resilience. Future-ready enterprises will be those that integrate climate action, resource efficiency and social inclusion into their core business strategies.

This requires a mosaic of interventions focussed on accelerating decarbonisation, scaling adaptation, advancing circularity and aligning growth with nature-positive outcomes. Equally important is ensuring a just transition that safeguards livelihoods and promotes equity.

ITC's Sustainability Vision and Strategy

For over 25 years, ITC has been at the forefront of sustainability, embedding it in its corporate strategy. We have always believed that what is good for the planet and society is good for business. We have demonstrated through our endeavours, that sustainability and competitiveness can be mutually reinforcing. Guided by our credo "Nation First: Sab Saath Badhein," the Company continues to pursue a strategy of 'Responsible Competitiveness', creating enduring value across economic, environmental and social dimensions.

The Company's Sustainability 2.0 agenda, an integral pillar of the ITC Next Strategy, is designed to scale up impactful solutions that not only strengthen competitiveness of the enterprise but also build climate resilience. Towards this, wide-ranging interventions have been spearheaded across renewable energy, green infrastructure, climate smart agriculture, water stewardship, circularity, biodiversity, afforestation, and sustainable alternatives to plastic.

Complementing this, our Social Investments Programme (SIP) adopts a two-horizon approach, strengthening livelihoods of today while building future capabilities of rural communities. Recognising the need for integrated solutions, SIP partners with governments, knowledge partners and innovation platforms to build capacity and enable scalable, system-level impact aligned with national priorities.

It is a matter of pride that ITC's inclusive models now support the livelihoods of 90 lakh people, while continuing to sustain its leadership as a climate positive, water positive and solid waste recycling positive company.

Climate Action

ITC pursues a comprehensive climate strategy that advances both mitigation and adaptation in a balanced manner, recognising that resilience is as critical as decarbonisation.

Accelerating Decarbonisation

The Company is strengthening its long-term sustainability agenda by its commitment to Net Zero Operations by 2050, working with value-chain partners to decarbonise operations, improve efficiency and progressively strengthen emissions coverage within the reporting boundary. Progressing on its decarbonisation efforts, ITC's share of renewable energy now exceeds 51%, surpassing the Sustainability 2.0 target for the second consecutive year, even as our businesses have expanded considerably. We have also met our 2030 goals on specific energy and water consumption ahead of time.

Going forward, the focus is on strengthening systems to measure and monitor Scope 3 emissions in line with emerging global standards. Initiatives such as Social and Farm Forestry, biomass-based energy, green infrastructure and electric mobility continue to be scaled up to enable a low carbon future.

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Chairman's Message

> It is a matter of immense satisfaction that ITC has become the first FMCG business in India to publish a 'Nature Report' in line with the Taskforce on Nature-related Financial Disclosure*.

Scaling up Adaptation

Recognising the growing impact of climate risks, ITC is strengthening resilience across operations and agri value chains through AI-enabled climate analytics and site-specific interventions.

Enabling farmers to address vulnerabilities arising out of extreme weather events, our Climate Smart Agriculture programme which is progressively being scaled up now spans nearly 32 lakh acres across 17 States, benefiting over 12 lakh farmers through regenerative and climate-resilient practices. ITCMAARS further strengthens this effort through a 'phygital' ecosystem that empowers farmers with advisory services and agronomy practices. It is also encouraging that ITC's Agri Business is expanding its organic farming footprint engaging 35,000 farmers, including that of 24 Mantra Organic, to reduce chemical dependency, improve soil health and enhance long-term ecological resilience.

Enhancing Nature-based Solutions

Adopting Nature-based solutions remains central to ITC's strategy. Our integrated water stewardship approach spans integrated watershed development, demand side water management and river sub-basin rejuvenation besides reducing specific water consumption in our operations.

Water-use efficient practices now cover over 20 lakh acres, with watershed programmes spanning a similar scale. We have successfully rejuvenated four river sub-basins and are working on the fifth, while expanding initiatives to address urban water stress in Bengaluru, Tiruvottiyur among others. ITC continues to lead in water stewardship with 9 Alliance for Water Stewardship (AWS) Platinum-certified units.

Conservation of biodiversity remains a key imperative for ITC, with focus on site-specific identification and management of nature and biodiversity risks across operations. Our Biodiversity Conservation programme spans over 8 lakh acres, supporting commons restoration and forest fringe development, while soil health initiatives promote practices such as manure and tank silt application, conservation agriculture, and green manuring. The Company's afforestation programme has greened over 14.8 lakh acres and generated more than 270 million person-days of employment, contributing to large-scale carbon sequestration and livelihood generation.

It is a matter of immense satisfaction that ITC has become the first FMCG business in India to publish a 'Nature Report' in line with the Taskforce on Nature-related Financial Disclosure*.

Towards Circularity

Circularity lies at the heart of ITC's sustainability agenda, guiding responsible resource use and a low-waste future. Adopting a holistic, value chain approach, we are strengthening our 2030 sustainable packaging targets to enhance material circularity, reduce virgin resource use, and improve end-of-life outcomes for post-consumer plastic packaging, while scaling waste management initiatives, improving recycling, and deepening partnerships with local bodies for source segregation and decentralised systems.

ITC's Well-being Out of Waste and decentralised waste management programmes further promote a circular economy, creating a clean environment while supporting sustainable livelihoods for waste collectors.

Promoting Inclusive Development

ITC's Social Investments Programme (SIP) drives inclusive growth by promoting community well-being through an integrated approach to interconnected challenges. We have adopted a 3-pathway approach that encompasses natural resource conservation, human capability development across education, employability and enterprise, and strengthening public health ecosystems. This is aimed at helping build resilience, enhance capabilities and improve quality of life for rural communities. Partnerships with governments and institutions enable amplification of reach and impact.

Women's empowerment is at the core of SIP, focusing on agency, livelihoods and leadership through financial and digital literacy, entrepreneurship, market access and community institutions. Through dedicated initiatives such as Krishi Sakhi, Pashu Sakhi, Yojana Sakhi, and Swasth Sakhi, women are emerging as earners, entrepreneurs and change-makers, while targeted programmes for ultra-poor households and women-led enterprises support sustainable incomes and resilience.

Our interventions have reached 40 lakh women in financial literacy, supported over 23 lakh children with education, trained 1.4 lakh youth, and covered 17 lakh beneficiaries under the Maternal & Child Health Programme.

ITC's Foods Business is working on advancing India's nutrition agenda through its 'Help India Eat Better' strategy, delivering healthier, value-added foods through innovation, sustainable ecosystems and nutrition awareness.

Towards the Next Horizon

As we move ahead, resilience, agility and purpose will be the key levers to redefine the future in an increasingly dynamic world. We continue to take purposeful strides towards shaping a future-ready enterprise powered by multiple drivers of growth, digital transformation, purposeful innovation, supply chain resilience and sustainability. We continue to scale up our portfolio of purposeful brands that anchor local value chains, thereby creating and capturing value in the country. Our efforts in addressing climate exigencies, agricultural transformation and community empowerment enable us to make a meaningful contribution to sustainable and inclusive development.

We remain steadfast in our mission to build an exemplary Indian enterprise that creates larger value for all stakeholders, serves national priorities and helps shape a better future for generations to come. We look forward to the continued support of our stakeholders as we strive to build an institution of pride for India.

> We have adopted a 3-pathway approach that encompasses natural resource conservation, human capability development across education, employability and enterprise, and strengthening public health ecosystems.

*As per the TNFD website

About this Report

Reporting Framework

ITC reports its sustainability performance annually, and the Sustainability Report 2026 covers the sustainability performance for the period April 1, 2025 to March 31, 2026.

ITC's Sustainability Report 2026 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and GHG Protocol. Reporting on sustainability topics continues to be on the basis of materiality. The Reporting Principles, Universal Standards and Topic Standards detailed in the GRI Standards have been considered while preparing the Report. In addition, the Report continues to be aligned to the requirements of the Integrated Reporting Framework.

The Report also contains disclosures pertaining to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. ITC also discloses its climate change, water security and forest related approach and performance through CDP. ITC has also integrated the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), including the L.E.A.P. (Locate, Evaluate, Assess, and Prepare) approach within its biodiversity and nature strategy.

Accordingly, ITC has published its first Nature Report focusing on the direct operations and key value chains across Agri, Paper and Specialty Papers and Foods Businesses, which are closely linked with agriculture and the essential ecosystem services that nature provides.

Independent Audit and Assurance

The financial data included in the Report is excerpted from the ITC's Report & Accounts 2026, audited by independent External Auditors – Messrs. S R B C & CO LLP. ITC has obtained independent third-party assurance for its Sustainability Reports since it started reporting in 2004. In the reporting year, authenticity of the data and systems disclosed in the Sustainability Report 2026 has been assured by KPMG Assurance and Consulting Services LLP, an independent third-party assurance provider.

They have provided the assurance as per the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410, issued by the International Auditing and Assurance Standards Board (IAASB). The indicators which are under Reasonable Assurance and Limited Assurance are available in the assurance report. The assurance report of KPMG Assurance and Consulting Services LLP is included in the Report and covers the summary of the work performed, the manner in which the assurance engagement has been conducted, the extent to which ITC has applied GRI Standards, and their conclusions on the Report.

ITC has computed its greenhouse gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2018 and GHG Protocol (A Corporate Accounting and Reporting Standard) (Revised). The GHG inventory for FY 2025-26 has been assured by KPMG Assurance and Consulting Services LLP. ITC accounts for the following gases in its GHG inventory: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF_6).

Contact Point

For any clarifications, e-mail: enduringvalue@itc.in

To download a copy, visit the Company portal - https://www.itcportal.com

Reporting Boundary

ITC has deployed an Integrated Sustainability Data Management System to collect, collate and analyse environmental and social data. The system is equipped with strong internal controls to support the underlying integrity and credibility of disclosures made in the Report. The data related to environment and social performance unless otherwise specified in the respective sections is based on the actual performance of various Businesses of the Company (including manufacturing units and office complexes), Subsidiaries, Associate Companies and Third-Party Manufacturers (TPMs) included in the reporting boundary.

The state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLF) at Panchla co-located with the respective ICML is included in this year's reporting boundary. Performance of one Unit of ITC's subsidiary ITC IndiVision Limited has also been included in this Report, expanding the coverage of subsidiary companies to 5 in FY 2025-26. In line with ITC's Policy on Sustainable Supply Chain and Responsible Sourcing, the Company continues its efforts to encourage best-in-class sustainability practices along the value chain. In the current year, ITC continues to incorporate the performance of four TPMs of Cigarette Business, seven TPMs of the Notebooks segment of Education and Stationery Products Business, thirty-three TPMs of Foods Business Division (FBD) and one Associate Company. ITC intends to progressively include more supply chain members in the reporting boundary and will continue to build capacity of its key supply chain partners and review their sustainability performance.

CSR Programmes: ITC's CSR footprint is spread across 20+ States/ Union Territories.

ITC Registered Office: Kolkata (West Bengal)

ITC's Businesses

FMCG Cigarettes

India Tobacco Division (ITD)

Headquarters:
Kolkata (West Bengal)

Units: Kolkata (West Bengal), Bengaluru (Karnataka), Munger (Bihar), Saharanpur (Uttar Pradesh) and Pune (Maharashtra)

Third Party Manufacturers (TPMs):
4 nos.

FMCG-Others

Branded Packaged Foods Businesses

Headquarters:
Bengaluru (Karnataka)

Units: Haridwar (Uttarakhand), Pune (Maharashtra), Munger (Bihar), Panchla, Uluberia and Sankrail (West Bengal), Khordha (Odisha), Guwahati (Assam), Kapurthala (Punjab), Pudukkottai (Tamil Nadu), Malur & Mysuru (Karnataka), Medak (Telangana), Bikaner, Reengus & Jaitpura (Rajasthan), Agra (Uttar Pradesh) and Jammu (Jammu & Kashmir)

Third Party Manufacturers (TPMs):
33 nos.

Personal Care Products Business Division (PCPBD)

Headquarters:
Kolkata (West Bengal)

Units: Haridwar (Uttarakhand), Manpura (Himachal Pradesh), Guwahati (Assam) and Uluberia (West Bengal)

Education and Stationery Products Business (ESPB)

Headquarters:
Chennai (Tamil Nadu)

Third Party Manufacturers (TPMs) of Notebooks:
7 nos.

Incense Sticks (Agarbattis) and Safety Matches

Headquarters:
Chennai (Tamil Nadu)

Agri Business Division (ABD)

Headquarters:
Guntur (Andhra Pradesh)

Units: Anaparthi (Andhra Pradesh), Chirala (Andhra Pradesh), Mysuru (Karnataka), Research Centre, Rajahmundry (Andhra Pradesh), and Spices Factory (Guntur, Andhra Pradesh)

Paperboards and Specialty Papers Business

Headquarters:
Hyderabad (Telangana)

Units: Tribeni (West Bengal), Bhadrachalam (Telangana), Bollaram (Telangana) and Kovai (Tamil Nadu)

Packaging and Printing Business (PPB)

Headquarters:
Chennai (Tamil Nadu)

Units: Haridwar (Uttarakhand), Munger (Bihar), Nadiad (Gujarat) and Tiruvottiyur (Tamil Nadu)

Others

Trade Marketing and Distribution (TM&D)

Headquarters:
Kolkata (West Bengal)

District Offices:
Kolkata (West Bengal), and Mumbai (Maharashtra)

Owned Warehouses:
Ambernath (Maharashtra), Hyderabad (Telangana), Malur (Karnataka), Chennai (Tamil Nadu), AMLF Pudukkottai (Tamil Nadu), AMLF Kapurthala (Punjab) and AMLF Panchla (West Bengal)

ITC Life Sciences & Technology Centre, Bengaluru (Karnataka)
Central Projects Organisation, Bengaluru (Karnataka)
ITC Grand Central (Mumbai)

Subsidiaries

ITC Infotech India Limited

Units: Bengaluru (Karnataka) and Kolkata (West Bengal)

Technico Agri Sciences Limited

Units: Chandigarh and Manpura (Himachal Pradesh)

North East Nutrients Private Limited

Units: Mangaldoi (Assam)

Surya Nepal Private Limited

Units: Simara and Seratar (Nepal)

ITC IndiVision Limited

Units: Mysuru (Karnataka)

Associate

ATC Limited

Units: Hosur (Tamil Nadu)

Reporting Scope Exclusions

Subsidiaries, associates and joint ventures, except the ones mentioned above, are not included in the reporting boundary.

About ITC

ITC is one of India's foremost private sector companies with a diversified presence in FMCG, Packaging, Paperboards & Specialty Papers, Agri-Business, Fresh Food and Information Technology.

Inspired by its vision of 'Nation First: Sab Saath Badhein', ITC has crafted unique business models that enable it to build extreme competitiveness even as it augments environmental resources, combats climate change and provides meaningful support to livelihood generation at scale. ITC calls this paradigm of growth 'Responsible Competitiveness'. This strategy has not only contributed to building strong Businesses of the future as well as a portfolio of winning world-class brands, but also in making ITC a global exemplar in 'Triple Bottom Line' performance.

₹808.67
billion
Gross Revenue

₹202.86
billion
Profit After Tax

12
Future Ready Businesses across 4 Segments

34,589
Full Time Employees

Fast Moving Consumer Goods



India's leading FMCG marketer, with over 30 powerful mother brands, ITC's FMCG Businesses are present in:

1. **Branded Packaged Foods**
2. **Education and Stationery Products**
3. **Personal Care Products**
4. **Incense Sticks and Safety Matches**

ITC's FMCG Businesses export to over
70 Countries

Paperboards and Packaging



ITC's Paperboards and Specialty Papers Business is a leader in the Value-Added Paperboards (VAP) segment.

The Business is also a leading player in the eco-labelled products segment as well as the premium recycled paperboards space.

ITC's Packaging and Printing Business is a leading provider of differentiated and innovative packaging solutions offering superior consumer value leveraging its comprehensive capability-set spanning multiple technology platforms coupled with in-house cylinder making and blown film manufacturing lines.

The Business delivers packaging that meets stringent functional requirements while elevating the branded product experience.

Paperboards and Packaging Businesses promotes sustainable packaging solutions that substitute single-use plastics.

Agri Business



A pioneer in rural transformation, ITC is one of India's leading Agri business players and is also the largest exporters of Agri-commodities.

ITC's Agri business has extensive engagements with farmers for over 100 years.

The scale of operations encompasses nearly four million tonnes of annual volume throughput in 22 States and over 20 agri-value chains.

The Business aims to scale up its value-added portfolio across categories like organic, food safe, attribute specific, as well as medicinal & aromatic plants.

The Business is powering NextGen Agriculture through value addition, digital adoption and climate smart agriculture.

ITC's e-Choupal initiative empowers over 4 million farmers.

ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform brings the power of digital technologies to farmers.

Others



ITC Infotech (Information Technology)

ITC Infotech is a wholly-owned subsidiary of ITC.

It is a leading global technology services and solutions provider with presence in 35+ countries and nearly 50 Fortune 500 Clients.

It is a partner of choice for customers in their AI, Cloud, Digital Transformation and Software as a Service (SaaS) adoption journey

Fresh Food

An Online food services segment to offer premium food experiences for Indian consumers.

The Business leverages Company's institutional strengths in Food Science & Manufacturing, its trusted FMCG food brands and deep consumer insights, and culinary expertise built through ITC Hotels Limited, to create differentiated and contemporary food propositions.

The Business is anchored on a portfolio of distinct brands— 'ITC Master Chef Creations', 'ITC Aashirvaad Soul Creations', 'ITC Sunfeast Baked Creations', and 'Sansho by ITC Master Chef'.

A Bouquet of Leading FMCG Brands

(Source: Nielsen/Kantar Household Panel)

AASHIRVAAD
Atta, Salt & Spices
#1 in Branded Atta

Sunfeast
Biscuits & Cakes
#1 in Cream Biscuits

Bridges, Potato chips & Namkeens
#1 in Bridges Segment of Snack Food

Sunfeast Yippee! noodles
Noodles & Pasta
#2 in Noodles

classmate
Education & Stationery Products
#1 in Notebooks

Dhoop & Agarbatti
#2 in Incense Sticks

Triple Bottomline Performance

Economic

₹808.67 billion
Gross Revenue



~16.2%
Shareholders' Return CAGR since the turn of the millennium

Over **30**
Powerful Mother Brands

₹9.34 billion
R&D Spend in the last 5 years



(cumulative)

Over **₹2,300 billion**
Contribution to National Exchequer
(over the last 5 years)

Nearly **100**
New Products Launched

Social

82
Employee Engagement Index



~9 million
Sustainable Livelihoods supported



16.35 million
Households Covered through ITC's Solid Waste Management Programmes, till date



Globally Benchmarked, Safety Performance
0.01 Injury Rate*

*Injury rate (IR) is defined as the frequency of Lost Time Accident (LTAs), per million person-hours worked

6+ million
Women reached out through Mission Sunehra Kal

61 Units
with 'Zero On-site Lost Time Accident' Performance



270 million
Person-days Employment Generated through Social and Farm Forestry Initiatives

Environmental

4 Sub-river Basins
turned Water Positive by implementing initiatives for addressing the water balance gap

Achieved & Sustained
Plastic Neutrality
since FY 2021-22



~7.6 million tCO_2e
GHG Removals through Social and Farm Forestry Initiatives

Targeting
Net Zero
Operations by 2050



56%
Purchased Grid Electricity Requirements from Renewable Sources

~99%
of the Total Solid Waste Generated in ITC Units was either Recycled or Reused

51%
Total Energy from Renewable Sources

67 million+ kl
Total Rainwater Harvesting Potential Created, till date



ITC's Approach to Value Creation

Strategic Framework

ITC's governance, strategy and business actions are guided by its Mission, Vision and Values.

Mission

To be India's most trusted enterprise, creating unparalleled customer experiences through world-class brands & businesses that champion sustainable and inclusive value chains.

Vision

Our brands, products and solutions will lead with industry-shaping innovations, deliver best-in-class performance, powering ITC to make a transformative contribution to the nation's progress.

Values

ITC's Core Values are aimed at developing a customer-focused, high-performance organisation which creates value for all its stakeholders:

- Nation Orientation
- Customer Obsession
- Entrepreneurial Mindset
- Empathy and Respect
- Collaboration
- Trusteeship

ITC's vibrant and synergistic portfolio of Businesses with growing presence across all three sectors of the economy - agriculture, manufacturing and services leverages the competitive advantages of its institutional strengths to drive growth and enhance the competitive power of the portfolio.

The Company believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. At ITC, this paradigm is called 'Responsible Competitiveness' - an abiding strategy that focuses on extreme competitiveness, but in a manner that replenishes the environment and creates sustainable livelihoods. The Company's innovative business models synergise the building of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong Businesses of the future as well as a portfolio of winning world-class brands, but also in making ITC a global exemplar in 'Triple Bottom Line' performance.

Driven by the vision of building a Future Ready, Consumer Centric, Climate Positive and Inclusive enterprise, ITC's Next Strategy has been crafted to shape the next horizon of competitiveness, growth and profitability. The Company's strategy of creating multiple drivers of growth across a 3-horizon growth framework – extending & defending the core businesses, scaling up emerging businesses and creating new vectors of growth – is expected to drive strong performance across all operating segments. Purposeful Innovation, Agile & resilient supply chains, accelerated Digitalisation, Sustainability 2.0 and Cost Agility & Productivity remain the core pillars of the ITC Next strategy.

Sustainability continues to be an area of critical focus for the Company. In pursuit of the Sustainability 2.0 Vision, the Company envisages multi-dimensional interventions in decarbonisation, building green infrastructure, scaling up carbon sequestration, promoting climate-smart and regenerative agriculture, restoring biodiversity through nature-based solutions, enhancing water stewardship, creating an effective circular economy and sustainable packaging solutions, enabling transition to a net-zero economy, building climate resilience and adaptive capacity of value chains and developing inclusive value chains that support 10 million livelihoods. The Company has set a target of achieving 'Net Zero operations' by 2050.

The ITC Next Strategy is crafted in response to its unique operating context, material issues and stakeholder expectations, embedding the key tenets of ITC's corporate philosophy.

Strategic Pillars

ITC Next Strategy

Future Tech | Consumer Centric | Climate Positive | Inclusive

Multiple Drivers of Growth

Existing Categories & New Vectors



Innovation and R&D

Agile, Purposeful, Science-based Platforms



Supply Chain

Agile, Resilient, Efficient



Digital

Digital first culture Smart Eco System

Mainstreaming AI



Sustainability 2.0

Responsible Competitiveness

Bolder Ambition



Cost Agility & Productivity

Structural interventions across value chain



ITC Synergy

World-class Talent | Proneurial Spirit | High Performance Culture

ITC's Approach to Value Creation

Multiple Drivers of Growth



Material Issues Addressed

Brand & Reputation

Sustained Stakeholder Value Creation

Risk & Crisis Management

R&D and Innovation

- Create multiple drivers of growth by developing a portfolio of world-class businesses that best leverages organisational capability to address opportunities in domestic and international markets.
- Enhance the competitive power of the portfolio leveraging institutional strengths through synergies derived from blending diverse skills and capabilities residing in various businesses.
- Continue to invest across the business portfolio comprising FMCG, Paperboards, Paper and Packaging, Agri Business and Information Technology.
- Build and augment robust business models across a 3-horizon growth framework to deliver competitively superior performance over the short, medium and long term by leveraging enterprise strengths and megatrends of Digital & Sustainability to address emerging market opportunities, shaped by aspirational Bharat and distinct consumer cohorts:
  - **Horizon 1:** Extend and Defend core businesses
  - **Horizon 2:** Rapidly scale up adjacencies (e.g. Dairy, Vermicelli, Besan, Rava, Beverages, Liquid Wash, Value added Agri, Sustainable Packaging Platform 1, Copier Paper etc.)
  - **Horizon 3:** Craft disruptive business models and futuristic value propositions
    - Create viable options for future growth opportunities (e.g. Frozen, Chocolates, Yoga bar, Prasuma, 24 Mantra Organic, Fresh Food Business, Sunfeast Baked Creations, Right Shift, Homecare, Pranah, Nicotine, ITCMAARS, Sustainable Packaging Platforms 2 & 3 etc.)
    - Identify opportunities emanating from climate crisis, geo-political dynamics and other external shocks that could potentially create new vectors of growth.
- Leverage the unique opportunity in the India growth story to disproportionately scale up portfolio premiumisation across Businesses/product categories with focus on 'India 1' and 'India 1+' consumer cohorts while also democratising premiumisation across other demographic segments.
- Continue to invest/engage with the start-up ecosystem to co-create innovative and relevant digital solutions which can be leveraged by the Company's businesses to unlock value/ create new opportunities.
- Proactively pursue acquisition, joint venture and collaboration opportunities in strategic areas towards accelerating growth and value creation.

Market Standing

- Build scale and develop economic moats in each business to drive sustainable competitive advantage and profitable growth.
- Strengthen and expand the Company's portfolio of brands and multichannel distribution network to serve consumers across market segments.
- Augment assortment, capability and proactively invest to lead in the rapidly growing New Gen channels and harness high growth opportunities.
  - Develop Business models to win in New Gen channels
- Build a future-ready product portfolio in each business to cater to relevant and emerging segments through continuous innovation.
- Benchmark the health of each business comprehensively across the criteria of Market Standing, Quality of products and services, Profitability and Internal Vitality.

Innovation and R&D



Material Issues Addressed

R&D and Innovation

Product Stewardship

Nutrition

- Focus on agile and purposeful innovations that are sharply aligned with business strategy.
- Strengthen and build LSTC Science platforms to fuel innovation; develop and execute robust R&D strategies to secure sustainable and long-term competitiveness for each business.
- Identify new opportunities leveraging LSTC Science platforms basis comprehensive environmental scan covering science and technology, products, claims and patents.
- Drive impactful commercial outcomes through productisation and translation of established 'proofs of concept'.
- Complement LSTC capabilities and competencies by developing a robust innovation ecosystem leveraging collaborations in cutting-edge science areas with world-class institutions.
- Strengthen the aspect of sustainability (climate smart, resilience, adaptation, environmentally friendly, regulatory aligned) in all research programmes to support and drive a future ready ITC.

Agile, Resilient and Efficient Supply Chains



Material Issues Addressed

Sustainable Supply Chain

Brand & Reputation

Sustained Stakeholder Value Creation

Climate Resilient Operations

Risk & Crisis Management

R&D and Innovation

- Continuously build adaptive, agile and resilient supply chains to effectively manage complexities arising from fast-evolving consumer preferences, increasing salience of alternate channels, geopolitical dynamics leading to realignment of global supply chains, etc.
  - Map risks and opportunities arising out of climate crisis and other external shocks; build adaptive capacity and invest in mitigative measures to strengthen resilience across the value chain.
- Leverage Industry 4.0 and digital technologies along with best-in-class planning, manufacturing, logistics and distribution processes to enhance supply chain agility, responsiveness and market servicing.
- Fuel growth and enhance profitability through structural interventions across each element of the value chain with a view to eliminating waste and driving down costs on a sustained basis:
- Drive cost agility by adopting a multi-pronged approach centred around '3Rs': Remove, Reduce, Re-engineer.

ITC's Approach to Value Creation

Sustainability 2.0



Material Issues Addressed

Net Zero & Climate Transition

Climate Smart Agriculture

Nature & Biodiversity

Water Stewardship

Circularity & Sustainable Packaging

Product Stewardship

Sustained Stakeholder Value Creation

Nutrition

- Sustain the Company's status as a global exemplar in sustainable business practices by pursuing the S2.0 vision through multi-dimensional interventions in decarbonisation, climate adaptation, building green infrastructure, scaling up carbon sequestration, enhancing resource efficiency, promoting climate-smart and regenerative agriculture, ensuring water security for all, restoring biodiversity through nature-based solutions, creating an effective circular economy and sustainable packaging solutions, and enabling the transition to a net-zero economy.
  - Build climate resilience and adaptive capacity of value chains.
  - Develop inclusive value chains that support 10 million livelihoods.
- Continue to pursue 'triple bottom line' objectives across economic, ecological and social dimensions in line with its philosophy of enlarging its contribution to society and the nation and leverage sustainable business practices as a distinct source of competitive advantage:
  - Reinforce sustainability as an integral part of the Company's DNA and a key element of business strategy
  - Promote sustainable consumption by augmenting the Company's sustainable products, services and business models.
- Enhance the Company's renewable energy footprint in line with 2030 S2.0 targets of achieving 50% of total energy and 100% of grid purchased electricity requirements from renewable sources.
- Target achieving 'Net Zero Operations' by 2050 by decarbonising Scope 1 and 2 emissions; actively pursue long-term strategies to decarbonise Scope 3 emissions, with particular focus on agri-value chains, extended supply chains, and logistics.
- Enhance resilience against climate change; climate proof agri-value chains and physical assets based on detailed risk assessments using digitally powered climate modelling tools.
- Sustainability as a source of Competitive Advantage
  - Invest proactively to remain ahead of the emerging regulations & evolving stakeholder expectations to create unique source of competitive advantage.
  - Collaborate with industry towards policy advocacy on the formulation of pragmatic, equitable and non-discriminatory regulations.
- Scale up 'nature-based' approaches and solutions for protecting and restoring biodiversity.
- Adopt Life Cycle Assessment (LCA) approach for designing sustainable products and marketing the same to consumers anchored on scientific and robust claims.
- Continue to reinforce a thriving 'Sustainability 2.0 Culture' amongst all ITC employees and enable them to undertake sustainable actions in line with Government's L.I.F.E framework (Lifestyle for Environment).
- Spearhead water stewardship to address water security risks of units located in high water stress areas by optimising supply & demand both at the operating plant level as well as facilitating efficient and impactful water management at the sub-catchment/micro watershed level.
- Build on the Company's existing solid waste recycling initiatives and sustain the 'plastic neutrality' status, while also implementing sustainable packaging initiatives across Businesses.
- Build capacity of the Company's value chain partners to ensure adoption of sustainable business practices in their operations.
- Augment stakeholder awareness of the Company's superior ESG performance and positive environmental footprint through best-in-class reporting and disclosures to enhance corporate equity amongst stakeholders
  - Ensure best-in-class ESG ratings and industry-leading sustainability disclosures that are aligned to stakeholder expectations.
- Shape the agenda on sustainable business practices in India by making CII-ITC Centre for Excellence in Sustainable Development the preferred institution that businesses and governments approach to understand the emerging trends in sustainability and sustainable business practices.

Digital



Material Issues Addressed

R&D and Innovation

Sustained Stakeholder Value Creation

- Institutionalise a data driven & digital-first culture across the organisation and enable cross- fertilisation of ideas through structural interventions such as Digital Council, Young Digital Innovators Lab (YDIL), hackathons and other forums to steer and accelerate the digitalisation journey.
- Continue to build a dynamic 'Future-Tech' enterprise powered by 'Mission DigiArc', a next-generation smart digital architecture encompassing state-of-the-art digital technologies and infrastructure across the value chain - from insighting to product development, smart sourcing to on-time efficient delivery, superior brand engagement and marketing through real-time content, connect and commerce.
- Accelerate enterprise-wide AI, Gen AI & Agentic AI deployment and diffusion to create competitive advantage with particular focus on insighting, product development, consumer engagement, operations and supply chain orchestration, enabled through a comprehensive governance model with appropriate checks and balances.
- Build platforms of insights by harmonising and integrating large and isolated datasets powered by AI/ML technologies and 'human-centred design' & visualisation tools, thereby aiding faster and data driven decision making; continue to leverage Centres of Excellence established across the organisation for specialised areas such as Industry 4.0, Data & Analytics, MarCom, ITC MAARS etc.
- Leverage integrated 'Always-on' digital marketing technologies and platforms to sharpen customer acquisition & demand generation and enhance consumer engagement & retention
  - Deliver delightful brand experiences through personalised communication mapped to individual's needs, preferences & context, and seamlessly integrate consumers' journey across offline and online touchpoints.
- Transform supply chain, sourcing, logistics, manufacturing and warehousing systems into a resilient and agile next-generation connected platform with the help of sophisticated algorithms, automation, IoT fabric, real-time data insights and proactive alert mechanisms.

ITC's Approach to Value Creation

- Continue to augment a robust, secure and scalable digital infrastructure compliant with emerging regulatory requirements by leveraging new age technologies (such as Hybrid Cloud, 5G, Low code / No Code, Zero Trust Security, Data privacy methods) powered by next generation security tools and processes and a state-of-the-art Security Operations Centre.
- Modernise and transform the core ERP platform by migrating to the Cloud based SAP S/4 HANA towards enhancing user experience, faster responses and richer functionalities.
- Continue to engage with the start-up ecosystem to co-create innovative and relevant digital solutions which can be leveraged by the Company's businesses to unlock value.
- Scale up appropriate shared service models powered by contemporary digital technologies to support scalability across businesses, enhance productivity and operational efficiency.

World-Class Talent



Material Issues Addressed

Diversity, Equity and Inclusion

Human Rights

Learning and Development

- Foster a collective mind-set that inspires, engages and aligns individuals with the Company's Mission, Vision, Values and Strategic Agenda driven by the 'Proneurial' spirit.
- Embrace the qualities of Growth Mindset, Futuristic Orientation, and energising self and the eco-system as the 'ITC Way' of working.
- Deploy Integrated Performance Management Systems aligning goals, outcomes and rewards. Continue with the sector competitive remuneration, with material emphasis on long-term incentives to drive sustainable performance and a differentiated approach that recognises the contribution and impact of superior talent.
- Review and ensure vitality of talent to meet the growing and diverse requirements through periodic succession planning and talent review processes.
- Sustain the impetus on Diversity & Inclusion, while maintaining the foundation of meritocracy through enabling measures, amplification and cross-sharing of internal practices and development programmes directed at women managers.
- Build a high performance, nimble and customer-centric organisation while nurturing a culture of creativity and innovation that enables the organisation to respond proactively and with agility.
- Accelerate Capability Building in Digital and AI in functional domains, Consumer Centricity and Leadership through on-demand self-learning modules and immersive in-person programmes with renowned faculty, with a sharp focus on application of such capabilities in the workplace.



Value Creation Model

Inputs

Financial

₹699+ billion
Shareholders' Funds

₹570+ billion
Revenue Expenditure

₹107+ billion
Capital Expenditure over last 5 years

Manufactured

250+
Manufacturing Units

Intellectual

₹9.34 billion
R&D Spend in last 5 years (cumulative)

~800
Patents Filed

~400
Scientists

Social

₹5 billion
CSR Expenditure across more than 300 Districts in 27 States/ Union Territories

31,018
Grass-root Institution/ Community-based Organisations (CBOs) Created

Human

34,589
Full Time Employees

₹36.29 billion
Employee Benefits Expense

Relationship

₹234 billion
Spend on Indigenous Procurement of Raw Materials, Stores & Supplies (89% of Total Procurement)

1,66,363
Markets-Distribution Network

~7 million
Outlets Reached *(basis Nielsen)*

Natural

24,178 TJ
Total Energy Consumed

12,390 TJ
Total Energy from Renewable Sources

~3.4 million tonnes
Raw Materials Processed with 87% from Agri/ Forestry based Renewable Sources

~11 million kl
Net Water Consumption

Business Activities

Multiple Drivers of Growth

Agile, Resilient and Efficient Supply Chains

Cost Agility & Productivity

Strategic Pillars of ITC Next

Innovation and R&D

Digital

Sustainability 2.0

Output

Business Segments

Fast Moving Consumer Goods
Cigarettes, Branded packaged foods, Personal Care Products, Incense Sticks, Safety Matches, Education and Stationery Products.

Paper-boards, Paper and Packaging
In-house pulp manufacturing, Value-added paperboards, Specialty Papers.

Agri Business Division
Sourcing and supply operations in 24 states encompassing over 20 agri-value chain clusters.

Others

Information Technology
Global technology services and solutions with presence in 35+ countries, Business and technology consulting.

Fresh Food
An Online food services segment to offer premium food experiences for Indian consumers.

Business Activities

- Sustainable Sourcing
- Manufacturing
- Transportation and Logistics
- R&D
- Warehousing and Distribution
- Delighting Customers Marketing
- End-of-life Management

Outcomes

Financial

₹267.68 billion
PBT

₹202.86 billion
PAT

~16.2%
Shareholders' Return CAGR since the turn of the millennium

Best-in-class ESG Ratings

Human

82
Employee Engagement Index

0.01
Injury Rate*

**Injury rate (IR) is defined as the frequency of Lost Time Accident (LTAs), per million person-hours worked*

Intellectual

Nearly 100
New Product Launches

30+
World Class Indian Brands

Social

270 million
Person-days of Employment Generated through Social and Farm Forestry Initiatives

6 million
Women Beneficiaries of Mission Sunehra Kal

~9 million
Sustainable Livelihoods Supported

Natural

~7.6 million tCO_2e
GHG Removals through Social and Farm Forestry Initiatives

>67 million kl
Rainwater Harvesting Potential Created

~99%
of the Total Solid Waste Generated in ITC Units was either Recycled or Reused

72,500+ tonnes
Plastic Waste Sustainably Managed, Sustained Plastic Neutrality

Contributing to UN SDGs



Approach to Sustainability 2.0

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Stakeholder Engagement

Strengthening Relationships with All Stakeholders

As an Enterprise of Tomorrow, ITC acknowledges its responsibility in meeting stakeholder expectations in today's fast evolving business and sustainability landscape, to the extent possible. An effective stakeholder engagement approach plays an important role in ensuring that ITC continues to create larger societal value for its key stakeholders at local, national and global levels on key issues.

In line with the Board approved Policy on Stakeholder Engagement, ITC has evolved a structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. ITC accordingly anchors its engagement on the principles of materiality, completeness and responsiveness.

ITC's key stakeholder groups include:

- Providers of Financial Capital/ Shareholders
- Central & State Governments, and Regulatory Authorities
- Customers and Consumers
- Employees
- Value chain partners including Farmers, Suppliers and Service Providers
- Media
- Civil society
- Local communities
- Experts & Knowledge Partners

The engagement approach recognizes the distinctive priorities of each stakeholder group Insights from these engagements, help validate and strengthen the Company's approach to addressing these concerns in an equitable and transparent manner.

ITC's Stakeholder Engagement Approach

Identify

Identification of key stakeholders who, are directly/ indirectly impacted by business activities as well as directly/ indirectly influence business activities

Engage

Consultation with the key stakeholders with due weightage given to each stakeholder based on the nature of engagement with the organisation

Prioritise

Identification and prioritisation of concerns and needs

Address

Addressing the prioritised concerns and needs in a consistent and transparent manner

Ongoing review of action taken

Transparency and Accountability

Governance and Implementation Process for Policy on Stakeholder Engagement

CSR and Sustainability Committee of the Board
Supervise Implementation and will annually review the progress of its implementation

Corporate Management Committee (CMC)
Periodic review of the report of the SCRC

Sustainability Compliance Review Committee (SCRC)
Regular monitoring and evaluation of compliance with the Policy

Stakeholder Engagement

Consultation with Key Stakeholders for Sustainable Solutions

ITC engages regularly with stakeholders to understand the evolving expectations of stakeholders. These multi-disciplinary interactions enable deeper insights into challenges and support the development of customized solutions which help in creating enduring value.

Providers of Financial Capital / Shareholders

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Annual General Meeting
- Exclusive section on Corporate Website on 'Investor Relations' which serves to inform and service shareholders
- Exclusive e-mail id: isc@itc.in for direct interaction with shareholders and for receiving investor complaints

Key Issues

- Improved profitability and growth of the organisation
- Transparent and effective communication
- Investor servicing and addressing their queries
- Sound corporate governance mechanisms
- Providing deeper insights into the Company's Corporate Strategy and operating segments
- Sustainability 2.0

Select Stakeholder Engagements Conducted during FY 2025-26

- Annual General Meeting of the Company held on 25th July 2025 through virtual mode
- Communicating quarterly performance takeaways through press releases, followed by presentations and clarification provided to analyst.
- Key performance highlights shared with all shareholders via e-mail
- Investor presentations on major events such as acquisitions by the Company made available in the public domain, through the websites of the Company and the Stock Exchanges
- Sustained the intensity of interaction with analysts/ fund managers of FPIs, domestic MFs, Insurance cos. etc during the year leveraging both physical and virtual meeting platforms
- Engaged with investors with specific focus on ESG

Government and Regulatory Authorities

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Industry bodies
- Periodic meetings by Social Investments Programme (SIP) related to collaborations and Public Private Partnership (PPP) programmes

Key Issues

- Regulatory compliance
- Sound corporate governance mechanisms
- Sustainable development aspects like natural resources management, human capability development, public & community health and livelihood generation

Select Stakeholder Engagements Conducted during FY 2025-26

- Representations on policy issues submitted to regulatory authorities through industry institutions and various other forums.
- 98 PPPs have been signed under SIP to date, including 3 in FY 2025-26; 17 PPPs were operational during the year.

Customers and Consumers

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Market surveys
- Direct connect/ visits
- Customer satisfaction surveys
- Key account management

Key Issues

- Product quality, safety and availability
- Adequate information on products
- Transparent communication
- Timely delivery of product
- Maintenance of privacy/ confidentiality
- Fair and competitive pricing
- New product development

Select Stakeholder Engagements Conducted during FY 2025-26

- Dedicated Consumer Response Cell for capturing customer complaints, queries, feedback and suggestions
- Rapidly evolving consumer needs are constantly being monitored through social listening, in-depth immersions and are being carefully synthesised to transform into relevant solutions like Voice of Customer (VOC), AI powered Knowledge Base, AI enabled Quality Management System (QMS)/Auto QA solution, AI enabled social listening platform
- Collaborative engagements on sustainability with key B2B Customers.

Employees

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Induction programmes/ trainings/ workshops
- Individual performance appraisal
- Employee engagement survey
- Grievance handling processes
- Trade union meetings

Key Issues

- Caring and empowering work environment
- Personal development and growth
- Health and safety
- Grievance resolution
- Competitive compensation

Select Stakeholder Engagements Conducted during FY 2025-26

- Studio One Chairman's townhall, Studio One Xchange – Personalised interactions of employees with senior leadership
- Townhalls with Business Heads and Leadership Teams
- Grievance redressal platforms
- Skip level meetings
- ITC's employee engagement survey, namely iEngage
- Interactions with Employee Resource Groups, Diversity Councils, Reflections 360° feedback system
- Trade Union Meetings
- Comprehensive induction programmes for new employees
- Ongoing sustainability culture building initiatives for engaging employees.

Stakeholder Engagement

SustaiNext'25: Third Edition of ITC's Annual Sustainability Summit



The third edition of SustaiNext was held in December 2025, bringing together ITC business leaders, managers and industry experts for action-oriented discussions and innovative ideas. 'SustaiNext' is an amalgamation of Sustainability 2.0, ITC's sustainability strategy and ITC Next, company's corporate strategy – signifying how former is an integral part of the latter.

Through sessions and masterclasses by leading sustainability experts, the conversations at SustaiNext'25 reinforced that the next horizon of sustainability will be driven by collaboration, innovation, responsible value-chain governance, and the ability to align climate commitments with scalable economic opportunity.

Media

Frequency of Engagement **Ongoing**

Consultation Mechanism

- Leadership Interviews
- Press briefings by Senior Leadership
- Press releases
- Media Advertisements
- Building Relationships

Key Issues

- Transparent and accurate disclosure to stakeholders
- Awareness on ITC's Businesses, Brands & Sustainability initiatives
- Enhancing Corporate Reputation

Select Stakeholder Engagements Conducted during FY 2025-26

- Chairman, Executive Directors, Members of the Corporate Management Committee, Business Heads and some heads of Corporate Functions have engaged with senior editors and journalists of different leading publications and television channels for interviews that encapsulated various facets of the 'ITC Next Strategy' that focussed on building ITC as a future tech, competitive, climate positive and inclusive enterprise.
- Press Releases on ITC's financial results, various brand launches, sustainability initiatives and other growth drivers were also issued.
- Corporate Communications also engaged extensively with Editorial Teams of different media houses to sensitise them on various facets of ITC and its Businesses, Brands as well as Sustainability interventions.

Value Chain Partners (Suppliers and Service Providers)

Frequency of Engagement **Ongoing**

Consultation Mechanism

- Manufacturers'/ Suppliers meets
- Vendor meets
- Pre-agreement negotiations
- Procurement agreements
- Reporting of Breaches
- Grievance Redressal Mechanism
- Capacity Building Programme
- Assessment of sustainability risks

Key Issues

- Regular communication and updates on business plans
- Inclusion of local medium and small-scale enterprises in vendor base
- Competency development of local vendors
- Stability/ tenure of relationship
- Ordering and payment routines
- Purchase prices
- Knowledge/awareness sessions on ESG aspects
- ESG assessments, corrective action plans and collaborative initiatives

Select Stakeholder Engagements Conducted during FY 2025-26

- Various tech-enabled avenues have been deployed to constantly receive feedback and ideas from value chain partners.
- Over last 3 years, more than 1,000 tier-1 suppliers including 100% critical tier-1 suppliers have been trained, and more than 95% critical tier-1 suppliers have been assessed as part of ITC's Sustainable Supply Chain initiative.
- Corrective action plans are developed by divisions for suppliers with identified non-conformances, implemented within defined timelines, and followed by reassessments.

Farmers

Frequency of Engagement **Continuous**

Consultation Mechanism

- Regular formal/ informal conversations
- Farmer training programmes and workshops
- Agreements for all procurement activities
- ITCMAARS and Choupal Pradarshan Khets (demonstration farms)
- Participatory Rural Appraisals to identify needs and challenges

Key Issues

- Know-how on improvement of productivity and farm economics
- Easy, affordable and reliable access to inputs such as quality seeds, fertilisers, pesticides, etc.
- Regeneration and replenishment of common resources like water, village commons, biomass and biodiversity
- Building resilience against emerging sustainability risks like climate change and water stress
- Facilitating reach and implementation of Agri-tech

Select Stakeholder Engagements Conducted during FY 2025-26

- Over 13,500 Farmer Field Schools and 13,300 Choupal Pradarshan Khets were conducted to disseminate knowledge to farmers.
- 2,150 Agri-Business Centres (ABCs) and 2,184 Farmer Producer Organisations (FPOs) were created/strengthened to facilitate extension services.
- Farmer outreach under climate-smart agriculture spanned 113 districts across 17 States, engaging with over 12.09 lakh farmers, including 2.27 lakh women farmers.
- Digital outreach was strengthened with ITCMAARS connecting 2.3 million farmers.

Stakeholder Engagement

Civil Society

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Partnerships for implementation of CSR programmes under 'Mission Sunehra Kal'
- Discussions on community issues with civil society organisations

Key Issues

- Financial and programmatic support for community development programmes
- Responsible corporate citizenship

Select Stakeholder Engagements Conducted during FY 2025-26

ITC has established CSR partnerships with over 110 reputed implementation organisations for executing projects across India.

Experts & Knowledge Partners

Frequency of Engagement: **Need-based including ongoing engagements**

Consultation Mechanism

- Expert Forums & Knowledge Platforms
- Events & Conferences
- Collaborative Industry Platforms
- Ongoing discussions & scoping meetings for developing S2.0 aligned projects/ studies
- Engagement with academic and research institutions, government agencies and think tanks
- Partnerships for implementation of CSR interventions
- National Premier Institutions

Key Issues

- Sustainability 2.0 priority areas like climate change, water security, circular economy, Sustainable Supply Chain and Responsible Sourcing, sustainable packaging, biodiversity and human rights
- Contemporary knowledge in areas like natural resource management, agriculture, health, nutrition and circular economy

Select Stakeholder Engagements Conducted during FY 2025-26

- Multiple engagements during the year supported need-based studies, technical inputs, impact validation and knowledge sharing.
- Knowledge partnerships with leading institutions like CGIAR, IUCN, IWMI, WWF India, IITs (Delhi, Kanpur, Madras, Kharagpur), IISc Bengaluru and ICAR Institutes across the country.
- Engagements with leading coalitions and organisations, including India Sanitation Coalition, CEO Water Mandate, Columbia University, GIZ, IDH, Ignite Life Science Foundation, Sattva Consulting, The Bridgespan Group India, The/Nudge, The Gates Foundation, and WBCSD among others.



Local Communities

Frequency of Engagement: **Ongoing**

Consultation Mechanism

- Community needs assessment activities undertaken in collaboration with independent parties/ civil society organisations
- Formation of village institutions and regular meetings thereon
- Assessment of direct and indirect impacts of ITC's social investments on communities

Key Issues

- Community development programmes based on local communities' needs
- Strengthening of livelihood opportunities
- Improvement of social infrastructure for hygienic and healthy living environment
- Dignity of life through economic and social empowerment

Select Stakeholder Engagements Conducted during FY 2025-26

- Need assessments were strengthened through annual follow-up surveys to Core Area Perspective Plan (CAPP) (2021-22), covering 9,000+ households across several States in FY 2025–26 using a statistically validated sampling methodology.
- In addition to ongoing engagements, 71 community meetings were conducted across 15 States under SIP to capture views, issues and grievances, if any, of the community.
- Sustainability audits and external assessments incorporate stakeholder engagement, including direct interactions with communities and other stakeholders.
- 31,018 grassroots institutions like Water User Groups, Farmer Producer Organisations and Self Help Groups have been strengthened to date.
- Impact assessments were conducted for 63 high-value projects (each > ₹10 million implemented in FY 2023–24).

Material Issues

ITC's Double Materiality Analysis

Considering the fast-evolving stakeholder expectations, it is pertinent to review the list of Environmental, Social & Governance (ESG) topics that matter to ITC's stakeholders. For this, the Company follows the "Double Materiality" approach that not only took into account ESG topics that can reasonably be expected to trigger material financial effects for the Company ("Financial Materiality"), but also those topics that may entail actual or potential, positive or negative impacts on people or the environment i.e., ITC's stakeholders ("Impact Materiality"). This approach is aligned to the recommendations of GRI Standards 2021.

ITC undertook a comprehensive stakeholder consultation process in FY 2023-24 as part of the double materiality assessment process. This entailed capturing the views of ~120 stakeholder including:

70+
Internal stakeholders
covering sustainability practitioners and senior management representatives from across ITC Businesses

~45
External stakeholders
representing sustainability experts, civil society organisations, B2B customers, third party manufacturers, logistics partners, media and institutional investors.

ITC commissioned a pan-India consumer sustainability survey in 2023 across its key national markets for capturing the views of 1,750 consumers. These were also considered in the double materiality assessment.

Additionally, as part of ITC's process, the list of material topics is reviewed and approved annually to ensure that it remains contemporary and reflects current stakeholder expectations.

Material issues are one of the key inputs for medium and long-term planning. The sensitivity of an issue to stakeholders and to ITC, in terms of both impact materiality and financial materiality, forms the basis of the double materiality analysis, which in turn guides the processes for identifying, managing and devising specific action plans for addressing them. ITC's approach towards managing each material issue has been presented through-out this Report.

ITC's Step-by-step Approach for Assessing Double Materiality

1 Identification of ESG Topics

Identifying ESG issues based on:

- Previous Assessments
- European Sustainability Reporting Standards (ESRS) Universe of Topics
- Frameworks like GRI, ISSB
- Inputs from existing Due Diligence Processes
- Sector-specific Peer Benchmarking
- Enterprise Risk Management System

ESG topics to be contextualised to ITC's business and strategy including operations, products, services and markets including value chain.

2 Engage Stakeholders for Assessing Impact & Financial Materiality

Impact Materiality
Engaging stakeholders, identified in line with ITC's Stakeholder Engagement Approach, for assessing impacts (actual & potential, positive & negative) for all ESG topics based on severity (scale, scope, irremediability) and likelihood.

Financial Materiality
Engaging senior management for assessing financial risks and opportunities for all ESG topics based on severity and likelihood using either qualitative or quantitative thresholds.

3 Develop Materiality Matrix & Identify Material ESG Topics

Consolidate inputs from previous steps using appropriate thresholds for determining ESG aspects to be considered material.

Validation with senior management to ensure completeness.

4 Strategise, Disclose & Assure

Integration of Material ESG topics with:

- ITC's Sustainability 2.0 Strategy & Goals
- Enterprise Risk Management System
- Annual sustainability disclosures including third-party assurance

Annual approval of materiality assessment and Sustainability Report by Sustainability Compliance Review Committee (SCRC), Corporate Management Committee (CMC) and CSR and Sustainability Committee of the Board.

5 Review & Reassessment of Material ESG Topics

Annual review of material ESG Topics

- Continuous tracking of global and national sustainability landscape for identifying emerging ESG issues.

Reassessment of Double Materiality every 4-5 years.

Material Issues

ITC's Materiality



Governance Environment Social

Material Topics: Brief Description

1 Brand and Reputation

Public perception of a business and its brand is influenced by performance, customer experience, employee satisfaction, media and social channels. Risks arise from cyber threats, misinformation, trademark misuse or perceived misalignment with stakeholder expectations, impacting reputation and customer loyalty. Proactively managing these risks can create sustained competitive advantage.

Refer 'Product Sustainability' section for management of this material issue.

2 Net Zero and Climate Transition

Net zero refers to reducing GHG emissions to hold the increase in global average temperature well below 2 °C while pursuing efforts to limit it to 1.5 °C above pre industrial levels, in line with the Paris Agreement. As the world transitions towards net zero, organisations need to manage climate related transition risks while leveraging opportunities including access to new customers and markets.

Refer 'Climate Change' section for management of this material issue.

3 Climate Smart Agriculture

Agriculture activities significantly contribute to global challenges such as climate change, biodiversity loss and water stress. At the same time, agriculture and farmer livelihoods are extremely vulnerable to the impacts of these challenges. Climate smart/resilient agriculture refers to initiatives that improve farmer resilience to current and future climate impacts while enabling productive, regenerative, sustainable and remunerative agriculture.

Refer 'Sustainable and Climate Resilient Agriculture'; and 'Mission Sunehra Kal for Transforming Lives and Landscapes – Sustainable and Inclusive Growth' sections for management of this material issue.

4 Water Stewardship

Water stewardship refers to using water in a manner that is socially equitable, environmentally sustainable and economically beneficial. This is achieved through stakeholder inclusive, site and catchment based actions, requiring understanding of own water use, catchment context and shared water related risks.

Refer 'Water Security' and 'Mission Sunehra Kal for Transforming Lives and Landscapes – Sustainable and Inclusive Growth' sections for management of this material issue.

5 Sustained Stakeholder Value Creation

Sustained stakeholder value creation refers to an organisation's ability to create long term value for all stakeholders, including shareholders. This aligns with the triple bottom line approach encompassing economic, environmental and social performance. ITC's credo of 'Responsible Competitiveness' underpins this approach by integrating competitiveness with environmental stewardship and livelihood generation.

Refer 'ITC's Approach to Value Creation'; and 'Creating Sustained Economic value' sections for management of this material issue.

6 Product Stewardship

Product stewardship covers product quality and safety, responsible marketing, consumer engagement mechanisms and product level sustainability across the lifecycle, including sourcing, production, distribution, consumption and packaging, making sustainability integral to brand purpose.

Refer 'Product Sustainability' section for management of this material issue.

7 Circularity and Sustainable Packaging

Circularity refers to keeping the value of products, materials and resources in use for as long as possible, reducing environmental impacts, waste and hazardous emissions across the lifecycle through application of the waste hierarchy. Sustainable packaging, including recyclable, reusable and recycled content packaging, supports circular outcomes.

Refer 'Towards Circularity' section for management of this material issue.

8 Ethics and Governance

Ethics and governance encompass structures, procedures and practices to ensure ethical conduct across operations and the value chain, including risks related to corruption, bribery, discrimination, conflicts of interest, competition practices, information confidentiality, money laundering, insider trading, health and safety and whistleblowing.

Refer 'Governance' section for management of this material issue.

Environment Social Governance

Material Issues

9 R&D and Innovation

Innovation enables long term competitiveness by driving product, process and organisational transformation. Effective R&D requires deep capabilities and application of advanced digital technologies across consumer engagement, manufacturing, agri value chains, sustainability and supply chain agility.

Refer 'ITC's Approach to Value Creation'; 'Sustainable and Climate Resilient Agriculture'; and 'Product Sustainability' sections for management of this material issue.

10 Nature and Biodiversity

Biodiversity represents the variability of living organisms across ecosystems. Business dependence on nature for raw materials, coupled with impacts from operations, climate change and deforestation, necessitates measurement, management and reporting of biodiversity impacts through responsible sourcing, land management, conservation projects and nature based solutions.

Refer 'Biodiversity Management'; and 'Mission Sunehra Kal for Transforming Lives and Landscapes – Sustainable' and Inclusive Growth' sections for management of this material issue.

11 Data Security and Privacy

With increasing digitisation, uninterrupted access to networks, IT systems and data is critical. Organisations must implement robust information security and privacy practices to comply with evolving global regulatory requirements.

Refer 'Product Sustainability' section for management of this material issue.

12 Climate Resilient Operations

Climate resilient operations focus on adapting to physical climate risks, including acute events such as floods, storms and heatwaves, and chronic risks from long term climate changes affecting water availability, biodiversity and land productivity.

Refer 'Climate Change' section for management of this material issue.

13 Food Loss and Waste

Food loss and waste result in inefficient use of resources and contribute to greenhouse gas emissions, food insecurity and higher food costs, necessitating targeted reduction strategies across the value chain.

Refer 'Nutrition' section for management of this material issue.

14 Occupational Health and Safety

Occupational health and safety focusses on policies, systems and practices to prevent workplace injuries and illnesses and ensure safe working environments.

Refer 'Occupational Health & Safety' section for management of this material issue.

15 Sustainable Livelihoods

Sustainable livelihoods require integrating social and environmental objectives with business strategies to support farmers, distribution and retail partners and local communities across the value chain.

Refer 'Mission Sunehra Kal for Transforming Lives and Landscapes – Sustainable and Inclusive Growth' section for management of this material issue.

16 Responsible Sourcing and Sustainable Supply Chain

Responsible sourcing entails evaluating supplier ESG performance, enabling improvement and integrating sustainability considerations into procurement decisions.

Refer 'Sustainable Supply Chain and Responsible Sourcing' section for management of this material issue.

17 Human Rights

Human rights protection across operations and the value chain includes fair wages, safe workplaces, non discrimination and elimination of child labour, aligned with the UN Guiding Principles on Business and Human Rights.

Refer 'Human Rights' section for management of this material issue.

18 Diversity Equity and Inclusion

Recruit, develop, retain, engage and motivate a results-oriented, high-performing workforce irrespective of their gender, caste, community, religion, sexual orientation, disability or place of origin.

Refer 'Workforce for Tomorrow' section for management of this material issue.

19 Learning and Development

Continually assessing training and development needs for employees across levels and effectively delivering these programmes (Trainings, Career Management, Academic Partnerships, Leadership Management).

Refer 'Workforce for Tomorrow' section for management of this material issue.

20 Nutrition

Integrating health and nutrition considerations across the food product portfolio via product formulation & reformulation strategy, policies, nutrition profiling system and R&D/innovation, working towards a sustainable food ecosystem across the entire value chain through initiatives like responsible manufacturing, reducing food loss & waste, planet friendly alternatives, biofortification, and engaging with communities, consumers and employees on health and nutrition.

Refer 'Nutrition' section for management of this material issue.

21 Risk and Crisis Management

Risk and crisis management ensure effective identification, management and transparent communication of financial, operational and sustainability risks to support long term resilience.

Refer 'Strategic Risk Management' section for management of this material issue.

22 Responsible Policy Advocacy

Businesses must ensure that their policy advocacy aligns with organisational policies and applicable voluntary and regulatory frameworks such as the NGRBC issued by the Ministry of Corporate Affairs, Government of India. Advocacy should be undertaken through industry and trade bodies, promoting fair competition and respect for human rights.

Refer 'Governance' section for management of this material issue.

Environment Social Governance

Environment Social Governance

Strategic Risk Management

As a diversified enterprise, ITC continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class Businesses that best match organisational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing specialism and enhancing organisational capabilities through timely developmental inputs.

Accordingly, management of risk has always been an integral part of ITC's 'Strategy of Organisation' and straddles its planning, execution and reporting processes and systems. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

- The Corporate Governance Policy approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational;
- The Risk Management Committee, constituted by the Board, monitors and reviews the strategic risk management plans of ITC as a whole and provides necessary directions on the same. It also reviews the implementation, effectiveness and adequacy of the risk management policy, plans and systems of the Company;
- The Corporate Risk Management Cell, through focused interactions with Businesses, facilitates the identification and prioritisation of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks;
- The annual planning exercise requires all Businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountabilities. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

ITC endeavours to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. Risks are assessed consistently across financial, operational, reputational, environmental, and social dimensions.

Material risks are prioritised based on severity, likelihood of occurrence and effectiveness of mitigation processes. Enterprise risks and their mitigation strategies are periodically reviewed for comprehensiveness and effectiveness, at both Business and Corporate levels.

In this regard, it is pertinent to note that all Businesses of ITC have adopted the ISO 31000 Risk Management Standard and accordingly, the Risk Management systems and processes prevalent in the Businesses have been independently assessed to be compliant with the said global Standard on Risk Management. This provides assurance on the robust nature of risk management practices prevalent in the Company.

Refer "Risk Management" section of this Report and "Board of Directors" section of ITC's Report and Accounts 2026 for details

Refer "ESG and Sustainability Governance" in "Governance" section of this Report for details

Risks, Potential Impacts and Mitigation

Climate Change & Sustainability — 1

Risk Description

Climate and nature related physical and transition risks may impact business operations, sourcing, supply chain and increase compliance costs.

Potential Impact

- As average temperatures rise, extreme weather events are expected to grow in terms of severity and frequency. These could have significant impact on the Company's operations including the health and safety of its workforce, its physical assets and agri value chains leading to complete or partial outage of operations. Further, these events may also adversely impact the availability and quality of agri raw materials and consequently, the production and sales of the Company's products;
- Vagaries of weather caused by climate change may impact crop cycles, output and productivity resulting in disruption of operations / supply chains;
- Availability of water for own operations as well as agri value chains may be adversely impacted by erratic precipitation patterns;
- Changes in nature, biodiversity and /or ecosystem intactness (e.g. soil erosion and depletion, species diversity and composition) may adversely disrupt supply chains and operations;
- Besides physical risks, transition risks associated with climate change, may impact the Company's operations:
  - Additional levies may be imposed by regulatory authorities for emission / water intensive industries to address climate change, resulting in higher cost of compliance, and potential regulatory penalties and reputational risk in case of non-compliance.

Risk Mitigation Strategy

Physical Risk Management:

- Use contemporary climate risk modelling tools for identifying high-risk / vulnerable sites and agri value chains, and undertaking detailed assessments for developing locally contextual adaptation plans and measures for improving climate resilience;
- Map risks arising out of climate crisis, build adaptive capacity and invest in mitigative measures to strengthen resilience;
- Promote climate smart agriculture, and development of heat / drought tolerant and high yielding varieties to improve productivity by adopting micro region-specific agronomic practices:
  - Developing region-specific package of practices and promoting climate smart farming techniques to mitigate impact of weather;
  - Enhancing climate resilience of farmers through capacity building programmes by leveraging ITCMAARS and the Farmers' Producer Organisation (FPO) ecosystem, supported by field demonstrations under Choupal Pradarshan Khets;
  - Comprehensive programmes on social forestry, soil and moisture conservation and biodiversity conservation;
  - Adoption of water stewardship approach to achieve water security for all stakeholders within the defined catchment areas of Units located in high water stress areas.
- Conduct site-specific assessments for understanding the impacts and dependencies on biodiversity and ecosystem services in order to develop specific biodiversity management plans in vulnerable areas;
- Supply chain diversification and contingency planning.

Transition Risk Management:

- Work towards achieving Net Zero Operations by 2050 with focused interventions towards decarbonisation of Scope 1 and Scope 2 emissions. Collaborate with value chain partners to accelerate the decarbonisation of Scope 3 emissions;
- Continue to focus on energy conservation, improving energy efficiency and enhancing the share of renewables in ITC's total energy requirement as part of ITC's Sustainability 2.0 agenda;
- Strengthen governance mechanisms for reviewing performance and progress against Sustainability 2.0 targets by the Sustainability Compliance Review Committee (SCRC);
- Adopt the Life-Cycle Assessment (LCA) approach to evaluate the potential environmental impacts of products during their entire lifecycle; leverage the same for designing sustainable products.

Strategic Risk Management

2 Cyber Security and Information Technology

Risk Description
Increasing intensity of sophisticated cyberattacks may result in non-availability of Information Technology systems and Information Assets, loss of data integrity and compromise / theft of sensitive or personal information.

Potential Impact

With accelerated adoption of digital technologies such as Cloud, AI, ML, Robotic Process Automation along with increasing inter-connectedness with partners and remote working, the Company's operations are vulnerable to cyber-attacks, the impact of which can be on multiple dimensions:

- Unavailability of IT Systems and Infrastructure causing significant disruption to business operations;
- Unauthorised access to / compromise of, sensitive or personal information, potentially eroding stakeholder trust and confidence;
- Loss or inaccessibility of data, affecting operational continuity, service delivery, and reliability of information;
- Regulatory non compliance leading to legal actions;
- Reputational damage and associated financial losses.

Risk Mitigation Strategy

- A comprehensive Information Security Policy governs the full lifecycle of information assets, with defined controls over access management, data storage, incident response, and recovery, and is periodically reviewed to align with evolving standards and best practices;
- Dedicated security team under the leadership of Chief Information Security Officer (CISO) in place to continuously monitor the cyber risk and threat landscape; prioritise initiatives to strengthen the organisation's cyber resilience;
- Identification of critical IT systems and information assets, robust IT Continuity and Disaster Recovery Plans, validated through periodic review and testing;
- Robust Data Loss Prevention (DLP) framework incorporating encryption, access controls, and continuous monitoring to safeguard sensitive information from unauthorised access, breach, or loss;
- Secure and close monitoring of network access through the deployment of contemporary technologies; reduce vulnerabilities and potential attack surface within the network by adopting Principles of Least Privilege (PoLP) and Zero Trust architecture;
- A centralised, next-generation Security Operations Centre (SOC) enables 24×7 threat monitoring and coordinated incident response across IT-OT environments, delivering enterprise-wide visibility through AI-driven analytics, automation, and advanced endpoint detection & response capabilities;
- Comprehensive Incident Response Plan is in place to address and manage cyber incidents that could disrupt operations or compromise security; Incident Response tabletop exercises conducted periodically for simulated cyber incidents;
- Standardised IT–OT security framework across manufacturing operations, enabled by defined integration guidelines, real time visibility of shopfloor assets, specialised OT security monitoring, and early threat detection & response via a Continuous Threat Detection and Response (CTDR) platform aligned to ISO 62443 and the NIST ICS framework;
- ISO 27001 certification of the Company's data centres providing independent third party assurance on the effectiveness of the Information Security Management System (ISMS);
- Periodic Vulnerability Assessment and Penetration Testing (VAPT) of all internet facing applications, independent IT and IT-OT cybersecurity maturity assessments, and targeted red-team exercises conducted by external specialists;
- Cybersecurity awareness campaigns and training for all users across the organisation; phishing simulations at regular intervals to enhance employees' ability to recognize such threats and reduce the risk of breaches;
- A Data Privacy Task Force has been formed to develop policies, select compliance tools, define accountability structures, and oversee enterprise-wide adherence to privacy obligations;
- Enterprise AI adoption governed by a secure AI framework, encompassing approved GenAI platforms, mandatory pre-deployment assessments, robust data and access controls, ethical standards, and continuous user training to ensure responsible & compliant use.

3 Talent Management

Risk Description
Inability to attract and retain high quality talent in a highly competitive market.

Potential Impact

- Lack of requisite quality of management personnel could adversely affect business operations and long-term growth prospects;
- Talent attrition beyond acceptable levels may impact ability to effectively fulfil organisational goals and customer expectations.

Risk Mitigation Strategy

- Strengthen and communicate ITC's talent proposition about 'Building Winning Businesses. Building Business Leaders. Creating Value for India';
- Provide meaningful and challenging roles which enrich individual capability and act as a powerful incentive to stay, learn and grow;
- Build a robust talent pipeline across responsibility levels through requisite quality in key roles, depth of bench and reliable succession plans;
- Invest in capability building of managers through access to the best-in-class upskilling programmes and development interventions;
- Recognise and nurture specialism so that employees who wish to focus on niche, business critical skills can continue to grow in their area of expertise;
- Benchmark compensation to the relevant market periodically, ensuring strong alignment with short-term and long-term performance, particularly at senior levels and ring-fencing top talent;
- Ensure the talent quotient in the Company remains healthy and vibrant through annual segmentation supported by differential rewards and progression opportunities for industry leading talent;
- Energise and nurture pride in membership through frequent leadership outreach to managers;
- Engage with the country's premier academic institutions to communicate the Company's talent proposition through case-study competitions, knowledge-sharing programmes by senior managers and the annual internship programmes creating a compelling proposition for the best candidates to aspire for a career with the Company;
- Promote Diversity, Equity and Inclusion through supportive polices based on principles of equity;
- Implement measures to ensure sufficient representation of women in selection pools and deployment of the differently-abled across suitable opportunities towards meeting the diversity and inclusion goals of the organisation;
- Agile HR practices to provide contemporary and relevant work policies to employees such as flexible work arrangements.

4 Discriminatory and Punitive Taxation, and Stringent Regulations on Domestic Legal Cigarette Industry

Risk Description
Discriminatory and punitive taxation coupled with extremely stringent regulations adversely impacts the domestic legal cigarette industry.

Potential Impact

- Progressive migration from consumption of duty-paid cigarettes to other lightly taxed / tax evaded forms of tobacco products leading to sub-optimisation of revenue potential of the tobacco sector;
- Fillip to illicit cigarette trade in India due to attractive arbitrage opportunities; significant loss of revenue to the exchequer;
- Subdued demand for Indian tobacco due to pressure on legal cigarette industry volumes; adverse impact on farmer earnings and livelihoods dependent on tobacco value chain.

Risk Mitigation Strategy

- Engage with policy makers for equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives, cognising for the unique tobacco consumption pattern in India; highlighting the growing threat of illegal and smuggled cigarettes;
- Regular interaction with enforcement authorities for actions against illicit trade such as seizure operations of counterfeit / smuggled / duty evaded cigarettes;
- Counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution.

Strategic Risk Management

5 Innovation and Consumer / Brand Preference

Risk Description

Failure to adequately anticipate evolving consumer preferences and inability to proactively innovate and remain competitive.

Potential Impact

Failure to track consumer trends and innovate may lead to the inability to meet changing consumer requirements with consequential decline in market share / demand for Company's products and services.

Risk Mitigation Strategy

- Deep understanding of consumer preferences and needs by synthesising information from multiple sources & crystallising the same for agile marketing actions, product development and innovation;
- Focus on agile and purposeful innovation sharply aligned with business strategy; strengthen and leverage ITC Life Sciences and Technology Centre (LSTC) science platforms to build a robust pipeline of innovative products, thereby securing long term competitiveness;
- Create future-ready portfolio to address existing and emergent consumer needs anchored on purpose-led brands; Utilise digital technologies and platforms to enhance consumer engagement by delivering personalised brand experiences. Leverage the Company's AI-powered 'Sixth Sense' Marketing Command Centre and Consumer Data Hub to gain insights on consumer trends and behaviour and synthesise the same to craft personalised brand communication and product development;
- Deepen consumer engagement and sharply communicate brand proposition and purpose through contemporary brand marketing interventions. These are supported by micro segmentation and sharp targeting the consumer cohorts with hyper personalised content;
- Utilise geographical analytics (at a pin code level of granularity) of consumer buying preferences for each product category to offer the right portfolio to the right micro market;
- Utilise the Customer Relationship Management (CRM) platform to collect customer complaints, inquiries, feedback, and suggestions from multiple channels, and ensure these are addressed promptly and effectively;
- Leverage multi-channel go-to-market capability to drive penetration and accessibility by strengthening core channels and winning in emerging channels;
- Focus on product safety to ensure world-class quality standards across the portfolio;
- Continuous monitoring (using Machine Learning & Natural Language Processing based tools) of trademark infringement, brand safety and advertisement frauds to protect the brands and business.

6 Corporate and Brand Reputation

Risk Description

Inadequate protection against malicious attacks, fake news, market rumours and misinformation, trademark infringement, misrepresentation or fraudulent activities, including those in print, electronic media, and digital & social media platforms can impact the Company's corporate and brand reputation. The Company's corporate and brand reputation may also be negatively impacted if it is perceived that the Company's operations / products & services are not aligned with market / industry standards or regulatory guidelines.

Potential Impact

- Reduced stakeholder confidence on the Company due to misleading or malicious information in print, electronic media, and digital & social media platforms regarding the Company's operations and activities;
- Reduced stakeholder confidence due to misleading posts / articles related to product quality and performance of the Company's brands leading to maligning the image and reputation with consequent revenue loss;
- Loss of time and resources on dispute resolution;
- High attrition rates and adverse employee advocacy.

Risk Mitigation Strategy

- Structured and targeted media-engagement plan in place for sensitisation on ITC's responsible business practices;
- Effective engagement and responsible advocacy with stakeholders on issues relating to ITC's products, services, initiatives, and business practices;
- Leverage publicly available web applications, owned media assets and brand advocacy platforms to disseminate information about ITC and its brands digitally;
- Sustained communication of ITC's commitment to the protection of the environment and well-being of society and stakeholders;
- Mechanisms to respond to any fake or malicious posts (including social media) impacting the reputation of ITC, its Businesses and brands;
- Proactively monitor and take timely action against spurious or counterfeit brands / trademarks through authorised channel partners and, where necessary, legal recourse;
- Fraud alert campaigns on social media platforms for creating awareness on nefarious activities by unscrupulous players to protect the Company's reputation;
- Compliance with best practice guidelines laid down by Advertising Standards Council of India;
- Ensure that mechanisms are in place for adhering to SEBI's regulation on verification of market rumours for quick redressal;
- Familiarisation programmes and periodical updates for employees on ITC's Code of Conduct. The governance framework continuously reinforces and helps realise highest standards of ethical and responsible conduct to create enduring value for all stakeholders;
- Capacity building workshops for key value chain partners to educate, and create shared awareness on key areas like human rights, labour practices and sustainability;
- Ensure marketing claims made by the organisation are backed by adequate substantiation and credible research;
- Stringent product performance and quality checks prior to launch in the market;
- Detailed standard operating procedures / process guidelines to ensure standardisation of products and adherence to quality standards;
- Reduce risk exposures across Company's facilities through policies focused on employee occupational health and safety backed by comprehensive training and continuous monitoring.

7 Heightened Uncertainty in the Macroeconomic and Operating Environment

Risk Description

Heightened uncertainty in the macroeconomic and operating environment due to geopolitical developments, including regional conflicts, evolving energy dynamics, and tariff-led trade measures.

Potential Impact

- In a globalised environment, geopolitical and geoeconomical developments may lead to fluctuations in demand for the Company's products and services, inflationary pressures, supply chain disruptions, and volatility in interest, exchange rates & commodity prices. These could also cause disruptions in global supply chains, and escalation in logistics & ocean freight costs;
- Commodities used by various Businesses are subject to price volatility caused by geopolitical and other macroeconomic factors, which can impact business operations and profitability;
- Regulatory actions such as imposition of price controls, ban on import / export of raw materials / finished products related to the Company, or other similar restrictions could impact business operations and profitability.

Risk Mitigation Strategy

- Continuously build adaptive, agile and resilient supply chain to effectively manage complexities arising from geo-political dynamics and fast evolving consumer preferences;
- Develop a future-ready product portfolio comprising a wide range of innovative and differentiated products, addressing the current and emergent needs of diverse consumer cohorts; continually strengthen the Company's brand propositions to position them as the "brand of choice" for consumers;
- Diversify the vendor-base for sourcing key inputs and increase safety stock levels as warranted;
- Leverage digital technologies along with best-in-class planning, manufacturing, logistics and distribution processes to enhance supply chain responsiveness and market servicing;
- Continue to use various measures such as long-term supply contracts, pipeline inventory management, and structured hedging arrangements to effectively mitigate the volatility associated with commodity prices. In addition, also invest in technology to enable flexibility in the use of alternative fuels.

8 Supply Chain Disruption

Risk Description

The Company's operations are dependent on a large and complex network of suppliers, owned & outsourced manufacturing units and logistic facilities to effectively produce and deliver products to its customers in a timely manner. Disruption in the supply chain caused by events such as natural disasters, geopolitical tensions, industrial accidents, labour unrest, trade restrictions, supplier insolvency, may lead to delays in production, cost increases, inventory shortages, or inability to fulfil consumer demand.

Potential Impact

- Operational delays that disrupt production schedules and result in missed delivery timelines can cause customer dissatisfaction and potential loss of business;
- Disruptions in the supply chain necessitate expedited shipments, emergency sourcing, and higher inventory levels, which contribute to increased operational costs;
- Regulatory violations and unethical conduct by supply chain partners can harm the Company's brand and corporate reputation.

Strategic Risk Management

Diversified Business Portfolio

9

Risk Description
Increasing complexity of operations in the context of a highly diversified business portfolio.

Potential Impact

Diversified portfolio may lead to inadequate focus on key Businesses.

Risk Mitigation Strategy

- ITC's Strategy of Organisation and three-tier governance structure ensure that:
  - Strategic supervision (on behalf of the shareholders), being free from involvement in the task of strategic management of the Company, can be conducted by the Board of Directors with objectivity, thereby sharpening accountability of management;
  - Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised;
  - Executive management of the divisional business free from collective strategic responsibilities for ITC as a whole, remains focused on enhancing the quality, efficiency and effectiveness of the business to achieve best-in-class performance.
- ITC believes that the right balance between freedom of management and accountability to shareholders can be achieved by segregating strategic supervision from strategic and executive management;
- The governance framework of the Company enables each business to focus on its operating segments, while harnessing the diversity of the Company's Businesses to create unique sources of competitive advantage; empowered and integrated teams have been formed, where applicable, to focus on specific product markets enabling enhanced consumer centricity and agility, whilst providing undiluted attention to each segment;
- Drive synergistic growth and enhance the competitive power of the portfolio by blending the diverse skills and capabilities residing in the various Businesses of the Company.

Product and Plastic Packaging

10

Risk Description
Difficulty in complying with current or future regulation on plastic packaging and/or difficulty in meeting commitments on packaging and the environment.

Potential Impact

- Non-compliance with plastic waste management regulations, if any could lead to imposition of environmental compensation, that may negatively impact Company's reputation. Additionally, stricter government laws around usage of plastics including bans may give rise to multiple challenges such as redesign of product packaging, shelf life and product distribution related issues;
- Disruptions in the supply chain for recycled plastic or plastic packaging substitutes as required by law, could impact the Company's ability to comply, produce and distribute products;

Risk Mitigation Strategy

- Pursue initiatives in line with ITC's holistic sustainable packaging strategy that entails:
  - **No Plastics:** Leveraging synergies between ITC Life Sciences and Technology Centre, paper and packaging business, and FMCG Businesses for developing solutions that enable complete or partial substitution of plastics with sustainable alternatives, and exploring paper as a substrate for packaging where possible;
  - **Less Plastics:** Progressive reduction in plastic packaging intensity over time, and introducing Post-Consumer Recycled (PCR) content in plastic packaging, wherever permitted by regulations and wherever possible;
  - **Better Plastics:** Improving recyclability of multi-layer laminate packaging, phasing out hard to recycle plastics, and exploring alternative packaging materials with lower environmental impact including bio-based compostable plastics.
- Partner with upstream players and suppliers for supply of Post-Consumer Recycled (PCR) plastic for meeting regulatory / market demand for increasing recycled content in plastic packaging;
- Sustain plastic neutrality through behavioural change programmes to ensure segregation of waste at source, and creating replicable, scalable and sustainable models of plastic waste management; work with recycling partners for developing viable recycling options for Multi-Layered Plastic (MLP) packaging;
- Ensure a robust compliance management system supported by internal and external process review; additionally, undertake third party assurance of underlying data related to plastic waste generation and collection.

Business Continuity Management (BCM)

Business Continuity Management is designed to mitigate the risk of disruptions to business activities and processes by validating the adequacy of existing systems and processes to prevent, manage, and recover from potential threats. It ensures continuity in the delivery of products and services at pre-defined acceptable levels following a disruptive incident.

Business Continuity Plans have been made comprehensive, covering all critical facets of operations, and are tested at pre-determined intervals. The Plans and test outcomes are reviewed by the respective Business Management Committees.

Refer to ITC's Report and Accounts 2026 for more details

Sustainability 2.0 Management Framework

Mission

To be India's most trusted enterprise, creating unparalleled customer experiences through world-class brands & businesses that champion sustainable and inclusive value chains.

Vision

Our brands, products and solutions will lead with industry-shaping innovations, deliver best-in-class performance, powering ITC to make a transformative contribution to the nation's progress.

Values

ITC's Core Values are aimed at developing a customer-focused, high-performance organisation which creates values for all its stakeholders:

- Trusteeship
- Innovation
- Excellence
- Respect for people
- Customer focus
- Nation orientation



Foundation

- ITC's 'Nation First: Sab Saath Badhein' Philosophy
- ITC's Mission, Vision and Values
- ITC's Sustainability Policies

Management System

- Guidelines, Standards & Assurance System for Sustainability Management
- Sustainability Performance Monitoring & Management System across Businesses

Enablers

Stakeholder Engagement Pg 23

Double Materiality Assessments Pg 30

Risks & Opportunities Pg 36

Sustainability 2.0 Priorities

- Climate Change Pg 70
- Sustainable Livelihoods Pg 204
- Water Security Pg 108
- Product Sustainability Pg 150
- Biodiversity Pg 98
- Learning and Development Pg 186
- Occupational Health and Safety Pg 198
- Nutrition Pg 168
- Diversity and Inclusion Pg 191
- Sustainable Agriculture Pg 86
- Human Rights Pg 197
- Sustainable Supply Chain and Responsible Sourcing Pg 137
- Sustainable Packaging and Circular Economy Pg 120

Sustainability 2.0 Ambitions

Transparency and Disclosures

ITC's Sustainability Report
Aligned to GRI Standards, Integrated Reporting Framework

ITC's Business Responsibility & Sustainability Report (BRSR)
Aligned to SEBI's Framework

ESG Frameworks

Sustainability 2.0 Ambitions

Climate Change



50% of Total Energy from Renewable Sources

Achieved

2030

Target
50%
of Total Energy Consumed from Renewable Sources

Performance FY 2025-26
51%

50% reduction in Specific GHG Emissions

Achieved

2030

Target
50%
reduction in Specific GHG Emissions (Scope 1 and 2)

Performance FY 2025-26

Baseline Year: **2018-19**

53% ↘ ITC*

31% ↘ Paperboards & Specialty Papers Business

57% ↘ Branded Packaged Foods Businesses

31% ↘ FMCG Cigarettes

30% reduction in Specific Energy Consumption

Achieved

2030

Target
30%
reduction in Specific Energy

Performance FY 2025-26

Baseline Year: **2018-19**

42% ↘ ITC*

19% ↘ Paperboards & Specialty Papers Business

29% ↘ Branded Packaged Foods Businesses

8% ↘ FMCG Cigarettes

100% Purchased Grid Electricity[2] Requirements from Renewable Sources

On track

2030

Target
100%
of Total Electrical Energy (Grid Purchased) from Renewable Sources

Performance FY 2025-26
56%

Sustain and enhance Carbon Sequestration by expanding forestry projects through ITC's Social and Farm Forestry Programmes and other such initiatives

On track

2030

Target
1.5 million acres
Area under Social and Farm Forestry

Performance FY 2025-26
1.48 million acres
(cumulative)

↗ Decline in KPI, ↘ Improvement in KPI

S2.0 Goals cover ITC Limited on a standalone basis.

[2]This includes all electricity sources except onsite power from co-generation plant.

*Since ITC is a conglomerate with diverse Businesses, Intensities i.e., specific GHG emissions, specific energy consumption and specific water consumption are reported in terms of per rupee of turnover at the organisation-level (ITC) and in terms of per unit of production at the Business-level.

Water Stewardship



Creation of Rainwater Harvesting Potential equivalent to over 5 times the Net Water Consumption from Operations

Achieved

2030

Target
5X
Ratio of Rainwater Harvesting Potential created and Net Water Consumed in Operations

Performance FY 2025-26
6X

40% reduction in Specific Water Consumption

Achieved

2030

Target
40%
Reduction in Specific Water

Performance FY 2025-26

Baseline Year: **2018-19**

42% ↘ ITC*

22% ↘ Paperboards & Specialty Papers Business

43% ↘ Branded Packaged Foods Businesses

28% ↘ FMCG Cigarettes

Ensure water security for all stakeholders through Watershed Development & Managed Aquifer Recharge

On track

2030

Target
2.2 million acres
Watershed Area

Performance FY 2025-26
1.98 million acres (cumulative)

Baseline Year: **2016-17**

2030

Target
50,000
Water Harvesting Structures (numbers)

Performance FY 2025-26
38,540
Water Harvesting Structures (cumulative)

Baseline Year: **2016-17**

2030

Target
75 million kl
Storage Potential[3]

Performance FY 2025-26
66.31 million kl
(cumulative)

Baseline Year: **2016-17**

Improve Crop Water Use Efficiency in Agri Value Chains through Demand Side Management interventions

On track

2030

Target
2,000 million kl
Potential Water Usage Saved

Performance FY 2025-26
1,520 million kl

All sites in High Water Stressed Areas to be certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship)

On track

2035

Target
No. of AWS Certified Sites
All high-risk sites

Performance FY 2025-26
9 sites

Food Factories in Malur (Karnataka), Ranjangaon (Maharashtra) and Kapurthala (Punjab), **Cigarette factories** in Bengaluru (Karnataka), Ranjangaon (Maharashtra) and Saharanpur (Uttar Pradesh), **Paper Mills** at Kovai (Tamil Nadu) and Bhadrachalam (Telangana) **Green Leaf Threshing Unit** in Mysuru (Karnataka) have received Platinum-level certification.

↗ Decline in KPI, ↘ Improvement in KPI

S2.0 Goals cover ITC Limited on a standalone basis.

[3]Target 2030 revised upwards during FY 2025-26

*Since ITC is a conglomerate with diverse Businesses, Intensities i.e., specific GHG emissions, specific energy consumption and specific water consumption are reported in terms of per rupee of turnover at the organisation-level (ITC) and in terms of per unit of production at the Business-level.

Sustainability 2.0 Ambitions



Use 60% recycled plastic across rigid packaging and 20% recycled plastic across flexible packaging (where permitted)

On track

2030

Target
60%
of recycled plastic in **rigid** packaging

Performance FY 2025-26
35.5%

Target
20%
of recycled plastic in **flexible** packaging

Performance FY 2025-26
4.5%

Continue to sustainably manage 100% plastic packaging waste[3] and recycle at least 60% of plastic packaging waste collected by 2030

On track

2030

Target
100%
of Plastic Packaging Waste Sustainably Managed

Performance FY 2025-26
100%

Target
60%
of Plastic Packaging Waste Recycled

Performance FY 2025-26
43%

Avoid 50,000 MT of virgin plastics in packaging through sustainable design, optimisation and use of recycled/alternative materials

On Track

2030

Target
50,000 MT
Avoidance of virgin plastic (MT)

Performance FY 2025-26
12,000 MT
(cumulative)

Baseline Year: **2021-22**

Ensure that at least 60% packaging is made from recycled or renewable materials

Achieved

2030

Target
60%
of packaging made from recycled or renewable materials

Performance FY 2025-26
71%

Reach 20 million households through ITC's source segregation-focused solid waste management initiatives including those in partnerships with local government

On Track

2030

Target
20 million
Households covered through source segregation-focussed solid waste management initiatives

Performance FY 2025-26
16.35 million
Households

S2.0 Goals cover ITC Limited on a standalone basis.



Promote Climate Smart Agricultural practices

On Track

2030

Target
4 million acres
Area Covered

Performance FY 2025-26
3.19 million acres

Baseline Year: **2016-17**

Sustainable Livelihoods

Supporting Sustainable Livelihoods for 10 million people by 2030

On Track

2030

Target
10 million
Sustainable Livelihoods supported

Performance FY 2025-26
~9 million



Revive and sustain Ecosystem Services provided by Nature and provisioning of products through adoption of Nature-based Solutions and Biodiversity Conservation

On Track

2030

Target
1 million acres
Area Covered

Performance FY 2025-26
0.81 million acres

Baseline Year: **2016-17**

S2.0 Goals cover ITC Limited on a standalone basis.

Governance

ITC's Corporate Governance Philosophy

Anchored on the values of trusteeship, transparency, ethical corporate citizenship, empowerment & accountability and control.

ITC believes that since large corporations employ societal and environmental resources, governance processes must ensure that they are utilised in a manner that meets stakeholders' aspirations and societal expectations. For superior Triple Bottom Line performance, ITC's Governance processes ensure that sustainability principles are embedded in its business strategies and execution plans.

ITC's Corporate Governance structure, systems and processes are based on two core principles:

1. Management must have the executive freedom to drive the enterprise forward without undue restraints.
2. This freedom of management should be exercised within a framework of effective accountability.

The practice of Corporate Governance in ITC takes place at three interlinked levels:

Strategic Supervision

by the Board of Directors (the Board)

Strategic Management

by the Corporate Management Committee (CMC)

Executive Management

by the Chief Executives of Divisions, Strategic Business Units, Business Verticals and Shared Services, assisted by their respective Management / Executive Committees.

ITC's Governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

Material issues addressed in this section

Brand and Reputation; Data Security and Privacy; Risk and Crisis Management

For more details on ITC's governance structure, refer to the Company's Report and Accounts 2026 and its corporate website.

Strategic Supervision by the Board of Directors

Name	Designation
Mr. Sanjiv Puri	Chairman & Managing Director
Mr. Sumant Bhargavan	Executive Director
Mr. Supratim Dutta	Executive Director & Chief Financial Officer
Mr. Hemant Malik	Executive Director
Mr. Hemant Bhargava	Independent Director
Ms. Alka Marezban Bharucha	Independent Director
Mr. Amitabh Kant	Independent Director
Mr. Chandra Kishore Mishra	Independent Director
Mr. Siddhartha Mohanty	Non-Executive Director
Mr. Shyamal Mukherjee	Independent Director
Mr. Anand Nayak	Independent Director
Mr. Alok Pande	Non-Executive Director
Mr. Sunil Panray	Non-Executive Director
Ms. Nirupama Rao	Independent Director
Mr. Ajit Kumar Seth	Independent Director
Mr. Atul Singh	Non-Executive Director
Ms. Pushpa Subrahmanyam	Independent Director

Data as on March 31, 2026

Strategic Management

by the Corporate Management Committee

Name	Designation
Mr. Sanjiv Puri	Chairman & Managing Director
Mr. Sumant Bhargavan	Executive Director
Mr. Supratim Dutta	Executive Director & Chief Financial Officer
Mr. Hemant Malik	Executive Director
Mr. Sandeep Kaul	Group Head - India Tobacco Division, Matches and Agarbatti Business, Start-up Ventures, LSTC & Quality
Mr. Anil Rajput	President, Corporate Affairs
Mr. Sivakumar Surampudi	Group Head - Agri & IT Businesses, Sustainability & CSR and Chairman of the Management Committee of the Social Investments Programme

Data as on March 31, 2026

Executive Management

by the Chief Executives of Divisions, Strategic Business Units, Business Verticals and Shared Services, assisted by their respective Management / Executive Committees

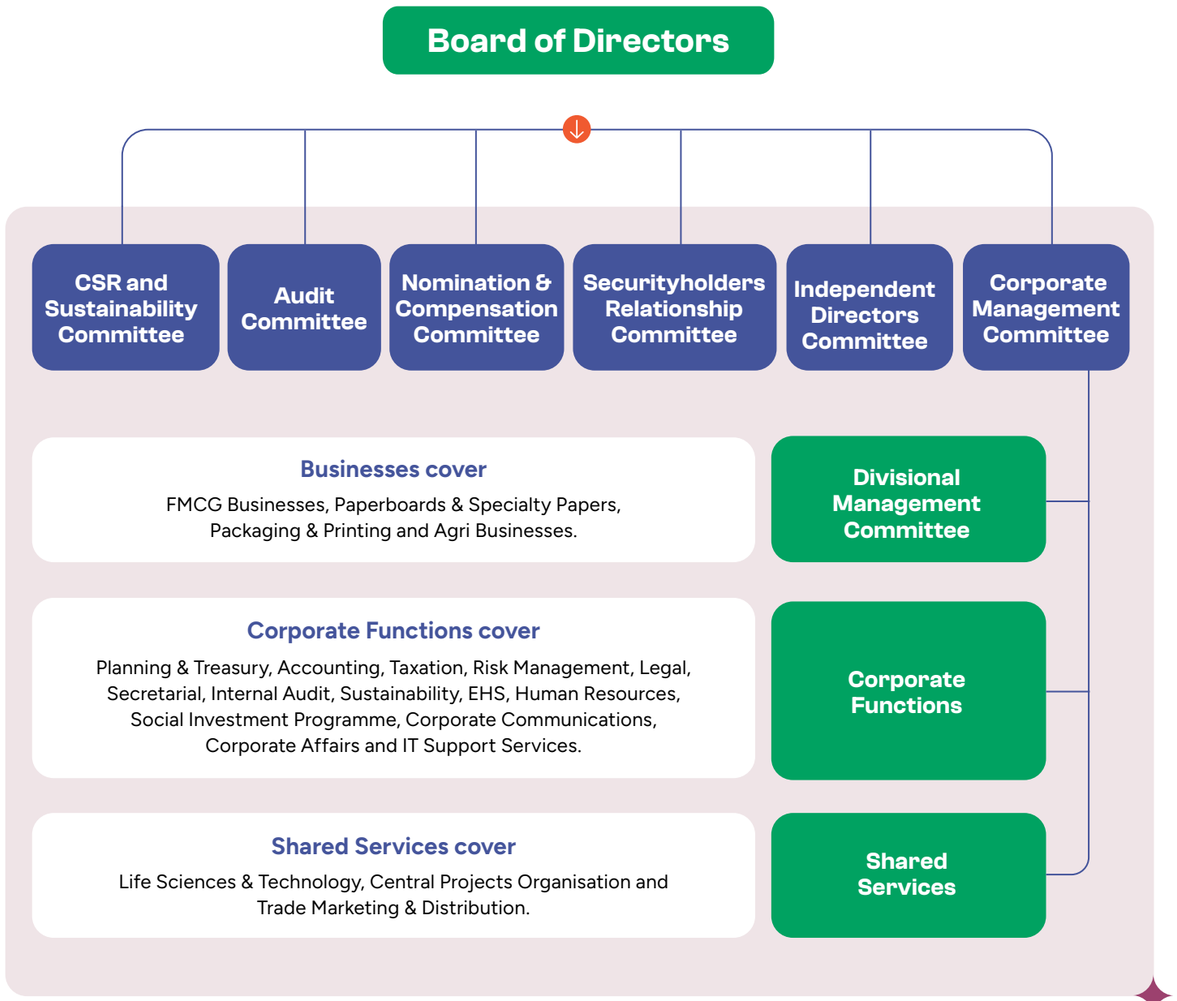
Business Divisions	Name	Designation
India Tobacco Division	Mr. Devraj Lahiri	Divisional Chief Executive
Foods Division	Mr. Hemant Malik	Divisional Chief Executive
	Ms. Kavita Chaturvedi	Business Unit Chief Executive - Biscuits & Confections
	Mr. Anuj Kumar Rustagi	Business Unit Chief Executive - Staples
	Mr. Ali Harris Shere	Business Unit Chief Executive - Snack Foods & Beverages
Fresh Food Business	Mr. Rohit Bhalla	SBU Chief Executive
Personal Care Products Division	Mr. Sameer Satpathy	Divisional Chief Executive
Education and Stationery Business	Mr. Vikas Gupta	SBU Chief Executive
Matches and Agarbatti Business	Mr. Rohit Dogra	SBU Chief Executive
Packaging and Printing Business	Mr. Cherian K. Thomas	SBU Chief Executive
Agri Business (including Agri Business SBU)	Mr. S. Ganesh Kumar	Divisional Chief Executive and SBU Chief Executive - Agri Business SBU
Agri Business - Tobacco SBU	Mr. Rahul Gouraha	SBU Chief Executive
Paperboards and Specialty Papers Division	Mr. Rajesh Kumar Ponnuru	Divisional Chief Executive
Trade Marketing & Distribution (TM&D)	Mr. Sandeep Sule	Chief Executive Officer - TM&D
Life Sciences & Technology Centre (LSTC)	Dr. Suresh Ramamurthi	Chief Scientist & Head of Corporate R&D (LSTC)
Central Projects Organisation (CPO)	Mr. Sandeep Chandrashekar	Head - CPO

Note: Reference to Division includes Strategic Business Unit, Business Vertical and Shared Services Data as on March 31, 2026

Read more about Divisional Management Committees here

Governance

Governance Structure



For more details about the role, powers and composition of the Board, Board Committees and the CMC, refer to the Company's corporate website

Board of Directors

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of ITC and its wholly owned subsidiaries. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role and also evaluates its performance and that of the Board Committees & the Directors.

The Board, through the CSR and Sustainability Committee, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "Triple Bottom Line" objectives.

Selection of Directors

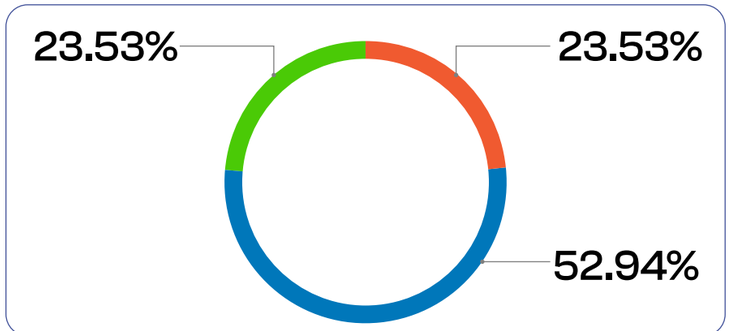
The Corporate Governance Policy of the Company requires that the Non-Executive Directors be drawn from amongst eminent professionals with experience in business / finance / law / public administration and enterprises. The Nomination & Compensation Committee has laid down the criteria for determining qualifications, positive attributes and independence of Directors (including Independent Directors). The Policy on Board Diversity of the Company requires the Board to have balance of skills, competencies, experience and diversity of perspectives appropriate to the Company. For this purpose, diversity is considered from a number of aspects including, but not limited to, educational & cultural background, nature of professional, administrative & industry experience, skills, knowledge, and gender representation. Further it is the Company's Policy for appointment as a Director on the Board that no person is discriminated based, inter alia, on the grounds of age, gender, gender identity, marital status, caste, race, colour, religion, ethnicity, sexual orientation, or any other personal or physical traits. **The skills, expertise and competencies of the Directors identified by the Board, along with those available in the present mix of the Directors of the Company, are provided in the Company's Report and Accounts 2026.** The said skills, expertise and competencies include the ability to contribute towards creating an inspiring Vision for the Company with superordinate societal goals and appreciate the Company's "Triple Bottom Line" philosophy of building synergy between serving the society and creating economic value for the Company.

In terms of the applicable regulatory requirements read with the Articles of Association of the Company, the strength of the Board shall not be fewer than six nor more than eighteen. Directors are appointed / re-appointed with the approval of the Shareholders for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time; such Shareholders' approval is taken for the Directors individually. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Shareholders. In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the statute and are independent of the management of the Company.

Composition of the Board

The strength of the Board as on March 31, 2026 was seventeen comprising the Chairman & Managing Director, three Executive Directors, nine Non-Executive Independent Directors, of which three were Women Directors, and four Non-Executive Non-Independent Directors.

Composition of the Board as on March 31, 2026:



04	09	04
Executive Directors including Chairman & Managing Director	Non-Executive Independent Directors	Non-Executive Non-Independent Directors

Governance

The details of the Directors, including their tenure and other Directorship(s) / Committee Membership(s) as on March 31, 2026, were as follows:

Director	Category	No. of other Directorship(s) [1]	Tenure on the Board (years) [2]	No. of Membership(s) / Chairpersonship(s) of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies
S. Puri	Chairman & Managing Director	7	10	Nil
S. Dutta	Executive Director & Chief Financial Officer	10	4	2 (also as Chairperson)
H. Malik	Executive Director	1	3	Nil
B. Sumant	Executive Director	2	7	Nil
H. Bhargava	Independent Director	4	4	2 (including 1 as Chairperson)
A. M. Bharucha (Ms.)	Independent Director	5	3	5 (including 2 as Chairperson)
A. Kant	Independent Director	5	...	1
C. K. Mishra	Independent Director	7	2	2
S. Mukherjee	Independent Director	4	5	4 (including 2 as Chairperson)
A. Nayak	Independent Director	Nil	7	Nil
N. Rao (Ms.)	Independent Director	1	10	Nil
A. K. Seth	Independent Director	Nil	7	Nil
P. Subrahmanyam (Ms.)	Independent Director	Nil	2	Nil
S. Mohanty	Non-Executive Director Representative of the Life Insurance Corporation of India as Investor	1	1	1
A. Pande	Non-Executive Director Representative of the Specified Undertaking of the Unit Trust of India as Investor	1	2	Nil
S. Panray	Non-Executive Director Representative of Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British American Tobacco p.l.c., as Investor	Nil	4	Nil
A. Singh	Non-Executive Director Representative of TMI as Investor	1	2	Nil

[1]Directorship(s) in both Indian and foreign entities.

[2]Tenure of the Directors has been computed on the basis of period served on the Board from the date from which their appointment was approved by the Shareholders of the Company. Fractions, if any, have been rounded off.

5 Meetings of the Board were held during the year ended March 31, 2026.

Board Committees

Currently, there are five Board Committees - the CSR and Sustainability Committee, the Audit Committee, the Nomination & Compensation Committee, the Securityholders Relationship Committee and the Independent Directors Committee. The composition and the terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee, the terms of reference of which have been adopted as prescribed under the statute.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided in the Company's Report and Accounts 2026.

Ethics and Integrity

The ITC Code of Conduct is applicable to the Directors, Senior Management and employees of the Company. The Code is derived from three interlinked fundamental principles viz., good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation.

The Code covers ITC's commitment to CSR and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, avoidance of conflict of interest, and the philosophy of leading by personal example. The Code is shared with all new employees at the time of joining the Company and a copy thereof is signed by them affirming compliance with the Code. Further, the Code is also shared with the existing employees on a half yearly basis and their affirmation is taken to reinforce the Code and ensure its Company-wide implementation.

The Head of Human Resources (HR) of the respective Business / Head of Corporate HR, as applicable, has been authorised to address any queries from employees pertaining to the ITC Code of Conduct. Any violation of the Code by an employee renders the person liable for disciplinary action.

For more details on ITC Code of Conduct, Corporate Governance at ITC and other ITC Policies, refer to the Company's corporate website.

Chair of the Highest Governance Body

Chairman

The Chairman is the Chief Executive of the Company. He is Chairman of the Board and the CMC and also presides over General Meetings of Shareholders.

His primary role is to provide leadership to the Board and the CMC for realising Company goals in accordance with the charter approved by the Board. He is responsible, inter alia, for the working of the Board and the CMC, for ensuring that all relevant issues are on the agenda and that all Directors and CMC Members are enabled and encouraged to play a full part in the activities of the Board and the CMC, respectively. He keeps the Board informed on all matters of importance. He is also responsible for balance of membership of the Board, subject to Board and Shareholder approvals.

The Company has a diversified business portfolio which demands that senior leadership has in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organisation and contribute significantly to stakeholders' aspirations and societal expectations. The Chief Executive is therefore generally chosen from amongst the executive management of the Company.

Performance of the Highest Governance Body

ITC believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations.

In pursuit of this, the Directors of the Company are updated on material changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment, and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. The Directors are also kept abreast on all business-related matters including risk assessment & minimisation procedures, CSR & sustainability interventions, digital initiatives, succession plans including management development processes, and new initiatives proposed by the Company. Induction programme, as appropriate, is organised by the Company for the Non-Executive Directors joining the Board. Visits to Company facilities are also organised for the Directors from time to time. During the year, the Directors of the Company attended a 'Strategy Session', spread over two days, where the global & Indian macro-economic environment, the 'ITC Next' strategy of building a future-ready portfolio and the Company's digital initiatives, amongst others, were discussed / reviewed.

During the year, the Nomination & Compensation Committee adopted a revised Framework for performance evaluation of the Board, Board Committees and Individual Directors. In keeping with ITC's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole.

Governance

Board

The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company; such parameters include:

- ensuring that the Company's Vision, Mission and Values (which were revised during the year) continue to be inspirational, purposeful & relevant, and commensurate with ITC's purpose, size and standing.
- securing alignment of the Company's long-term strategic goals with its 'Triple Bottom Line' approach to value creation and the nation's socio-economic & ecological priorities.
- ensuring a clearly defined strategic direction for realisation of the Company's Vision, strategic goals and long-term plans.
- supporting the Company's management to meet challenges arising from the operating & policy environment in the country.

Board Committees

Evaluation of functioning of Board Committees is based on discussions amongst the Committee Members and shared by the respective Committee Chairmen with the Board.

Individual Directors

Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals. The parameters for performance evaluation of individual Directors, inter alia, include ability to provide thought leadership across the role spectrum, demonstrating strategic perspective and business judgement during Board deliberations, and contribution to Board cohesion, governance & organisational processes. The peer group ratings of the individual Directors are collated by the Chairman of the Nomination & Compensation Committee and made available to the Chairman of the Company, who in turn takes action as considered appropriate.

Code of Conduct

Avoidance of Conflict of Interest

In terms of the ITC Code of Conduct, Directors, Senior Management and employees must avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he / she has a close relationship, in relation to the Company's business. However, this is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

Further, where situations of conflict of interest arise, the same is required to be immediately brought to the notice of the Head of Finance and the Head of Human Resources (HR) of the respective Business / Chief Financial Officer and the Head of Corporate HR, as applicable. In such scenarios, apart from informing the relevant managers, the ITC Code of Conduct requires the concerned employee to maintain objectivity in his / her decision making, carry out rigorous due diligence, and always maintain the primacy of the Company's interests.

The Company also has a Whistleblower Policy which encourages Directors and employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and / or reputation.

The Company has robust systems and processes for redressal of grievances of various stakeholders such as Shareholders, employees, local communities, customers and value chain partners.

For more details on ITC's grievance mechanism, refer to the Company's Report and Accounts 2026.

The Directors and Key Managerial Personnel are required to disclose to the Board whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. Senior Management is also required to confirm on an annual basis that no material transaction has been entered into by them which could have potential conflict with the interests of the Company at large; such disclosures and confirmations are placed before the Board on an annual basis.

All transactions of the Company with related parties and their subsequent modifications are approved by the Audit Committee in terms of the applicable regulatory provisions.

Further, transactions with related parties which are not in the ordinary course of business or not at arm's length also require the approval of the Board or Shareholders, as applicable. Disclosures of related party transactions, as required, are made in the Company's Report and Accounts and also to the regulatory authorities on a half yearly basis.

Further, the Company has a Code of Conduct for prevention of insider trading in the securities of the Company.

During the financial year, the Board approved the revised ITC Code of Conduct for Prevention of Insider Trading. The said Code, inter alia, prohibits trading in the securities of the Company by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company or its securities.

Remuneration Policy

ITC's Remuneration strategy is performance based, competitive and values led. It is designed to reward holistic performance that is in congruence with the Company's "Triple Bottom Line" approach to business, to attract & retain high quality talent and is anchored on ITC's values, all of which are integral in pursuit of the Company's objective of enhancing the wealth generating capability of the enterprise in a globalised environment, while delivering superior and sustainable stakeholder value.

It is the Company's Policy to encourage collective ownership and drive achievement of the Sustainability goals of the Company; such goals have been included as a factor in assessing business performance, which, in turn, is considered while determining remuneration of the employees of the Company, including Executive Directors, Key Managerial Personnel and Senior Management.

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees may be accessed on its corporate website. The Board determines the remuneration of the Chairman & Managing Director, the Executive Directors, Key Managerial Personnel and Senior Management (i.e. CMC Members), on the recommendation of the Nomination & Compensation Committee.

Governance

Further, the remuneration of the Chairman & Managing Director and the Executive Directors is subject to the approval of the Shareholders. Such remuneration is linked to the performance of the Company inasmuch as the performance bonus is based on various qualitative and quantitative performance criteria. Apart from fixed elements of remuneration and benefits / perquisites, the Chairman, other Executive Directors, Key Managerial Personnel and Senior Management are also eligible for Long Term Incentives, including Stock Options and / or Stock Appreciation Rights, as may be determined by the Nomination & Compensation Committee and / or the Board; such incentives are linked to the overall performance of the individual and the Company, including performance against Sustainability goals.

The aforesaid elements of compensation design facilitate alignment of the priorities of the Chairman, other Executive Directors, Key Managerial Personnel and Senior Management with the long-term interests of stakeholders.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Chairman and other Executive Directors who have all been drawn from the management cadre. The statutory provisions will however apply.

Remuneration to Non-Executive Directors, including Independent Directors, is by way of commission for each financial year, which is determined by the Board within the limit approved by the Shareholders of the Company. The commission of Non-Executive Directors is based, inter alia, on Company performance and regulatory provisions, and is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also eligible for coverage under Personal Accident Insurance and sitting fees for attending the meetings of the Board and its Committees, the quantum of which is determined by the Board.

The ratio of remuneration of the highest paid employee (i.e., the Chairman & Managing Director of the Company) to the median remuneration for FY 2025-26 was 338:1. During FY 2025-26, there was decrease in the total remuneration of the highest paid employee by 7%, while the median remuneration of employees increased by 4%; the average remuneration of employees during the year decreased by 2%. The remuneration of Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company. For this purpose, 'remuneration' includes salary, performance bonus, long term incentives, allowances, contribution to the approved Provident Fund & Pension Funds, and other benefits / applicable perquisites borne by the Company, except contribution to approved Gratuity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under statute.

For more details on Directors' remuneration, refer to the Company's Report and Accounts 2026.

Anti-Competitive Behaviour

The Company does not engage in any anti-competitive behaviour. The Company expects the highest standards of ethical conduct in all its endeavours. In terms of the ITC Code of Conduct, the Company believes in conducting business in a transparent manner and does not indulge in bribery or corruption.

Further, in terms of the Company's Code of Conduct for Suppliers and Service Providers, all Suppliers and Service Providers of the Company are required:

i. to avoid any actual or potential conflicts of interest in their business dealings with the Company that could create a perception of unfairness or lead to uncompetitive favours;

ii. to disclose any such situation of conflict of interest, including involvement or interest of any employee of the Company or his / her immediate family members in their business;

iii. not to indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision; and

iv. endeavour to have a policy pertaining to anti-corruption and anti-bribery.

One legal proceeding under the Competition Act, 2002 is pending as follows:

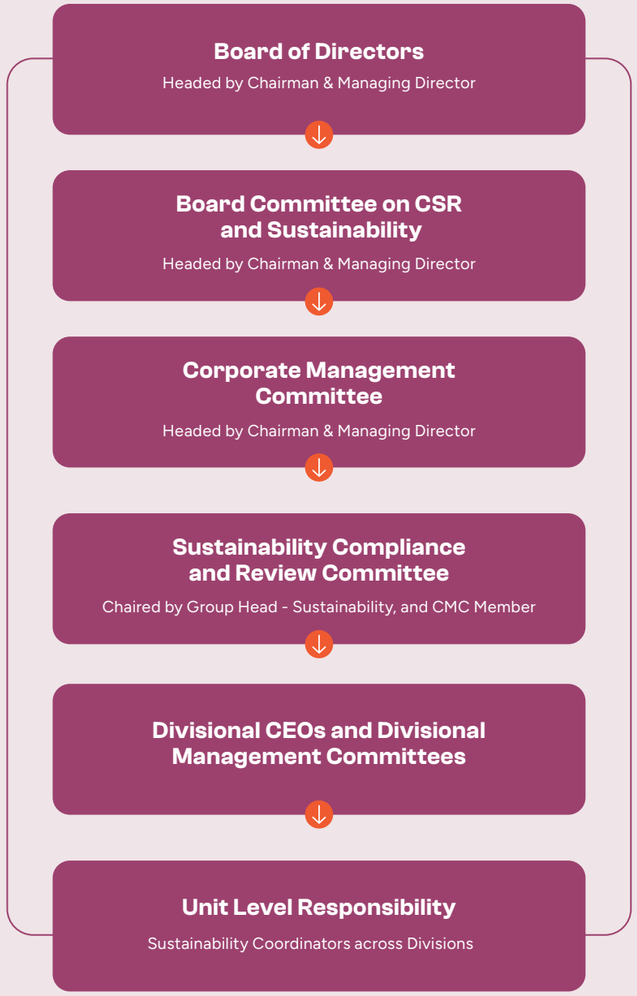
The Competition Commission of India has registered two cases against 22 paper mills / paper manufacturing companies including the Company, on the allegation of simultaneous increase in prices of few varieties of paper. The increase in price was market led and mainly related to increased cost of wood pulp, the primary raw material. The Company is contesting the matter.

Basis legal advice, the Company believes that the aforesaid proceeding is without substance.

ESG and Sustainability Governance at ITC

For superior Triple Bottom Line performance, ITC's Governance processes ensure that sustainability principles are embedded in its business strategies and execution plans.

Sustainability Governance Structure



CSR and Sustainability Committee

The CSR and Sustainability Committee of the Board, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "Triple Bottom Line" objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation. Formulating and monitoring the CSR Policy, the Sustainability Policies and the annual CSR Action Plan, including making recommendation to the Board as necessary, form part of the role of the Committee.

The Committee also approves the Sustainability Report, besides reviewing the Business Responsibility and Sustainability Report of the Company and recommending the same to the Board for adoption.

Governance

The CSR and Sustainability Committee presently comprises the Chairman of the Company and seven Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Company is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. During the year, three meetings of the Committee were held, inter alia, to review the CSR and sustainability initiatives of the Company.

For more details on the names of the members of the Committee and the details of meetings held during the year, refer to the Company's Report and Accounts 2026.

Sustainability Compliance and Review Committee

The CMC has constituted the Sustainability Compliance and Review Committee (SCRC), which presently comprises eight members of management, with its Chairman being a Member of the CMC. The role of the Committee, inter alia, includes monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the CMC.

During the year, six meetings of the SCRC were held to review the sustainability performance of the Company.

Chief Sustainability Officer

The Chief Sustainability Officer (CSO) of the Company is responsible for scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating the Businesses & Corporate Functions in implementing the sustainability initiatives. The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress reportbacks on the Company's sustainability initiatives to the senior leadership at ITC.

Role of governance bodies in stakeholder engagement

ITC believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. In this context, the Company has laid down a four layered mechanism to deal with the aspect of stakeholder engagement.

The Board of Directors of the Company, through the CSR and Sustainability Committee, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "Triple Bottom Line" objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CMC before the CSR and Sustainability Committee. The CMC in turn has constituted the SCRC which evaluates and monitors compliance with the Policies formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

Sustainability Policies

ITC has adopted a comprehensive set of Board approved Sustainability Policies that are being implemented across the organisation. These Policies are Policy on Stakeholder Engagement, Policy on Responsible Advocacy, Policy on Product Stewardship, Policy on Sustainable Supply Chain and Responsible Sourcing, Policy on Freedom of Association, Policy on Diversity, Equity and Inclusion, Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, Policy on Environment, Health and Safety, Code of Conduct for Suppliers and Service Providers, Policy on Biodiversity Conservation, Policy on Deforestation, Policy on Resource Efficiency, Policy on Tax, Policy on Animal Testing and Policy on Responsible Marketing.

During the year, these Sustainability Policies were comprehensively reviewed in the context of evolution of the Company's sustainability approach & practices, emerging regulatory landscape (both globally and in India), and global best practices.

The aforesaid Policies are aimed at strengthening the mechanism of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impact along the value chain of each Business.

For more details, click: https://itcportal.com/about-itc/itc-policies.html#sus-policy

Implementation

In line with ITC's sustainability roadmap, Businesses have adopted the Sustainability Policies and are implementing them. The overall responsibility for ensuring implementation of these Policies resides with the Divisional / Strategic Business Unit Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising the Sustainability Policies of the Company.







Creating Sustained Economic Value



Value Creation Track Record of ITC

Non – Cigarette Businesses

Grown
>40x
since the turn of the millennium

(constitute about two-thirds of Net Segment Revenue)

30+ World-class Indian Brands

Annual consumer spends
> ₹370 billion
and reach nearly 280 million households in India

Shareholder Returns

CAGR
~16.2% p.a.
since the turn of the millennium

Contribution to Exchequer

₹2,300+ billion
over the last 5 years

(represents ~76% of the Value-Added by the Company during the year)

The Company's 'Triple Bottom Line' philosophy has over the years spurred the creation of innovative business models that synergise the building of economic, environmental and social capital. The Company's superordinate goal of serving larger national priorities and creating value for all stakeholders has evolved into a new paradigm - 'Responsible Competitiveness' - that focuses on building sustainable competitive advantage in a manner that replenishes the environment and supports sustainable livelihoods.

The strategic Vision of creating multiple drivers of growth through the pursuit of market opportunities that best match institutional strengths, has resulted in the development of strong Businesses of the future anchored on a portfolio of purpose-led brands, future-ready products and world-class quality.

The Company is actively pursuing its bold Sustainability 2.0 agenda comprising multi-dimensional interventions in decarbonisation, building green infrastructure, scaling up carbon sequestration, promoting climate-smart and regenerative agriculture, restoring biodiversity through nature-based solutions, enhancing water stewardship, creating an effective circular economy and sustainable packaging solutions, building climate resilience & adaptive capacity of value chains and developing inclusive value chains that can support 10 million livelihoods by 2030.

With its bold Sustainability 2.0 agenda, the Company is setting the bar even higher and remains committed to making a meaningful contribution across all the three sectors of the economy – Agri, Manufacturing and Services.

ITC aims for

- Strengthening its position as one of India's most valuable corporations.
- Achieving leadership in each of the business segments within a reasonable time frame.
- Achieving a Return on Capital Employed (ROCE) in excess of the Company's cost of capital, at all times.

Creating Sustained Economic Value

Key Developments & Outlook

Global growth improved marginally from 3.3% in 2024 to 3.4% in 2025, albeit remaining appx. 30 bps below the pre-pandemic average of 3.7% p.a. (2010–19). Growth in 2025 was supported, inter alia, by sustained AI-led investment in technology, accommodative fiscal and monetary policies and relatively favourable financial conditions, largely offset by headwinds from high trade barriers and heightened global uncertainty. Growth inched up from 1.8% in 2024 to 1.9% in 2025 in Advanced Economies, driven by improvement in Euro Area and Japan, even as growth in the United States moderated from 2.8% in 2024 to 2.1% in 2025. Emerging Markets & Developing Economies grew at subdued rate of 4.4% in 2025 (vs 4.5% in 2024), with stronger growth in India and the Middle East largely offsetting slower growth in Brazil and Russia.

India continued to be one of the fastest growing major economies in FY 2025-26, with Real GDP growth of 7.6% (vs 7.1 % in FY 2024-25) as per RBI estimates. Domestic economic activity remained resilient, particularly in the second half of the year, supported by private consumption, improving rural and urban demand conditions, Income tax rate cuts, GST rate rationalisation and monetary easing. Headline inflation eased in the first half of the year, driven by benign food inflation supported by higher domestic production and favourable monsoons. However, inflation firmed up in the second half, reaching 3.4% in March 2026, reflecting an uptick in food prices and higher global energy prices following disruptions in West Asia.

From a supply side perspective, Manufacturing sector growth strengthened to 11.5% from 9.3% in FY 2024-25, while the Services sector remained robust at 8.7% against 7.8% in FY 2024-25. Growth in Agriculture, however, moderated to 2.4% from 4.2% in FY 2024-25, reflecting the impact of benign food inflation in agricultural commodities and weather disruptions.

The Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment.

- The **FMCG-Others** Segment delivered strong performance with double-digit Revenue growth, notwithstanding heightened competitive intensity. After a relatively subdued first half, revenue in the second half of the year witnessed double-digit growth. Overall, all major categories viz. Staples, Biscuits, Noodles, Dairy, Premium Personal Wash, Homecare and Incense Sticks witnessed broad-based growth. Robust growth momentum continued in NewGen channels (viz. e-Commerce, Quick Commerce & Modern Trade) and premium portfolio. Input prices of major commodities (viz. edible oil, wheat, maida, cocoa, soap noodles etc.) remained at elevated levels, following sharp escalations in the previous year; the impact of which was progressively mitigated through smart net revenue management, portfolio premiumisation and focused cost management initiatives. Trade and marketing investments were sustained at competitive levels to support growth and market standing.
- The **FMCG-Cigarettes** Segment, witnessed sustained growth momentum driven by strong performance across differentiated and premium offerings. Strategic portfolio and market interventions continued to be made, with focus on competitive belts & to counter illicit trade and reinforce market standing.
- The **Agri Business** Segment delivered a resilient performance despite a challenging operating environment marked by global trade disruptions, geopolitical uncertainty and restrictions on agri-commodity trading. The Business continued to sharpen its strategic focus on scaling up the value-added agri products portfolio across multiple value chains. The Leaf Tobacco business further consolidated its position as the largest Indian exporter of unmanufactured tobacco
- The **Paperboards, Paper & Packaging** Segment continued to operate in a challenging environment, with low-priced Chinese and Indonesian supplies in global markets including India, soft domestic demand conditions, leading to subdued realisations. Wood costs remained elevated during the year, weighing on margins. There was significant improvement in performance in the second half of the year aided by moderation in wood prices and increase in realisations pursuant to the imposition of Minimum Import Price (MIP) on imports of Virgin Paperboards, and firming up of global pulp prices. The Packaging and Printing Business delivered resilient performance and continues to be acknowledged as a 'first choice packaging partner' by several reputed FMCG companies for providing superior and cost-effective packaging solutions.

ITC Financial performance (Continuing Operations)*

In FY 2025-26, Gross Revenue stood at ₹808.67 billion increased by 10.1%, while EBITDA increased by 4.9% to ₹252.08 billion. Profit Before Exceptional items and Tax at ₹269.51 billion, grew by 3.7% over previous year and Profit After Tax stood at ₹202.86 billion (previous year: ₹200.93 billion). Earnings Per Share for the year stood at ₹16.20 (previous year: ₹ 16.07).

Snapshot

KEY ECONOMIC INDICATORS (₹ billion)	FY 2021-22	FY 2022-23	FY 2023-24*	FY 2024-25*	FY 2025-26*
Total Income	623.35	726.89	708.22	776.93	**849.27**
Profit Before Interest and Taxes (PBIT)	198.71	247.19	256.67	265.67	**268.38**
Cost of Bought out Goods and Services	326.76	369.12	327.05	377.39	**431.22**
Employee Benefits Expense	30.62	35.69	32.01	34.17	**36.29**
Payments to Providers of Capital	151.00	188.16	199.44	201.49	**203.57**
- Dividend/ Interest to Providers of Capital	142.13	192.97	171.97	179.93	**182.38**
- Retained Profits	8.86	(4.81)	27.47	21.56	**21.19**
Financial Assistance received from Government due to be paid (Outstanding Balance of Deferred Sales Tax for Paperboards and Specialty Papers Division (PSPD), by State of Andhra Pradesh - interest free deferral period of 14 years)	0.05	0.05	0.03	0.02	-
Financial Assistance received from Government (on account of fiscal and export incentives etc.)	2.59	3.01	2.35	2.95	**2.37**

* Financials for FY 2023-24 to FY 2025-26 exclude the performance of Hotels business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger.

* A comprehensive discussion on the significant socioeconomic, environmental, regulatory and macroeconomic factors that constitute the external environment in which ITC's multiple businesses operate and the impact of these factors on ITC's ability to create value is presented in the 'Report of the Board of the Directors and Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2026.

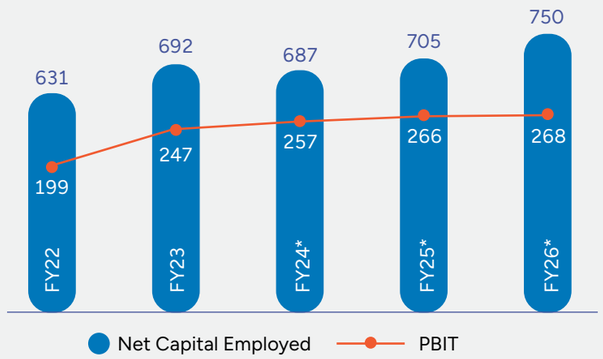
Creating Sustained Economic Value

Total assets and returns

The net capital employed relating to continuing operations stood at ₹ 750 billion as at 31st March, 2026 (previous year: ₹ 705 billion) generating profit before interest and taxes (PBIT) of ₹ 268 billion (previous year: ₹ 266 billion).

ITC's diversified portfolio of businesses, position it to contribute meaningfully to the growth and development of the country, spanning across all the three sectors of the economy: Agriculture, Manufacturing and Services. The Company's interventions across its operating segments are aligned to the national priorities of enhancing competitiveness of Indian agriculture and industry, generating large-scale employment opportunities and supporting sustainable livelihoods, driving import substitution, creating national brands to maximise value capture in India, increasing Indian agri exports and promoting sustainable business practices. Investments made by the Company continue to be guided by the national objectives of 'Make in India' and 'Doubling Farmers' Income' and the overarching theme of 'Aatma Nirbhar Bharat' that seeks to make the country stronger, resilient and more competitive.

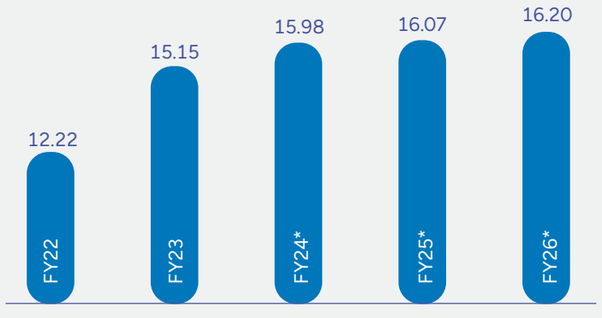
Net Capital Employed and PBIT
(₹ billion)



* Financials for FY24 to FY26 excludes the performance of Hotels business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger.

Shareholder returns and Earnings Per Share

Earnings Per Share
(₹)



* Financials for FY24 to FY26 exclude the performance of Hotels business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger.

Since the turn of the millennium, the Company's non-cigarettes businesses have grown over 40-fold and presently constitute about two-thirds of Net Segment Revenue. Earnings Per Share from continuing operations stood at ₹ 16.20 for the FY 2025-26 (previous year: ₹ 16.07). Total Shareholder Returns, measured in terms of increase in market capitalisation and dividends, have grown at a compound rate of 16.2% per annum since the turn of the millennium, placing the Company amongst the foremost in the country in terms of efficiency of servicing financial capital.

Value addition and contribution to the National Exchequer

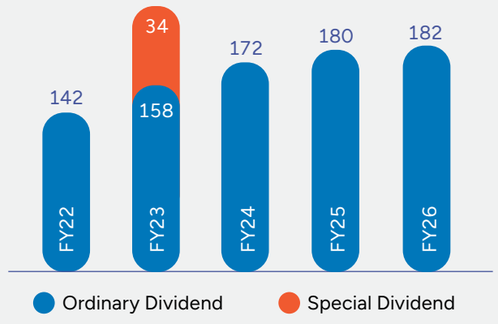
Over the last five years, the Value-Added by the Company, i.e., the value created by the economic activities of the Company and its employees, aggregated over ₹ 3,430 billion, of which over ₹ 2,300 billion accrued to the Exchequer. Including the share of dividends paid and retained earnings attributable to government owned institutions, the Company's contribution to the Central and State Governments represented appx. 76% of its Value-Added during the year. **The Company has, over the years, consistently ranked amongst the Top 3 Indian corporates in the private sector in terms of Contribution to the Exchequer**.

Dividend

Final Dividend of ₹ 8.00 per Ordinary Share for the financial year ended 31st March, 2026 (previous year: Final Dividend of ₹ 7.85 per Ordinary Share) has been recommended by the Board of Directors.

Together with the Interim Dividend of ₹ 6.50 per Ordinary share (previous year: ₹ 6.50 per Ordinary share), the total Dividend for the financial year ended 31st March, 2026 amounts to ₹ 14.50 per Ordinary share (previous year: ₹ 14.35 per Ordinary Share).

Interim & Proposed Dividend
(₹ billion)

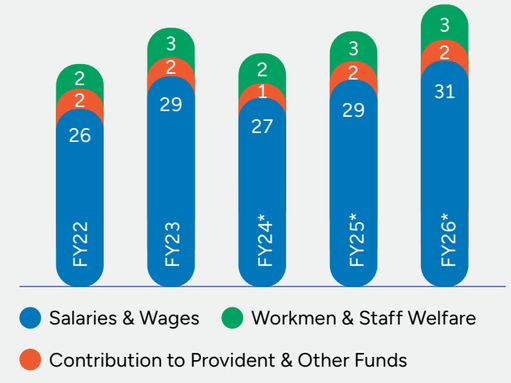


Employee benefits

The employees are entitled to retirement benefit schemes which include employee pension, provident fund and gratuity. All statutory payments, as applicable, e.g., Provident Fund and Family Pension contributions, are deposited with the Government in a timely manner. The pension plans and other applicable employee benefits obligations are determined and funded in accordance with independent actuarial valuation. The assets of the trust funds are well diversified and investments are made within the prescribed statutory pattern with the objective of protecting capital and optimising returns within acceptable risk parameters.

The Company is committed to enhancing gender diversity and participation of the differently-abled in the workforce. The Company's policy on Diversity, Equity and Inclusion articulates and institutionalises this conviction through concerted actions spanning three vectors, i.e., Representation, Inclusion & Enablement and Commitment & Assurance. Through progressive policies offering flexible work arrangements, extended child-care leave, travel support for infants and care-givers, secure transport, paternity leave, same gender partner medical benefits, infrastructure support coupled with various sensitisation programmes, Employee Resource Groups, development interventions tailored for women talent, and the commitment and sponsorship of leaders; the Company provides an enabling environment to further its Diversity, Equity and Inclusion goals.

Human Capital Investment
(₹ billion)



* Financials for FY24 to FY26 exclude the performance of Hotels business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger.

Refer "Workforce for Tomorrow" section of this Report for details

Climate change is a reality, and the world is at the receiving end of its debilitating impacts. In developing and emerging economies such as India, comprising a higher share of vulnerable population, climate risks are even more pronounced. The global call for concerted efforts needs to match on-ground implementation, to cap global warming within safe levels.

Quicker responses to mitigate the imminent and future effects of climate change, and strategies to adapt to the newer environmental realities, are the mainstays of responsible enterprises, Governments, and societies alike. Conscious actions and attention need to be directed towards issues, such as water security, sustainable and regenerative agriculture, and scientific waste management, among others. To address these issues related to climate change, ITC has implemented large scale interventions for decarbonisation and adaptation.

Environmental Stewardship

Environmental Management	69
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Environmental Management

Policies

ITC recognizes that conserving and preserving natural resources is essential for sustaining life on earth. Accordingly, it is necessary to engage with stakeholders to assess evolving trends and develop management strategies that ensure preparedness for the future, with the aim of protecting, conserving, and restoring natural resources.

ITC is guided by a comprehensive set of Sustainability Policies approved by the Board of Directors. These Policies outline the Company's commitment to high standards on environmental stewardship. They also provide the necessary framework to address the direct environmental impacts of the Company's own operations as well as progressively extend the efforts to ITC's supply chain.

The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional / Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams.

During the year, a comprehensive review of ITC Sustainability Policies including benchmarking with global and national standards, regulations and best practices was undertaken. The revised policies including a new policy of responsible marketing were approved by the Board during the year and are available on ITC Portal.

Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee (SCRC) comprising senior and other members of management has the overall responsibility to monitor and evaluate compliance with these Policies.

Practice

In line with ITC's sustainability roadmap, Businesses are progressively implementing the policies. The overall responsibility for ensuring implementation of Policies and Standards on environmental performance rests with the Divisional/ Strategic Business Unit's (SBU) Chief Executives, who work with their respective management teams.

The Corporate Sustainability department is responsible for reviewing and updating corporate standards, verifying compliance, and providing guidance and support as required. The progress and compliance status of different Businesses against the agreed roadmap are reviewed regularly by the Sustainability Compliance and Review Committee (SCRC) constituted by the Corporate Management Committee (CMC). In line with its Sustainability 2.0 ambitions, ITC's Businesses have targets for key specific performance indicators like energy consumption, greenhouse gas emissions, water intake, packaging amongst others. These targets are also integrated with the Annual Performance Cycle of the Divisions.

Training & Capacity Building

All ITC units have established management systems, which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing of progress on a regular basis, to ensure that Businesses are on track with respect to the agreed roadmap. In pursuit of its EHS Policy commitments, the Company has established management systems, certified by accredited agencies in line with international standards like ISO 14001 and OHSAS 18001. An integrated sustainability database management system implemented across the Company ensures monitoring and reviewing of sustainability performance through defined key performance indicators. Standard operating procedures are in place to define, collate and support audits of data for ensuring accuracy and verifiability.

Furthermore, the Company continues to focus on raising internal and external stakeholders' awareness of environment management through ongoing training and knowledge awareness programmes. Some of the aspects covered as part of programmes carried out during the year include:

- ITC Sustainability Policies
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Nature & Biodiversity Risk Management
- SBTi Net Zero Standards
- Sustainable Procurement Practices
- Solid Waste Management (SWM) Rules, 2026
- Life Cycle Assessments
- Environment, Health & Safety Management

In FY 2025-26, 11,430 employees and 11,051 workers were given formal training on various sustainable development aspects including health and safety.

ITC has conducted capacity building workshops for over 1,000 suppliers on material ESG aspects covering governance & fair business, labour practices & human rights, health & safety, and environment. The Company also launched a digital e-learning module to efficiently communicate sustainability requirements throughout its value chain.

Climate Change



The World Meteorological Organisation reports that 2015–2025 have been the warmest years on record, with more frequent and severe extreme weather events causing significant global disruption. In 2025, India experienced extreme weather on almost every day (99%) of the year, affecting more than 47 million hectares of crops – four times the area affected in 2021.

At the same time, climate mitigation efforts are advancing rapidly amid geopolitical headwinds. Around 120 countries, including India, have raised the ambition of their Nationally Determined Contributions. In 2025, India's installed renewable electricity capacity crossed 180 GW, surpassing fossil fuel-based capacity of around 170 GW. The year also marked the launch of India's regulated carbon market.

Together, these milestones indicate a clear inflection point in India's transition journey.

ITC's factories and warehouses are located across the country, and its operations rely on agricultural and forestry value chains for essential raw materials. Accordingly, ITC's climate strategy addresses two priorities: decarbonisation across operations and value chains, and identification and mitigation of physical vulnerabilities through locally contextual adaptation measures. Under its Sustainability 2.0 vision, ITC is also committed to achieving 'Net Zero Operations' (Scope 1 and 2) by 2050.

Material issues addressed in this section

Net Zero and Climate Transition; Climate Resilient Operations

Highlights

Climate Transition

51%
Energy from Renewable Sources

56%
Grid Electricity from Renewable Sources

177 MWp
Renewable Electricity Assets across India

4.5%
Absolute Emission Reduction (Scope 1 and 2) vs Previous Year

17
Platinum-rated Green Buildings (USGBC- LEED® / IGBC)

17 Units
met over 90% of their Electrical Energy Requirements from Renewable Sources

8 Units
including Bollaram Paper Mill, the Cigarette Factory in Bangalore, and Food Factories in Mysuru and GLT Mysuru, sourced ~100% Electricity from Renewable Sources

All Personal Care Units transitioned to Biomass Boilers

Climate Adaptation

Climate Risk Assessment completed for **~140 sites** covering Owned Assets, Key Third-Party Manufacturing Units and Potential Sites

Hazard- and Site-specific Climate Risk Studies conducted for High-priority Locations

In-house Expertise at ITC's Central Projects Organisation (CPO) for **Heat-Stress Management and Climate-Resilient Infrastructure Design**

ITC Foods is leveraging a **High-Resolution Weather Forecast Model for Supply-Chain Resilience**

Carbon Sequestration

Over
1.48 million acres
covered as part of ITC's Large-scale Afforestation Programme

1,63,000+ acres
of plantation added during the year

~7.6 million
tonnes CO_2 sequestered during the year

Climate Change

ITC is targeting 'Net Zero Operations' (Scope 1 and 2) by 2050

In addition to the 'Net Zero Operations' commitment, the Company is setting up systems for monitoring Scope 3 emissions in line with emerging standards.

Each of ITC's diverse businesses is also working towards developing net zero roadmaps covering Scope 1, 2 and 3 emissions.

ITC's Climate Strategy

Transitioning to a Low Carbon Economy: Decarbonisation Across the Value Chain

Own Operations (Scope 1 and 2) ~10% of ITC's Emissions

- Investment in energy efficiency measures
- Accelerated adoption of renewable energy
- Building future-ready green infrastructure with low-energy and low-emission attributes

Value Chain Emissions (Scope 3) ~90% of ITC's Emissions

Agriculture (~55% of ITC's Emissions)

- Promotion of sustainable and regenerative agriculture in key agri-value chains
- Carbon sequestration through large-scale forestry programmes

Third Party Manufacturing (~5% of ITC's Emissions)

- Facilitating energy efficiency improvement and renewable energy adoption for third-party manufacturers

Logistics (~20% of ITC's Emissions)

- Optimising logistics – reducing distance to market
- Switching to lower emission modes/ vehicles

Other emissions, including packaging, waste and product-related sources* (~10% of ITC's Emissions)

- ITC's Sustainable Packaging Strategy
- Sustainably managing pre- and post-consumer waste
- LCA-driven innovation for reducing product carbon footprint

Adapting to Climate Change: Building Resilience Across the Value Chain

Physical Assets

- Climate risk assessments using the latest AI-enabled climate models to identify high-risk/vulnerable sites across scenarios and time horizons
- Detailed site- and hazard-specific risk assessments to develop locally contextual adaptation plans across vulnerable locations

Agri Value Chains

- Regenerative and climate-smart agriculture programmes
- Detailed farm-level climate risk and vulnerability studies
- Integration of early warning systems/weather advisories and region- and crop-specific adaptation strategies within regenerative and climate-smart agriculture programmes

*Other sources include capital goods, waste and end-of-life of products, fuel/energy related upstream emissions, business travel and employee commute, and franchises.

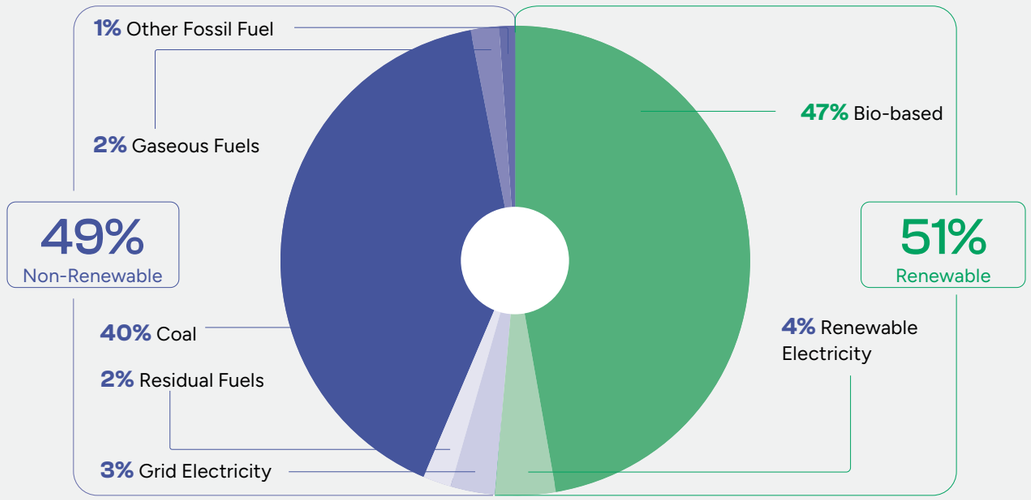
Transitioning to a Low Carbon Economy: Decarbonisation Across the Value Chain

Decarbonising Own Operations

During the year, ITC Units consumed 24,178 terajoules (TJ) of total energy (thermal energy 22,377 TJ and electrical energy 1,801 TJ) with 51% of energy coming from renewable sources.

Energy

Breakup of ITC's Total Energy Consumption (FY 2025-26)



Sustainability 2.0 Targets for 2030

30% Reduction in specific energy consumption

Achieved

2030

Baseline Year: **2018-19**

Target
30%
Reduction in specific energy consumption

Performance FY 2025-26
~42%
Reduction in ITC's energy intensity per rupee of turnover

From ~500 GJ/INR crore in FY 2018-19 to ~294 GJ/INR crore in FY 2025-26

50% of total energy from renewable sources

Achieved

2030

Target
50%
of total energy from renewable sources

Performance FY 2025-26
51%
of total energy from renewable sources

100% of grid electricity from renewable sources

On track

2030

Target
100%
of grid electricity from renewable sources

Performance FY 2025-26
56%*
renewable share in purchased grid electricity

*55% renewable electricity share on consolidated basis

S2.0 Goals cover ITC Limited on a standalone basis.

Climate Change

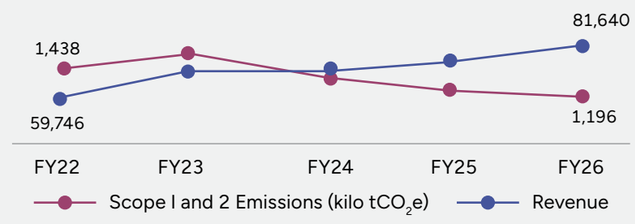
Energy Conservation Measures

Over the years, ITC has implemented energy conservation measures like installation of Vapour Absorption Machines (VAM), automation of HVAC tube-cleaning systems, and deployment of energy-efficient equipment, including boilers, chillers, AHUs, motors, fans, pumps and agitators. ITC Units also focus on energy efficiency through process improvements and investments in low-carbon technologies. **In FY 2025-26, investments in energy conservation equipment delivered savings of more than 50 TJ across energy sources, equivalent to nearly 6 kilo tCO_2e emissions avoided.**

These measures are enabling the Company to decouple growth from energy consumption and emissions, thereby accelerating progress towards the 2030 goals on renewable energy and specific energy reduction, while reducing exposure to energy price volatility.

ITC's sustainable agriculture programmes deliver multiple co-benefits. For instance, the zero-tillage initiative enables in-situ stubble management, eliminating residue burning and reducing air pollution.

Decoupling of Growth and Emissions



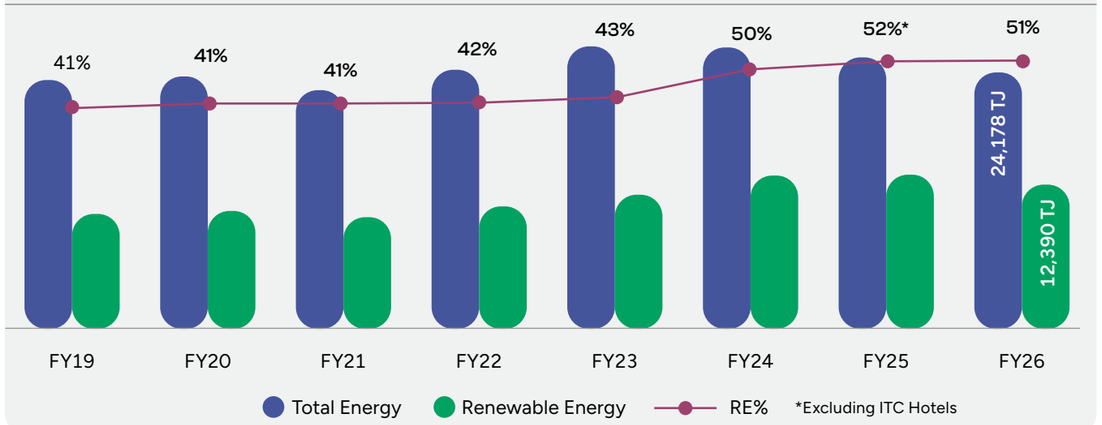
Revenue, Emissions are for ITC Limited on a standalone basis

Three major Paperboards factories and all Cigarette factories are ISO 50001 certified, underscoring the Company's commitment to global best practices in energy efficiency. These certifications reflect a structured approach to improving energy performance through robust monitoring, measurement, adoption of advanced energy conservation technologies, and use of digital tools for data-driven decision-making.

Renewable Energy Adoption

In FY 2025-26, renewable energy contributed 51% of total energy, slightly lower than 52% in the previous year, mainly due to the planned shutdown of the recovery boiler at Bhadrachalam. Over time, investments in wind and solar projects have expanded renewable electricity capacity to 177 MW. Together with procurement through Power Purchase Agreements (PPAs) and renewable attributes such as Renewable Energy Certificates (RECs), this helped raise the share of renewable electricity to 55%. ITC continues to advance towards its 2030 RE100 goal, with its renewable electricity strategy aligned to evolving technologies, Central and State regulations, and national and international standards to identify opportunities and guide short-, medium- and long-term actions.

Increasing Share of Renewable Energy (RE) in Total Energy Consumption



Business-wise performance on renewable energy adoption and energy efficiency is given below.

Business-wise performance	% Share in Total Energy	% Purchased Grid Electricity from Renewables	% Share of Renewables in Total Energy	Specific Energy Consumption (FY 2025-26)	% Reduction in Specific Energy Consumption from FY 2018-19
2030 S2.0 Target	-	100%	50%	-	30%
Paperboards and Specialty Papers Division	86%	60%	51%	21.0 GJ/tonne	19% ↓
Branded Packaged Foods Businesses	8%	40%	60%	2.9 GJ/tonne	29% ↓
FMCG Cigarettes	2%	67%	57%	5.0 GJ/MNC	8% ↓

MNC: Million Cigarettes

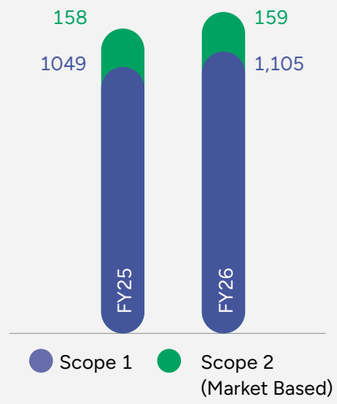
↓ Improvement in KPI ↑ Decline in KPI

Greenhouse Gas (GHG) Emissions

In FY 2025-26, ITC's total Scope 1 and Scope 2 emissions (market-based) were 1,207 kilo tCO_2e. This represents an absolute reduction of 4.5% over previous year, driven by higher share of renewable energy in the overall energy mix. The location-based Scope 2 emissions, which exclude the contribution of purchased renewable electricity, were 177 kilo tCO_2e. In addition, emissions from biogenic sources were 1,106 kilo tCO_2e.

GHG Emissions: Scope 1, 2

In kilo tonnes of CO_2e



Sustainability 2.0 Target for 2030

Reduce specific Scope 1 and 2 emissions by **50%**

Achieved

2030

Baseline Year: **2018-19**

Target

50%

Reduction in specific Scope 1 and 2 emissions

Performance FY 2025-26

53%

Reduction in Scope 1 and 2 GHG emissions intensity per rupee of turnover

From **~30 tCO_2e/INR crore** in FY 2018-19 to **~15 tCO_2e/INR crore** in FY 2025-26.

Continued reduction of emissions will be facilitated by three levers: energy efficiency, renewable energy adoption, and green infrastructure.

S2.0 Goals cover ITC Limited on a standalone basis.

Climate Change

Business-wise performance on emission intensity is given below

Business	Business' Share (%) in ITC's Total GHG Emissions Scope 1, 2	% Reduction in Specific GHG Emissions Vs. FY 2018-19 Baseline	Specific GHG Emissions Scope 1 and 2 (FY 2025-26)
2030 S2.0 Target		**50%**	
Paperboards and Specialty Papers Division	83%	31%	1.01 tCO_2e/tonne
Branded Packaged Foods Businesses	8%	57%	0.16 tCO_2e/tonne
FMCG Cigarettes	2%	31%	0.26 tCO_2e/MNC*

*MNC: Million Cigarettes | Scope 2 Emissions: Market based GHG emissions

ITC's 'Net Zero Operations' by 2050 Roadmap

Medium-term (2030)

- Achieve Sustainability 2.0 2030 targets
- Continue to scale adoption of biomass boilers in FMCG, and pulp and paper operations
- Scale up adoption of compressed biogas (CBG) boilers across FMCG Units
- Enhance efficiency through heat recovery & digital decarbonisation initiatives

Long-term (Up to 2050)

- Continue scaling up renewable electricity assets aligned to business expansion
- Integrate storage solutions like Battery Energy Storage System (BESS) with existing and new RE assets to improve dispatchability of power
- Electrify processes like baking and boilers
- Upscale pilots of large-scale biomass and CBG for baking
- Engage with ecosystem players including start-ups and academia to advance novel decarbonisation technologies
- Neutralise any residual emissions through credible, high integrity projects

Enabling Ecosystem for 'Net Zero Operations'

- Access to commercially viable technologies at scale, for
  - achieving Round-the-Clock zero emission electricity, including battery energy storage, small modular reactors (nuclear), and
  - decarbonising thermal requirements, such as thermal energy storage, electric baking and large-scale biomass boilers
- Regional availability of sustainably sourced biofuels such as biomass briquettes or biogas

Decarbonising Thermal Energy at Personal Care Units

ITC's Personal Care Business (PCPB) relies on both steam and electricity to meet its process-related energy requirements. As part of its S2.0 strategy, the Business is implementing its transition plan to switch from conventional fossil fuels to biomass based steam generation. This shift was enabled primarily through:

- Capital investment in biomass boilers equipped with advanced automation
- Ensuring stable combustion and reliable performance amid process load and biomass quality fluctuations
- Developing a local ecosystem, including conversion of agricultural crop residues into reliable biomass feedstock
- Establishing quality assurance systems to manage seasonal variations in biomass availability and calorific value

As a result of investments made over the last 3 years, the share of renewable thermal energy currently stands at around 85%. With progressive stabilisation of operations, the renewable thermal share is expected to increase further.

Developing Green Infrastructure for a Net Zero Future

Globally, the buildings sector contributes to nearly 40% of energy-related GHG emissions, making it central to the net zero transition. This requires reductions in both use-phase emissions and the embodied carbon in construction materials. As ITC's infrastructure footprint grows through new factories, plant expansions and office development, **the Company focuses on designing assets with globally benchmarked energy-efficiency attributes aligned with standards such as LEED®. These include design optimisation for durability, use of recycled or low-carbon materials, and passive-cooling strategies, operationalised by ITC's in-house team.**

ITC is a pioneer in India's green building movement, with 17 green buildings having received Platinum certification from USGBC/IGBC. In addition, ITC Sankhya is the first LEED® Zero Carbon data centre in the world. These green buildings enable significant reductions in energy demand, operational emissions and life-cycle impacts, while enhancing resilience and occupant well-being across the Company's infrastructure.

Energy Efficient Building Design at ITD Pune

For a planned expansion at ITD factory in Pune, conceptualised in 2025, ITC's Projects team undertook an envelope optimisation study to minimise heat ingress that helped in reducing the active HVAC demand, and hence carbon emissions.

Building Energy Modelling (BEM) tools were used to simulate and optimise roof assemblies, high performance wall light panels and external walling material. The results enabled a ~45% reduction in total peak heat gains, leading to downsizing of chiller capacity by approximately 50 TR (tons of refrigeration). The facility is expected to avoid around 360,000 kWh of electricity consumption annually under three shift operations, embedded over the building's lifecycle.

Climate Change

Decarbonising the Value Chain

ITC is progressively strengthening the measurement of value-chain (Scope 3) emissions. In FY 2025-26, the Scope 3 methodology for upstream and downstream logistics were aligned with the Global Logistics Emissions Council (GLEC) Framework. Additionally, the boundary was expanded to include emissions from the entire downstream logistics network. Coverage of supply chain partners has also been expanded. Total reported Scope 3 emissions stood at 1,442 kilo tCO_2e with corresponding energy of 16,095 TJ, as set out below.

Managing Value Chain GHG Emissions

ITC is also working with upstream and downstream partners to decarbonise operations, improve efficiency, and progressively strengthen emissions coverage within the reporting boundary. Key areas are summarised below.

Categories of Scope 3 GHG emissions	(in tCO_2e)
Category 1: Purchased Goods*	6,38,261
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	91,634
Category 4: Upstream Transportation & Distribution	2,48,245
Category 6: Business Travel	11,717
Category 7: Employee Commuting	5,481
Category 9: Downstream Transportation & Distribution	3,89,355
Category 12: End-of-Life Treatment of Sold Sold Products**	57,314

*Covers ~60% of materials by weight

**Covers only plastic packaging

The standards, methodologies, tools and assumptions used for quantification of GHG emissions and removals by various sources are explained in detail in the 'Quantification Methodologies' Annexures.

Agri Value Chains
(~55% of overall emissions)

ITC is scaling climate-smart agriculture systems to support farmers in adopting practices such as zero tillage, nutrient management, nano urea application, and direct seeded rice. These practices reduce emissions, while also improving weather resilience and natural resource efficiency.

ITC is targeting to cover 4 million acres under its Climate Smart Agriculture (CSA) programme by 2030. By FY 2025-26, the programme covered 3.19 million acres across 17 States.

ITC is also working with LCA experts to evaluate farm-level emissions and estimate regional emission factors for key agri-crops across 12 clusters in 5 States. Field data has been collected to quantify emission savings from the adoption of specific sustainable farming practices using globally accepted methodologies.

Refer "Sustainable and Climate Resilient Agriculture" and "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" sections of this Report for details

Logistics
(~20% of overall emissions)

Through the 'ITC One Supply Chain' initiative, the Company is optimising routes, deploying higher-capacity vehicles, and shifting to lower-emission transport modes such as rail, waterways and sea routes.

Strategically located Integrated Consumer Goods Manufacturing and Logistics (ICML) facilities also reduce distance-to-market, while electric vehicles are being introduced for last-mile delivery.

Multi-modal Logistics for Bulk Commodities

ITC's Agri Business Division (ABD) undertook a strategic shift from road dominated logistics to a diversified multi-modal transport model to reduce GHG emissions associated with large scale commodity movements, particularly for wheat.

A structured mix of rail rakes, containerised movement, and coastal shipping enabled optimisation of distance, load factors, and fuel efficiency across high volume, long distance corridors. Additionally, the Business strategically procured commodities closer to consumer locations and directly from farmers/FPOs.

As a result, ABD achieved a **54% reduction in its Scope 3 logistics emissions**, improved freight cost stability, and reduced exposure to climate-related and operational risks.

EV adoption for Mid-Mile Delivery

Over the past year, ITC has significantly accelerated the adoption of electric vehicles (EVs) for mid mile delivery of FMCG products. In FY 2025–26, EV deployments crossed **48,600+ trips**, reflecting a **~1.4x** increase over the previous year. The EV program is currently operational across **20+** locations pan India, demonstrating strong scale-up momentum.

The current EV ecosystem has capacity constraints, with limited availability of higher tonnage vehicles. Accordingly, the EV program will be expanded in a phased manner, aligned with the launch of new vehicle models and guided by rigorous cost benefit evaluations.

Third-Party Manufacturing
(~5% of overall emissions)

ITC is progressively increasing the coverage of key third-party manufacturing facilities within its Scope 3 boundary to enable benchmarking and action planning. The Company also provides technical guidance to help partners identify and implement improvement measures.

Refer "Sustainable Supply Chain" of this Report for details

Facilitating Renewable Energy (RE) Adoption for Third-Party Manufacturers



ITC's Education and Stationery Products Business (ESPB) partners with small- and medium-scale third-party manufacturers to produce notebooks, pens, and geometry boxes. These plants relied entirely on grid electricity. With the objective of reducing Scope 3 emissions and optimise energy costs, the Division strategically assessed plants for suitable RE options.

Over FY 2023-24 and FY 2024-25, **four plants were connected to rooftop solar, and one was connected to wind power.** Integration with the plants' power distribution networks, supported by real-time energy monitoring helped **offset 20–40% of grid electricity, reducing ~1,150 tCO_2e annually**.

Climate Change

Packaging and Product Lifecycle
(~5% of overall emissions)

ITC's approach places greater emphasis on increasing use of recycled and renewable materials and progressively reducing dependence on virgin plastics through packaging optimisation and innovation. The approach also focusses on scaling plastic waste management initiatives, improving recycling rates, and expanding collaboration with local bodies to strengthen source segregation and decentralised waste management systems.

Life Cycle Assessment-based tools are used to evaluate packaging and products across key categories enabling identification of environmental impact hotspots and subsequent reduction through interventions in design and delivery models.

Refer "Towards Circularity" and "Product Stewardship" sections of this Report for details

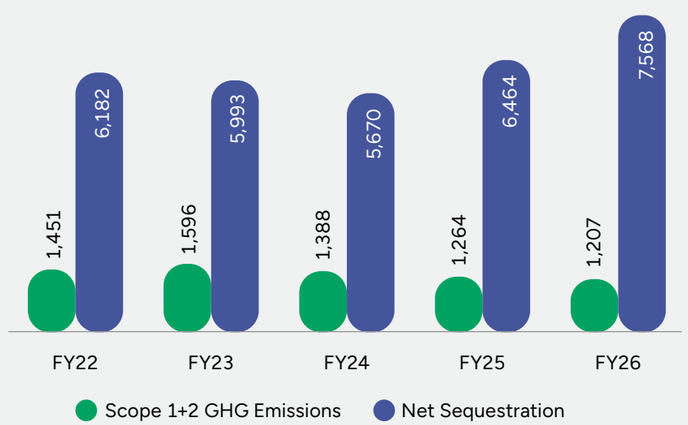


Sustaining and Enhancing Carbon Sequestration

The farm forestry programme of ITC's Paper Business was established to promote sustainable forest management and secure pulpwood supply for paper mills. In addition to carbon sequestration, the programme and related social forestry initiatives improve wasteland productivity and strengthen rural livelihoods through tree-based farming.

Refer "Sustainable & Climate Resilient Agriculture" and "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" sections of this Report for details

Carbon Sequestered Vs. GHG Emissions from ITC's Operations (Scope 1 and 2) (in kilo tonnes of tCO_2e)



Adapting to Climate Change: Building Resilience Across the Value Chain

Physical Assets

ITC's manufacturing base, including factories and warehouses, is exposed to rising temperatures and extreme events such as floods, heatwaves and cyclones. Over the years, the Company has developed a three-step climate risk management approach as detailed below.

Step 1

Portfolio-level Assessment for Identifying Vulnerable Sites

ITC uses the latest AI-enabled climate models to identify vulnerable sites based on current and projected climate risk.

Sites in quadrants 2 and 4 are accorded priority, while sites in quadrant 3 are closely monitored.



Step 2

Site-specific Climate Risk Assessments for Vulnerable Sites

Detailed site-level and hazard-specific studies are conducted along with climate experts. These studies include simulations to identify sources of vulnerability at the site under different scenarios.

Non-climatic and local factors that may influence site-level risk, such as man-made flood defence structures, land-use patterns and elevation, are also considered.

Step 3

Locally Contextual Adaptation Plans for Vulnerable Sites

Based on the identified sources of vulnerability, local context of the site, and business criticality, an adaptation plan is developed. This includes:

- **Within the site:** Physical adaptation measures such as hard engineering, or nature-based solutions, and non-physical measures such as early warning systems, and extreme weather management practices.
- **In the local catchment:** Engaging with local authorities and communities to build community-level climate resilience.

Climate Change

ITC has assessed around 140 sites covering owned assets, key third-party manufacturing units and potential sites. The climate risk assessments provide projections and insights across 20+ climate metrics, multiple hazards such as floods, extreme wind, drought and more, across different climate change scenarios (SSP1-2.6 (1.8°C), SSP2-4.5 (2.7°C) & SSP5-8.5 (4.4°C)) and time horizons. These assessments facilitate the prioritisation of assets for targeted resilience measures, particularly for flood and heat-related climate risks. They also provide insights to guide investment and operational decisions for adaptation, business continuity, and climate risk management. New and prospective locations are also assessed every year.

ITC's Heat Stress Management Approach

ITC's Central Projects Organisation (CPO) is the specialized Division within ITC focused on construction, project management, and engineering. Over the last few years, CPO has made significant investments in developing in-house expertise for designing climate resilient infrastructure with specialisation in heat-stress management. This approach entails:

1. Integrating climate-responsive passive measures at early design stage for indoor thermal comfort.
2. Mitigating outdoor heat stress through microclimate design.
3. Evaluating design solutions for future climate scenarios.

Case Study

Flood Risk Assessment at ITD Saharanpur

A detailed climate risk assessment study was undertaken in FY 2025-26 for ITD Saharanpur, owing to its vulnerability to flooding. **30 years of rainfall data** was analysed, and rain-on-grid hydraulic modelling was used to simulate flooding under 50-, 100-, 200- and 500-year return periods.

Results indicated that flooding is primarily driven by on-site rainfall, with deeper inundation concentrated in low-lying areas such as the shipping zone. Average flood depths ranged from **21–32 cm across scenarios**. Based on these, a site-specific adaptation plan has been developed.



Case Study

Heat Stress Mitigation at PSPD, Bhadrachalam

Located in a high-temperature climatic zone, ITC's Bhadrachalam paper and paperboard manufacturing site faces exposure to heat-stress risk, with average daytime highs reaching around 41°C in peak summer months. With climate projections indicating increasing heatwave duration, strengthening site-level resilience and employee-comfort measures is a key adaptation priority.

In FY 2025-26, a terracotta-based evaporative cooling solution ("Cooling Cacti") was built and installed near a high-occupancy outdoor area. Assessments of peak climatic conditions, seasonal simulations and future-climate analysis were undertaken, followed by a pre-occupancy thermal comfort survey.

The intervention, designed to improve the local microclimate, reduced surrounding air temperature by **~3-4°C below** ambient.

Supply Chain Risk Mitigation through Weather Forecasting

ITC's Foods Division identified weather volatility as a significant risk to raw material availability, logistics continuity, and service levels—especially in coastal and rain-sensitive regions. To mitigate this, a high-resolution model to forecast key weather parameters up to two months in advance was implemented, which resulted in:

- **Improved stock planning and supply continuity (OTIF performance)**
- **Proactive decisions on procurement and warehousing**
- **Business impact through loss mitigation**

Climate Change

Climate Resilient Agri-Value Chains

Agriculture in India is highly vulnerable to changes in temperature, precipitation and extreme events such as droughts. For key crops such as wheat, pulpwood, leaf tobacco and potato, ITC is working on climate-tolerant varieties and disseminating climate-resilient and regenerative agronomic practices. ITCMAARS and AI-based tools are also being used to provide integrated weather forecasts and crop advisories to farmers. ITC has also undertaken farm-level climate studies to understand crop- and region-specific yield impacts across India. These assessments support strategic sourcing and help calibrate resilience measures across value chains, including climate-tolerant planting material, agro-chemical management and micro-zone-specific agricultural practices. ITC's sustainable agriculture programmes deliver multiple co-benefits. For instance, the zero-tillage initiative enables in-situ stubble management, eliminating residue burning and reducing air pollution.

Refer "Sustainable and Climate Resilient Agriculture" and "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" sections of this Report.

Case Study

Preparing Fields Without Burning

Crop residue burning in Punjab has often been addressed as an environmental concern, but for farmers, it becomes a practical response to tight sowing timelines, rising costs, and limited alternatives. Although aware of pollution and health impacts, farmers continued burning because it remained the fastest and more economical option between Paddy harvest and Wheat sowing.

Recognising burning could not be eliminated through advisories alone, ITC reframed the problem – focusing first on farmer economics rather than on residue disposal. The intervention prioritised reducing cultivation costs, improving soil health and yields, and enabling easy, timely sowing. The programme was strengthened through partnership with **IIT Delhi–CERCA** for real time satellite-based monitoring of burning hotspots, supported by **Punjab Agricultural University** (PAU) for on-ground technical guidance and adoption. The intervention is being implemented in partnership with **Manav Vikas Sansthan**.

During 2018-19, starting in 46 villages, ITC demonstrated practical changes such as minimum and Zero Tillage, mulching and sowing through residue using Super Straw Management Systems (SMS) enabled combines and the Happy Seeder. As land preparation and sowing became faster and less expensive, farmers began retaining residue in their fields itself. These **in-situ practices** now cover about **2,03,000 acres** in **688 village**, improving soil condition and with Wheat yields rising from 18 to 21 quintals per acre and Paddy from 24 to 26.

For farmers needing rapid residue removal, **ex-situ management** was introduced in around **~80,000 acres**, linking residue to balers, aggregators, and end-use enterprises. 130 agri-enterprises were engaged with, managing nearly **~1,98,000 tonnes of residue**. As a result of these combined efforts, ~2,84,000 acres **(96.5%)** recorded no burning incidences.

Farmers have now internalised and adopted viable alternatives that made farming easier, cheaper, and more productive, demonstrating a sustainable and scalable solution to stubble burning through crop residue management.



Road Ahead

ITC will further decarbonisation across Scope 1, 2, and material Scope 3 sources; strengthen climate adaptation across operations and value chains; enhance measurement and disclosure practices; and foster partnerships for broader climate action.

Accelerated Decarbonisation

Scope 1 and 2

Implementing the roadmap for achieving ITC's 2030 Sustainability 2.0 goals and the long-term commitment of 'Net Zero Operations' by 2050, through continued investment in renewable energy, energy efficient technologies and green infrastructure.

Scope 3

Further scale up ITC's large-scale programmes for decarbonising Scope 3 emissions and deploy systems to measure and monitor impact, with particular emphasis on agriculture, logistics and third-party manufacturing.

Climate Adaptation Strategy

Develop and implement robust and inclusive adaptation strategies for own operations and value chain in consultation with key stakeholders key stakeholders – farmers, implementation partners and local governments – to support a climate-resilient future for all.

Climate Disclosures

Transparently communicate ITC's approach, strategy and performance on climate change to key stakeholders, including investors, through disclosures aligned with IFRS S2 (ISSB) and CDP Climate.

Partnerships and Collaboration

Promote thought leadership and industry-wide collaboration on climate change through the 'CII–ITC Centre of Excellence for Sustainable Development'.

Sustainable and Climate Resilient Agriculture



With climate change increasingly impacting productivity and natural ecosystems, building a climate resilient agricultural system is vital for India. Moreover, given the unique set of challenges faced by Indian farmers, ranging from climate variability and resource constraints to market and income uncertainties, livelihood resilience remains a critical priority.

ITC is committed to increasing the coverage of its Climate Smart Agriculture (CSA) programme, which focusses on climate-resilient crop varieties, conservation of natural resources, precision farming and water-efficient practices. These interventions enhance productivity, resilience and farmer livelihoods while reducing emissions. The Company is also developing value chains for climate-resilient crops such as millets to strengthen nutrition and food security.

In response to the multifaceted challenges confronting Indian farmers, **ITC's large scale farm interventions are anchored in strengthening farmer well being and livelihoods**. It is supported through technical assistance, extension services, access to inputs and credit, and market linkages. ITC's Agri Business Division and Mission Sunehra Kal work to strengthen sustainable and resilient livelihood opportunities across farming communities.

Highlights

Climate Smart Agriculture (CSA) Programme

3.19 million acres
covered under CSA

S2.0 Target
4 million acres by 2030

ITCMAARS (Metamarket for Advanced Agricultural Services)

2.3 million farmers
&
2,184 FPOs onboarded

Target
Cover 4,000 FPOs by 2030, empowering 10 million Indian farmers

Sustainable Farm Certifications

21,052 acres
of certified organic farms

41,918 acres
certified by Rainforest Alliance (RFA), Global G.A.P., Fairtrade, BAP-4* and Aquaculture Stewardship Council (ASC), FSA 3.0

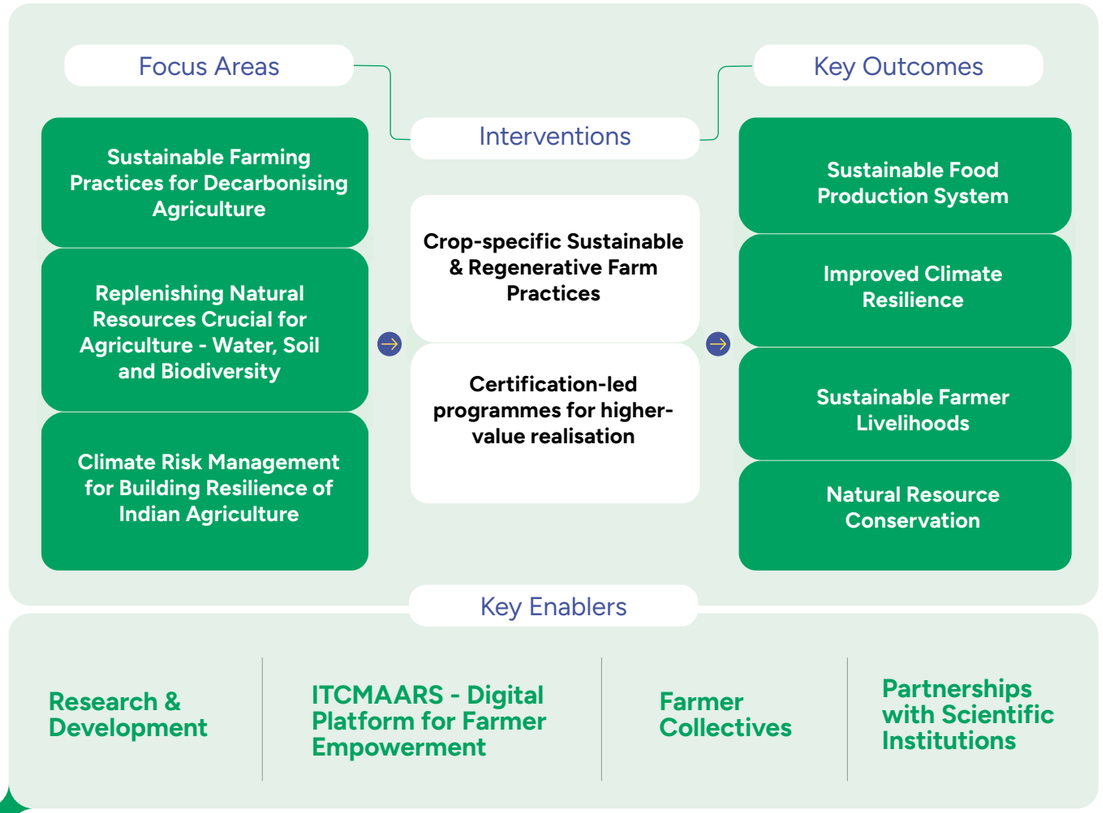
ITC - First company
in India to receive the global
FSA (Farm Sustainability Assessment) 3.0
100% silver benchmark in wheat & paddy

Crop Water Use Efficiency (More Crop Per Drop)

1,520 million kl
of potential water savings during the year

Sustainable and Climate Resilient Agriculture

ITC's Approach: Sustainable & Climate Resilient Agriculture



Focus Areas

Sustainable Farming Practices for Decarbonising Agriculture

ITC has estimated greenhouse gas emissions across its key agri value chains using globally accepted standards, calibrated to regional context. Emissions from ITC's agri value chains account for approximately **55% of its total Scope 3 emissions**, with **wheat and paddy together contributing significantly**. The principal emission hotspots include fertiliser use and upstream production, farm level cultivation practices and irrigation. Accordingly, ITC's decarbonisation efforts are strategically focused on addressing these priority sources.

Replenishing Natural Resources Crucial for Agriculture – Water, Soil and Biodiversity

India faces significant environmental challenges, with over 600 million people experiencing water stress (Source: NITI Aayog, 2018), posing a serious risk to agriculture-dependent rural livelihoods. Hence drought proofing agriculture and achieving water positive status at catchment level through supply and demand management initiatives become imperative for sustainable agriculture. ITC addresses these problems by conserving water, soil, and biodiversity in a unified way to support ecosystems and agricultural communities.

Climate Risk Management for Building Resilience of Indian Agriculture

India's agriculture system faces significant climate risk. Indian Council of Agricultural Research (ICAR)'s assessment shows that ~48% agricultural districts are highly or very highly vulnerable to climate change. Also, more than half the cropped area is rainfed. With increasing variability in weather patterns and climate-induced risks, crop productivity and farmer livelihoods are being directly impacted.

These challenges also threaten the long-term stability of agri value chains.

ITC's approach focuses on addressing near-term risks such as droughts and erratic precipitation. It also aims to build long-term resilience against chronic impacts like rising temperatures.

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" and "Biodiversity Conservation" sections of this Report for details

Farm Interventions and Key Outcomes

Crop-specific Sustainable & Regenerative Farm Practices

To enable sustainable and future-ready agriculture, ITC promotes regenerative practices that are productive, remunerative, climate-resilient, and resource-efficient. Regenerative agriculture also supports decarbonisation by rebuilding soil organic matter, restoring soil biodiversity, sequestering carbon, and improving the water cycle. To scale adoption, ITC's extension programmes focus on technology-driven practices across multiple crops.

ITC's **Climate Smart Agriculture (CSA)** programme promotes regenerative, productive, sustainable, remunerative and climate resilient farming, **aligned with national programmes such as PM-KUSUM, Sustainable Agriculture, Natural Farming and Millet Missions. Till date, the CSA programme has covered 3.19 million acres and 1.2 million farmers across 17 States, with a target of 4 million acres by 2030**. ITC is also developing **Climate Smart Villages** in core agricultural catchments. These interventions are driven by scientific planning, research-backed technologies and strong farmer engagement.



In addition, ITC's approach combines **short-term climate risk management** with **long-term resilience building**, including promotion of stress-tolerant crop varieties, customised weather advisories, AI-based climate risk modelling and expansion into low climate-risk geographies. Other key regenerative interventions and outcomes include:

- **Water Stewardship:** **66.31 million kl** cumulative water harvesting potential created; **1,520 million kl** water saved during the year through efficient practices.
- **Soil Health Improvement:** Conservation agriculture, organic inputs and catchment treatment across **1.24 million acres; zero/ low tillage across 971,000 acres of wheat** to reduce erosion and improve moisture retention.
- **Biodiversity Conservation:** Community-led initiatives across **810,000 acres**, enhancing ecosystem services and landscape resilience.
- **Integrated Climate Action:** ITCMAARS based advisories, climate risk modelling, climate-smart crop practices and scaling of water stewardship initiatives support systemic resilience.

ITC's Agri Business Division (ABD) promotes regenerative and resource-conservation practices across key crop value chains such as wheat, rice, soybean, chilli, turmeric, and cumin, helping reduce cultivation costs while improving yields.

Sustainable and Climate Resilient Agriculture

A summary of major sustainable crop-specific farm practices for key agri value chains along with potential outcomes is presented below.

Sustainable Farm Practices	Key Outcomes			
	Decarbonisation	Climate Resilience	Natural Resource Management	Sustainable Farmer Livelihoods
Wheat Value Chain				
Conservation Agriculture – Zero Till	+++	+++	++	+++
Introduction of New Varieties	+	+++	+	+++
Integrated Nutrient Management *including Murate of Potash*	+++	+	++	++
Integrated Pest Management	+	++	++	+++
Crop Diversification	++	+++	+	+++
Organic Certification	++	+	+++	+++
Paddy Value Chain				
Water-use efficiency *(Direct Seeded Rice Or Alternate Wetting and Drying)*	+++	++	+++	+++
Crop Residue Management *(No stubble burning)*	+++	+++	+++	++
Leaf Tobacco Value Chain				
Weather Resilient Tobacco Production System	++	+++	++	+++
Green Manuring	+++	++	+++	++
Subsoilers	+++	+	+++	++
Soil and Moisture Conservation	++	++	+++	++
Crop Rotation	+	+++	+++	+++
Drip Irrigation	+	++	+++	++
Safe usage, disposal of Agro-chemical waste	++	+	++	++
Energy Conservation Measures	+++	+	+++	++

A summary of major sustainable crop-specific farm practices for key agri value chains along with potential outcomes is presented below (Contd.)

Sustainable Farm Practices	Key Outcomes			
	Decarbonisation	Climate Resilience	Natural Resource Management	Sustainable Farmer Livelihoods
Spices Value Chain				
Crop Diversification	+	+++	+++	+++
Integrated Pest Management	+	+++	+++	++
Nutrient Management	+++	++	+++	++
Mulching	++	+	+++	++
Soya Value Chain				
Broad Bed Furrow	++	+	+++	+++
Coffee Value Chain				
RFA Certification	++	++	+++	+++

Intensity of potential outcomes (combination of scale, adoption and maturity of agri intervention):

+++ High ++ Medium + Low

Certification-led Programmes for Higher Value Realisation

Certification-led programmes have been introduced in major agricultural value chains including wheat, paddy, spices, coffee, fruits & vegetables, and aquaculture, to improve farm traceability and responsible sourcing. These initiatives help smallholder farmers meet global standards for market access and premiums. The programme adopted certifications like Rainforest Alliance, Global G.A.P., Fairtrade, ASC, BAP-4*, FSA 3.0, Grown for Good, and Organic across 14 value chains, emphasizing climate-smart farming, efficiency, safety, and full traceability. This approach strengthens market position, boosts buyer confidence, increases premium capture, improves farmer livelihoods, and promotes environmentally responsible agriculture.

During FY 2025-26, certified acreage expanded from 37,764 acres to 62,970 acres, with organic acreage reaching 21,052 acres and other biodiversity-positive certifications growing from 16,817 acres to 41,918 acres.

Sustainable and Climate Resilient Agriculture

Stories of Change: Transforming Indian Agriculture

Advancing Low-Carbon Wheat and Paddy Cultivation through Climate Smart Practices

Since 2006, ITC's Agri Business Division (ABD) has implemented the Sustainable Wheat & Paddy Crop Development Programme, embedding decarbonisation across farm production and supply chains while aligning climate action with farmer livelihoods through low carbon sourcing systems. Based on **baseline assessments, following were identified as the major drivers of GHG emissions**:

- Fuel intensive land preparation
- Imbalanced fertiliser use
- Methane emissions from paddy
- Residue burning

These factors also influence soil health, water-use efficiency, and the long-term sustainability of supply. Given that wheat and paddy account for majority of embedded emissions in procurement, the programme prioritised reducing value-chain emissions. **Implemented across 8 States, the programme encompasses approximately 650,000 acres and more than 60,000 farmers organised into over 650 FPOs.** Key climate-smart practices adopted by participating farmers include:

- **For Wheat:** 1) Adoption of 54 location specific wheat varieties 2) Zero tillage 3) Happy Seeder 4) Surface seeding 5) Soil test based nutrition 6) Nano fertilisers 7) Sprinklers and drones 8) Leaf Colour Chart and 9) Heat mitigating sprays.
- **For Paddy** cultivation shifted to 1) Direct Seeding of Rice 2) Alternate Wetting and Drying (AWD) 3) Green manuring and 4) Improved residue management.

Other supply chain interventions included FPO led aggregation, sourcing distance optimisation, and modal shifts from road to rail and sea. Also, a three tier monitoring system using geo-tagging, digital crop tracking, and ITCMAARS integration ensured effective implementation.

The interventions demonstrated significant emission reduction potential for both wheat and paddy compared to baseline practices, delivering **10–15% yield gains, 30–40% income increase**, better water use efficiency, lower fuel use, higher soil organic carbon, and complete elimination of residue burning.

Case Study

Enhancing Farmer Resilience and Incomes Through Climate Smart Wheat Production Practices

ITC's Crop Development Programme (CDP) has facilitated the shift from high-input, risk-prone wheat cultivation to a precision-managed, climate-resilient agricultural system across the primary wheat-producing regions of Rajasthan, Gujarat, and Punjab. By addressing key challenges such as stagnant yields, escalating input costs, and terminal heat stress, the CDP advanced practices including Zero Tillage, precision nutrient management (utilising nano fertilisers and Leaf Colour Charts), Karnal Bunt disease mitigation, and the application of heat-ameliorating sprays.

The programme engaged more than 8,000 farmers across 787 villages, organised through 96 Farmer Producer Organisations (FPOs), with climate-smart techniques implemented on over 44,200 acres. These measures resulted in improved soil moisture retention, reduced chemical usage, preservation of grain quality, and strengthened crop resilience.



Case Study

Scaling Direct Seeded Rice (DSR) for Water and Climate Efficiency



In response to unpredictable rainfall patterns, reliance on groundwater resources has increased. Consequently, ITC's Climate Smart Villages initiative has transitioned to Direct Seeded Rice (DSR) with sustained efforts. Traditional rice cultivation employs puddling and flooding methods, consuming approximately 5,630 kl of water and emitting about 1,794 kg CO_2e.

A study by ICAR-ATARI, Kanpur shows that **Direct Seeded Rice (DSR) sharply reduces this burden - emitting only 464 kg CO_2e per acre and saving 840 kl of water (15%), which has helped ITC potentially conserve 310 million kl of water and avoid 4.9 lakh tonnes of CO_2e across 3.68 lakh acres, covering 8 states in FY 2025-26**.

Issues such as poor germination and weed management were addressed through agronomic guidance, calibrated drilling techniques, Alternate Wetting and Drying (AWD) irrigation, and expert support from ICAR, IIRR, IRRI, SAUs, and KVKs*. Demonstrations by peers significantly accelerated the uptake of these practices.

According to a survey conducted by The/Nudge Institute, 95% of farmers adopted Direct Seeded Rice (DSR) after observing positive outcomes among their neighbours, with all respondents intending to continue using DSR. This highlights DSR as a practical and climate-resilient agricultural approach

*ICAR - Indian Council of Agricultural Research | IIRR - Indian Institute of Rice Research | SAUs - State Agriculture Universities | KVKs - Krishi Vigyan Kendras

Sustainable and Climate Resilient Agriculture

Enhancing Certified Organic Clusters

ITC's Agri Business Division is scaling organic farming through a **cluster based, FPO led approach** across Uttar Pradesh, Madhya Pradesh, Maharashtra, Rajasthan and Jammu. To address key transition challenges like limited access to inputs and know how, traceability gaps and long certification timelines, the programme has established **12 Internal Control System (ICS) clusters**, engaging **over 5,400 farmers across 14,682 acres** cultivating wheat, paddy, soybean, gram and mustard.

The initiative integrates **digital traceability through ITCMAARS**, including farm geo fencing and real-time, crop-specific organic advisories, supported by on ground technical assistance, capacity building and certified organic input centres. All clusters operate under the **National Programme for Organic Production (NPOP)**, with **6 ICS clusters completing third year audits and achieving full organic status**. The programme has strengthened farmer incomes through access to premium organic markets, improved soil health, reduced chemical dependency and enhanced long term ecological resilience. ITC plans to further scale digitally enabled organic clusters, expand certified acreage and deepen market linkages.

Farm Sustainability Assessment (FSA 3.0) Certification: First-in-India by ITC

ITC became the first company in India to receive a Letter of Attestation for the *Farm Sustainability Assessment (FSA 3.0)* in wheat and paddy, marking a significant milestone in sustainable agricultural sourcing. This was achieved through the implementation of the FSA 3.0 standard across **22,287 acres** in **Uttar Pradesh and Bihar**, engaging **3,552 farmers through 74 Farmer Producer Organisations (FPOs)** under ITC's Crop Development Programme.

The initiative addressed gaps in conventional sourcing models by embedding **certified, traceable, and independently validated sustainability practices at scale**, thereby enhancing **market differentiation and long term supply security**.

Key programme interventions included:

- Development of **FSA-certified farmer clusters**
- Capacity building on **good agricultural practices**, responsible input use, and environmental and social compliance
- Strengthening **farm-level documentation and traceability**

The programme leveraged **ITCMAARS' phygital advisory, monitoring, and traceability platforms**, FPO led aggregation, and **independent third party verification** to ensure compliance across environmental, social, and economic indicators.



Outcomes achieved

22,000+ Acres transitioned to FSA certified production

Improved agronomic discipline and sustainability performance at farm level

Farmer participation in **certified and sustainability-linked supply chains**

Building on this leadership position, ITC plans to **scale FSA-certified clusters across additional crops and geographies**, reinforcing sustainable sourcing and long term farmer value creation.

Case Study

Farmer Transformation Story: Rejuvenating Soil Health and Livelihoods through Organic Farming

Farmer
Mr. Amarnath Patel

Landholding
2.5 acres

Location
Bakrawan Village, Prayagraj, Uttar Pradesh

Mr. Amarnath Patel previously practised conventional farming, which led to **declining soil fertility and rising input costs** due to prolonged chemical fertiliser use. Seeking sustainable alternatives, he joined **ITC's Organic Development Programme** three years ago.

With **training, technical guidance, and a vermi-bed** provided by ITC, he transitioned to **chemical free organic farming**. He established an **on farm vermicompost unit** using cow dung, crop residues, and household biodegradable waste, producing compost every **55–60 days**. This enabled **complete replacement of chemical fertilisers**, adoption of **on farm nutrient recycling**, and revival of soil biodiversity, including earthworms and beneficial insects.

Key Results Achieved

Increase in wheat yield from 11.26 to 12.6 quintals per acre

Significant reduction in cultivation costs through self produced organic inputs

Improved soil health and biological activity

The case demonstrates how **scientific organic farming** can restore soil health, reduce input dependence, enhance profitability, and offer a **replicable, environment friendly model** for smallholder farmers.

Case Study

Driving Large-Scale Adoption of Climate-Resilient Medicinal Crops in Madhya Pradesh

Since FY 2019–20, ITC's Crop Development Programme (CDP) has scaled climate smart Ashwagandha cultivation in Madhya Pradesh from a 500 acre pilot to 3,200 acres across eight clusters. The initiative addressed challenges of low crop profitability, high input costs, and climate vulnerability by promoting high-yielding varieties (CIM Pushti and Vallabh) supported by scientific agronomy training. Farmers adopted best practices in sowing, nutrient and moisture management, organic inputs, and post harvest handling. These interventions enabled consistent yields of 600–750 kg per acre under variable climatic conditions, leveraging Ashwagandha's low irrigation and minimal tillage needs. Regenerative practices strengthened long-term soil health. An assured buyback mechanism reduced market risk and ensured stable pricing. As a result, farmer incomes increased from 20–25% above conventional crops initially to 125–150% higher incomes.



Sustainable and Climate Resilient Agriculture

Creating an Enabling Ecosystem for Indian Farmers

Research & Development (R&D)

ITC LSTC Crop Sciences is advancing climate-resilient and profitability-enhancing crop solutions for agribusiness through targeted varietal development and sustainable farming innovations.

Flue-cured Virginia (FCV) Tobacco

Core Intervention

Climate-resilient, water- and nitrogen- efficient FCV varieties; integrated biotic stress management.

Key Impact

Delivered **0.4–0.54 million L/ha water savings, 15–20% yield gains** and **~15% lower nitrogen (N) use**, thereby reducing input-related emissions, disease losses and improving climate resilience.

Wheat

Core Intervention

Location-specific, heat- and drought- tolerant varieties identified through multi-zone on-farm trials.

Key Impact

Improved supply security and quality under climate stress, while localisation of sourcing lowers **logistics related carbon footprint**.

Potato

Core Intervention

Varietal identification for South & East India to localise sourcing.

Key Impact

Enabled **1,500–2,500 km transport reduction** and avoidance of **~2,268 tCO_2e annually**, thus strengthening supply resilience and reducing transport emissions.

Pulpwood (Agroforestry)

Core Intervention

High productivity, climate-resilient clones and large-scale plantations.

Key Impact

Achieved **>20% productivity gains**, sequestered **~237,000 tCO_2 (over 4 years)** and increased farmer incomes by **~25%**, supporting long term raw material security.

Market Access and a Digital Driven Agri-Transformation

ITCMAARS - Metamarket for Advanced Agriculture and Rural Services

ITCMAARS is a **crop-agnostic 'phygital' Agritech platform** launched by ITC to enable next-generation agriculture by combining digital intelligence with on-ground execution. It delivers end-to-end agricultural solutions through a unified, full-stack ecosystem.

FPOs - A Crucial building-block of ITCMAARS

Farmer Producer Organisations (FPOs) are the cornerstone of ITCMAARS. They enable aggregation efficiencies, targeted service delivery, and improved market access, especially for small and marginal farmers. Integrated into the model, FPOs act as **ground-level partners and physical hubs** for input and output supply chains, while leveraging ITC's strong rural presence and trust. Together, ITCMAARS and FPOs drive farm productivity, resilience, and income enhancement.

ITCMAARS

ITCMAARS: Services Offered

By deploying new Generative AI applications and Agentic AI capabilities, ITC is expanding its ITCMAARS phygital ecosystem into a resilient, connected, and intelligence-driven agri-stack at scale.

From supply of seeds, farm inputs, services like soil testing to weather forecast, credit and market linkages – ITCMAARS app is ITC's key contribution towards 'Next Gen' agriculture. The super app has onboarded several banking partners (such as State Bank of India, Axis Bank and IDFC First Bank), crop nutrition and protection majors (such as Bayer, BASF, Syngenta, Corteva Agrisciences and Coromandel) and has partnerships with multiple ICAR Agri Institutes.

In FY 2025-26, ITCMAARS won the CII-Industry Academia Partnership Award and the FICCI-Sustainable Agriculture Award for fostering rural micro enterprises

Scale and Reach of ITCMAARS

ITCMAARS has, so far, been launched in 11 States - Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Bihar, Karnataka, Andhra Pradesh, Telangana, West Bengal, Tamil Nadu and Gujarat. It now empowers **over 2.3 million farmers through 2,184 FPOs.**

ITCMAARS will progressively cover as many as 4,000 FPOs, empowering 10 million Indian farmers by 2030.

Refer ITCMAARS on ITC Portal for more details

Road Ahead

A sustainable and resilient agriculture sector is central to India's net zero and climate goals. ITC, leveraging its deep linkages to rural India and agri value chains, aims to accelerate sustainable agricultural transformation through its Sustainability 2.0 vision:

Making Indian Farming Resilient to Climate Change

ITC will continue to leverage advanced climate models to identify risks and crafts targeted solutions to boost farmers' adaptive capacity.

Scaling up Sustainable & Climate Smart Agriculture

ITC will expand farmer engagement to conserve resources, build resilience, decarbonise agriculture, and promote food security, targeting 4 million acres and 10,000 villages under climate smart practices by 2030.

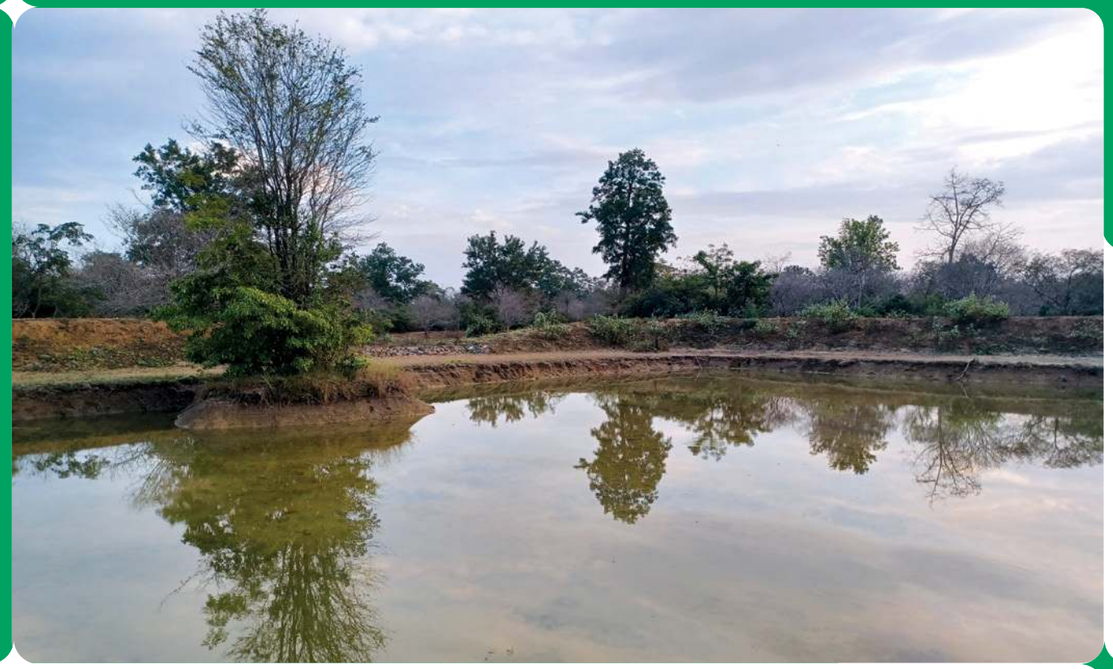
Innovation and Research-led Transformation

ITC's Life Sciences and Technology Centre drives R&D for climate smart crop varieties, supported by collaborations and tech deployment for sustainable practices.

Strengthening FPO Led, Tech Enabled Sourcing

ITC will enhance FPO engagement and procurement leveraging ITCMAARS and AI solutions to improve efficiency, traceability, sourcing, and market access.

Biodiversity Management



Biodiversity underpins the resilience and long-term sustainability of nature-dependent businesses through the ecosystem services and natural resources they rely on. Biodiversity loss is also deeply interconnected with climate change: degraded ecosystems amplify physical climate risks and reduce the adaptive capacity of landscapes and communities.

ITC recognises that its operations and value chains are closely interlinked with nature and therefore implements location-specific biodiversity management strategies across priority operational and sourcing landscapes. The location-specific risk assessments enable systematic identification of nature-related risks and dependencies, and inform mitigation strategies to avoid, minimise and manage impacts in sensitive landscapes and priority locations.

The Company is guided by its Board-approved Policies on Biodiversity Conservation and Deforestation, informed by the Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework. ITC also endeavours to source wood and agricultural commodities from sustainable and traceable sources, with its deforestation strategy aligned to the requirements of the EU Deforestation Regulation (EUDR).

Across ITC Businesses and the Social Investments Programme, ITC advances biodiversity stewardship through certifications, responsible sourcing, and its Social and Farm Forestry programmes that enhance green cover, strengthen sustainable fibre value chains, reduce pressure on natural forests, and support sustainable livelihoods for local communities.

ITC's community-centric biodiversity programmes integrate restoration of common land, and nature-based solutions in agri catchments. These initiatives enable co-benefits for agriculture and livelihoods through restoration of ecosystem services such as soil health, water regulation, pollination and carbon sequestration.

Material issues addressed in this section

Nature and Biodiversity

Highlights

Nature-related Disclosures, Ratings & Assessments

Included in **CDP Forest 'A List'** in First Year of Participation

First-in-Sector **Nature Report** by an Indian Company (TNFD Aligned)

Comprehensive Three-Season Biodiversity Review Completed at PSPD Bhadrachalam

Biodiversity Conservation

Biodiversity Revival and Conservation work across **810,000 acres** in **10 States** by ITC's Mission Sunehra Kal

S2.0 Target
1 million acres by 2030

Mangrove Conservation: **1,900 acres** in Bapatla District of Andhra Pradesh

Olive Ridley Turtle Conservation: **8,066 eggs hatched**, hatchlings released into the sea during the year

Sustainable Forestry

165,000 acres
of FSC®-FM certified plantations

317,000 tonnes
of FSC®-certified wood procured

1.48 million acres
of land afforested through ITC's Social and Farm Forestry Programme

S2.0 Target
1.5 million acres by 2030

Sustainable Farming

21,052 acres
of Certified Organic Farms

41,918 acres
Certified under Rainforest Alliance (RFA), Global G.A.P, Fairtrade, BAP-4*, Farm Sustainability Assessment (FSA 3.0), Grown for Good (G4G), and Aquaculture Stewardship Council (ASC)

Biodiversity Management

ITC's TNFD-aligned L.E.A.P Approach for Biodiversity Management

Identification and Management of Material Nature-related Dependencies, Impacts, Risks and Opportunities (DIRO) Across Own Operations & Key Value Chains

L: Locate

Step 1

Locating & Scoping Business-Nature Interface

Compilation of all business interactions with the natural environment for own operations and value chains.

Identification of locations in proximity to ecologically sensitive areas such as: Key Biodiversity Areas, Protected Areas, Tiger Corridors, IUCN Red List.

Portfolio-level screening of sites/locations for water and climate risks based on risk assessments carried out at site and catchment level.

E: Evaluate | A: Assess

Step 2

Evaluating & Assessing Nature-related Dependencies, Impacts, Risks & Opportunities (DIRO)

Sectoral analysis across ITC Businesses for identification of key dependencies and impacts using available secondary information and TNFD recommended tools/ methodologies like ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and SBTN Materiality Screening Tool by the Science Based Targets Network.

Prioritization of actions based on material risks and opportunities identified for the business and stakeholders.

P: Prepare

Step 3

Implementing Management Strategy in line with UN Mitigation Hierarchy

Planning mitigation actions for key risks and opportunities identified in line with the UN Mitigation Hierarchy:

Step 1: Avoid
Step 2: Minimise/ Reduce
Step 3: Restore/ Regenerate
Step 4: Offset
Step 5: Positive Contribution/ Transform

Developing and implementing location-specific and locally contextual Biodiversity Management Plans & Initiatives.

Step 4

Setting Nature-related Targets

Setting time-bound, science-based targets including KPIs for tracking progress.

As an early adopter of the TNFD framework, ITC will continue to report its approach, initiatives and progress in line with TNFD recommendations.

Step 5

Reporting on Progress & TNFD-aligned Disclosures

Managing Biodiversity in line with UN Mitigation Hierarchy

The following table summarises a bouquet of sustained initiatives implemented by ITC's Businesses, as well as by Social Investments Programme towards managing biodiversity related impacts in line with the UN Mitigation Hierarchy.

1 Avoid & Reduce

Avoid creating impacts from the outset or set aside key conservation areas, and Reduce the intensity and/or extent of impacts, if any

Sustainable Operations

- Robust Environment Management System across locations covering key impact parameters like GHG, air emissions, water, waste and effluents.
- **51% of total energy from renewable sources,** and focus on reducing specific energy, GHG and water consumption.
- **Recycling ~99% of waste** generated across operations thereby diverting waste from landfill.

Responsible Sourcing

- **Climate smart agriculture practices across 3.19 million acres,** resulting in reduction of farm related emissions
- I**mproving crop water use efficiency** across 2.01 million acres covering 15 crops resulting in **potential annual savings of 1,520 million kl of water usage.**
- The 'Grow Own Fuel' initiative, implemented as part of energy plantations programme, promotes agroforestry-based fuelwood cultivation to reduce pressure on natural forests and other unsustainable wood sources. In this model plantations have been established **over 139,730 acres** in Karnataka and Andhra Pradesh.
- FSC® certification for procured wood to ensure **deforestation-free pulpwood** value chain.

Sustainable Packaging Strategy

ITC's approach places greater emphasis on increasing use of recycled and renewable materials and progressively reducing dependence on virgin plastics through packaging optimisation and innovation.

- **35.5% recycled plastics used in rigids; 4.5% recycled plastics used in flexibles (where permitted)**
- **Around 71% of ITC's packaging portfolio is renewable/ recyclable.**
- **ITC's FMCG businesses have cumulatively avoided 12,000 tonnes of virgin plastics in packaging** (vs FY 2021-22 baseline).

Biodiversity Management

2 Restore & Regenerate

Restore & Regenerate degraded ecosystems

Responsible Sourcing

- Multiple regenerative agriculture practices are being adopted for restoration and regeneration of natural resources.
- No till / Zero tillage practices to add crop stubble back to soil helps in retaining soil moisture and reduces soil erosion. During the year, 971,000 acres of wheat was covered through zero tillage cultivation.

Landscape & Ecosystem Restoration

- Catchment treatment work done as part of water stewardship facilitates control of top soil run-off. **1.24 million acres covered through catchment treatment** till date.
- ITC's Farm and Social forestry programmes have together **covered over 1.48 million acres** till date.

Biodiversity Revival & Conservation

- **Till date, ITC has taken up revival and conservation work in more than 13,710 biodiversity plots covering over 810,000 acres spread across 10 States by involving farmers and community members**. Technical studies have shown an increase in species richness in the conservation plots as compared to control areas, as indicated by Shannon and Simpson Indices.

2 Offset & Transform

Offset any adverse, residual impacts and **Transform** underlying systems

Landscape & Ecosystem Restoration

- Expanding forestry projects on wastelands through ITC's Social and Farm Forestry resulting in sequestration of 7,568 kilo tonnes of CO_2 during the year.
- Creating rainwater harvesting potential equivalent to over 6 times the net water consumption in operations.

Sustainable Plastic Waste Management

- ITC sustainably managed **72,500** tonnes of plastic waste **in line with its extended producer responsibility under Plastic Waste Management Rules, 2016 (as amended)**.
- ITC undertakes door-to-door awareness and behaviour-change programmes in partnership with local authorities, civil society and the informal waste sector to promote source segregation, enable resource recovery and support waste-collector livelihoods, reaching over **16.35 million households** to date.

ITC's Nature Strategy in Action

1 Avoid & Reduce

Deforestation-free Pulpwood Value Chain

ITC's Paperboards and Specialty Papers Business is committed to Forest Stewardship Council® (FSC®) principles. Till date, ITC has received Forest Stewardship Council® - Forest Management (FSC®-FM) certification for over 165,000 acres of plantations involving over 26,436 farmers, as per which all rare, threatened and endangered species are conserved in the areas considered under the scope of certification. It also provides assurance that methods for enhancing the biodiversity potential of the planted areas like retention of old growth / snag trees, retention of large woody debris, creation of water bodies, and Agro-chemical management, etc., are being practiced. **During the year, 317,000 tonnes of FSC® certified wood was procured from these certified plantations**.

Enabling a 'Deforestation free' Leaf Tobacco Value Chain

ITC continues to progress towards **"Zero Deforestation"** across its leaf tobacco value chain through a structured **three pronged wood sustainability strategy** focused on **resource efficiency, sustainable fuelwood sufficiency and end to end traceability**. This approach ensures responsible sourcing exclusively from **deforestation free and deforestation and conversion free (DF/DCF) sources**, aligned with global ESG standards and customer sustainability expectations.

Resource Efficiency

Resource efficiency is driven through improvements in barn energy performance. **Energy Conservation Barns**, equipped with roof insulation and turbo ventilators, reduce fuelwood consumption by **27%** and have been scaled to **43,511 barns** across **Karnataka and Andhra Pradesh.** In parallel, **146 SMART curing barns** have been deployed, achieving up to **40% reduction** in fuelwood use.

Energy Plantation – Enhance Wood Biomass in Tobacco Growing Areas

To promote a self-sustaining model for wood sourcing, an initiative for behavioural change among farming community to Grow Own Fuel (GOF) in their own fields following agro-forestry models is being carried out. This is part of an overall programme on Energy Plantations. **The initiative has been cumulatively scaled up to 288,500 acres till date through Energy Plantations**.

End to end Traceability

For **fuelwood traceability,** the **ITCMAARS platform** is being customised to capture farm level monitoring data, including geo tagging of tobacco farms and precise geo location mapping of energy plantations. This strengthens data accuracy, transparency and end to end traceability across the fuelwood value chain.

Third Party Independent Validation

To further reinforce sustainability outcomes, ITC has undertaken **collaborative studies** with leading forestry institutions including **ICFRE IWST Bengaluru, IFB Hyderabad and UAHS–College of Forestry, Ponnampet**, to assess forest cover change, wood sustainability, traceability and farmer profitability in tobacco growing areas. The insights from these studies have indicated an increase in forest cover, wood sufficiency and economic benefits to farmer on taking up energy plantation in their own fields across Tobacco growing districts of Karnataka. These results are being communicated to farming community to promote and scale up the energy plantation across Tobacco Growing Areas (TGAs), and further strengthen competitiveness and environmental compliance of farmer produce.

Case Study

Deforestation-Free Coffee Supply with End-to-End Farm Level Traceability

ITC's coffee sourcing in Karnataka, Kerala and Tamil Nadu is deforestation-free and fully traceable and is fully compliant with the emerging requirements of EU Deforestation Regulation (EUDR), covering both direct farm sourcing and trader-supplied green coffee.

Building on its Rainforest Alliance (RFA) certified programme, ITC is implementing a phased approach to address the fragmented structure of coffee cultivation in India. **Farm-level geospatial mapping and deforestation-risk screening were carried out using Google Earth and Global Forest Watch (GFW), with additional validation for certified farms through the Rainforest Alliance Certification Platform (RACP)**.

- **Programme coverage expanded from 63 farms (5,457 acres) in FY 2023–24 to 81 farms (7,818 acres) in FY 2025–26, enabling traceability for approximately 5,984 MT of clean coffee.**
- **In parallel, mapping has been extended beyond certified farms, with 1,800 acres mapped to date and 3,100 acres targeted by calendar year 2026.**

Similar due diligence is being applied to supplier-sourced coffee, with verified farm-level geolocation data, land records and traceability documentation integrated into ITC's procurement systems. **Overall, the initiative has validated 9,618 acres as deforestation-free, covering nearly 200 farmers and enabling ~7,360 MT of coffee for EUDR-compliant sourcing.**

Beyond regulatory compliance, the initiative has strengthened farmer engagement, improved supply-chain transparency and established a scalable, technology-enabled due diligence framework aligned with evolving EU sustainability requirements.

Biodiversity Management

2 Restore & Regenerate

ITC's Community-centric Approach to Biodiversity

Biodiversity is a critical natural resource which has a direct bearing on sustainability of agriculture and allied livelihoods. ITC's agri value chains and biodiversity are interrelated and hence biodiversity conservation in agri catchments is important to ensure that nature is protected and the ecosystem services provided by nature continues to flow.

ITC undertakes its social interventions through its Social Investments Programme (SIP). The stakeholders residing in **catchments of factory locations** and **agri-business value chains** are covered in these programmes. These communities primarily consist of **small and marginal farmers, landless, daily wage labourers, women** and **other vulnerable and underprivileged** sections of society.

ITC's community-centric biodiversity conservation is implemented to sustain agriculture and rural livelihoods and benefit the rural communities which depend on the ecosystem services offered by nature and the local biodiversity for their livelihoods. Thus, establishing a linkage between biodiversity and livelihoods makes it meaningful for the communities to work for biodiversity conservation.

Mangrove Conservation and Olive Ridley Sea Turtle Conservation

Mangrove ecosystems along India's east coast are vital for coastal resilience, biodiversity conservation and climate mitigation. In Andhra Pradesh, ITC, in collaboration with the Forest Department, Bapatla and local communities, is implementing a mangrove conservation and Olive Ridley Sea turtle protection programme along vulnerable coastlines. The mangrove restoration approach is science-based, covering site selection based on tidal conditions, soil salinity assessment, plantation of nursery-raised native mangrove species, and regular monitoring and gap filling.

The programme also strengthens local volunteers through capacity building and awareness activities to support on-ground monitoring and long-term protection of mangrove habitats and Olive Ridley Sea turtles. **During the year, 400 acres of mangroves were newly added in Andhra Pradesh, taking the total conservation area to 1,900 acres.** As part of Olive Ridley turtle conservation, eggs laid by turtles are protected from natural predators by relocating them to hatcheries, with hatchlings subsequently released into the sea. **During the year, 8,066 hatchlings were released**.

ITC is also piloting Miyawaki forests across five states to create dense, natural forest-like ecosystems within two years, with a focus on reducing costs without compromising efficacy.

Case Study

Small Forests, Stronger Ecosystems

Where land availability permits, ecological restoration can be undertaken at landscape scale through biodiversity projects on village commons. However, in urban and peri-urban areas, where such commons are limited, fragmented or under intensive use, this approach is often impractical. **Miyawaki forests offer an effective solution by creating dense, multi-layered green cover using native, site-specific species such as Neem, Peepal, Banyan, Arjun, Jamun, Amla and Karonda**. With densities of over 8,000 plants per acre, these mini forests grow 8–10 times faster than conventional plantations, improving soil health, microclimate and biodiversity.

In response to increasing climate and biodiversity risks, **MSK adopted the Miyawaki model to complement its large-scale landscape interventions, with a focus on enhancing cost efficiency without compromising ecological outcomes**. Initiated as a prototype in FY 2023–24, the initiative has expanded into multi-location pilots covering **67 acres across 99 villages** and urban wards in five states. The model integrates optimised nursery practices, land preparation and maintenance protocols, community participation and convergence with Government schemes. Early outcomes are encouraging, with two-year-old plantations reaching up to 20 ft. and developing well-established, multi-layered canopies.



These forests support biodiversity enhancement, groundwater recharge and are estimated to sequester approximately 20-30 tonnes of CO_2 per hectare annually, while also serving as natural noise barriers—demonstrating that restoration can be rapid, resilient and effective even in space-constrained settings.

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" section in this Report for details

3 Offset & Transform

Sustainable Agriscapes: Revival of Ecosystem Services for Agriculture

In addition to the work done on biodiversity conservation in plots, ITC earlier collaborated with the International Union for Conservation of Nature (IUCN) to develop a template for 'Sustainable Agriscapes for Future'. The major ecosystem services provided by nature are **Regulatory Services**: water, carbon, local temperatures, pollination; and **Provisioning Services**: food, fuel, fodder & medicine. In this case, ecosystem services that benefit agricultural activities and livelihoods were mapped. Examples include regulating hydrological cycle for year-round water flow in streams, hosting pollinators and predator birds (on crop pests), improving soil microbial health, and provisioning of food, fodder and fuelwood for the local communities.

Biodiversity Management

Institutional Partnerships

ITC is a member of the **India Business and Biodiversity Initiative (IBBI)**, which is a multi- stakeholder initiative with leading Indian Businesses making commitment for biodiversity conservation and sustainable resource use. As a member of IBBI, ITC is actively involved in consultations related to widely adopted frameworks such as the Taskforce on Nature-related Financial Disclosure (TNFD) and is proactively working towards aligning its reporting and calibrating its practices in line with the evolving stakeholder expectations.

Case Study

Deployment of LEAP Approach for Site-level Biodiversity Risk Assessment at Paper Operations, Bhadrachalam



ITC's paper mill at Bhadrachalam is one of India's largest integrated pulp and paperboard mills, spanning across 596 acres with existing paper and paperboard production capacity of 800,000 TPA. Given the scale of its operations, a comprehensive biodiversity review and assessment was undertaken at the Unit as part of ITC's TNFD-aligned nature strategy. The assessment followed a consultative approach, engaging **over 80 external and internal stakeholders** including NGOs, local communities, biodiversity experts, senior management, plantation and factory teams, and Social Investments Programme (SIP) and sustainability representatives. The major components of the study entailed:

- **A three season (monsoon, winter and spring) biodiversity inventorisation** covering the factory premises and a 10 km buffer zone.
- **Ecosystem Services Review** capturing community perception about ecosystem services as well as socio economic outcomes linked to plant operations.
- **Biodiversity Management Plan** with identified mitigation actions for nature related impacts and risks.

The assessment recorded rich biodiversity in and around the plant area. Over 300+ floral and faunal species including migratory birds, reptiles, insects and mammals were recorded, indicating a thriving ecosystem and ecosystem services in the study areas.

Interviews with **50+ local residents and farmers** highlighted perceived benefits from ITC's large-scale interventions related to water conservation and afforestation, that also support local agricultural activities.

Road Ahead

ITC is progressively advancing its nature positive strategy and is committed to:

Managing Biodiversity Impacts and Dependencies:
Continue mapping of nature-related Dependencies, Impacts, Risks and Opportunities (DIRO) across key locations and value chains and manage impacts in line with the mitigation hierarchy.

Meeting 2030 Sustainability 2.0 Commitments:
Continue to expand ITC's large-scale climate smart agriculture programme to 4 million acres, watershed development to 2.2 million acres, social and farm forestry programmes to 1.5 million acres, and biodiversity conservation to over 1 million acres by 2030. ITC will also progressively align these with the recommendations of Science Based Targets Network (SBTN).

TNFD aligned Nature-related Disclosures:
ITC published its first Nature Report last year, aligning its strategy as well as disclosures to TNFD's recommendations. ITC will continue to align its disclosures with evolving standards on nature.

Water Stewardship



Population growth, urbanisation and economic expansion, compounded by climate change, are placing growing pressure on water availability, quality and access across the world. In India, this challenge is further intensified by erratic monsoons, declining groundwater tables and changing land-use patterns.

For ITC, with its pan-India manufacturing footprint and extensive agricultural value chains, water security is both a critical business imperative and a shared sustainability priority.

Recognising this dependence, ITC's Sustainability 2.0 approach is built on ensuring water security in its operations as well as agri catchments. This approach involves close collaboration with farmers, who are critical links in the supply chain, to conserve and replenish water through efficient agronomic practices such as micro-irrigation and the development of robust rainwater-harvesting infrastructure. To maximise scale and impact, a strategic shift has been made to focus on the river basin level. By treating river basins as independent, natural hydrological boundaries, it becomes possible to implement holistic interventions that ensure long-term, system-wide sustainability.

Material issues addressed in this section

Water Stewardship

Highlights

Alliance for Water Stewardship (AWS) Certification

9 ITC Units
are AWS Platinum certified

2nd highest globally
Highest number of Platinum certified AWS sites in India

Scaling Rainwater Harvesting (RWH)

> 6X
net water consumed in operations, RWH potential created

>1.98 million acres
Watershed projects

Reviving India's River Basins

4 river sub-basins
turned water positive, work underway in a 5th sub-basin

>67 million kl
cumulative RWH potential

Maximising Crop Water Use Efficiency

>2.01 million acres
Water-efficient practices adopted across (covering major crops)

1,520 million kl
Potential annual water savings

Water Stewardship

ITC's Integrated Water Stewardship Approach in Action

To ensure long-term water security, ITC employs a collaborative, ecosystem-wide stewardship model where every Unit prioritises responsible water use. Outside the fence, ITC's Social Investment Programmes focus on catchment-level work for augmenting supply as well as demand-side management initiatives for local communities, especially farmers. Given its significant pan-India footprint, ITC undertakes multi-dimensional annual water risk assessments, placing strategic emphasis on facilities located in water-stressed regions.

Key Attributes for Assessing Water Risk

- **Ground Water Extraction Status** (Central Ground Water Board Data)
- **Baseline Water Stress - Total Demand Vs Supply** (WRI Aqueduct)
- **Water Quality-related Aspects**
- **Future Drought Risk (From Climate Models)**
- **Social Aspects & Local Context** (From Stakeholder Engagement)

For sites exposed to high water stress, ITC develops a deep understanding of local environmental and social water dynamics at the catchment, sub-catchment, or micro-watershed level. Rigorous hydrological and hydrogeological studies, along with structured stakeholder engagement, underpin these localised interventions.

ITC's Water Stewardship Approach

Optimising Water Use in Operations and Key Value Chains	Catchment-level Programmes to Close Demand-Supply Gap	Improving Community WASH[1] Access	Partnerships & Advocacy for Shared Water Challenges
Reduce, recycle, reuse and rejuvenate water within operations, and extend practices to key value-chain partners including third-party manufacturers	Large-scale watershed development initiatives around ITC Units and sourcing locations to address local water scarcity	Multi-pronged programme to strengthen public health and hygiene, with a special focus on behaviour-change campaigns	Collaboration with government bodies, national institutions and knowledge partners to advance sustainable water management

Continuous Monitoring & Review of Programme Efficacy

ITC leverages internal mechanisms and independent third-party validation against credible, globally applicable and recognised standards such as the Alliance for Water Stewardship (AWS) standard to continuously assess and validate the efficacy of its water stewardship interventions.

[1]Water, Sanitation and Hygiene

Optimising Water Use Efficiencies in Operations

Water Performance in Own Operations

In FY 2025-26, ITC's total water withdrawal stood at 30.3 million kl, a reduction of 3% as compared to previous year due to planned shutdown of the recovery boiler at Paper mill in Bhadrachalam.

Total Water Withdrawal by Source

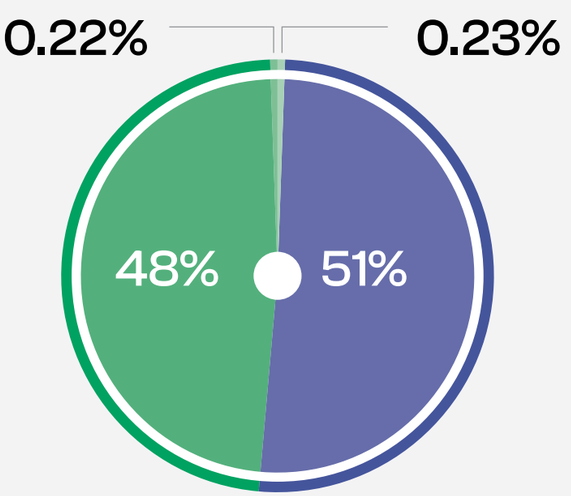
In FY 2025-26, out of the total water withdrawal of 30.3 million kl, around 83% was from surface water and rainwater, 14% from ground water, and the remaining 3% from third-party water sources. To ensure continuous improvement, every ITC Unit is equipped with robust monitoring systems that accurately track specific water consumption (total water withdrawal per unit of production).

Effluent Discharge

During FY 2025-26, all ITC Units met their regulatory requirement related to effluent discharge quality and quantity.

In FY 2025-26, around 19.2 million kl of treated effluent was discharged outside the premises by ITC Units leading to a net water consumption of 11.2 million kl.

Treated Effluent Discharge by Destination



Through targeted rainwater-harvesting initiatives across its facilities, ITC successfully captured ~944,000 kl of rainwater this year. **Furthermore, by strategically integrating both harvested rainwater and safely treated wastewater, a reduction in freshwater consumption to the tune of ~98,200 kl was achieved across ITC Units.**

Showcasing the impact of these circular water practices, ITC's Bengaluru Cigarette unit now fulfils ~63% of its process-water requirements using rainwater and treated wastewater, drastically reducing its reliance on freshwater.



Rainwater Harvesting Pond at ITC's Bengaluru Cigarette Unit

Water Stewardship

Water Efficiency Management Programmes

To systematically reduce specific water consumption, ITC Units deploy a comprehensive, multi-dimensional strategy focused on both sides of the water-use equation:

Supply Side Management

- Establishing rainwater-harvesting systems to decrease reliance on freshwater and groundwater sources systematically.
- Constructing dedicated recharge structures to maximise soil infiltration and restore local groundwater tables.

Demand Side Management

- Maximising operational water-use efficiency, reuse, and recycling through the integration of state-of-the-art technologies.
- Embedding rigorous water-security assessments directly into the design and development phases of all greenfield and brownfield projects.
- Training employees on water-efficiency management programmes to drive ITC-wide engagement.

Sustainability 2.0 Target: Improvement in Specific Water Consumption

Aligned with the overarching Sustainability 2.0 ambitions, ITC Businesses are aggressively implementing targeted measures to achieve a 40% reduction in Specific Water Consumption by 2030 (relative to the FY 2018–19 baseline).

Reflecting this momentum, ITC's Specific Water Consumption per rupee of turnover has already declined by ~42%, dropping to ~369 kl/INR crore compared to the baseline year.

Business-wise performance[2]	Business' Share (%) in ITC's Water Consumption in owned Units	Specific Water Consumption[3] in FY 2025-26	% Reduction Vs. FY 2018-19
Paperboards and Specialty Papers Division	~93%	26.47 kl/ tonne	22% ↓
Branded Packaged Foods Businesses	~4%	1.81 kl/ tonne	43% ↓
FMCG Cigarettes[4]	~1%	2.48 kl/ MNC	28% ↓

↓ Improvement in KPI ↑ Decline in KPI

[2]Other Businesses such as Personal Care, Matches & Agarbatti, Education and Stationery, Agri Business, Packaging and Printing Businesses together contribute to ~2% of total water consumption.

[3]Specific water consumption is total water withdrawal (kl) per unit of output (e.g., tonnes of production)

[4]For FMCG Cigarettes, specific water consumption is kl of water withdrawal per million cigarettes



Driving Water Use Efficiency through Automation and Process Optimisation across ITC Units

ITC's Foods Business continues to drive water efficiency and optimise internal water supplies across its manufacturing footprint:

Panchla Unit

Cut freshwater consumption by **94 kl/day** through enhanced 2nd stage Reverse Osmosis (RO) recovery, process optimisation, and the reuse of treated backwash water.

Mysuru Plant

Boosted daily condensate recovery by **2.5 kl/day** by integrating advanced systems, including a Pressurised Power Pack Pump (PPPU).

Medak Unit

Slashed water consumption in potato chip line by **~50%** by upgrading washing operations with regulated flowmeters, water-efficient nozzles, and mechanised cleaning tools.

ITC's Cigarette Business is reinforcing long-term water security through targeted interventions that measurably reduce freshwater dependency:

Bengaluru Unit

Cut groundwater dependence by **~20%** by constructing a **4,000 kl** rainwater pond and integrating a **1,000 kl** treated wastewater tank.

Saharanpur Unit

Slashed cooling water consumption by **70% to 90%** by upgrading to state-of-the-art adiabatic cooling towers that minimise evaporation, drift, and blowdown losses.

Pune Unit

Saved **~2,500 kl/year** by adopting highly efficient sub-surface drip irrigation and reusing tertiary-treated ETP water for cooling towers.

ITC's Personal Care Units launched a multifaceted programme to reduce groundwater consumption through strategic reuse, process optimisation, and behavioural change:

Key Interventions

Optimised clean-in-place (CIP) systems, recirculated cooling water, recovered steam condensate, installed low-flow taps, and implemented a 'fit-for-purpose' water allocation strategy.

Overall Impact:

Backed by robust rainwater harvesting, these initiatives drove an estimated groundwater reduction of ~17,000 kl in FY 2025–26, significantly boosting long-term water security and operational efficiency.

Water Stewardship

Case Study

Reducing Real Risk at Kovai: A Blueprint for Industrial Water Security

Facing acute seasonal water scarcity in the Bhavani River catchment and unviable groundwater reserves, ITC's Paperboards unit in Kovai implemented a comprehensive "From Scarcity to Security" strategy to de-risk operations.

Key Strategic Pillars:

- **Harvesting the Monsoon (Storage):** Built two large-scale reservoirs (25,000 kl and 21,000 kl) using geo-membrane technology to secure water for the dry season. Expanded rooftop harvesting by 9,000 m^2, capturing an additional 15,000 kl/year.
- **Every Drop Twice (Recycling):** Invested in a state-of-the-art Ultrafiltration (UF) and Reverse Osmosis (RO) recycling plant. By recycling 800 KLD (kl per day) of treated effluent back into production, the unit slashed daily freshwater demand from 2,100 KLD to 1,300 KLD.
- **Securing the Shared Catchment:** Constructed 619 water-harvesting structures, securing 1.02 million kl of storage capacity in 2025. Partnered with local farmers to implement water-saving practices (drip irrigation and mulching) across 21,000 acres.

Transformative Impact:

- **Operational Security:** Achieved 65 days of water reserves, guaranteeing business continuity during peak droughts.
- **Environmental Efficiency:** Reduced specific water consumption by 19% (from 9.79 kl/tonne in FY19 to 7.9 kl/tonne in FY26). The unit is targeting 6.8 kl/tonne by FY27, on track for a 40% overall reduction by FY30 in line with ITC's Sustainability 2.0 target.
- **Global Leadership:** Operates at 1.02x Water Positive (giving back more than it consumes) and is the world's first paper mill to achieve the prestigious Alliance for Water Stewardship (AWS) Platinum rating.

By integrating advanced technology with community stewardship, ITC Kovai has created a powerful, replicable model for sustaining industrial growth in water-stressed regions.



Rainwater Harvesting Pond at ITC's Paper unit at Kovai

Water Performance of Select Supply Chain Members

Guided by the Policy on Sustainable Supply Chain and Responsible Sourcing, ITC has actively tracked supply-chain water withdrawals since FY 2014–15, continually empowering its extended value chain to adopt robust sustainability practices. In FY 2025–26, total water withdrawal by select supply-chain members stood at ~440,000 kl. Moving forward, ITC is committed to progressively broadening this reporting boundary to encompass additional partners. This expansion will be driven through targeted capacity-building initiatives and rigorous, regular performance reviews with key supply chain members.

Catchment-level Water Stewardship Programmes for addressing Demand-Supply Gap

Supply Side Management: Integrated Watershed Development

ITC has built substantial rainwater-harvesting potential through sustained investments in Integrated Watershed Development Projects. The programme develops and manages local water resources in moisture-stressed areas by enabling community participation in planning and implementation, and by building, reviving and maintaining water-harvesting structures. The coverage extends over 1.98 million acres, creating over 66.31 million kl of cumulative rainwater-harvesting potential.

Additionally, having significant presence in urban locations, ITC has expanded its focus to tackle severe water shortages and mitigate the risk of flash floods caused due to heavy rains at key urban centres. The programme is currently active in Bengaluru and Chennai, with targeted interventions in Chennai specifically designed to manage heavy rainfall flooding and water stagnation.

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" section of this Report for details

Demand Side Management in Agriculture

In agri-catchments, ITC focuses on drought-proofing by reducing crop-water demand through soil moisture enhancement and efficient irrigation (e.g., drip irrigation), alongside rejuvenation/creation of water-harvesting and recharge structures. These interventions collectively helped in reducing



dependence on groundwater for irrigation. In FY 2025-26, ITC promoted water-efficient agronomic practices were adopted across 2.01 million acres covering 15 major crops, potentially saving 1,520 million kl versus conventional practices.

Additionally, as an extension of efforts towards reducing the demand for freshwater resources, ITC is also prototyping community-level wastewater recycling and reuse, treating domestic/grey water for agricultural applications, thereby substituting freshwater and groundwater use where feasible.

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" section of this Report for details

Towards Water Positive Agri Value Chains

ITC has embarked on a mission to create positive water footprint across its key agri value chains like wheat, tobacco and pulpwood which together account for ~75% of the embedded water in agri-based raw materials. The approach prioritises on-farm water-use efficiency across these crops and co-cultivated crops within the same catchments. Beyond significant water savings, these practices also improve yields and farmer incomes, lower input costs, and are more carbon-efficient than conventional methods. The package of practices is developed with knowledge partners such as ICAR, who assess livelihood impacts, unit water savings and GHG emissions.

Water Stewardship

Case Study

Harvesting Resilience: Transforming Agricultural Footprints through Precision Water Stewardship

India's agricultural sector faces a critical challenge, consuming nearly 90% of the country's available freshwater, with traditional cereal crops like wheat and paddy alone accounting for over half of all irrigation. To combat the high-water consumption through traditional agriculture practices such as flood irrigation, ITC deployed a suite of climate-smart interventions across six States to optimise water use and build climate resilience.



Key Climate-Smart Interventions:

- **Wheat Cultivation:** Adopted Zero Tillage (ZT) sowing to leverage residual soil moisture, successfully saving an entire irrigation cycle per season.
- **Paddy Cultivation:** Promoted Direct Seeded Rice (DSR) and Alternate Wetting and Drying (AWD), reducing water demand by up to 35% while simultaneously lowering methane emissions.
- **Agri-tech Integration:** Deployed drone sprays for precision crop protection (saving up to 90% of water compared to traditional methods) and utilised the ITCMAARS "phygital" platform for real-time monitoring and geo-tagged advisory.

Transformative Impact (FY 2023–24 to 2025–26):

- **Massive Scale & Conservation:** Empowered over **65,300** farmers across **632,000 acres**, conserving approximately 2,440 kl of water and directly reducing stress on local aquifers.
- **Triple-Bottom-Line Benefits:** Beyond critical water savings, the initiative enhanced soil health, stabilised farmer incomes by lowering input costs, and built systemic resilience against climate volatility.

By aligning local livelihoods with global sustainability goals, this shared stewardship model serves as a highly scalable framework for sustainable agribusiness.



Reviving India's River Basins: Targeting Water Positivity at Scale

Increasing cross-sector water demands and climate change have turned the water balance negative in many Indian river basins, affecting agriculture and depleting groundwater. Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. However, given the scale of adverse impacts and the velocity of change, ITC has redesigned its strategy to accelerate the achievement of scale and impact by working at the river sub-basin level, as river sub-basin are independent hydrological Units, and work done at the sub-basin level is designed to be sustainable over a longer period.

Accordingly, ITC has launched five dedicated river sub-basin revival programmes to achieve water positive status in river basin/ sub-basin areas spread across five States. The Company has conducted hydrogeological studies to estimate water balance and identify high-potential recharge zones, followed by implementation of rainwater harvesting, managed aquifer recharge and demand-side interventions to achieve water-positive status at basin/sub-basin scale.

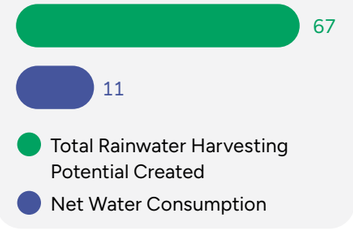
ITC has successfully closed the water balance gap in four river sub-basins, transforming all of them into water-positive zones. Additionally, interventions are actively progressing in a fifth sub-basin, South Pennar (Karnataka) driven by a Public-Private Partnership (PPP) and guided by expert recommendations from a river basin study conducted by the Indian Institute of Science (IISc).

Main River Basin	River sub-basin (where ITC is working)	Districts of Focus	ITC's Presence	Catchment Area	Ongoing Impact Created
Bhima-Krishna	Ghod (Tributary of Bhima-Krishna River)	Pune and Ahmednagar Districts, Maharashtra	Two Factories in Pune	~ 880,000 acres	**Supply side augmentation** ITC has till date created 10.31 million kl of water storage in these five sub-basins as part of supply side augmentation interventions. **Demand side management** Water-use efficiency in agriculture is promoted in over 224,000 acres of agricultural land, which has created potential water saving of ~368 million kl in crops such as paddy, soybean, sugarcane, onion, banana, wheat, coconut and curry leaf.
Godavari	Murreru (Tributary of Kinnerasani – Godavari River)	Bhadradri Kothagudem and Khammam Districts, Telangana	Paper Unit in Bhadrachalam	~ 200,000 acres	
Kaveri	Upper Bhavani (Tributary of Kaveri River)	Coimbatore District, Tamil Nadu	Paper Unit in Kovai	~ 51,000 acres (Upper Bhavani)	
Kolans	Catchment of Upper Bhopal Lake	Sehore and Bhopal Districts, Madhya Pradesh	Agri Business Division Catchment	~ 49,000 acres	
South Pennar River Basin		Bengaluru and Kolar Districts, Karnataka	Factories in Bengaluru, Maluru and Hoskote	~790,000 acres	

Strengthening Water Resilience: ITC's Commitment towards Creation of Rainwater Harvesting Potential[5]

As on 31st March 2026, integrated watershed projects covering over 1.98 million acres have created a total rainwater harvesting potential of about 66.31 million kl. Cumulatively, over 67 million kl of rainwater has been harvested (including within the fence), which is over six times the net water consumed by operations in FY 2025-26, thereby achieving the 2030 Sustainability 2.0 target of creating rainwater harvesting potential equivalent to over five times net water consumption.

Water Balance: Net Water Consumption Vs Total RWH Potential (FY 2025-26) (million kl)



[5] Performance against S2.0 targets reported on a standalone basis

Water Stewardship

Improving Access to Water, Sanitation and Hygiene (WASH) in Local Communities

ITC addresses emerging WASH challenges through school and Anganwadi interventions that create child and climate-friendly infrastructure and run high-impact awareness campaigns to drive positive behaviour change. At the community level, in collaboration with expert agencies like IIT Madras and collaboratives like India Sanitation Coalition, ITC is piloting decentralised models of Liquid Waste Management (LWM) solutions such as soak pits, in-line treatment, waste-stabilisation ponds and vertical filters.

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth" section of this Report for details

Partnerships & Advocacy for Solving Shared Water Challenges

ITC recognises that shared water challenges require collaborative, locally contextualised solutions. Given the highly localised nature of water issues, active community engagement is central to designing and sustaining effective interventions, supported by multi-stakeholder partnerships that blend local insights with technical expertise.

Community Partnership

6,410 Water User Groups empowered to plan, co-invest in, and maintain water assets

Implementation Partnership

Field execution with credible civil-society organisations with deep grassroots presence

Public Private Partnership (PPP)

To scale models and inform policy, ITC has collaborated with:

- NITI Aayog
- Integrated Watershed Management Programme (IWMP)
- Mukhyamantri Jal Swabhalamban Abhiyan (MJSA)
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)
- National Bank for Agriculture and Rural Development (NABARD)
- Rural Development and Panchayat Raj Department, Karnataka
- Watershed Development and Soil Conservation Department, Rajasthan
- Water Resource Department, Maharashtra

Knowledge Partnership

To deepen capabilities and develop innovative responses to water risk, ITC has collaborated with:

- IIT Madras
- Indian Institute of Science (IISc) Bengaluru
- Indian Institute of Rice Research
- International Union for Conservation of Nature (IUCN)
- Tamil Nadu Agriculture University (TNAU)
- World Wide Fund (WWF) for Nature-India

Participation in forums shaping the narrative on water:

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- International Water Management Institute (IWMI), and others

Spearheading Adoption of Alliance for Water Stewardship (AWS) Approach in India

ITC is spearheading implementation of the AWS Standard, a credible, globally applicable and recognised framework for sustainable water management within the catchment context. **To date, nine ITC Units are AWS-certified, all at Platinum, following independent third-party assessment.**

Refer "Site-wise Details of Water Stewardship Plan" section of this Report for more details on the certified sites.

Road Ahead

As ITC accelerates toward its Sustainability 2.0 targets, the company remains deeply committed to future-proofing its water strategy through continuous improvement, community empowerment, and rigorous governance. Its strategic priorities include:

Proactive Water Risk Assessment

Conducting regular, site-level vulnerability assessments, specifically factoring in climate-driven risks, to continuously identify high-stress locations and deploy targeted mitigation interventions.

Optimising Water Use Efficiencies in Operations

Relentlessly minimising freshwater consumption while maximising the reuse and recycling of safely treated effluent across entire manufacturing footprint.

Scaling Catchment-Level Stewardship

Expanding integrated watershed management programmes to bridge demand-supply gaps. A core focus remains partnering with farmers to drastically reduce agricultural water consumption through efficient irrigation and advanced agronomic practices.

Enhancing Community WASH Access

Broadening access to critical sanitation and Water, Sanitation, and Hygiene (WASH) interventions in schools and Anganwadis. Coupled with robust waste management initiatives, these efforts will continue to foster healthier, more resilient community habitats.

Driving Partnerships & Advocacy

Deepening strategic collaborations with technical institutions and government bodies to scale impact and co-create solutions for shared, basin-level water challenges.

Continuously Monitor & Review Efficacy of Water Stewardship Programmes

Sustaining strict internal reviews and independent, third-party validations of stewardship outcomes. Crucially, ITC commits to expand Alliance for Water Stewardship (AWS) certification coverage to all facilities in high water-stress areas by 2035.

Towards Circularity



According to the latest Circularity Gap Report, the global economy consumes approximately 100 billion tonnes of resources annually, yet less than 7% are recycled or reused, thereby placing immense strain on natural ecosystems and scarce resources.

In India, this macro challenge is compounded by rapid urbanisation, rising consumption, and inadequate source segregation, culminating in a waste management crisis, especially for plastic waste.

Given ITC's extensive FMCG footprint, plastic packaging is essential to deliver its products safely to consumers.

Consequently, ITC's Sustainability 2.0 vision extends beyond minimising operational waste to proactively managing post-consumer packaging waste and advancing sustainable packaging design. Furthermore, as a premier Paperboards & Packaging player, ITC is leading the market transition by commercialising sustainable packaging solutions, including the development of advanced, paperboard-based solutions that effectively replace traditional plastics with renewable resources.

Material issues addressed in this section

Circularity and Sustainable Packaging

Building on progress towards ensuring that 100% of packaging is reusable, recyclable or compostable / biodegradable, **ITC has further strengthened its 2030 circularity commitments**. Moving beyond design-for-recyclability, these commitments enhance focus on:

- **Circularity through Material Innovation & Substitution:** Increasing the use of recycled and renewable materials across formats and progressively reducing dependence on virgin plastics through optimisation and innovation.
- **Scaling Value-Chain Responsibility:** Scaling plastic waste management initiatives, improve end-of-life outcomes for post-consumer plastic packaging and enabling improvement in overall recycling rates.
- **Empowering Decentralised Systems:** Collaboration with local authorities to improve recycling outcomes, source segregation and decentralised waste management systems.

Collectively, these enhanced commitments embed circular economy principles into ITC's sustainable packaging strategy, firmly supporting India's priorities for resource efficiency and sustainable waste management.

Strengthened 2030 Sustainable Packaging Goals

Circularity through Material Innovation & Substitution:

- Use **60% recycled plastic** across rigid packaging and **20% recycled plastic** across flexible packaging by 2030 (where permitted).
- Avoid **50,000 MT** of virgin plastics in packaging through sustainable design, optimisation and use of recycled/ alternative materials by 2030 (vs FY 2021-22 baseline).
- Ensure that at least **60% packaging is made from recycled** or renewable materials.

Scaling Value-Chain Responsibility

- Continue to sustainably manage 100% plastic packaging waste and recycle at least **60% of plastic packaging waste collected by 2030**.

Empowering Decentralised Systems

- By 2030, reach **20 million households** through ITC's source segregation-focused solid waste management initiatives including those in partnerships with local Government.

Towards Circularity

Highlights

Plastic Neutral for Fifth Year in a Row

Maintained plastic-neutral status, backed by third-party assurance since FY 2022-23.

Collected and sustainably managed **over 72,500 tonnes** of plastic waste in FY 2025-26.

Sustainable Management of Waste in Operations

Nearly 99% of operational waste was sent for recycling.

Utilised nearly **93,000 tonnes** of externally sourced post-consumer wastepaper as raw material at the ITC Kovai Paper Mill.

Behavioural Change Programmes to Ensure Source Segregation

ITC's source segregation-focused solid waste management initiatives have reached out to **more than 16.35 million households** till date.

Award-Winning Packaging Innovations

3 World Star Awards for the Recyclable Pulse Pack, Paper-Based QSR Pouch, and Optimised Baby Wipes Packaging.

CII Sustainable Plastic Packaging Award for adding recycled plastic in rigid packaging and improving recyclability in flexible packaging in Personal Care segment.

Industry-leading Packaging Honors[1]: 12 SIES SOP Star Awards, 7 IFCA Star Awards, and **5 FIPSA Awards.**

[1]SIES SOP Star Awards by SIES School of Packaging (SOP), IFCA Star Awards by Indian Flexible Packaging & Folding Carton Manufacturers Association (IFCA), and FIPSA Awards by Foundation for Innovative Packaging and Sustainability

ITC's Sustainable Packaging Framework: Reduce, Redesign, Recycle & Reimagine

Delivering packaging circularity at scale requires simultaneous progress across design, materials, and end-of-life systems. ITC's integrated approach, combining internal synergies across FMCG and paperboards & packaging businesses, and ITC Life Sciences and Technology Centre's (LSTC) advanced material sciences expertise, enables a differentiated, end-to-end approach to circularity. This allows ITC to not only redesign packaging but also actively shape recycling ecosystems, bridge material innovation gaps, and drive on-ground behavioural change, creating a more circular economy for plastic packaging waste rather than isolated interventions.

Reduce

- **NO Plastics**: Switch to sustainable alternatives including paper
- **Less Plastics**: Increasing use of recycled plastics, renewable materials; Optimising packaging
- **Better Plastics**: Design for Recycling (in line with local infra); Biodegradable/ Compostable solutions (Where relevant)

Redesign

- **Optimize Material Use and Recycled Content** across other packaging materials including paper

Recycle

- **Collect & Recycle Packaging Waste**
- **Support Recycling Ecosystem through EPR**
- **Promote Segregation of Waste at Source**

Reimagine

- **New Materials**
- **New Packaging Solutions**
- **New Circular Models**

Enablers

- **Innovate**: ITC LSTC: Centre of Excellence in Material Sciences
- **Collaborate**: Industry-wide Collaboration like India Plastics Pact
- **Standardise**: Sustainable Packaging Design Guidelines
- **Engage**: Citizen & Consumer Engagement
- **Empower**: Supporting the Local Waste Ecosystem

Towards Circularity

Reduce & Redesign

In a high-growth market such as India, **the core sustainability challenge is to decouple business growth from dependence on virgin, fossil-based plastics. ITC's commitment to avoid 50,000 MT of virgin plastic in packaging by 2030 exemplifies this objective, focusing on a measurable reduction in virgin plastic demand while supporting portfolio growth**. At the same time, ITC is targeting to use 60% recycled plastic across rigid packaging and 20% recycled plastic across flexible packaging by 2030 (where permitted) and ensure that at least 60% packaging is made from recycled or renewable materials.

These commitments will be delivered through **packaging optimisation (lightweighting, right-sizing), significantly increasing recycled content where regulations permit, and where possible, adopting alternative renewable materials like fibre-based solutions**. By pairing reduction with redesign, ITC not only lowers the overall plastic intensity in its packaging but phases out hard-to-recycle plastics to enhance overall recyclability and circularity of its portfolio.

FY 2025-26 Highlights

- **12,000 MT** of virgin plastics avoided in packaging through sustainable design, optimisation and use of recycled/alternative materials (Between FY 2021-22 & FY2025-26).
- **Used 35.5%** recycled plastic across rigid packaging and **4.5%** recycled plastic across flexible packaging (where permitted).
- **71%** packaging from recycled or renewable materials.

ITC's Packaging Footprint

ITC's annual packaging footprint from its FMCG businesses across primary, secondary, and tertiary packaging formats is around 250 kilo tonnes and is primarily composed of paper / paperboard-based packaging (70%), followed by plastic packaging (29%). Glass and metal form a small portion of the overall packaging footprint, contributing less than 1%.

Recycle

Achieving a true circular economy for packaging requires closing the loop through robust waste collection and recycling systems. ITC is rapidly scaling up the collection and recycling of post-consumer waste, including challenging materials like multi-layered laminates. **ITC has consistently exceeded its extended producer responsibility (EPR) waste collection targets, sustaining third-party verified plastic neutrality since FY 2021-22**. In parallel, ITC works with recycling-ecosystem players for advancing **viable recycling technologies** for flexible plastics.

Crucially, ITC recognises that improving recycling rates depends on better source segregation - the Company's large-scale community programmes (Well-Being Out of Waste and Mission Sunehra Kal) have reached millions of households with door-to-door awareness campaigns, enabling more effective separation of waste and diverting significant volumes from landfill. These efforts not only mitigate environmental impacts but also create sustainable livelihoods for thousands of waste workers across the value chain.

FY 2025-26 Highlights

- Plastic neutral for the fifth consecutive year by sustainably managing over **72,500 MT** of plastic waste in line with its Extended Producer Responsibility obligations.
- **43% of the plastic waste** was channelised for recycling, and remaining was sent for energy recovery.
- Reached out to **16.35 million households** through ITC's source segregation-focused solid waste management initiatives including those in partnerships with local Government.

Refer "Plastic Neutrality Report & Assurance Statement for FY 2024-25" section of this Report for more details

Reimagine

While reduction and recycling address current challenges, ITC is continually looking ahead to **reimagine packaging systems** for a sustainable future. This means pursuing **breakthrough materials and models** by leveraging:

- **Cross-Functional Synergy:** Deep collaboration across the Life Sciences and Technology Centre (LSTC), Paper & Packaging divisions, and FMCG businesses to engineer highly sustainable plastic substitutes. For example, ITC's paperboard innovation "FiloBev" has helped a leading beverage chain replace plastic-lined cups with a fully recyclable, compostable paper cup solution, eliminating the need for plastic lining while maintaining performance.
- **Data-Driven Design:** Comprehensive Life Cycle Assessments (LCAs) to rigorously evaluate and optimise the environmental footprint of all packaging formats.
- **Circular Delivery Models:** Rethinks the packaging lifecycle beyond material substitution by actively pursuing innovative, circular systems, such as refillable and reusable packaging.

Refer "Product Sustainability" section of this Report for details

Reimagining Circularity of Biscuit Packaging

To overcome the systemic lack of recycling infrastructure and end markets for PP/PP-based mono-material biscuit packaging, ITC has partnered with Lucro under the CII-administered India Plastic Pact to pioneer a dedicated recycling stream.

This collaborative initiative focuses on effectively recycling used laminates and establishing commercially viable applications. ITC currently supplies controlled factory waste for validation, while Lucro leads the recycling process and market evaluation. As the project scales, integration of ITC's local waste management initiative will be explored for driving large-scale post-consumer aggregation and segregation.

To ensure long-term scalability, the pilot is structured across three actionable phases:

Phase 1 - Proof of Concept: Establishing technical recyclability and identifying feasible end-uses using controlled factory waste.

Phase 2 - Quality Assessment: Evaluating acceptable contamination thresholds for both the recycling process and the final applications.

Phase 3 - Post-Consumer Integration: Scaling the validated model to process actual post-consumer waste successfully.

By actively developing new end-use markets and formal recycling streams, this collaborative pilot provides a fundamentally scalable pathway to advance plastic circularity in flexible packaging.

'YiPPee! Better World programme'

Through the '**YiPPee! Better World programme**', ITC is actively educating the next generation on responsible plastic waste management. Focused on the core principles of reduce, recycle, and reuse, this year's intervention successfully reached **over 2.01 million children** across **9,140 schools**. To scale this impact further, a dedicated education portal was launched designed to teach students critical environmental concepts, such as distinguishing between recyclable and non-recyclable materials, fostering a culture of sustainability from a young age.

Towards Circularity

Enablers

Delivering packaging circularity at scale requires more than material and design interventions. It necessitates **system-level enablers** that bridge innovation, policy, infrastructure, and behavioural change. ITC's approach is supported by the following core enablers:

Innovate

Through the **Centre of Excellence in Material Sciences at the ITC Life Sciences and Technology Centre (LSTC)**, the Company is developing next-generation packaging solutions that reduce dependence on conventional plastics while maintaining product performance. This includes advancing:

- **Fibre-based and paperboard alternatives** to replace plastic laminates.
- **High-recycled-content materials** across rigid and flexible formats.
- **Barrier coatings and specialty materials** that enable recyclability or compostability.

Collaborate

Packaging circularity is inherently dependent on ecosystem readiness, particularly in areas such as recycling infrastructure, material recovery, and end-market development. Recognising this, ITC actively collaborates across the value chain to address systemic constraints. Key areas of collaboration include:

- **Industry platforms** such as the India Plastics Pact to drive alignment on material standards, recyclability, and innovation priorities.
- **Technology and recycling partners** to develop viable end-use applications for hard-to-recycle materials such as multi-layered plastics.
- **Urban local bodies, Panchayats, and civil society organisations** to strengthen decentralised waste management systems.

Standardise

To ensure consistency and scale in sustainable packaging, ITC has developed a structured set of **Sustainable Packaging Design Principles** applicable across rigid plastics, flexible plastics, and paper-based formats. These guidelines provide:

- **Clear guardrails on material selection,** including restrictions on problematic or hard-to-recycle materials.
- **Design protocols** to improve recyclability, material efficiency, and compatibility with existing collection and recycling systems.
- **Long-term direction-setting,** aligned with emerging national regulations and global best practices.

Engage

Effective circularity outcomes depend significantly on consumer behaviour, particularly in relation to **segregation, disposal, and participation in recycling systems**. ITC therefore places strong emphasis on engaging consumers and communities. This includes:

- **Large-scale source segregation awareness programmes** under initiatives such as Well-Being Out of Waste (WOW) and Mission Sunehra Kal
- **Brand-led campaigns and education programmes,** including the YiPPee! Better World initiative, which has reached millions of schoolchildren.
- Digital platforms and educational tools that build awareness on recyclability and sustainable consumption.

Empower

A robust and inclusive waste ecosystem is essential to achieving circular material flows. ITC actively supports and strengthens this ecosystem by enabling improved collection, aggregation, and recycling of post-consumer waste. Key interventions include:

- **Supporting waste collectors and the informal sector** through structured, dignified livelihood opportunities
- **Facilitating decentralised waste management models** that improve access to segregation and recycling infrastructure.

ITC's Sustainable Packaging Strategy in Action

Select Highlights & Case Studies

Reduce & Redesign

Pioneering Packaging with 100% Recycled PET in Personal Care Segment

- Engage perfume spray transitioned to 100% recycled PET bottles in primary SKU.
- 100% recycled PET incorporated in Fiama showergel SKUs.





Mainstreaming Recycled Content in Food Packaging

Achieved a 34% reduction in virgin plastic across targeted categories by incorporating:

- 100% rPET into biscuit trays,
- 50% rPET into confectionery jars,
- 40% rPET into beverage and ghee containers.



Innovating Flexible Packaging in Personal Care Segment

Successfully integrated high levels of recycled content into flexible formats:

- Achieving up to 90% recycled PET + 15% recycled PE across Savlon handwash refills and powder handwash (outer flowrap).
- 90% recycled PET + 15% recycled PE in Savlon wet wipes (select SKUs).
- 70% recycled PET + 12% recycled PE in Vivel bodywash, Fiama showergel and Savlon powder handwash (inner laminate).



Shifting to 100% Paper-Based Alternatives

- Foods Business eliminated plastic lamination from Dark Fantasy cartons, converting 1,500 tonnes of multi-material packaging into fully biodegradable paper packaging.
- Similarly, Safety Matches & Incense Sticks Business launched 100% paper pouch for incense sticks, eliminating plastic films while maintaining structural integrity.

Towards Circularity

Recycle

ITC's Flagship Well-Being Out of Waste (WOW) Programme

ITC's waste recycling programme, 'WOW – Well-Being Out of Waste', strengthens municipal waste systems by improving source segregation and enabling sustainable livelihoods for waste collectors. During the year, WOW was implemented across key cities and districts, collecting about 69,750 MT of dry waste from over 2,055 wards. Since inception, the programme has reached over 32.4 million citizens across 8.12 million households, engaged eight million school children and around 2,310 corporates. It has supported sustainable livelihoods for over 18,200 waste collectors through collaboration with Municipal Corporations and enabled over 150 social entrepreneurs to optimise value capture from collected dry waste.

ITC's Mission Sunehra Kal focussing on Inclusive Solid Waste Management (SWM) models

ITC's community-driven decentralised SWM programme, including the closed-loop Green Temple initiative in collaboration with Swachh Bharat Mission, is operational across 35 districts in 14 States, covering over 7,13,300 additional households and taking cumulative reach to 8.23 million households. During FY 2025-26, the programme collected over 6,87,500 MT of waste, of which around 4,23,000 MT of wet waste was composted and 1,65,000 MT of dry waste recycled, enabling 86% of waste to be avoided from landfill. Home composting adoption also expanded by around 1,00,000 households during the year (9,33,800 households till date).

Refer "Mission Sunehra Kal for Transforming Lives and Landscapes – Sustainable and Inclusive Growth" for more details

Case Study

Scaling Community-Centric MLP Recycling in Pune



ITC, in partnership with Kashtakari Panchayat and SWaCH Pune, operates an inclusive decentralised waste management model in Pune focused on the collection and recycling of low-value multi-layered plastic (MLP) packaging.

- The initiative covers **13 city wards** and the Pune Cantonment Board, enabling **over 850 waste pickers** to collect MLP waste daily with direct payments.
- It processes around **130-150 MT of low-value flexible plastics each month and has cumulatively recycled over 5,500 MT since 2019.**
- The programme **strengthens livelihoods** (which is ~12–15% of waste pickers' income from recyclables) and provides **formal employment** to about 40 individuals, demonstrating a replicable model that combines environmental outcomes with social equity.

Case Study

Closing the Loop at Source: Circular Systems in Temple Ecosystems

The Green Temple initiative pioneers a highly scalable circular economy model for high-footfall religious institutions. From an initial three-temple pilot, the initiative has rapidly expanded to cover over 2,385 temples across seven states, including a robust 2,145-temple partnership with Tamil Nadu's HR&CE Department, underscoring its immense replicability.





- The programme operates on a hub-and-spoke model, with a lead temple at its centre and surrounding institutions progressively integrating into it.
- Success is driven by comprehensive behavioural change and institutional capacity-building. By engaging devotees, staff, and local vendors, the initiative champions the shift away from single-use plastics towards biodegradable alternatives such as banana leaves.
- Simultaneously, temple executives and district officials are trained to operationalise and scale these systems seamlessly across their networks.
- By directly linking organic waste to biogas generation and composting, and channelling plastics into formal recycling chains, participating temples now manage over 90% of their waste through closed-loop systems.
- Biogas units generate the equivalent of 8 to 35 LPG cylinders per month, while compost sales create additional income streams.

Together, these outcomes reflect a transition from waste disposal to resource recovery, embedding circularity within cultural ecosystems through institutional convergence and community participation.

Towards Circularity

Reimagine

Case Study

Sustainable Packaging Solutions by ITC's Packaging and Printing Business

ITC's Packaging and Printing Business is actively accelerating its customers' transition toward a circular economy by optimising material efficiency, integrating recycled content, and pioneering high-performance, plastic-free alternatives.

Advancing Circularity via Recycled Content

By strategically incorporating Post-Consumer Recycled (PCR) plastics and mono-material structures, ITC is reducing reliance on virgin plastics without compromising functionality. Breakthroughs include developing mono-material recyclable wipes (30% recycled plastic), premium shampoo sachets (39% recycled plastic), and an innovative toothpaste packaging solution that utilises 100% rPET to replace virgin film completely.

Optimising Material Intensity

To drastically reduce plastic volumes and lower carbon footprints in the home care sector, the business successfully transitioned large-format detergents and fabric conditioners (4L+) from traditional rigid plastic bottles to resource-efficient, spouted flexible pouches.

Pioneering Plastic-Free & Paper-Based Solutions

ITC continues to deliver cutting-edge, fibre-based packaging that eliminates plastic films and harmful chemicals:

- **Compostable Food Service:** Upgraded cups, bowls, and trays by replacing PET laminates with fully compostable Oil & Grease Resistant (OGR) coatings.
- **Next-Gen Food Wraps:** Launched a 100% bio-based, PFAS-free butter wrap that provides superior grease resistance and shelf-life without traditional polyethene layers.
- **QSR Innovations:** Engineered an insulated, paper-based honeycomb pouch specifically designed to enhance product protection in the Quick Service Restaurant segment.
- **Smart Structural Design:** Eliminated single-use plastic hook hangers by integrating a structurally sound, all-paperboard hanger directly into tuck-in cartons, streamlining both production and waste.



Case Study

Sustainable Shift: FiloBev Premium for a Leading QSR Brand's Beverage Packaging

To help a prominent Indian Quick Service Restaurant (QSR) brand eliminate non-recyclable LDPE-coated beverage cups, ITC's Paperboards and Speciality Papers Division introduced FiloBev Premium, a certified recyclable and industrially compostable paperboard engineered for both hot and cold beverages having the following benefits:

- **Barrier Performance without Conventional Plastic Lining (LDPE):** Eliminates the need for a plastic barrier while delivering robust liquid resistance, structural durability, and superior print quality.
- **Operational Excellence:** The seamless integration yielded highly positive operational feedback, demonstrating reliable structural integrity and consistent in-use performance.
- **Scaled Circularity:** By adopting FiloBev Premium nationwide, the QSR brand drastically reduced its reliance on plastic-lined materials.

This shift resonated strongly with eco-conscious consumers, proving that high-performance, sustainable packaging can successfully drive tangible circularity goals at scale.

Sustainable Management of Waste in Operations

To minimise operational waste footprint, ITC employs rigorous, systematic monitoring and optimised material-use strategies to reduce waste generation at the source while maximising recycling.

ITC's Performance

In FY 2025-26, ITC units generated a total of 724 kilo tonnes of waste. This comprised 699 kilo tonnes of non-hazardous waste (including 13 kilo tonnes of plastic and 6 kilo tonnes of construction and demolition waste) and 25 kilo tonnes of hazardous waste (including 0.1 kilo tonnes of electronic waste, 0.25 kilo tonnes of battery waste and 0.02 kilo tonnes of biomedical waste).

Upholding the highest standards of regulatory compliance, ITC maintains robust systems to ensure all waste is processed through authorised agencies. Through these concerted efforts, nearly 99% of total generated waste was directed to recycling this year, ensuring that the remaining fraction was safely and responsibly treated in strict accordance with authorised environmental norms.



Towards Circularity

Waste Management Approach		Hazardous Waste (kilo tonnes) FY 2025-26	Non-Hazardous Waste (kilo tonnes) FY 2025-26	Total Waste (kilo tonnes) FY 2025-26
Waste Recycled (Diverted from Disposal)	Recycling & Composting	23	692	715
Waste Sent for Disposal	Incineration with Energy Recovery	1.5	5.0	6.5
	Incineration without Energy Recovery	0.5	-	0.5
	Landfilling and other miscellaneous disposal	0.3	1.2	1.5

Creating an Overall Positive Waste Recycling Footprint

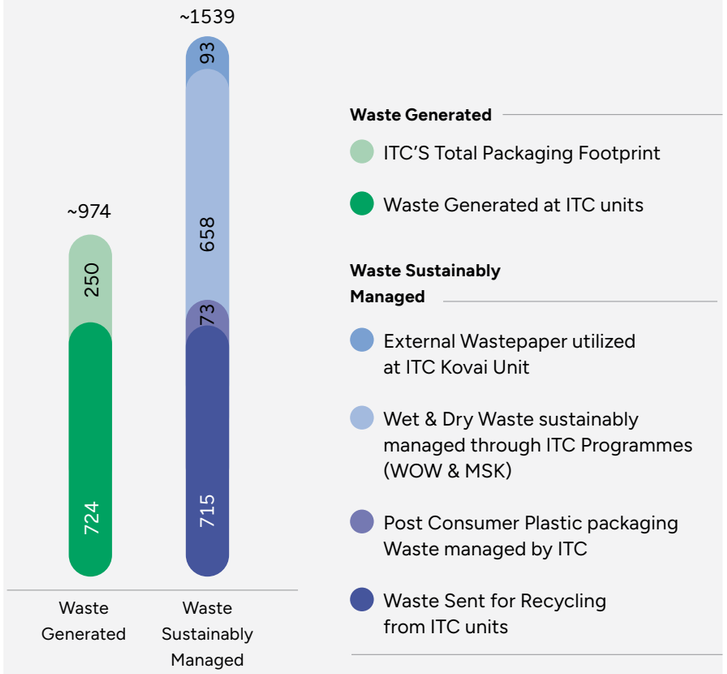
To enable a circular economy, ITC implements a holistic, multi-pronged approach:

Operationally, ITC recycles nearly 99% of the waste generated at its Units. Additionally, in FY 2025-26, ITC's Kovai Paper Mill utilised nearly **93,000 tonnes** of externally sourced wastepaper as a vital secondary raw material for fibre.

- **The above initiatives enabled ITC to effectively sustainably manage an amount equivalent to 112% of the total waste generated across the entire company.**

Beyond the factory gates, large-scale initiatives such as the WOW and MSK programmes drive decentralised, community-level waste management. Coupled with the commitment to maintain Plastic Neutrality, **these combined efforts ensure that the total waste ITC manages comprehensively exceeds the waste it generates, both directly across its Units and indirectly through its entire packaging footprint**.

ITC Circularity Footprint:
Waste Generated Vs. Waste Sustainably Managed
(kilo tonnes)



Road Ahead

According to the Ellen MacArthur Foundation, achieving global net-zero emissions is inextricably linked to the transition to a circular economy. While the shift to renewable energy can address approximately **55% of global emissions**, the remaining 45% must be tackled through circular economy strategies – eliminating waste, circulating materials, and regenerating natural systems.

Going forward, **ITC's circularity roadmap towards meeting its enhanced 2030 goals will focus on:**

- **Accelerating Sustainable Packaging:** Driving a transition to packaging that is reusable, recyclable, or biodegradable/compostable, while optimising packaging and scaling the use of recycled and renewable materials. Continued innovation across material science and packaging design will enable the adoption of alternatives, paper-based solutions, and emerging circular delivery models.

- **Scaling Circular Waste Systems:** Expanding decentralised solid waste management programmes to improve source segregation, strengthen collection and recycling systems, and sustain plastic neutrality. Partnerships across the value chain will remain critical to improving recycling outcomes at scale.

- **Optimising Resource Efficiency in Operations:** Continuing to eliminate waste at source, strengthen material efficiency, and ensure that nearly 100% waste is recycled across operations.

Air Emissions Management

ITC's Approach

Air pollution, primarily caused by vehicular and industrial emissions, has become a major public health issue in recent times. Despite sustained efforts by the Government in the form of stricter emission norms in industries and improving vehicular emissions standards, air pollution continues to remain a challenge in India. Addressing the challenge of air pollution will require concerted efforts by multiple stakeholders.

For ITC Units, relevant air emissions include Particulate Matter (PM), Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Ozone Depleting Substances (ODS). PM, NOx and SOx emissions are generated from the combustion of fuel, and ODS are used as refrigerant gases in refrigerators, chillers and air conditioners.

ITC's approach of proactively pursuing energy conservation through audits and benchmarking against industry standards, and increasing the share of alternate energy in its energy portfolio contributes to reduction in air emissions.



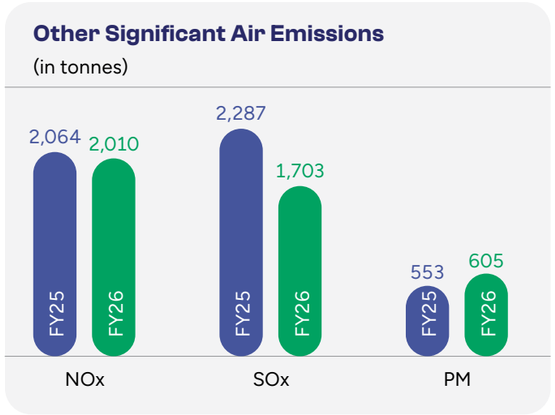
ITC also appropriately invests in state-of-the-art pollution control equipment and a robust system of monitoring, measuring and reporting is in place to ensure conformity with environmental standards. For ODS management, ITC will phase out the use of ODS well before the timelines stipulated under international agreement on ODS.

Performance

All ITC Units monitor significant air emission parameters, such as Particulate Matter (PM), Nitrogen Oxides (NOx) and Sulphur Oxides (SOx) on a regular basis to ensure compliance with applicable norms and regulations as stated in Units' consent to operate like monitoring mechanism and frequency to be followed. Emissions levels as monitored are well within the prescribed regulatory limits for all ITC Units. Aggregated emissions level for all ITC Units is as below:

Other Significant Air Emissions

(in tonnes)



Ozone Depleting Substances (ODS)

During FY 2025-26, the total consumption of ODS* across Units stood at 48.11 kg of CFC-11 equivalent. ITC is working towards phasing out ODS from its operations through following interventions:

- Replacement of all existing equipment using ODS well before the stipulated phase-out period.
- Ensuring disposal of equipment undergoing replacement to authorised recyclers to ensure safe disposal of ODS as well

*Ozone depleting substances include some of the refrigerant gases used in chillers and, refrigerators. Leakage of such gases is difficult to monitor, hence, refilling quantity of such refrigerants are reported here with the assumption that similar quantity was released.

Chemical Safety Management

ITC's Approach

ITC follows a proactive approach to managing hazardous chemicals by actively looking for alternatives which not only helps in keeping the operations safe, but also are safer for its customers. Environment friendly and safer alternatives are continuously sought by ITC for improving existing processes and chemicals safety.

In addition to substitution to less hazardous chemicals, ITC has deeply entrenched Process Safety systems to ensure the correct handling, usage, storage and disposal of such chemicals across its Businesses. For the PSPD business as well as the Packaging and Printing business, such systems are particularly important.

Managing hazardous chemicals is not only important within ITC factories but also in the supply chain. Within the supply chain, farmers working with hazardous pesticides is an area of special attention. ITC's approach is firstly to eliminate or reduce the use of hazardous pesticides.

Intensive training is conducted on Integrated Pest Management (IPM), which helps advocate a holistic approach in reducing pesticide usage as well as substituting such pesticides with nature-based solutions.

The training programmes also cover the safe handling of pesticides used and the responsible management of wastes generated.

ITC's approach is demonstrated in pioneering practices in the implementation of elemental chlorine free (ECF) bleaching, and ozone bleaching technology in India as part of its Paper business, and switching from solvent-based inks to water-based ones in its Packaging and Printing business.

Social Stewardship – Fostering Sustainable and Inclusive Growth

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Sustainable Supply Chain and Responsible Sourcing

Sustainable supply chains are increasingly shaping business strategies across industries, driven by deeper integration of sustainability principles and an enhanced emphasis on responsible sourcing anchored in corporate stewardship and regulatory expectations. **The evolution of sustainable supply chains is now defined by rigorous regulatory frameworks signaling a clear shift from voluntary ESG initiatives to mandatory, auditable disclosures and ESG due diligence across multi-tier supply chains**. At the same time, decarbonisation initiatives are being systematically implemented in partnership with value chain partners to advance net-zero objectives. As businesses proactively address climate-related risks across sourcing networks, the final and increasingly critical trend is the integration of advanced digital technologies for enhanced traceability, oversight and data-driven decision-making.

ITC, with its diverse portfolio of Businesses, is working towards scaling up its sustainable supply chain initiatives as part of its Sustainability 2.0 strategy. ITC has a Board-approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers' which lay down the foundation for ITC's engagement with its suppliers including farmers, third party manufacturers, service providers, transporters, suppliers of agriculture/non-agriculture materials and capital goods, franchisees, dealers and distributors.

Material issues addressed in this section:

Responsible Sourcing and Sustainable Supply Chains

Highlights

Capability Building & Supplier Assessment

>1000
Suppliers trained on ESG aspects including **100% of Critical Tier-1 suppliers**

E-Learning modules launched
for supplier capacity building

> 95%
Critical Tier-1 suppliers assessed on ESG aspects by a Third Party

Responsible Sourcing

ITC procures ~51%[1] of its key crops through sustainable sourcing practices,
covering pulpwood, wheat, maize and tobacco, which together account for nearly 97% of ITC's agri commodities volume.

FSC® Chain of Custody certification for all four manufacturing Units of PSPD,
reinforcing ITC's position as the leading supplier of FSC® certified paper and paperboards in India

Over 87%
Raw materials and Stores & Spares Locally Procured

100%
of the fibre used by ITC's PSPD is FSC®-certified (including Chain of Custody, Controlled Wood and Mix) origins

~76%
fibre **produced in ITC's Paperboard Bhadrachalam unit** is from Wood sourced through **ITC's Sustainable Forestry initiatives**

[1]Based on FY24-25 procurement data

Sustainable Supply Chain and Responsible Sourcing

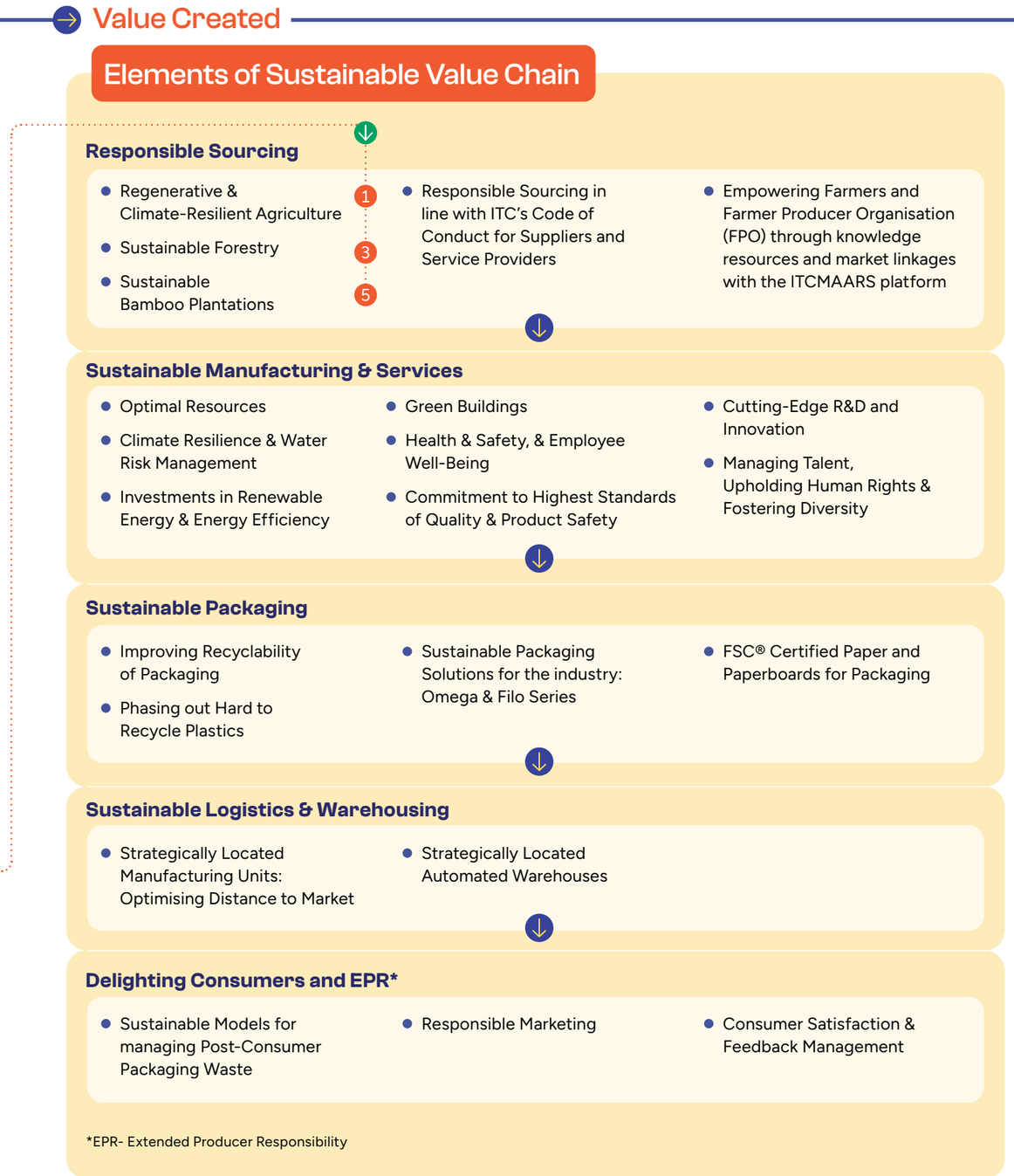
ITC's Vertically Integrated Supply Chain

As a conglomerate with diversified presence across agriculture, manufacturing and services, ITC maintains a vertically integrated supply chain for most of its Businesses that facilitates optimum utilisation of raw materials and efficient logistic operations. The vertical integration not only provides competitive advantage but also enables effective control and oversight over upstream value chains for driving sustainable practices like sustainable sourcing, transparency and traceability, and sustainable packaging.

ITC's supply chain ecosystem is enabled through:

- Digitally enabled, climate smart agri value chains
- Distributed manufacturing integrated with sustainable operations
- A resilient, technology driven sales and distribution network





*EPR- Extended Producer Responsibility

Sustainable Supply Chain and Responsible Sourcing

ITC's Approach

	Advocate	Assess	Address
Sustainable Supply Chain (Critical Tier-1 suppliers including logistics partner, outsourced manufacturing)	Continuous engagement raising awareness and building capacity on: • ITC's sustainable supply chain philosophy & expectations • Compliance requirements • Emerging ESG topics	• Identification of risks, opportunities through ESG assessments • Third party assessments for Critical Tier-1 suppliers • Additional oversight mechanisms like self-assessment by suppliers, secondary data validation and internal audit reviews	• Technical support for adoption of standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Corporate Environment, Health and Safety (EHS) & Sustainable Supply chain Guidelines • Collaborating with suppliers on material ESG aspects • Grievance redressal
Responsible Sourcing (Farmers)	Capacity building of farmers for adoption of sustainable, climate-resilient and regenerative farm practices	Facilitating third party certifications like Rainforest Alliance, Forest Stewardship Council®, Certified Organic, Fairtrade and Sustainable Tobacco Programme	• Implementing large-scale sustainable agriculture programmes across key value chains • Implementing systems and processes for enabling supply chain oversight, transparency and traceability • Human Rights due diligence and preventive/ corrective actions • Enhancing coverage of sustainably certified crops

Sustainable Supply Chain Initiative at ITC

ITC Policies for Driving Sustainability in the Supply Chain

ITC has a Board approved **Policy on Sustainable Supply Chain and Responsible Sourcing.** In line with this policy, ITC engages with its supply chain members to assess their sustainability risks and support them in building resilience against such risks. The policy also encourages suppliers to work towards resource-use efficiency, including sustainable natural resource management, GHG emission reduction and sustainable waste management.

ITC also has a **'Code of Conduct for Suppliers and Service Providers',** which requires suppliers to comply with applicable laws, labour standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. The Code of Conduct for Suppliers and Service Providers outlines ITC's expectations on

- Labour Practices;
- Safe and Healthy Working Conditions;
- Human Rights and Grievance Redressal;
- Environmental and Resource Efficiency;
- Quality Management;
- Business Integrity (including Conflict of interest, Anti Bribery and Anti-Corruption, Hospitality and Gifts, Anti Competition and Anti Trust)

All Suppliers and Service Providers are expected to meet the requirements of this Code. Suppliers and Service Providers are also expected to hold their business associates to the same standards as enshrined in this Code.

The Code also reflects ITC's commitment to respect human rights across the supply chain. In the event of a serious or consistent lack of commitment to corrective action, business relationship with supply chain members is disengaged.

Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Code of Conduct for Suppliers and Service Providers and to avoid potential conflicts with ESG requirements.

Refer "Policy on Sustainable Supply Chain and Responsible Sourcing"and "Code of Conduct for Suppliers and Service Providers" for more details

Identification and Engagement with Critical Suppliers

For focussed engagement, ITC Businesses **identify a prioritised set of critical or significant suppliers** based on **multiple criteria** including the **value of the business with these suppliers, business relevance, potential ESG risks and opportunities associated with the supplier**, **ESG risk exposure of the sector/ country/ region/ commodity type (as applicable), and substitutability of the supplier,** among others. ITC closely engages with these prioritised set of suppliers and periodically revisits the list to strengthen sustainability performance across the supply chain. The Company's structured engagement is strengthening suppliers' ESG capability and supports a shift from compliance to continuous improvement and more resilient, responsible supply chains over time.

Sustainable Supply Chain and Responsible Sourcing

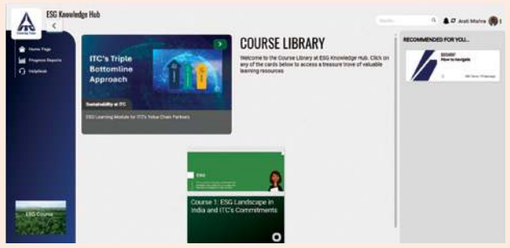
ITC's three-step approach to building a sustainable supply chain is summarised below.

Advocate

ITC conducts capacity building workshops for its key supply chain partners to educate and create shared awareness on material ESG aspects including human rights, labour practices and environmental sustainability.

E-Learning Module for Suppliers

ITC enhanced its supplier capability building approach through introduction of a digital e-learning module designed to provide scalable and consistent dissemination of sustainability requirements across the value chain. The module enables suppliers to access structured learning content at their own pace, supports wider reach beyond physical sessions, and ensures uniform understanding of ITC's expectations on human rights, labour practices, environmental management and responsible business conduct. The curriculum also covers requirements outlined in ITC's Code of Conduct for Suppliers and Service Producers.



Additionally, during the year, supplier trainings on multiple ESG aspects were conducted by external expert agencies. Workshop and awareness programme were also held for ITC's procurement personnel on the principles of Sustainable Supply Chain and Responsible Sourcing. These ESG topics included in depth coverage of Environmental management, Health and Safety, Labour Practices and Human Rights, ITC's Anti-Corruption policies and procedures, among others. In FY 2025-26, a sustainable supply chain workshop with more than 60 ITC managers from procurement and sustainability teams and external experts was organised for developing the strategic roadmap for further integration of ESG in supply chain operations and practices. From time to time, ITC Businesses also organise tailor-made engagement programmes for their value chain partners.

More than 1000 Tier-1 suppliers including 100% Critical Tier-1 suppliers have been covered through capacity-building initiatives over the last three years

Case Study

MILAN – ITC Foods' Annual Sustainability Meet for Supplier Engagement

ITC's Foods Business uses MILAN, its annual supplier sustainability forum, to engage supply chain partners on ESG priorities like decarbonisation and regulatory compliance. The event fosters knowledge-sharing, recognises supplier leadership, and promotes sustainable practices throughout the supplier base. MILAN has enhanced ESG collaboration and participation among suppliers, with more than 100 raw material and packaging suppliers attending the latest meet.



Assess

ITC Businesses systematically screen suppliers before initiating a business relationship to ensure that supply chain risks, if any, are mitigated at an early stage. As part of ITC's Sustainable Supply Chain approach, sustainability considerations are embedded at the vendor screening and selection stage, in addition to ongoing performance assessments. **The process includes a financial and non-financial assessment and covers risks like supplier's capacity to undertake assigned work, quality of products or services, potential ESG risks including various environmental, health & safety (EHS) indicators associated the supplier as well as any sector/country/ commodity-level risks.**

To assess the onboarded Critical Tier-1 supplier ITC's Supplier Sustainability Assessment Framework is used. The Framework is based on four pillars:

- Environment;
- Health & Safety;
- Labour practices & Human Rights; and
- Governance & Fair Business.

Each pillar includes essential and advanced indicators. Essential indicators align with current compliance standards, ITC's Codes/Policies, and industry norms, while advanced indicators follow leading global sustainability practices. Meeting advanced indicators shows greater supplier sustainability maturity.

As part of ITC's supplier assessment, baseline evaluations help identify areas of improvement across each pillar. Based on these baseline reviews, suppliers received guidance on corrective actions for any actual or potential impacts, with several actions targeting areas like governance, documentation, audits, and data monitoring to reduce risks. Findings from desk-based or remote audits, such as issues in waste reporting or occupational health & safety policy, were shared with suppliers for resolution.

More than 95% Critical Tier-1 suppliers have been assessed by a third party in line with ITC's Supplier Sustainability Assessment Framework over the last three years.

Supplier Testimonial

"Thank you for organizing the sustainability training and assessment for Ivax Paper Chemicals Pvt Ltd. as a supplier. It was valuable to understand ITC's expectations and standards on ESG and Sustainability reporting.

The session on scope 3 emissions and supplier code of conduct was very clear. The audit checklist was structured, and the auditors explained non-conformities with context, and not just tick-boxes. Appreciated the Q & A and the chance to discuss how we can align reporting with ITC's targets. Based on the training, we will be taking certain immediate steps like, update internal EHS policy, start quarterly tracking of water usage, emissions, plastic waste, etc. to match reporting format and train internal team on the tracking system. We value the partnership with ITC and its focus on sustainability."

IVAX Paper Chemicals Pvt Ltd, Supply Chain Partner of ITC's Paperboards and Specialty Papers Division

Sustainable Supply Chain and Responsible Sourcing

Address

The findings of third-party ESG assessments inform supplier-specific corrective action plans. Consequently, suppliers scoring below a defined ESG threshold implement time-bound corrective actions supported by ITC, as needed, followed by a reassessment to confirm compliance. The assessment-corrective actions-reassessment cycle typically results in improvement in terms of suppliers migrating to lower-risk categories.

The nature of non-conformities determines the level of support extended by Businesses to assist suppliers in mitigating risks. ITC works closely with suppliers through various measures, such as knowledge-sharing initiatives, hand-holding sessions and technical support, to assist suppliers in audits and meeting certification standards.

Supplier Grievance Management

ITC has instituted structured grievance redressal mechanisms for its value chain partners to further strengthen governance, transparency and accountability in addressing supply chain concerns. These mechanisms are intended to provide accessible channels for suppliers and other partners to raise concerns, facilitate timely resolution, and enable early identification of systemic issues. Grievance redressal forms an important aspect of ITC's broader approach to promote responsible business conduct and strengthen trust-based engagement across the supply chain. ITC's Foods Business has implemented a digitally-enabled grievance management platform. The use of digital tools supports standardised capture, tracking and reporting of grievances, facilitates timely resolution of concerns, enables early identification of systemic issues, and strengthens social governance and fair business practices across the supply chain. The system is being progressively scaled across other FMCG Businesses as well.

Refer "Sustainable Supply Chain Performance" in "Annexures" section of this Report for more details

Driving Sustainability across Supplier Categories

Select practices from ITC Businesses are highlighted below:

Supplier Category	Summary of Key Interventions
Third Party Manufacturers (TPMs) & Contract Manufacturing Units (CMUs)	ITC engages Third Party Manufacturers (TPMs) and Contract Manufacturing Units (CMUs) through regular assessments and compliance checks covering labour laws, quality standards and sector-specific Environment, Health & Safety (EHS) requirements. EHS performance is monitored through audits, training, hand holding support and closure of corrective actions. TPMs and CMUs are also supported in adopting standards such as ISO 45001, ISO 14001 and SA 8000 through structured capability building initiatives. ITC is progressively increasing the coverage of key Third Party Manufacturing facilities within its Scope 3 boundary to enable benchmarking and action planning. The Company also provides technical guidance to help partners identify and implement improvement measures. ● **FMCG – Cigarettes Business:** Strengthened ESG performance of CMUs through management system certifications and renewable energy deployment, including a 200 kWp rooftop solar installation contributing to ~24% renewable energy usage. ● **Foods Business:** Integrated 46 CMUs into its sustainability programme; renewable energy adoption expanded from 8 to 14 CMUs with renewable energy generation increasing from ~100 to ~160 lakh kWh. ● **Education & Stationery Products Business (ESPB):** Encourages TPMs to adopt onsite solar installations to reduce grid dependency and emissions.
Raw Material & Packaging Suppliers	Raw material suppliers are evaluated against relevant industry standards and certifications, such as FSC® certification for wood and paper based inputs, IFRA (International Fragrance Association) for fragrance materials. Preference is given to suppliers with established environmental and safety management systems during onboarding to strengthen responsible sourcing practices. ITC works closely with packaging suppliers to improve resource efficiency, packaging sustainability and Extended Producer Responsibility (EPR) compliance, including initiatives to enhance recycled content in packaging. ● ITC PCPB's supplier led PCR integration enabled sourcing of **~900 MT of PCR in FY 2025-26, enabling achievement of up to 100% PCR content in select high volume SKUs,** and strengthened readiness for current and future EPR requirements.
Farmers & Farmer Producer Organisations (FPOs)	ITC engages farmers across key agri-value chains through large scale sustainability programmes that promote responsible cultivation practices, environmental stewardship and social compliance. Farmers are supported in adopting internationally recognised certifications such as Rainforest Alliance (RA 2020), FSC®, Global G.A.P. and Organic standards to identify and address environmental and human rights risks at the farm level. ● ITC has scaled an FPO-led procurement model across **10 States through the digital ITCMAARS platform, integrating ~2.3 million smallholder farmers into organised markets. Over 2,184 FPOs have been strengthened through capacity building on aggregation planning, quality protocols, governance and transparent price discovery, enhancing traceability, supply chain efficiency and farmer incomes.** Human Rights Due Diligence (HRDD) is implemented through field-level monitoring, awareness programmes and preventive and corrective actions to strengthen responsible sourcing in Agri communities.
Service Providers & Contract Workers	● Service providers engaged by ITC are assessed for **compliance with applicable labour laws** to ensure that statutory requirements related to wages, working hours, social security and legal obligations are met. ● Contract workers across ITC's operations receive **training on health and safety practices,** helping ensure safe working environments and strengthening risk awareness. ● Service provider employees are expected to uphold ITC's **Supplier Code of Conduct,** which covers safe working conditions, non discrimination, human rights, business integrity and ethical practices.

Sustainable Supply Chain and Responsible Sourcing

Responsible Sourcing

ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, focus of ITC's interventions in agri value chains has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening regional water security, and addressing the challenge of climate change and enhancing resilience. ITC's key agri value chains are also certified as per global standards and third-party certifications like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, Global G.A.P, Grown for Good (G4G), Farm Sustainability Assessment (FSA) 3.0, Organic (NPOP/NOP) among others. These certifications specify environmental and social standards for agricultural practices, and help ensure sustainability, traceability and transparency.

ITC procures ~51%* of its key crops through sustainable sourcing practices, covering pulpwood, wheat, maize and tobacco. These commodities account for nearly 97% of ITC's agri commodities volume.

*Based on FY 2024-25 procurement data.

Agri-Sourcing Practices

ITC's Agri Business Division (ABD) primarily engages in sourcing of agri-commodities like wheat, coffee, spices, maize, soybean, mustard, rice, fruits, prawns. The portfolio continues to be rapidly scaled up, leveraging ITC's deep rural linkages and extensive sourcing expertise towards strengthening and customising supply chains for traceability. The Division has large-scale programmes on sustainability certifications of traded commodities driven by customer demands and emerging international regulations on due diligence and transparency.

Case Study

Implementing Rainforest Alliance 2020 Sustainable Agriculture Standard in Coffee Value Chain

ITC's Agri Business Division (ABD) has implemented the Rainforest Alliance 2020 Sustainable Agriculture Standard across coffee growing regions in Karnataka, Kerala and Tamil Nadu to strengthen responsible sourcing practices. The certification programme focuses on management systems, traceability, sustainable farming practices, social welfare and environmental stewardship, aimed at strengthening governance, farm level practices and value chain transparency. The standard requires all certified farms to be managed efficiently, transparently, inclusively, and economically.

During FY 2025-26, initiatives included strengthening worker welfare through personal protective equipment (PPE), sanitation and formalised employment practices, along with fair wages and health check ups. Certified planters received premiums above market prices, supporting income security and shared responsibility. **The programme covered 7,818 acres with a certified production of 5,984 MT, engaging 81 estate owners and training over 1,000 workers**.

Refer "Sustainable Agriculture" section of this Report for details





Leaf Tobacco Supply Chain

Human Rights Impact Assessment in Leaf Tobacco Supply Chain

ITC undertakes human rights due diligence across its leaf tobacco supply chain to identify, assess and address potential and actual impacts on farmers, workers and communities. This approach is anchored in structured field level monitoring, stakeholder engagement, timely corrective actions, and targeted programmes on human rights awareness, farm safety and responsible agricultural practices. Digital systems and structured monitoring mechanisms further strengthen traceability, transparency and governance of human and labour rights compliance across the value chain.

Case Study

Integrated Adarsh Gram Programme (Model Village Programme)

As part of this framework, ITC works closely with farmers to implement internationally recognised sustainability standards, including the Sustainable Tobacco Programme (STP 2.0) and compliance with the Agricultural Labour Practices (ALP) Code. STP 2.0, an industry led initiative, is built around eight core themes - Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance, supporting systematic management of ESG risks and impacts across the tobacco value chain.

Ensuring human rights in the supply chain is an integral part of ITC's Integrated Adarsh Gram Strategy (Model Village Approach), which spans 513 tobacco procurement villages in Andhra Pradesh and Karnataka. The programme supports awareness, risk identification and preventive actions on human rights and farm safety through ITC's agri extension teams and field engagement. **During the year, personal protective gear was provided to 24,382 farmers, secured Crop Protection Agents (CPA) storage boxes to 5,442 farmers, and safe collection and disposal of empty CPA containers was facilitated across approximately 16,000 tobacco farmers.**

Drone based spraying was further scaled up to over 42,500 acres, reducing human exposure and improving operational efficiency. Independent due diligence studies in representative Adarsh Grams, guided by the Sustainable Tobacco Programme (STP), OECD-FAO Guidance for Responsible Agricultural Supply Chains, the UN Sustainable Development Goals (SDGs), continue to inform targeted interventions for responsible sourcing and rural development.



Sustainable Supply Chain and Responsible Sourcing

Case Study

Digital End-to-End Human Rights Compliance Tracking System (DECTS) for Non-Flue Cured Virginia (NFCV) Tobacco Value Chain

With rising regulatory and customer expectations on ESG compliance, particularly human and labour rights traceability, ITC strengthened governance across its NFCV tobacco value chain through the implementation of a Digital End-to-End Human Rights Compliance Tracking System (DECTS) in FY 2025-26. This replaced fragmented manual with digital processes, improving real time oversight across the farm-to-factory continuum.

DECTS integrates ITC MAARS, SAP and UMANG platforms to enable real time monitoring, digital tagging, and alert-based governance of human and labour rights and farm safety parameters. Dashboards with risk indicators support timely corrective actions, while cross functional collaboration and training ensure consistent data flow from farm operations to procurement and processing. **The system enables End-to-End traceability, covering over 28,000 farmers, and captures critical compliance data to ensure only fully compliant tobacco progresses for processing**. The digital framework has been audited and positively acknowledged by a global premium customer, reinforcing ITC's leadership in responsible sourcing and digital governance.

Responsible Sourcing of Fibre by Paperboards and Specialty Papers Division

Paperboards and Specialty Papers Division (PSPD) processed **2.48** million tonnes of raw materials (about 67% of the total raw material procured by ITC), out of which over **88%** were from renewable sources.

Approximately, **62%** of the total fibre requirements of ITC's PSPD is met by pulp, manufactured at the Bhadrachalam Unit. Another **11%** comes from recycled fibre processed at the Unit in Kovai. The balance **26%** is imported pulp used at PSPD Units.

In terms of traceability:

- 100% of the fibre used by ITC's PSPD is FSC®-certified (including Chain of Custody, Controlled Wood and Mix) origins
- Approximately, **76%** of the fibre produced in Bhadrachalam is from wood sourced from ITC's Forestry initiatives.
- The fibre used at the Kovai Unit is either recycled or reclaimed fibre.

All four manufacturing Units of the PSPD have obtained the **FSC®** Chain of Custody certification and have complied with all the requirements during the year, thereby sustaining ITCs position as the leading supplier of **FSC®** certified paper and paperboards in India.



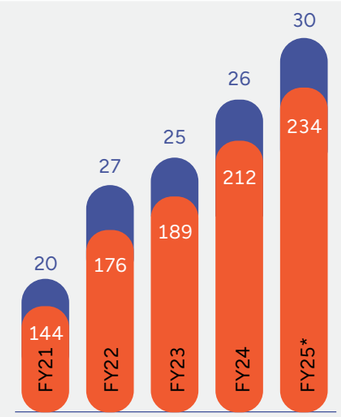
Supporting a Local and an Inclusive Value Chain

ITC encourages competency development among local vendors, and its vendor base includes micro, small and medium-scale enterprises that are proximate to its manufacturing locations. ITC also works in close partnership with small-scale Units in Businesses such as Safety Matches, and Education and Stationery Products. These partnerships have significantly enhanced survival and competitiveness of several Units in these sectors.

These initiatives are guided by the national objectives of 'Make in India' and 'Doubling Farmers' Income' and the overarching theme of 'Aatma Nirbhar Bharat' that seeks to make the country stronger, resilient and more competitive. ITCMAARS (Metamarket for Advanced Agriculture and Rural Services), that combines the power of cutting-edge digital technologies with NextGen agri practices has scaled up rapidly and currently covers over 2.3 million farmers and over 2,184 FPOs, across 11 states and over 25,000 villages. This 'phygital' ecosystem continues to empower the farming community and FPOs by delivering personalised and dynamic advisory services as well as hyperlocal offerings including market linkages, agri inputs and credit enablement.

More than 87% raw materials and stores & spares have been locally procured over the years, consistently. Further, the total percentage of input material [inputs to total inputs by value (i.e., raw material, stores and spares including services and capital expenditure)] sourced from suppliers within India stood at 92%+.

Raw Materials, Stores & Spares Consumed
(₹ Billion)



* Financials for FY24 to FY26 exclude the performance of Hotels business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger.

Road Ahead

Going forward, ITC will focus on scaling up its efforts towards:

Building Capacity of Value Chain Partners

ITC Businesses will continue to scale up their engagement with suppliers, Third Party Manufacturers and farmers through focussed trainings on material sustainability aspects.

Conducting Structured Sustainability Assessments of Key Suppliers

Periodic due-diligence and third-party assessments enabled by tech-based solutions for ensuring effective tracking and implementation of corrective actions.

Partnering with Key Suppliers on their Sustainability Journey

Jointly working with suppliers for progressively implementing identified corrective and preventive measures and enabling sustainability across their operations in high priority areas like reducing Scope 3 emissions, Extended Producer Responsibility (EPR), and Environment, Health and Safety (EHS).

Product Stewardship

Shaping Future-Ready Products through Science & Sustainability



Global consumer demand is increasingly shifting towards sustainable products, driven by heightened expectations around transparency, health, safety, and ethical sourcing, even as affordability and awareness remain key barriers. In India, rising incomes, rapid digital adoption, and a young, aspirational population are accelerating these trends and increasing demand for sustainable, value-driven products.

In this evolving context, ITC leverages its integrated value chain, science-led innovation powered by ITC Life Sciences and Technology Centre (LSTC) and deep consumer insights to deliver **high-quality, affordable, and sustainable products at scale**, embedding sustainability across the product lifecycle - from design to end-of-life. During the year, ITC further strengthened its sustainable product portfolio through a series of differentiated launches across FMCG Businesses and next-generation packaging solutions, reinforcing consumer trust, enabling scalable impact and driving competitive growth.

Material issues addressed in this section:

Brand and Reputation; Product Stewardship; R&D and Innovation; Data Security & Privacy

In line with the Board approved Policy on Product Stewardship, ITC has instituted a structured framework of Product Sustainability anchored on the principles of:

- **Sustainable Design & Innovation**
- **Product Quality, Safety and Consumer Health**
- **Consumer Trust & Transparency**
- **Compliance & Fair Competition**

Highlights

World-class Products & Brands

India's leading FMCG marketer, with over **30 Powerful Mother Brands**

Annual Consumer Spend of over **₹37,500 crores** in FY 2025-26

ITC's FMCG products reach nearly **280 million households** in India

Nearly **100 new product** launches during the year

Certified Sustainable Operations

All **140 Manufacturing Locations** (Including Third Party Manufacturing Units) of the Branded Packaged Food Business are **FSSC 22000/ ISO 22000/ HACCP Certified**

First FMCG company in India with Green Certified Chemistry R&D Lab

All three manufacturing facilities of the Paperboards and Specialty Papers Division, and all Cigarette factories are **ISO 50001 Certified**

Alliance for Water Stewardship (AWS): 9 ITC Units including Paper Mills & Food Factories are Certified at **Platinum Level**

Certified Sustainable Products

Achieved the **Prestigious CII GreenPro Certification for:**

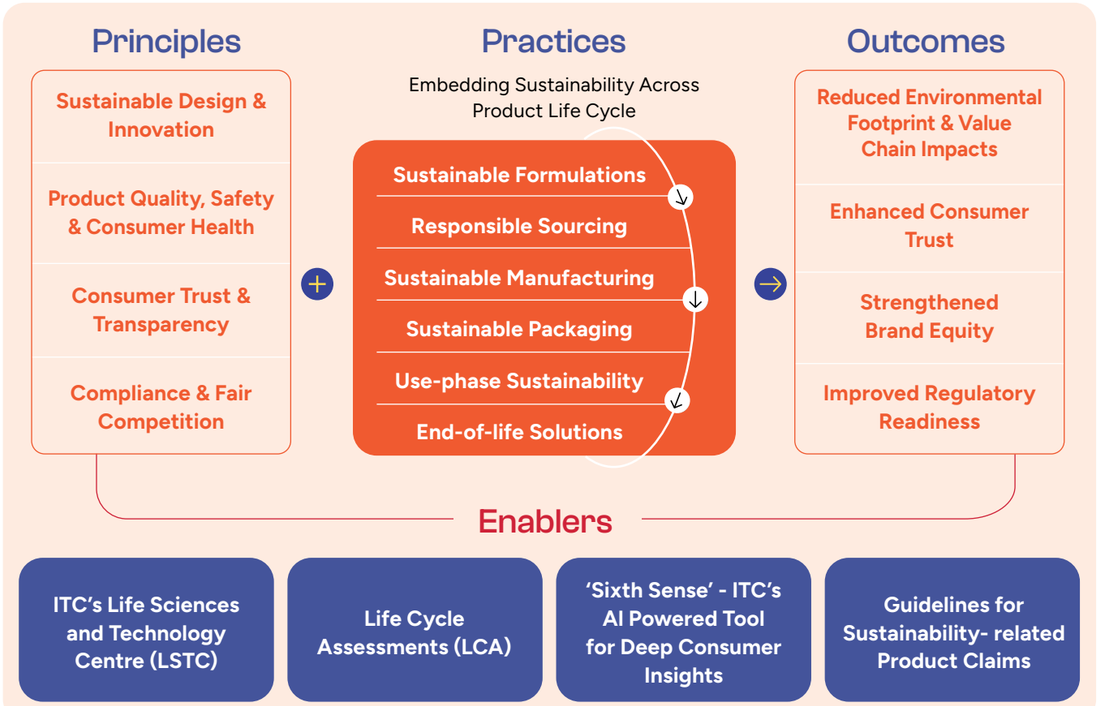
- Nimyle Herbal
- Nimyle Lemongrass
- Nimyle Nimeasy Natural Disinfectant & Power Cleaner
- Savlon Professional Disinfectant Surface Cleaner S2
- Savlon Professional Floor Cleaner Concentrate S7
- Savlon Professional Floor Cleaner Concentrate S11

100% of Paperkraft Notebooks are FSC® certified (FSC® - C181115)



Product Stewardship

ITC's Product Stewardship Framework



Principles of Product Stewardship

Sustainable Design & Innovation

ITC Life Sciences and Technology Centre (ITC LSTC) is backed by world-class scientific infrastructure and advanced facilities that support knowledge creation, rapid prototyping, process development, and intellectual property generation for ITC. **Over 900 patents have been filed to date, underscoring LSTC's strong innovation capabilities**. In line with ITC's focus on operational excellence and quality, businesses continuously innovate **across materials, training, processes, and systems to strengthen competitiveness** and bring first-to-market products to Indian consumers.



Indicative image, generated using AI

ITC's Life Sciences and Technology Centre (LSTC) serves as the cornerstone of science-led innovation across businesses. With a strong research ecosystem and multi-disciplinary expertise, LSTC enables development of products that combine **performance, affordability and sustainability**. Some of the major focus areas include:

Healthier formulations through reduction of salt, sugar and fat, and enhancement of beneficial nutrients.

Sustainable materials and packaging solutions with improved environmental performance.

Process innovation and efficiency enhancements across product lifecycles.

Development of future-ready intellectual property to strengthen long-term competitiveness.

Sustainability is integrated from the early stages of product and process development, ensuring alignment with evolving consumer needs and regulatory expectations.



Sustainable QSR Packaging: 100% Bio-based, Oil and Grease Resistant Paperboard Solution

LSTC, in collaboration with PSPD, developed a 100% bio-based paperboard for QSR applications under the FiloServe series. This PFAS and acrylic-free solution delivers oil and grease resistance through renewable biopolymers. It is repulpable and compostable, making it a future-ready, regulation-compliant alternative for sustainable QSR packaging.

The project centred on material innovation, including the selection and optimisation of natural binders and biopolymers to achieve the required barrier performance at optimal coat weight and cost. Extensive validation confirmed consistent barrier performance, reproducibility across sites, and smooth runnability in both coating operations and downstream conversion.

Sustainable Formulation: Transition to Rice Bran Oil in Bakery Products

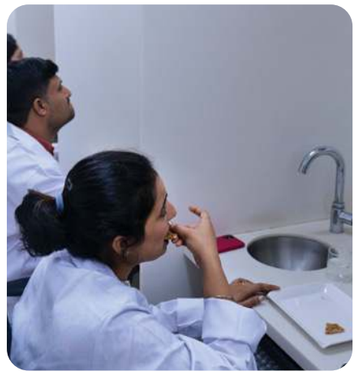
ITC LSTC has developed an in-house technology **enabling the replacement of palm oil with rice bran oil in 'biscuits' category, while maintaining product taste, texture, and product performance. The innovation addresses a key environmental hotspot in the ingredient portfolio**. In collaboration with biscuits and cakes category and Right Shift category, the solution was implemented through process adaptation, with validation across product quality, consistency, and shelf-life parameters. Following successful trials, the technology has been commercialised in select product variants, with potential for scale-up across additional categories based on consumer response.

Product Stewardship

Product Quality, Safety and Consumer Health

ITC has established robust systems and processes to ensure that its products and services comply with applicable regulatory requirements. The Company is committed to delivering best-in-class quality and a superior user experience across its offerings. Its manufacturing units operate in state-of-the-art facilities supported by internationally benchmarked quality management systems. Stringent hygiene standards, strong manufacturing practices, and rigorous quality assurance protocols are embedded across operations to ensure product safety, consistency, and reliability.

ITC's commitment to world-class products and services is matched by its strong focus on customer and consumer safety. Compliance with applicable health and safety standards begins at the design stage, with risks across procurement, manufacturing, and delivery systematically identified and assessed. Appropriate control measures are then implemented to mitigate these risks.



Consumer Trust & Transparency

Product Information and Labelling

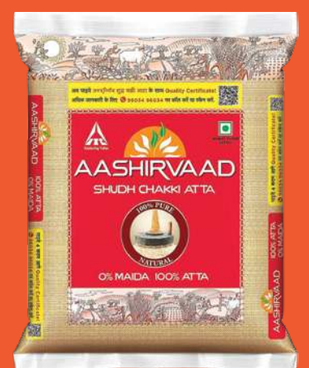
As an organisation committed to highest standards of transparency and good governance, ITC's Business operations comply with applicable laws of the nation. Adequate systems with respect to product information and labelling have been put in place. ITC is committed to transparent and responsible communication with consumers. Products are labelled in compliance with applicable regulations, with additional efforts to provide clear, relevant and accessible information to support informed decision-making.

Aashirvaad Atta: Verifiable Quality through QR-Enabled Transparency

Aashirvaad Atta reinforces consumer trust through a QR-enabled Quality Certificate on every pack, offering product-specific details on key quality parameters such as fibre, protein and water absorption. This initiative enhances transparency in a staple category and enables informed consumer choice.

Each pack undergoes 40+ rigorous quality checks across sourcing, cleaning, grinding and packaging to ensure consistent purity and safety. Carefully selected wheat is subjected to multi-stage cleaning and traditional chakki-style grinding, delivering the assurance of 100% atta and 0% maida along with superior dough performance and soft rotis.

By integrating digital traceability with end-to-end quality assurance, Aashirvaad sets a new benchmark for transparency and responsible product stewardship in the packaged staples category.



Responsible Marketing:

In line with the Board-approved Policy on Responsible Marketing, ITC is committed to ensuring that its marketing communications and practices are truthful, respectful and compliant with applicable laws and regulations. The policy is anchored on three principles: what the Company markets, how it markets and who it markets to, with a focus on avoiding misleading claims, providing clear and relevant product information, protecting customer privacy, using appropriate platforms and directing marketing efforts to suitable audiences with due regard to age and cultural sensitivities.

Digital-enabled Consumer Trust & Engagement:

ITC places strong emphasis on building long-term consumer relationships through effective engagement and feedback mechanisms:

- Multi-channel consumer engagement platforms, including digital and social media interfaces
- Customer Relationship Management (CRM) systems to capture and analyse feedback
- Deployment of digital and AI-enabled tools to generate consumer insights and enhance responsiveness

These systems support continuous improvement in product quality, service delivery and customer satisfaction.

QR-Enabled Traceability in Notebooks with Recycled Plastic Covers

ITC Education and Stationery Business developed a sustainable notebook featuring a cover made from 80% recycled PET (rPET) plastic. **The notebook not only promotes environmental responsibility but also offers traceability at all stages of its lifecycle, from plastic waste collection to product manufacturing**. By incorporating traceability at every stage of the product lifecycle, it not only addresses the pressing issue of plastic waste but also inspires a culture of sustainability among consumers and businesses alike.



Compliance & Fair Competition

All ITC businesses and divisions have established systems, procedures and review mechanisms to ensure compliance with laws and regulations applicable to their products and services. Each business and corporate function periodically submits statutory compliance reports to the CMC/ Board covering regulatory, product-specific, finance and revenue, personnel, technical and process, environmental, and other applicable legal requirements. These reports are supported by updated compliance checklists and appropriate monitoring and control systems maintained by the relevant units, businesses and corporate functions. In line with the Board-approved Policy on Product Stewardship, ITC businesses uphold consumer choice in a competitive marketplace while designing, promoting and selling their products and services.

Product Stewardship

Key Enablers

ITC's Life Sciences and Technology Centre (LSTC)

ITC's state-of-the-art Life Sciences and Technology Centre (ITC LSTC) in Bengaluru is the hub of science-led product innovation, driving the development of ITC's portfolio of world-class products and brands. Backed by five decades of industrial R&D, the Centre reflects a strong legacy of scientific excellence. LSTC brings together over 400 highly qualified scientists with more than 4,000 cumulative years of R&D and innovation experience, working across future-ready scientific platforms.



Green Level Certification:

LSTC Chemistry R&D labs have achieved a significant sustainability milestone by earning Green Level Certification from My Green Lab, a globally recognised authority on sustainable laboratory practices. This makes ITC the first FMCG company in India to receive the certification, setting a benchmark for sustainable R&D operations in the country. The achievement reflects ITC's commitment to embedding environmental responsibility in scientific innovation and reinforces its leadership in building sustainable, future-ready research ecosystems.

Green Lab initiative:

Under this initiative, ITC LSTC Chemistry R&D labs have begun a structured transition to ACT (Accountability, Consistency and Transparency)-certified products. This shift strengthens sustainability across the R&D value chain, improves transparency in laboratory operations, and advances low-impact scientific practices.

Digital Capabilities for NextGen R&D:

To enhance efficiency and future-readiness, LSTC is developing and deploying advanced digital tools for quality performance analytics, benchmarking, and stronger quality management systems. Ongoing digitalisation initiatives include a biomass prediction tool for sustainable forestry plantations and automated clonal identification.

Life Cycle Assessments (LCA)

ITC uses life cycle assessments (LCA) to evaluate and reduce the environmental impact of its products and services. Studies have covered major segments including Paperboards, Personal Care, Educational & Stationery, Matches & Agarbatti, and Branded Packaged Foods, helping identify opportunities to lower impacts and assess improvements from new product and packaging designs. These insights have enabled more efficient packaging and better transportation load efficiencies. ITC's packaging teams also use a specialised LCA tool to evaluate packaging options for FMCG products, supporting sustainable packaging development. The findings continue to inform new product and packaging design.

Business	LCAs conducted over the last few years
Paperboards & Specialty Paper	• OmegaBev vio Paperboard (Cradle-to-Gate with end-of life) • CFKE Paperboard (cradle-to-gate) • Recycled Paperboard (cradle-to-gate)
Packaging & Printing	• Atta Laminate Packaging (cradle-to-grave) • Instant coffee sachet (cradle-to-grave) • Pharma Packaging (cradle-to-grave) • Seed Packaging (cradle-to-grave) • Soap Packaging (cradle-to-grave) • Incense Stick Packaging (cradle-to-grave)
Branded Packaged Foods	• Aashirvaad Whole Wheat Atta (cradle-to-grave) • B Natural Mango (cradle-to-grave) • Jars (secondary packaging) of Candyman Fantastik (cradle-to-grave) • Shrink wrap (secondary packaging) of select Aashirvaad atta SKUs (cradle-to-grave) • Sunfeast biscuit trays (cradle-to-grave)
Personal Care	• Savlon Powdered Handwash (cradle-to-grave) • Savlon Liquid Handwash (cradle-to-grave) • Cans of select Engage Deodorant SKUs (cradle-to-grave) • Nimyle Floor Cleaner (cradle-to-gate)
Education & Stationery	• Multiple SKUs of Classmate Notebooks (cradle-to-grave) • Classmate Octane Gel Pen (cradle-to-grave)
Matches & Agarbattis	• Mangaldeep Sandal Agarbatti (cradle-to-grave)

'Sixth Sense' - ITC's AI Powered Tool for Deep Consumer Insights

ITC is advancing digital innovation by investing in emerging technologies and fostering a culture of innovation, exemplified by its Sixth Sense Command Centre, which integrates multi-source data with AI and ML to generate predictive insights that enhance decision-making and marketing strategies. This system enables agile new product development driven by consumer trends, crafting effective consumer offers, real-time personalised content creation and optimize marketing performance by linking offline and online data holistically.

Robust Guidelines for Sustainability-related Product Claims

To strengthen consumer trust and mitigate greenwashing risks, ITC has instituted a robust internal system guided by its 'Guidelines on Environmental Claims' for product and service-related claims. These guidelines require that all environmental claims be verifiable, relevant, specific and understandable, supported by credible substantiation, and framed with clear qualifiers where required. They also emphasise consideration of lifecycle impacts, avoidance of generic or misleading claims, and transparent disclosure of material information to consumers. In addition, all such claims are subject to a structured internal review process, including substantiation by relevant functions and approvals, to ensure that communications are responsible, accurate and aligned with evolving regulatory expectations.

Product Stewardship

ITC's Product Stewardship Approach in Action

Future Ready Platforms for Driving Innovation across ITC Businesses

Healthy & Sustainable Food Products

- Science-based platforms in core health, mental wellbeing and food structure continue to drive healthier foods with superior sensory appeal.
- Research also focuses on reducing salt, sugar and fat without compromising taste, while enhancing nutrients such as protein, fibre, bio-actives and micronutrients.
- LSTC, with the Agri and Branded Packaged Foods Businesses, works to integrate contemporary science across key agri value chains from farm to fork, including wheat, potato, medicinal and aromatic plants, and spices.
- LSTC's state-of-the-art analytical testing facilities help ensure product safety and superior quality.

Sustainable Products in the Personal & Home Care Segments

- LSTC's Personal Care Product Development R&D continues to advance responsible innovation through green formulations that reduce life-cycle energy and water use while ensuring the highest standards of ingredient safety and regulatory compliance.

Agro-Forestry and Crop Sciences

- LSTC's agro-forestry division develops productive plantations and technologies to secure raw material supply, build climate resilience, sequester CO_2, and improve farmer incomes.
- Over the past five years, LSTC has introduced high-yield clones in Eucalyptus, Subabul, Casuarina and Corymbia, raising productivity by over 20%. Last year, it distributed over 10 million clone saplings, sequestering about 237,000 MT of CO_2 over four years and improving farmer incomes.
- Expansion of agroforestry, intercropping and sapling multiplication has also empowered rural women. LSTC's agro-forestry programmes further support ITC's goals by enhancing soil fertility, promoting sustainable forestry, and improving soil health while reducing chemical use through microbial treatment in casuarina.



Sustainable Materials & Packaging

Reduction

Innovations to reduce material intensity, including technologies that significantly lower plastic usage

- LSTC's patented technology introduces gas cells into plastic film, reducing material use by at least 40% by weight without compromising thickness or performance. It also works with films containing over 30% recycled content, lowering virgin plastic use and improving circularity.

Substitution

Development of bio-based, compostable and paper-based alternatives to conventional packaging materials

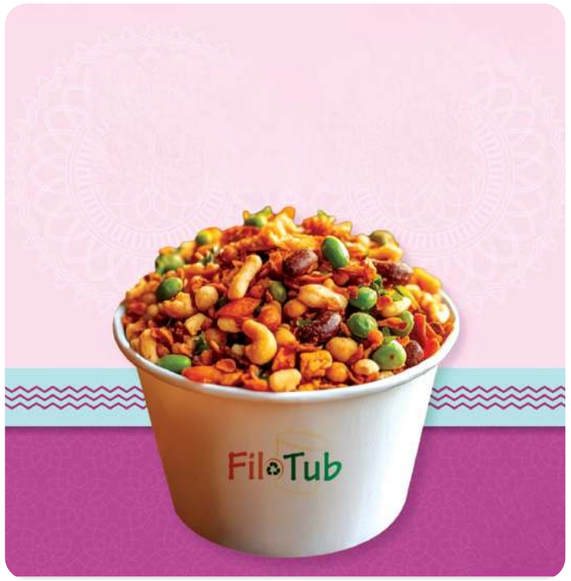
- Paper-based packaging is emerging as a sustainable alternative to plastic, especially after single-use plastic bans. Bio-compostable solutions are now used in sweets, bakery, QSR, ice cream and soap.
- LSTC has developed a cellulosic, water-based coating that replaces PE coatings while providing sealability, oil and grease resistance, water resistance and gloss for diverse paper packaging needs.

Circularity

Increasing use of post-consumer recycled (PCR) materials and enhancing recyclability through mono-material designs

- The team also advanced sustainable packaging by reducing packaging intensity per unit, incorporating post-consumer recycled (PCR) polymers (up to 100% in select SKUs), and shifting to mono-material and recyclable packaging structures.
- Sustainable Plastic Degradation: LSTC and IIT Delhi have developed a novel enzyme to degrade polypropylene and a modified version that works efficiently at room temperature.





Product Stewardship

ITC's Sustainable Product Portfolio – A Snapshot

ITC continues to expand its portfolio of products with sustainability attributes across multiple dimensions:

Sustainable formulations designed for improved health and reduced environmental impact

Responsible sourcing aligned with recognised certifications and sustainable agriculture practices

Sustainable manufacturing processes leveraging renewable energy and efficient resource use

Sustainable packaging with increased recyclability and use of recycled content

Use-phase sustainability

End-of-life solutions including recyclability, compostability and reuse

Product Category/Brand	Sustainability Attribute	Impact
Sustainable formulations		
Nimyle Herbal, Lemongrass Floor Cleaners & Nimyle Nimeasy Natural Disinfectant & Power Cleaner	Neem-based, biodegradable formulations; GreenPro certified	Lower environmental toxicity; safer use in households
Right Shift Nutrition Range	Science-based formulation designed to address the specific nutritional needs of consumers aged 40 and above	Addresses evolving health needs and improves nutritional outcomes
Responsible sourcing		
Aashirvaad Organic Products	Certified organic sourcing (NPOP/USDA Organic aligned)	Supports sustainable agriculture and chemical-free farming ecosystems
Paperkraft Notebooks (FSC®)	FSC®-certified Paper/ Board sourcing	Promotes responsible forestry and traceable supply chains
ITC Agri Value Chains (Wheat, Paddy, Spices, Shrimp, Coffee & F&V)	Rainforest Alliance, Global G.A.P, Fairtrade certifications, Farm Sustainability Assessment, Aquaculture Stewardship Council, Best Aquaculture Practices	Enhances farmer livelihoods and ensures sustainable, traceable sourcing
Sustainable manufacturing		
Personal Care Manufacturing Units	Transition to biomass-based energy systems	Reduced fossil fuel dependence and lower carbon emissions
Paperboards Units	GreenCo Platinum+, ISO50001 (Energy Management) Certified	Industry-leading resource efficiency and reduced environmental footprint
Packaging & Printing Operations	SA8000-certified facilities	Strong social compliance and responsible operations
Use-phase sustainability		
Mangaldeep Lo Smoke Incense Sticks	Reduced emissions during use (~85% lower smoke)	Improved indoor air quality and reduced exposure for consumers
Savlon Powder Handwash	Refill/reuse format enabling bottle reuse	Promotes reuse behaviour
Aashirvaad 'Happy Tummy' Platform	Digital advisory and nutrition engagement tools	Drives informed consumption and healthier usage patterns
End-of-life		
Ecobyte (QSR packaging range)	Compostable, PFAS-compliant alternatives to single-use plastics	Reduces plastic waste and enables safer disposal pathways in QSR applications
FiloOak / FiloOak-Duo	Plastic-free, repulpable packaging using bio-based barrier coatings	Eliminates plastic layers, enhancing recyclability and reducing landfill burden
Filo Series (including FiloBev, FiloPack, FiloBowl)	Fully recyclable and compostable packaging solutions	Enables circularity through recyclability and reduced packaging waste



Product Stewardship

ITC Nimyle Floor Cleaners Achieve GreenPro Certification

ITC's Nimyle Herbal and Nimyle Lemongrass floor cleaners reflect sustainability-led product innovation through science-backed, neem-based formulations designed to meet rising demand for safe, eco-conscious home care. **Both variants are GreenPro certified, endorsed by the World Neem Organisation, and formulated to be biodegradable**.

The GreenPro assessment covers the product's full lifecycle: Raw Material Selection, Manufacturing Process, Product Performance during use, and Recycling / Disposal

Nimyle's neem-powered formulation excludes BKC, chlorine, bleach, and quats, while delivering 99.9% germ protection through 100% naturally derived action. Its industry-first 'no chemical residue' claim further reinforces safety for households, including children and pets.

ITC Nimyle is leading Neem Research through establishing world's first of its kind, Neem plantation of 51 different Neem Ecotypes at ITC's Neemgarh facility. This serves as a research hub on Neem science for studying the Neem biomarkers and properties that impact its efficacy. This endeavour is further strengthened through association with World Neem Organisation and strategic collaboration with academic institutions such as Alagappa University.

The #NimyleCleanEqual Mission deepened stakeholder engagement through school programmes and targeted outreach, embedding purpose-led messaging in the brand while supporting gains in household penetration, brand awareness, and market share across modern trade and e-commerce.

In FY 2025-26, the mission expanded its reach to about 5,000 schools, increasing on-pack GreenPro visibility and extending sustainability-led models across channels.

With this ecolabel, Nimyle offers consumers independently validated assurance of safety, sustainability, and responsible manufacturing at every stage.



Sixth Sense: Innovation in Inclusive and Responsible Products



'Sixth Sense' is an initiative of ITC's Matches & Agarbatti Business that engages the visually impaired community to provide structured fragrance evaluation for the process of Agarbatti product development. **Launched as a pilot in Kolkata and Chennai, 'Sixth Sense' has scaled to seven panels across five cities with 210 trained visually impaired evaluators on an ongoing basis**.

- Fragrance evaluations are conducted monthly at the evaluators' home, supported by periodic training inputs to ensure consistency of articulation and sensory precision.
- The inputs from 'Sixth Sense' panels into fragrance assessment for the Agarbatti portfolio have become an established input to Agarbatti fragrance assessment, with expansion in 2025 to include two panels for fine fragrance development and premium product launches.

Product Stewardship Systems & Processes

Quality Management Systems Across ITC Businesses

Branded Packaged Foods

- All Units are being periodically evaluated against Global Food Safety standards- internally by Central Quality Team, as well as externally by Third Party certification bodies for ISO/ FSSC accreditations.
- All 140 manufacturing locations (including third party manufacturing units) of the branded packaged food manufacturing are FSSC 22000/ ISO 22000/ HACCP certified.
- Suppliers undergo periodic assessment of Food Safety & Quality protocols to ensure process robustness and Food Safety compliance.
- ITC is leveraging recent developments in digitization, by progressively transitioning to digital Quality Monitoring Systems (QMS) and Integrated Operations Management Systems (IOMS) in its manufacturing Units.
- Targeted training programmes are provided to the employees on standards such as FSSC 22000, Food Safety Training and Certification (FOSTaC) through expert agencies.

Refer ITC's Foods Quality and Food Safety' Policy for more details



Personal Care Products

- Co-creation of products with consumers is accomplished through state-of-the-art labs and facilities. It entails generation of scientifically evaluated, objective, evidence-based robust product claims through various National, International standards and customized methods.
- A mandatory safety evaluation process for the product at third-party accredited independent Contract Research Organisations (CROs) is also undertaken and safety of the products is ensured before commercial launch.
- Continual review of products for certification / endorsements by various National / International bodies for efficacy / safety is undertaken for independent verification & enhancing credibility.

FMCG Cigarettes

- New product creation in the Business involves consideration of global and Indian industry developments and is supported by comprehensive research and testing facilities at the ITC Life Sciences & Technology Centre, where laboratories conform to ISO/IEC 17025 standards and are certified by NABL.
- The manufacturing facilities adopt stringent hygiene standards, benchmarked manufacturing practices and robust quality assurance systems, which are also aligned with International Standards like ISO 14001, ISO 45001, ISO 9001 and are third-party certified.

Product Stewardship

B2B Businesses (Agri, Paperboards, Packaging & Printing)

- Product quality is validated across the lifecycle of agri-commodity: procurement, processing, storage and shipment, as per the customers' requirements through accredited laboratory testing prior to dispatch.
- Stringent processes and systems are in place to ensure that the products and services follow their customers' requirements.
- For spices, Agri business has various certifications like HACCP, BRCGS, BRC- FSMA Voluntary module, Sedex, NPOP, NOP, and Halal and Kosher for specific countries. Organic certified raw materials and finished products in spices and F&V value chains are tested for pesticide residue against EU and US MRL standards, with comprehensive quality checks conducted in ITC's in-house NABL accredited and external accredited labs prior to shipment, in line with customer and country requirements.ITC's Paperboards & Specialty Papers Division monitors international and national regulatory framework including US FDA, BRCGS, EU regulations, German BfR, and BIS/FSSAI standards.
- ITC PSPD ensures that its products comply with globally recognized food safety standards. Testing protocols are aligned with standards such as US FDA 21 CFR, EU Regulation No. 10/2011, REACH (EC No. 1907/2006) including SVHCs, LFGB standards, and RoHS Directive 2011/65/EU.
- All paper and paperboard products intended for direct food contact are mandatorily subjected to rigorous food safety testing to ensure compliance with applicable regulatory requirements.
- The factories of the Packaging & Printing Business conform to a range of globally recognized standards, including ISO 9001, 14001, 45001, 31000, SA 8000, Halal, Sedex SMETA as well as BRCGS and Forest Stewardship Council Chain of Custody certifications.
- Packaging & Printing Business complies with international and national food safety regulatory framework governed by US FDA, BRCGS, EU Regulations, BIS/FSSAI rules to ensure compliance with food safety.
- The Chennai unit of the Packaging & Printing business has achieved ISCC Plus certification, a globally recognized voluntary standard for ensuring sustainability in bio-based, circular, and renewable raw materials.
- The Packaging & Printing business has obtained EcoVadis certification for its sustainability and ESG performance.



Product Information, Labelling Practices Across ITC Businesses

Branded Packaged Foods

- Product packs carry ingredient and nutrition information in line with statutory requirements. In addition to mandatory disclosures per 100 g/100 ml and per-serve contribution to RDA, the Business also provides nutritional values on a per-serve basis to help consumers make informed choices.
- Where relevant, additional product information such as test reports and organic certification status is made available through QR codes on pack labels. To enhance clarity on sensitive food additives, ITC also declares the source of all sensitive emulsifiers upfront on product labels.
- Nutritional attributes, such as whether a product is a source of or rich in a nutrient, are also communicated to consumers wherever applicable.

Personal Care Products

- Products comply fully with the Legal Metrology (Packaged Commodities) Rules, 2011, Drugs & Cosmetic Act, Bureau of Indian Standards and the applicable Trade Marks Law.
- The product labelling includes instructions for safe and effective usage wherever applicable.
- Partnership with renowned accredited National & International Testing Laboratories for independent third-party validation of product claims.
- A peer-reviewed formal documentation and approval process is in place for substantiating product claims.
- All fragrances used in products comply with IFRA standards. In line with statutory requirements, any allergens in the product are mentioned in the ingredient list.

Education & Stationery Products

- Labelling on all products follows the statutory requirements including standards specified by Legal Metrology acts and statutory requirements under Plastic Waste Management Rules.
- Relevant packaging materials carry information on plastic types, recycling symbols and embedded recycled content percentage.
- For art stationery products like Sketch pens, BIS standard is followed by the manufacturer which complies with Child Safety norms.
- Business continues to hold FSC® certification (FSC®-C181115). Entire Paperkraft Notebook Portfolio is covered under FSC® labelling protocols, and FSC® labelled products are offered to Domestic and Overseas institutional customers on demand.

Safety Matches & Agarbatti

The Business has introduced product specific claims on packs in select SKUs for consumer awareness such as:

- Communication on long lasting fragrances
- Charcoal free Agarbatti
- Number of quality checks performed on the product

Packaging & Printing

- The products are labelled in accordance with customer specifications.
- Every package has a unique identity (label with a bar code) with traceability information available right from the time of purchase of raw material till it is packed and shipped to the customers' destination.

Agri Business

- Agri Business products are primarily sold on B2B basis, with labelling aligned to customer requirements, quality specifications, shipping marks and importing country regulations.
  - The Business provides phyto-sanitary certificates, surveyor quality and quantity reports as necessary.
  - Products sold through Choupal Saagars are labelled in compliance with statutory requirements.
  - The Business has implemented robust systems for product information and labelling to ensure customer satisfaction. For example, the Aqua Stewardship Council (ASC) logo on product bags indicates sustainable sourcing and 100% traceability, while the Best Aquaculture Practices (BAP) logo ensures safe and sustainable production throughout the seafood supply chain.
- In Leaf Tobacco Strategic Business Unit, the products are labelled in accordance with customer specifications. End to end traceability is maintained by assigning unique traceability codes (Unique Case Code for packed cases, Unique Bale Code for tobacco bales) from raw material procurement to shipment stage.

Product Stewardship

Customer Feedback Management Across ITC Businesses

FMCG Businesses

- A specialised team, 'Team Synthesis', has evolved from a 'Customer Interactions Team' to a 'Customer Experience Team', and further into a 'Stakeholder Experience Management Team.' Rapidly evolving consumer needs are continuously monitored through social listening, in-depth immersions, and structured feedback mechanisms. The insights generated are synthesised and translated into actionable improvements across products, services, processes, and policies. A few key initiatives that demonstrate the above:
- Voice of Customer
- Enhanced Digital & AI Driven Capabilities for Stakeholder Experience: AI powered Knowledge Base, AI enabled Quality Management System (QMS)/Auto QA solution and AI-enabled social listening platform

FMCG Cigarettes

- Independent third-party research agencies are onboarded to capture monthly feedback on brands and products among consumers across key cities.
- A dedicated product feedback cell is in place to receive, analyse and respond to customer feedback and complaints.
- A comprehensive annual survey, which is updated on a quarterly basis, captures feedback from over approximately 2,00,000 consumers across all states in the country.

B2B Businesses (Agri, Paperboards, Packaging & Printing)

- As an integral part of ITC's customer satisfaction philosophy, where applicable, adequate systems for customer engagement have been put in place. Stringent processes and systems are kept in place to ensure that the products follow the customer requirements.
- Customer feedback in Agri Business (Agri SBU) is captured through pre-season engagement with customers, customer visits, leadership interactions with major customers and testimonials.
- For Packaging and Printing Business, customer satisfaction survey is carried out by an external agency periodically to understand performance. The most recent survey carried out in FY 2024-25, which covered customers across all kinds of products manufactured by the Business, found that close to 60% of the customers as promoters (i.e., a score of 9 / 10 out of 10) and around 37% as passives (i.e., a score of 7 / 8 out of 10). Overall, the satisfaction score was around 84%.
- Customer satisfaction survey for paperboard converters in India was conducted in March 2024, highlighting key customer experience insights.

Information Technology

- The survey is conducted among Chief Executives, Senior and Middle Management of client firms, and is based on a structured questionnaire customised for the stakeholder.
- Multiple parameters and business outcomes, including satisfaction, loyalty, advocacy and value for money, are measured.
- The outcomes and insights from the survey are utilised to drive customer engagement and improve service delivery at the organisation, business unit and account level.



Indicative image, generated using AI

Data Privacy and Security

Data privacy is a key consideration for ITC Infotech India Limited. Systems and procedures have been established to ensure compliance with data protection regulations. It has developed a Privacy Policy aligned with General Data Protection Regulation (GDPR) & also focussing on Digital Personal Data Protection Act, 2023, covering all aspects of data privacy with respect to personally identifiable information (PII) and sensitive personal information (SPI). To operationalise the Privacy Policy, a Global Data Privacy framework has been implemented by ITC Infotech India Limited. A designated Data Protection Officer (DPO) is responsible for the implementation and ongoing compliance with applicable privacy laws. Additionally, a Data Breach and Incident Management Policy is in place to manage, mitigate, and respond to a data breach involving personal information. Regular training and awareness sessions are conducted to strengthen employee understanding of data privacy and best practices for handling personal data.

Robust network architecture and information security controls, aligned with industry best practices, ensure compliance with the Privacy Policy. ITC Infotech India Limited has instituted an Information Management Policy aligned with ISO 27001 Information Security Management System (ISMS) to strengthen IT security governance.

Comprehensive data security controls across systems and access, supported by defined backup protocols and rigorous risk assessments, ensure protection of information assets and meet customer requirements are put in place. Stringent risk assessments are conducted to identify vulnerabilities and define necessary controls.

During FY 2025-26, Blazeclan project account was comprehensively reviewed and aligned with regulatory privacy requirements and security standards based on ISO 27001 standards & Data Privacy policies.

During the year 2025-26, no complaint related to Data breach or privacy breach or loss of Personal data was received.

Road Ahead

Going forward, ITC will continue to strengthen its Product Stewardship agenda by scaling science-led innovation, deepening lifecycle thinking, enhancing consumer trust and transparency, and staying ahead of evolving regulatory and market expectations.

- **Sustainable Design & Innovation:**
  Scale science-led innovation through LSTC and expand use of LCA and consumer insights to develop next-generation products and packaging.
- **Product Quality, Safety & Consumer Health:**
  Enhance globally benchmarked quality systems and embed safety considerations across the lifecycle.
- **Consumer Trust & Transparency:**
  Strengthen transparent product communication and expand digital consumer engagement platforms.
- **Compliance & Fair Competition:**
  Reinforce compliance systems to stay aligned with evolving regulatory requirements.

Nutrition

Delivering on ITC's Nutrition Strategy - "Help India Eat Better"

ITC is uniquely positioned to address evolving consumer needs for healthier choices while delivering quality, taste, convenience, affordability, and sustainability. Guided by India's rich food heritage and a strong sense of purpose, ITC Foods Division advances its nutrition strategy, **'Help India Eat Better'**, by developing value added food and beverage solutions that enhance quality of life today and for future generations.

In line with national priorities such as the National Nutrition Policy and POSHAN 2.0, and the long term vision of **Viksit Bharat @2047**, ITC adopts a science led, inclusive, and multipronged approach to address India's double burden of malnutrition—undernutrition, micronutrient deficiencies, and the rising incidence of lifestyle related non communicable diseases. India's consumers are becoming more discerning, informed, and values-driven. Health, once viewed as a premium, is increasingly becoming mainstream. There is growing demand for products that are **health-forward, with distinct benefits, transparent labelling and personalisation**.

Recognising that India's nutrition challenges are complex and multidimensional, ITC Foods Business Division, adopts a **multipronged approach** that integrates value added products through constant food innovation and renovation, sustainable ecosystem, healthier communities and nutrition awareness for consumers & employees.

Through this integrated nutrition strategy, ITC seeks to address undernutrition, hidden hunger, and overnutrition in a holistic manner, while strengthening resilient and sustainable food systems. In doing so, ITC aims to contribute meaningfully to improved nutrition outcomes, stronger public health impacts, and sustainable health benefits.

Read more at
https://nutrition.itcportal.com/HelpIndiaEatBetter/index.html

Material issues addressed in this section

Nutrition; Food Loss and Waste

ITC's Approach to Nutrition

Under its Nutrition Strategy - "Help India Eat Better", ITC has nurtured an ecosystem of a 4-pillar model to support a healthier nation.



The strategy has been developed to create an ecosystem and guide the organisation towards supporting the vision of a healthier nation with value-added product portfolio, sustainable food system initiatives, empowered people and healthier communities. This also includes focus on dietary diversity, obtaining optimal nutrition through balanced diet, meaningful food fortification and leveraging traditional systems of knowledge.

Pillar 1

Value-added products portfolio

A balanced diet and an active, stress free lifestyle are essential for maintaining health. At ITC Foods Business Division, the focus is on developing foods that are value added, prepared to the highest quality standards and suitable for regular consumption as part of a balanced diet. The approach is grounded in updated nutritional principles, consumer insights policy reforms and rigorous quality assurance practices.

Overall, the formulations are assessed holistically, with careful attention to their nutritional composition and a balanced perspective on components to encourage and components to limit. The core constituents guiding new product development and reformulation strategies include:

- Sustainable Nutrition Commitments
- Nutrition Profiling System
- R&D Science and Technology platforms
- Responsible Policies

Sustainable Nutrition Commitments

ITC Foods Division is committed to formulate products with meaningful benefits in terms of wholesome ingredients and components to encourage and those to limit. The meticulous implementation of evolving scientific principles and technological advancements by ITC's research and development teams enables development of such formulations. Further, ITC continues to manufacture value added products by appropriate management of sugars, sodium, saturated fats (in specific product categories), trans-fat free foods portfolio while improving the amounts of fibre, protein, micronutrients like iron, and wholesome ingredients like whole grains, nuts, legumes, dairy etc. These commitments support business' vision to provide consumers with healthier options and enable them to make informed choices.

ITC strives to support health through food with the following:

ITC Foods Division's Product Portfolio Goodness

90+% portfolio provides goodness of protein*

75% products provide goodness of fibre

60% of products provide goodness of wholegrains*

Products with Goodness of Protein

100% of ITC's staples and adjacencies#

95% of ITC's Biscuits portfolio

100% of ITC's Right Shift portfolio

100% of ITC's noodles & pasta

90% of ITC's fresh dairy*

100% of ITC's snacks

Products with Goodness of Wholegrain

98% of ITC's staples

100% of Right shift portfolio

Products with Goodness of Fibre

100% of ITC's Sunfeast Farmlite biscuits

99% of ITC's staples

100% of ITC's Right Shift portfolio

Products with special focus on Goodness of Micronutrients

95% of Right Shift portfolio is source of B vitamins

98% Dairy has goodness of calcium

97% Staples has goodness of iron

80% Right Shift portfolio is source of iron

98% Staples has goodness of B vitamins, magnesium

97% Marie portfolio has goodness of iron, B vitamins, vitamins A & D

100% of ITC Foods portfolio remains trans-fat free, aligned with public health guidance.

*The values are derived considering business relevance, external landscape and industry best practices.

(atta, ready-to-cook chapati, vermicelli, organic Dals)

Nutrition

Pillar 1

Value added ITC Food products

ITC's Foods Division continues to expand and strengthen its nutrition-oriented portfolio across staples, dairy, snacks and convenient formats to provide to its consumers diverse options. Key offerings that support balanced diets, address nutrient gaps and respond to evolving lifestyle needs include:

Aashirvaad



Aashirvaad Atta Range

A range of flours including Atta with High Protein (provides 25% of daily protein requirement in 3 rotis), Atta with Multigrains, Sugar Release Control Atta, Meri Chakki Atta, Gluten Free Flour, Ready to cook Chapatis, Khapli Atta and Namma Chakki Atta—designed to support everyday nourishment, via offering a diversified cereal portfolio catering to differentiated needs.

Aashirvaad Dals

A range of **100% organic dals**, supporting plant based protein intake and dietary diversity.

Aashirvaad Soya Chunks

Goodness of **protein, dietary fibre, calcium and iron**, supporting affordable quality protein access.

Aashirvaad Iron Shakti Salt (Double Fortified Salt)

Fortified with **iodine and iron (25% of daily RDA in 5g salt)**, supporting national efforts to address hidden hunger particularly iron deficiency.

Aashirvaad Salt Active

15% lesser sodium supporting lower sodium intake in everyday diet.

Aashirvaad Svasti

Fresh milks: All fresh milk variants are fortified with vitamins A&D.

Lactose Free milk: Fresh milk especially designed for people with lactose intolerance, fortified with vitamins A&D.

90% Lower Cholesterol Ghee: Made with special 'Lower-Cholesterol Adsorption Process' that reduces cholesterol by 90% (as compared to regular Aashirvaad Svasti Ghee).

24 Organic Mantra



A comprehensive organic foods portfolio supporting clean label choices and naturally nutrient dense foods.

Right Shift for healthy ageing



A dedicated platform offering No palm oil and reduced saturated fat biscuits range- Jaggery Oats Cookies With Almonds & seeds, Jaggery Ragi Cookies With Almonds & seeds, Multigrain+ Atta, High Protein Oats++, High Protein Roasted Mixtures - Navrattan and Khatta Meetha, developed to support healthy aging lifestyle oriented nutrition needs.

Millet Based products



Staples: Aashirvaad

Multi-Millet mix, Atta with Millets, Ragi flour



Mindful Snacking

Farmlite Super Millet Ragi & Jowar cookies, Farmlite 5 grain Digestive High Fibre, Candyman Fantastik Millet based wafers, Bingo Tedhe Medhe.



Biscuits: Sunfeast Farmlite High Fibre Biscuits, Sunfeast Marie Light with goodness of Vitamin D

Includes Farmlite Sugar Free Biscuits, Farmlite Digestive High Fibre, Farmlite Oats & Almonds, catering to fibre needs of consumers and Marie with goodness of Vitamin D.

Beverages



B Natural

Coconut water: B Natural Coconut Water sourced from the finest coconuts and bottled to provide natural hydration.

No added sugar Beverages: Mixed fruit, Guava and Coconut water with litchi.

Sunfeast Breakfast Smoothie



Made with the goodness of Banana, Oats, Almonds, Dates, 4 Super Seeds, with No Added Sugar and 6g Protein. Designed For Mornings On-The-Move, it offers a quick, tasty, and convenient start to the day.

ITC Foods Division's Nutrition Profiling System

ITC Foods Division's Nutrition Profiling System has been developed in the context of evolving India's nutrition challenges, unique food diversity and aligned with global and national benchmarks. The profiling methodology acknowledges the importance of improving diet diversity, value addition through macro and micro nutrients, ingredients promoted in dietary guidelines such as whole grains, multi-grains, nuts, seeds, legumes, vegetables, pulses, millets, dairy along with managing the levels of calories, added sugars, saturated fat, trans fat and sodium in applicable products.

The Nutrition Profiling System (NPS) has been robustly designed under expert guidance, keeping in mind the Indian health status and needs, food patterns, dietary recommendations (World Health Organization (WHO), ICMR-NIN, and FSSAI), aligning with the scientific principles of global profiling systems. The NPS enables assessment of formulations in the ITC Foods Business Division build a progressive roadmap for reformulations in line with its commitment of providing better formulated , sustainable, affordable and accessible product choices.

Refer ITC Foods Division's Nutrition profiling system for more details

Nutrition

Pillar 1

R&D-led Science and Technology Platform Development

In the context of the evolving dynamics of health and wellness, ITC Life Sciences and Technology Centre (LSTC) strives to deliver innovative projects which not only meet consumer desires on better tasting options but also to implement the emerging science-based applications for improving health benefits. These robust research areas are aligned with the business impetus for scale and future readiness. The state-of the-art research along with ITC's value chain from farm-to-fork has been leveraged to deliver differentiated and nutritionally better products. The team of expert scientists empower brands to fulfil their vision of being market leaders by offering suitable food choices to consumers in various emerging domains like healthy ageing, proteins, and metabolic health. Several other technological benefits in terms of differential texture, taste, sensation are constantly being evaluated for possible applications for enhanced consumer experience. Continuous endeavour is also undertaken to minimise the nutrients to limit. The Company also continuously map through ITC's research and development platforms to include newer products including plant proteins which are affordable, accessible as well as in formats that are easy to incorporate in daily diets.

Responsible Policies

ITC Foods Division has instituted a robust set of publicly available policies for guiding its nutrition and product sustainability strategies. These policies are periodically monitored at divisional level and reviewed for their systematic implementation.

The policies include:

- Quality and Food Safety Policy
- Food Products Policy
- Nutrition Policy
- Marketing and Communication Policy
- Labelling Policy
- Policy on Food Loss and Waste
- Nutrition Profiling System
- Nutrition and Public Health Engagement Policy

Refer ITC Policies for more details



Pillar2

Sustainable food ecosystem



Sustainable food production is central to the global sustainability agenda and requires a systems-based approach for accelerating and scaling inclusive innovation that meet the needs of various stakeholders. ITC has always focussed on building sustainable value chains and its approach towards creating a sustainable food ecosystem entail providing sustainable, affordable and accessible food solutions, reducing food loss and waste, and creating an eco-friendly food production system across the value chain including using sustainable ingredients like millets and potatoes.

Affordability & Accessibility Strategy

Pricing of food products can have a significant impact on the level of food and nutrition security impacting undernutrition, micronutrient deficiency and obesity at a population level.

Providing consumers with affordable and accessible healthier products encourages healthier eating behaviour.

ITC Foods Division Affordability & Accessibility strategy includes:

- Innovation and renovation strategies e.g., using locally sourced nutritious ingredients and fortification of healthier portfolio at an affordable pricing to drive better consumption patterns including formulations to drive affordable portions.
- Mapping of category-wise competitive price points to enable mass scale adoption.
- Operational capabilities e.g., local manufacturing, closer-to-market production units, lean processes and digital stores.

Local and wide spread distribution system via traditional and digital platforms.

Healthy Planet, Healthy People

The well-being of the planet is inherently connected to the well-being of people. A better climate means better agriculture and better agriculture means optimum nutrition. ITC supports the purpose of **'Healthy Planet, Healthy People'** by helping reduce the carbon emissions through green and efficient manufacturing and local sourcing agricultural produce such as fruits for B Natural beverages. ITC foods manufacturing includes various primary ingredients which are known to incur reduced environmental burden. Potato, a primary ingredient of Bingo chips, is a **sustainable crop** due to its **low carbon** and **water** footprint. It uses **less land per kg production** compared to most other fruits, vegetables, and cereals. As per United Nations (FAO, 2008) **potato yields** more nutritious food more quickly on less land and in harsher climates than any other major crop: up to **85%** of the plant is **edible** human food. Thus, this **efficient resource use**, makes potato an environmentally friendly choice compared to many other crops. ITC also supports the production and use of traditional millets which are known to be planet friendly with products like Aashirvaad Multi-Millet mix, Aashirvaad Ragi flour, Sunfeast farmlite Super Millet range.

Nutrition

Pillar3

Healthy communities

In line with the national health priorities, strategies, programs and the Sustainable Development Goals (SDG 2030), ITC Foods Division works towards developing a robust framework of appropriate stakeholders and engages in various community-centric health initiatives. ITC's focus through these initiatives has always been to improve the overall quality of life of people, address the community level challenges and needs of the vulnerable segments of population, and bring positive changes in health, livelihood, and the environment.

These initiatives focus on nutrition awareness and overall wellbeing, education, women empowerment, environment sustainability and food safety.



A summary of initiatives undertaken by ITC Foods Business during the year is presented below:

ITC Foods Business CSR Programmes – Coverage and Impact

Public Health (Nutrition and Physical Activity)

Samposhan

(Completed 5 years)

Community based Education Intervention to improve knowledge, Attitudes, and Practices w.r.t Social Norms for Anaemia in the communities.

States
Uttar Pradesh
Karnataka

SDGs
3 GOOD HEALTH AND WELL-BEING

Initiatives & Interventions

Reached beneficiaries through a combination of community-based awareness, education, and nutrition interventions, alongside the technical expertise of valuable knowledge partner like the Institute of Medical Sciences, BHU.

Core interventions included interactive educational sessions delivered through scientifically designed Information, Education and Communication (IEC) materials, *nukkad nataks*, wall paintings, engagement with frontline workers and dietary interventions by reinforcing the importance of a balanced diet, iron rich foods and the use of double fortified salt.

The project marked a significant milestone with the celebration of *"5 Saal Bemisaal,"* commemorating five years of programme impact.

This included a Stakeholder Consultation Meet with government officials, academic institutions, development partners, community representatives, frontline workers, and youth leaders, providing a platform to showcase field-level success stories and discuss pathways for future scale-up and long–term sustainability on iron deficiency management.

8,00,956
Beneficiaries in (Bengaluru & UP)

Public Health (Nutrition and Physical Activity)

Aashirvaad Smart India Program

Large scale, **community based educational initiative** improving awareness **about iodine and it's impact on IQ**, promoting **iodine rich foods** among households and schools

States
AP
Telangana
Karnataka

SDGs
3 GOOD HEALTH AND WELL-BEING

Initiatives & Interventions

Created widespread awareness at the community level through Iodine Sabha, focused group discussions, Iodine corners, wall paintings, street plays, quick, home based tests to check iodine content, Global Iodine Deficiency Disorders Prevention Day (GIDDPD) and national education day celebration while leveraging digital platforms to extend key message.

Through a well integrated mix of education, community mobilisation, and practical interventions on identification of adequate iodisation, the programme has contributed to enhancing awareness on iodine and supporting healthier dietary choices.

38,66,247
Beneficiaries

Aarogyam Aanandam Aaashirvaadam

To increase knowledge, change attitudes, and practices of whole grains and its flour as part of a balanced diet.

States
Tamil Nadu

SDGs
3 GOOD HEALTH AND WELL-BEING

Initiatives & Interventions

This initiative engaged with 2050 people to understand their knowledge and awareness on wholegrain and to assess their dietary consumption pattern. Workshops with Nutrition college students were done to develop tools to increase the consumption of whole grains. 40000 people were trained on the importance of whole grain consumption and their health benefit. In collaboration with PFNDAI and experts in the field, a scientific white paper was launched on 'Opportunities with Whole Grains to Support Metabolic Health Among Indians: Evidence Mapping.

40,000
Beneficiaries

Sunfeast Bounce of Joy

Enabling sports training to underprivileged school children, fostering holistic development

States
Uttar Pradesh
Bihar
Jharkhand

SDGs
4 QUALITY EDUCATION

Initiatives & Interventions

The initiative engaged more than 1,00,000 students from 250 schools, along with over 1 lakh community members who actively participated in organised sports and fitness activities across three states. Over 400 intra school and inter school tournaments were conducted during the year, providing children with regular opportunities for learning, teamwork, and physical development. To strengthen on-ground impact, PE teacher trainings were done, sports kits were distributed and wall paintings carrying messages on the importance of sports and well being were created across all participating schools.

2,00,000
Beneficiaries

Nutrition

Pillar 3

Food Safety Swasthya Pradesh

Swasthya Bengal & Swasthya Andhra

Engage community, especially women through various multidimensional sensitisation activities and formation of peer educator groups that will create effective awareness on adulteration in spices and it's impact on health.

States
West Bengal
Andhra Pradesh

SDGs

Initiatives & Interventions

Created cohort of dedicated peer educators *Pradhan Suraksha Sakhi's* and trained them on food safety and home- based food adulteration tests. These *Pradhan Suraksha Sakhi's* spread awareness among vulnerable women/households of society.

The programme has not only empowered these women to make better choices while purchasing food/spices for their households but also given them a purpose to make difference in their lives as well in society.

16,986
Beneficiaries in West Bengal

40,740
Beneficiaries in Andhra Pradesh

Umang

Enhancing food safety practices among cooks and caterers

States
West Bengal

SDGs

Initiatives & Interventions

Created awareness in the catering community about food safety and hygienic standards as per FSSAI guidelines.

Provided FOSTAC and Skill India certification

The programme also helped build awareness about the critical role FSSAI plays in the food safety control systems of the country.

5,200
Caterers

Samarthya

Nurturing a self-sustaining, women-led enterprise, by amplifying the economic gains achieved so far and also embed long-term resilience and self-reliance within the community of papad-rolling women in Bikaner.

States
Rajasthan

SDGs

Initiatives & Interventions

Expert led training on food safety, quality, hygiene, digital financial literacy etc. Established women led FPOs, workshops to enhance understanding of business models.

Transitioned operations successfully to Producer Company Limited, strengthening institutional sustainability.

Secured new industrial collaboration to diversify product opportunities.

140
Women

Sustainability

YiPPee Better World-1

The program aims to raise awareness, inspire behavioural change, and build capacity among students on the issue of plastic waste.

States
23 states

SDGs

Initiatives & Interventions

Created awareness about the harmful effects of plastic waste and promote sustainable practices such as reducing plastic consumption, recycling, and reuse. Also, conducted Science fairs on how to reuse/reduce/recycle waste.

Direct Engagement (DIY Sheets): 5,50,000 unique students across 24 states.

Agastya Virtual School (AViS): 3,500 schools in 17 states reaching 5,25,000 unique students.

Agastya Volunteer Program (AVP): Onboarded 15,000 volunteers to deliver creative, hands-on sessions benefitting 5,40,000 students nationwide.

Acti-Learn Workbook: Reached 4,00,000 students nationally.

5,85,000 students were reached through the digital platform.

Schools covered 10,881.

26,00,000
Students

YiPPee Better World -2

Support migrant women from lower socio-economic strata in their entrepreneurial journey by providing financial support and technical know-how to setup Food Consumption Outlets

States
Delhi-NCR
Rishikesh

SDGs

Initiatives & Interventions

Structured refresher and capacity-building sessions for beneficiaries in Delhi NCR that reinforced knowledge on food safety, hygiene practices, and standardised food preparation.

Trained women on vocational skills (including food-related and safety/hygiene related skills), including business management, entrepreneurial skills, socio-emotional skills.

FOSTAC certificate training covering Food safety and hygiene was provided to women.10 Food carts also provided to women post trainings.

The programme has provided better livelihood opportunities to these women.

90
Women

Nutrition

Pillar 3

Case Study

ITC Sunfeast Bounce of Joy Programme

Mansi, a 15-year-old girl from Shahpur, Noida, always dreamed of playing football. Her mother works in a school in a small support role, and due to financial constraints, the family could neither afford sports equipment nor enroll Mansi in a football coaching centre. Despite her strong interest, professional sports remained out of reach.

This changed when the **ITC Sunfeast Bounce of Joy Programme** began community-level sports activities in Shahpur. For the first time, Mansi received structured football training, regular practice, and encouragement from trained Youth Coaches of the Sashakt Foundation. She participated enthusiastically in every game, gradually building her skills, confidence, and discipline.

During these sessions, the Youth Coach recognised her potential and informed her about trials at a football academy - The Sports Company – Youth Football Coaching & Sports Academies for Champions - mytribe. With guidance and support, Mansi appeared for the trials and successfully cleared them. She soon received an offer to join the academy—**completely free of cost**.



> **Mansi shares with gratitude**
>
> Mujhe football bahut pasand hai, lekin paise ki wajah se kabhi coaching join nahi kar paayi. Bounce of Joy ne mujhe sikhne ka mauka diya aur Youth Coach ne academy ke trials ke baare mein bataya. Aaj main academy join kar paayi hoon, wo bhi bina fees ke. Main dil se ITC aur Sashakt Foundation ka dhanyavaad karti hoon."

Today, Mansi is a proud football academy trainee. What once felt impossible due to financial limitations has now become a reality. Sports has opened a new pathway for her growth and dreams.

The Bounce of Joy Programme, funded by ITC and implemented by the Sashakt Foundation, brought a positive change by connecting community-level talent with professional opportunities.

Case Study

Samposhan

As part of **Project Samposhan**, Pinki, a school going adolescent, experienced a meaningful transformation through timely nutrition awareness and community based intervention. Prior to her engagement with the programme, Pinki frequently experienced weakness and fatigue, which affected her concentration and interest in her studies.

The change began when **Reema Didi**, a field facilitator under Project Samposhan, conducted group education sessions for adolescents focusing on anaemia management, personal hygiene, diet diversity, and the importance of iron, folic acid supplementation. These discussions not only improved understanding among the participants but also encouraged open conversations with families about adolescent health.

Following the sessions, Reema Didi facilitated **haemoglobin screening for Pinki**, in consultation with her mother. Based on the results, Pinki was provided with **iron–folic acid tablets** through coordination with the local **ASHA worker**. Alongside supplementation, she was counselled on dietary improvement. This included practical guidance on adding affordable, iron-rich foods to daily meals, such as incorporating green leafy vegetables into curries, consuming pulses regularly, and pairing iron-rich foods with vitamin C sources to enhance absorption. With consistent intake of supplements and improved dietary practices, Pinki's experienced renewed energy. As her physical well being improved, Pinki also developed a greater interest in her studies and classroom activities.



This outcome demonstrates the impact of **community led nutrition education, early screening, and integration with existing public health systems**. Project Samposhan continues to enable such life changing interventions by strengthening awareness, empowering families, and addressing iron deficiencies among vulnerable adolescents.

Nutrition

Pillar4

Employee and Consumer Awareness

To enhance the nutrition knowledge and healthier lifestyle practices amongst its entire workforce and consumers, ITC Foods Division undertakes multiple initiatives to enable them to make informed choices.

Supporting HR programmes towards workforce wellness, there are credible commitments in regards to nutrition, health and wellness, affordable and healthier food options at work, free health checks, access to healthcare experts and nutritionists. In alignment with these commitments, various activities are undertaken to enhance the overall health and wellbeing of its workforce across locations.

Refer Help India Eat Better on ITC Portal for more details

ITC Nutrition Portal

ITC Nutrition portal is a responsive and easily navigable site that is aligned to ITC's commitment to support 100% employees on their journey towards leading an active and healthy lifestyle and helps consumers deepen their knowledge on health and nutrition and make informed choices. The site hosts science-based information on basic nutrition, health and lifestyle management, general wellbeing and population status data of health and nutrition indicators.

Employees also have access to an interactive nutrition module hosted on this site and encourages all employees to be NutriChamps.

Refer Nutrition on ITC Portal for more details



National Nutrition Month

In support of the Government of India's flagship nutrition initiative, *POSHAN 2.0*, ITC annually observes *Rashtriya Poshan Maah* (National Nutrition Month) in September to drive awareness on critical nutrition and public health priorities. This month long engagement reflects ITC's commitment to fostering healthier lifestyles through knowledge, awareness and preventive action.

During the year, POSHAN Maah activations focused on key themes such as protein, healthy ageing, gut health, Weight management, workplace wellness. A series of employee centric initiatives were undertaken, including body composition analysis (BCA) camps, which enabled employees to gain deeper insights into their health status and nutrition needs. These were complemented by nutrition quizzes and awareness session to encourage informed lifestyle choices. To amplify outreach and reinforce key messages, nutrition and wellness content was disseminated through external digital platforms, extending impact beyond the workplace.

A series of factory level seminars were conducted at ITC factories enabling direct engagement with employees on priority public health topics. Canteen menus of ICMLs were extensively reviewed by experts and aligned with national dietary guidelines. ITC remains committed to actively participating in such national nutrition movements and will continue to guide and empower its employees to adopt healthier, more informed lifestyles in alignment with public health priorities.



Happy Tummy

Digestive health is a vital aspect of overall well being. Through the *Happy Tummy initiative*, ITC is committed to empower consumers with credible, science based information on the role of dietary fibre and its strong association with digestive health. The consumer driven *Aashirvaad Atta* with *Multigrain – Happy Tummy* digital platform serves as a comprehensive knowledge and engagement hub, designed to enable informed food and lifestyle choices.

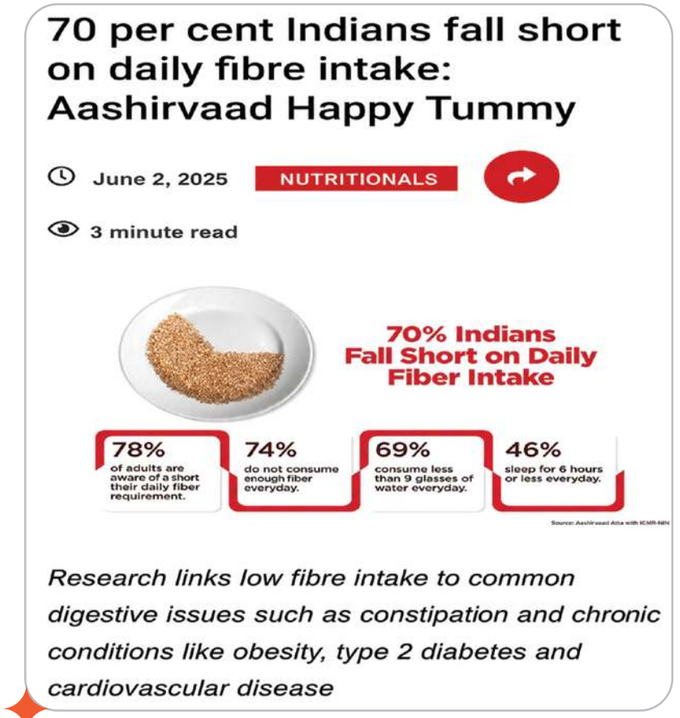
The platform offers a suite of simple, intuitive and scientifically validated tools, including the Digestive Quotient (DQ) test, Fibre Meter, high fibre recipes, expert led content, interactive FAQs, and *Happy Tummy GPT*. Together, these tools help consumers assess their digestive health, identify gaps in fibre intake, and access reliable expert guidance on nutrition and well being.

The initiative has reached and sensitised lakhs of consumers, raising awareness on fibre consumption and offering practical, easy to adopt solutions to incorporate fibre in everyday balanced diets in appropriate forms and quantities.

Content led engagement remained a strong focus of the platform. Over 650 user focused blogs, including content in regional languages, were published with expert authorship, supported by infographics and enhanced readability formats. The platform also witnessed strong consumer participation, with approximately **4.6 Lakhs** Fibre Meter assessments and personalised meal plans download, and over 12 lakh consumers undertaking the Digestive Quotient (DQ) test.

This year on the occasion of *World Digestive Health Day*, ITC Foods Division also released key findings from the *Happy Tummy* consumer survey, covering insights from over **8 lakh** respondents, to drive broader public awareness on digestive health and nutrition.





Nutrition

Pillar 4

In addition, two dedicated educational sessions on anaemia were conducted during the year—one integrated with a blood donation camp and another focused-on women's health in collaboration with the ITC Ladies Social & Welfare Society. These sessions addressed key aspects of women's health and highlighted anaemia as one of India's most prevalent public health concerns. The discussions covered the prevalence of anaemia in India, associated symptoms and diagnostic cut off levels, with particular emphasis on the critical role of iron during pregnancy and across the life cycle. Evidence based approaches for the prevention and management of iron deficiency anaemia were shared, including the importance of iron and folic acid supplementation, recommended dietary allowances (RDA) for iron, practical guidance on iron rich food sources, and simple dietary practices that enhance iron absorption.

In alignment with the World Health Organization's theme for World Health Day, ITC Foods Division also undertook a focused engagement at digital and social media platforms aimed at advancing awareness on maternal and child health. These initiatives were complemented by an academic interaction at Delhi University on theme ***"Role of Dietary Fibre in Health"***, aimed at strengthening awareness among young adults on the link between diet quality and long term well being. Through these multi channel engagements, ITC continues to strengthen awareness on public health priorities, promote informed nutritional choices, and contribute to healthier communities in alignment with national and global health goals.

Road Ahead

Aligned with its Sustainability 2.0 Vision, ITC's nutrition strategy is focused on:

Strengthening a future ready product portfolio through responsible innovations and renovations that are affordable, accessible and sustainable, while addressing evolving consumer health and nutrition needs.	**Enabling informed consumer choices** by providing transparent, credible and science based nutrition information to support healthier lifestyles.	**Extending outreach to communities** through purpose led brands and public health oriented initiatives aligned with national health priorities.







Workforce for Tomorrow

ITC's Approach

ITC believes that sustained long-term value is created through organisational vitality reflected in the power of innovation, strong connectedness with consumers and customers and excellence in execution. Such vitality is best nurtured in an enabling environment of empowerment and accountability to harness the full potential of ITC's human capital.

In a volatile, uncertain and intensely competitive environment, it is ITC's human resources that provide the driving force in ensuring that the Company continues to deliver world-class performance and enhance its reputational capital. ITC, therefore, focuses its efforts and human capital investments on sustaining its position as one of India's most valuable employers, strengthening workforce engagement, fostering a competitively superior, performance-driven culture and building a Future-Tech enterprise with investments in purposeful consumer-centric innovation, technology, a digitally enriched smart ecosystem and sustainability.





Material issues addressed in this section

Diversity, Equity and Inclusion; Learning and Development

Focus Areas

- Nurturing Leaders of Tomorrow
- Fostering Employee Engagement: The ITC Way
- Embracing Diversity, Equity and Inclusion
- Upholding Human Rights



Together, these elements create a strong collective vitality, reflected in excellence in strategy formulation and execution. ITC's Human Resource systems and processes governing talent selection, performance management, capability building, employee relations, recognition, rewards, employee well-being, play a critical role in enhancing this vitality and delivering on its talent promise: 'Building Winning Businesses, Building Business Leaders and Creating Value for India'.

ITC's distributed leadership approach, balances empowerment with accountability, enables it to pursue multiple drivers of growth, in a manner that remains true to the Company's values, while encouraging an entrepreneurial spirit, promoting execution excellence and attracting the finest quality of talent.

In FY 2025-26, **ITC employed 34,589 full-time employees,** of which 1,832 in the Leaf Tobacco Business were engaged on a seasonal basis owing to the nature of the business. During this period, approximately 26,133 service provider employees were also engaged with ITC, following applicable statutes. **Total New hires for the period were 9,785 employees**.

Nurturing Talent for Tomorrow

ITC's vision of building winning Businesses and nurturing Business Leaders, underscores its commitment to creating new engines of growth while strengthening its existing Businesses. It focuses on developing a strong pipeline of high-quality leaders, anchored in delivering value for all stakeholders. ITC's talent development practices are designed to create, foster, and strengthen the capability of human capital to deliver critical outcomes on the vectors of strategic impact, operational efficiency, and capital productivity, while reimagining consumer experience, business model transformation, and employee experience.



Talent sourced from premier Institutes is positioned in high-impact roles that enable early development of functional expertise and leadership capabilities. These roles facilitate individuals to develop deep functional expertise early in their careers through immersion in complex problem-solving assignments that require the application of domain expertise.

Such talent collaborates closely with senior leaders and receives mentorship through programmes like *iConnect*, *Launch Pad,* and the *Young Managers' Committee*. Engagement platforms such as Studio One Xchange (interaction with the Chairman), *Let's Talk and Make A Difference*, *Sunbean Conversations*, and Townhalls create meaningful connections with leadership. These forums enable idea-sharing, strengthen understanding of the Company's strategic direction, and support individual growth journeys. Complementing this is a remuneration approach that is performance-driven, market-aligned, long-term oriented, and recognises outstanding contributions.

Fostering Employee Engagement: The ITC Way

Performance and Retention

To strengthen the culture of accountability and performance, the principles of 'management by objectives' are reflected in ITC's performance management system. Clearly defined objectives, key result areas aligned to Business Plans, and assessments based on measurable outcomes provide a sound foundation to drive and sustain high performance. Market-competitive, performance-linked remuneration further strengthens a meritocratic culture and aligns rewards with results.

In FY 2025-26, overall attrition* across management, and non-management employees was 14% (4901 separations) with 13% for male and 20% for female employees.

During the year, 949 (248 females & 701 males) were due to return from parental leave, of which 946 re-joined resulting in a return-to-work rate on parental leave of 99.6%, (100% for males and 99% for females). The retention rate for employees who availed of parental leave stood at 73%. (72% for male and 63% for female employees).

*Voluntary separation, retirement, termination and abandonment of services of permanent employees.

Workforce for Tomorrow

Learning & Development

ITC has built a culture of continuous learning, innovation and collaboration though cutting-edge learning and development support that **strengthens competitive advantage and helps employees realise their full potential**. The emphasis is on experiential learning through on-the-job assignments, a supportive environment and promoting learning agility. The Company has a structured Developmental Planning System that ensures equal access to skills and capability-building opportunities. ITC has identified four capability vectors to build future-ready Businesses: Business Critical Strategic Competencies, Leadership Development, Organisation Identity and Pride, and Diversity, Equity and Inclusion.

Employees are offered best-in-class learning and development support comprising a blend of learning formats - classroom, gaming, online, coaching, mentoring and on-the-job training. Programme content integrates multiple formats with business-critical application projects.

Customised programmes led by reputed global and domestic faculty, along with enriching roles and strong infrastructure, foster a high-performance culture and enduring commitment.

Some key programmes undertaken to sharpen the strategic competencies include: Marketing Compass and ITC Advanced Marketing Workshop (Brand Marketing), Business Planning (Formulation and Execution of Strategy), Building application focused skills in Data Science and Analytics, etc. Programmes including ITC Executive Coaching Program, Orchestrating Winning Performance, Business Leadership Program, ITC Young Leaders' Program, provide leadership inputs across career stages. ASCEND is a marquee programme tailored for senior women managers, strengthening Diversity, Equity & Inclusion. 'Leadership Compass' focuses on reflection and co-creation, reinforcing leadership behaviours of integrity, collaboration, agility, and accountability.

The ITC Centre of Learning and leading MOOC platforms provide on-demand access to critical e-learning programmes.

In FY 2025-26, 1,75,904 person-days of formal training was provided to permanent and other than permanent employees, collectively, across the Company. The average training hours per employee were 23.2 hours.

The Company has made significant investments in building digital capacity, recognising its transformative potential across Business value chains.





Employee Well-being

ITC offers comprehensive benefits such as periodic preventive health check-ups, medical assistance (including hospitalisation), group accident insurance, annual leave with leave encashment, flexible working policies, maternity leave, retirement benefits, employee assistance programmes and employee counselling programmes.

To prevent occupational diseases and accidents, the Company drives awareness through focused initiatives and ensures robust ergonomics and safe practices across all workspaces. Most of ITC's Units have a health centre and resident doctor.

LivingWell+ is a digital app-based platform delivering holistic physical, mental, and emotional health support through curated, accessible interventions. Initiatives such as Furofit, Wellathon (wellbeing movement), Virginia Cup (Annual Sports Day), promote wellness by fostering participation, camaraderie, fitness, and employee morale. In addition, parenting programmes and career counselling sessions for employees' children support holistic wellbeing. Employees also receive dietary guidance through wellness platforms to support healthy lifestyle choices.

ITC employees actively engage in ITC's Social Investments Programmes in the catchment areas of their Business Units. These initiatives contribute to both community development and personal fulfilment.



Workforce for Tomorrow







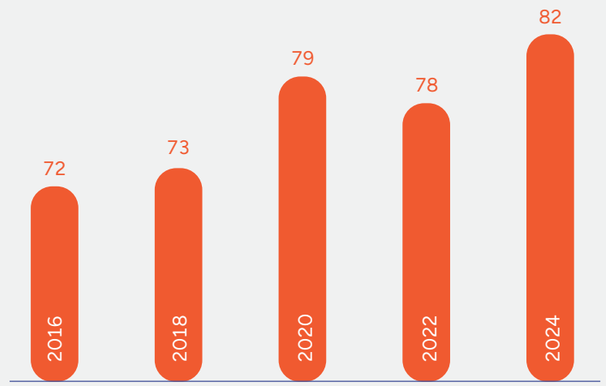
Employee Voice and Engagement

Since 2016, ITC made a concerted effort to assess and improve engagement. The impact was visible in the consistent improvement of Engagement, Performance Enablement, and Managerial Effectiveness measures over the years. The last conducted biennial survey in 2024 points to continued high engagement levels and consolidation of the gains achieved in the past.

The Company's Employee Engagement scores have significantly improved over the last 8 years.

Highlights of the Survey are as under:

Employee Engagement Index



During the year, engagement initiatives were strengthened through enhanced leadership communication, recognition programmes, career and development conversations, and investments in employee wellbeing. Leadership interactions via Town Halls, skip-level meetings, and senior engagement—supported by strong recognition platforms and a performance management system aligned to business plans—collectively improved engagement across the Company.

Recognition platforms such as Recognize Awards @PSPD, ITD Applause, Value Awards, Inclusive ChangeMaker Awards, Applause & Bravo Awards, Warriors of West, PRIDE Series, Miles2Smiles, IGNITE, Concours, Inclusive Change Maker Award, and Excellence in Marketing Awards acknowledged the exemplary contributions of employees in idea generation and execution.

Intensive employee communication, explaining ITC's strategies and approach on key issues was carried out through various employee outreach programmes such as 'Town Halls' by the Chairman, CMC Members and by Chief Executives within Businesses, skip-level meetings and interactions in small groups.

Career Conversations are now an integral part of the performance management system and help shape employee careers. 'Reflections 360', a development intervention seeking feedback on managerial work styles from a manager's internal eco-system, was expanded to cover more leaders across the Company.

Awards and Accolades

ITC's Cigarettes Business achieved a **Distinction in HR Excellence** at the CII HR Excellence Awards with its highest-ever score, ITC's Foods Business was recognised at the EFI CII National Awards and won the Association for Talent Development (ATD) Excellence in Practice Award 2026 for Change Management.





The Agri Business Division was honoured **with FICCI's Women Empowerment Award 2025**, under the category, Impactful Care Ecosystem for Employees.



ITC's Foods Business was recognized for Excellence in Employee Relations, by **EFI-CII National Awards for Excellence in ER, 2025**

ITC Foods Business Division was recognised as Winner of the **CII–EFI National Award 2025 under the category – Inclusive Workplace Excellence**



Workforce for Tomorrow

What some of ITC's trailblazers have to say about their experience

Sab Saath Badhein" – how true ITC is to its core philosophy! ITC as an organisation drives everyone's growth and development. Numerous lives transformed, diverse & inclusive outlook and employee wellbeing at its core. Vast learning and many opportunities through my journey in the organisation has been professionally and personally gratifying."

Srilekha Kumar, Senior Manager, Quality Team (Staples & Adjacencies) – Foods Business Division

ITC has been a place where I've not only grown professionally, but also discovered a deeper sense of purpose. What stays with me every day is the sincerity with which people care—for each other, for our communities, and for the future we are building together. Being part of this journey has been profoundly meaningful."

T Usha Rani, Deputy General Manager – Plantations, Paperboards & Specialty Papers Division

My time at ITC has been shaped by the people whose lives touch ours—the farmers, families, and communities we work with. Their strength and resilience have inspired me in ways I never expected. This experience has given me not just a career, but a sense of belonging to something larger than myself."

Babita Sharma, Head of Department, Security & Admin, Paperboards & Specialty Papers Division

What I value most about ITC is the trust it places in its people. That trust has shaped my confidence, my growth, and my sense of responsibility as a leader. I've found a workplace where challenges are met with support, and where every step forward feels shared and celebrated."

Dr. Pavitra Kotari, Associate Scientist, Life Sciences and Technology Centre

I am truly grateful to be a part of such a supportive and growth-oriented company. I have a high level of honour for ITC's commitment in soil & climate change programmes to bridge the gap between research and practical application in agriculture, ultimately ensuring long-term resilience for our ecosystems and improving the socio-economic status of the poor farmers."

Dr. K. Mahavishnan, Senior Lead Scientist, Life Sciences and Technology Centre

Working at ITC has been truly transformative, with its inclusive and forward-thinking culture fostering learning and growth. ITC's philosophy of sab saath badein resonates well with my work towards farmers economic upliftment and gives immense pride for contributing to larger national priorities."

Akshaya Lanka, Associate Manager – Technical, TSBU, Agri Business Division

At ITC, I have always witnessed an inclusive culture where different perspectives are encouraged and embraced. People are respected and empowered to contribute their unique perspective which sets the stage for collaboration, innovation, creativity and ultimately sets the stage for success."

Rajeev Jha - Senior Manager - Operations, Fresh Food Business

ITC is an organisation where forward-thinking leadership drives both performance and purpose. I'm proud to be part of an organisation that not only leads in excellence but also sets a benchmark for responsible industry transformation."

Shilpi Sahay Choudhury, Vice President– HR, Paperboards & Specialty Papers Division

ITC offers a true experience of women empowerment through equal opportunities, leadership support and a culture that values every voice. It's inspiring to be part of a workplace where diversity isn't just embraced – it's celebrated."

Anita Sharma, Lead Crop Advisory, ITCMAARS, Agri Business Division

Diversity, Equity & Inclusion

The Company is committed to enhancing gender diversity and participation of the differently-abled in the workforce, and where needed, will undertake supportive actions in the spirit of equity at the workplace. Such concerted actions span three vectors, namely:

- Representation
- Inclusion & Enablement
- Commitment and Assurance

ITC's approach to Diversity, Equity, and Inclusion is grounded in the belief that a diverse workforce enriches perspectives, fosters innovation, and strengthens value creation for all stakeholders.

The Company ensures a workplace free from discrimination across compensation, training and employee benefits – irrespective of caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority group. ITC is an equal-opportunity employer, where compensation or career advancement decisions are solely based on merit and ability.

ITC is committed to enhancing gender diversity and inclusion of the differently-abled in the workforce, supported by equitable workplace practices. A range of policies and initiatives—including flexible work arrangements, extended childcare support, secure transport, inclusive benefits, enabling infrastructure, sensitisation programmes, and Employee Resource Groups—create an environment that advances DE&I goals. Focused programmes also support women through maternity and career transitions, strengthening participation across roles.

Targeted development and wellness programmes for women managers further reinforce the Company's commitment to advancing inclusion and capability building.

To enhance women representation across responsibility levels, several measures have been initiated:

- Women leaders act as mentors and exemplars. Women leaders across pivotal roles in Sustainability, Brand Management, Corporate Communications, Legal and Human Resources demonstrate the Company's commitment towards developing and nurturing women in leadership roles.
- Tailored development programmes support women managers in navigating professional and personal responsibilities.
- ITC's flagship programme, ASCEND delivers a transformative experience through immersive workshops, one-on-one coaching and guided practice sessions
- Strengthening retention through policies such as flexi-working, child care travel support, child care leave. These policies support work-life integration.
- Project 60 aims to build digital capability for women managers through curated learning in GenAI, Statistics & Data Analytics, Digital Transformation and Data Visualisation.
- The Inclusive Manager workshop builds awareness around behaviours supporting gender, inter-generational and regional diversity, while also addressing unconscious bias and reinforcing equity, role-modelling and inclusive leadership behaviours.

The Inclusive Leadership Masterclass builds awareness and empathy for equitable workplaces, focusing on unconscious bias, psychological safety and diverse perspectives in decision-making, and equips participants to foster inclusive cultures and address systemic barriers.

ITC's Life Sciences and Technology Centre is an exemplar of gender diversity with 49% of its workforce being women.



Workforce for Tomorrow

Related Policies / Steps to Support Diversity, Equity & Inclusion

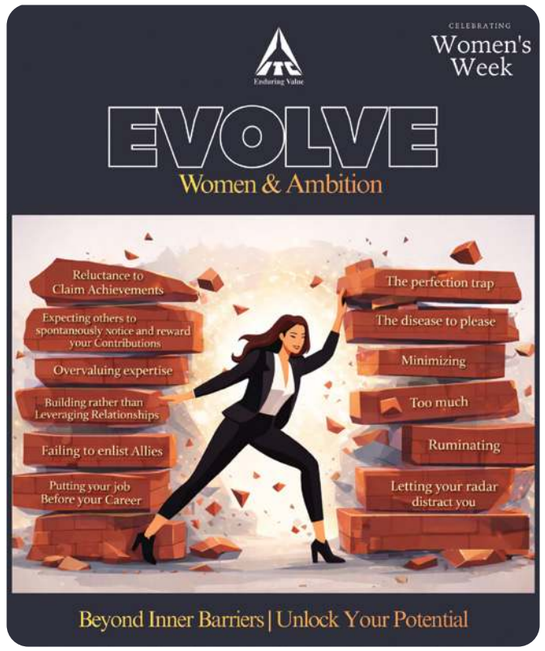
Prevention, Prohibition and Redressal of Sexual Harassment: The Company has put in place processes and mechanisms to address sexual harassment effectively. Employees undergo sensitisation on diversity and inclusive behaviour, with internal redressal committees in place across Businesses. During FY 2025-26, 7 cases of sexual harassment were raised and all 7 were resolved.













Encouraging Women in Manufacturing

ITC's Foods Business Story:

ITC's food manufacturing units are increasingly enhancing women's participation on the shop floor. At the ICML in Pudukkottai, Tamil Nadu, over 1,600 women are employed, accounting for approximately 70% of the workforce. At Mysuru, Karnataka, women comprise nearly 46% of the workforce and are deployed across all shifts. Women represent 37% of the workforce at the Guwahati ICML, and 55% and 57% at the recently commissioned units in Medak, Telangana and Khordha, Odisha, respectively. At ICML Kapurthala, women constitute 28% of the workforce and are deployed across all shifts.

These facilities are equipped with state-of-the-art manufacturing infrastructure and ergonomically designed equipment to support women's participation on the shop floor.



As a confidence-building measure, women employees and their families undergo a comprehensive orientation on the day of joining. The factory leadership engages with them to explain Company policies and practices related to health and safety, quality, and employee benefits.

To further strengthen confidence and capability, training visits are organised to other women-majority ICMLs. Institutional support is reinforced through employee welfare amenities such as creches, 24x7 health centre access, and secure transportation with vehicles equipped with cameras, GPS, and panic buttons. In addition, industry–institution partnerships are developed to strengthen talent pipelines.

Communication and participation platforms—such as employee committees, Town Halls, and access to welfare assistants (ERGs)—enable effective resolution of concerns and grievances. ICMLs also conduct wellbeing initiatives, occupational health sessions on women's health, gender sensitisation, and POSH workshops. Outreach to schools and colleges further builds awareness and supports future talent pipeline.



Workforce for Tomorrow



Couple's workshop held at Pudukkottai



Unnati Program - Multi-faceted wellbeing program for female employees at factories



Maternity Care Kit to expecting mothers



Case Study

Driving Diversity at Neemgarh: Building Inclusion by Design



The commissioning of the Neemgarh facility in July 2024 marked a significant milestone for the Personal Care Products Business Division (PCPBD) and for the broader manufacturing ecosystem in Uluberia, West Bengal. Beyond advancing automation, logistics capability, and operational scale, the facility was conceived with a deliberate and equally important objective — to embed an inclusive workforce model from the ground up. From the earliest stages of planning, Diversity & Inclusion (D&I) was integrated into the design and staffing philosophy of the Unit. Rather than being treated as a secondary consideration, inclusion was established as a foundational principle. Recognising that modern manufacturing demands speed, discipline, safety excellence, and precision, the team anchored its approach on a simple belief: capability must be complemented by representation.

This intentional strategy has translated into meaningful outcomes, with women comprising 67% of the permanent operator workforce and 55% of other than permanent workers in shopfloor roles. Women are actively deployed across functions and shifts, including evening operations, positioning Neemgarh among the early adopters of such practices in the region.

To enable equitable participation, dedicated investments have been made in infrastructure and workplace design. These include ergonomically designed workstations to support diverse workforce needs, safe and reliable transportation arrangements, and the deployment of female security personnel along with access to on-site nursing support. The facility also provides inclusive sanitation infrastructure, with washrooms equipped with essential amenities such as sanitary napkin vending machines, along with a fully functional creche to support working parents.

Neemgarh's journey represents more than a diversity milestone. It is a scalable and sustainable model where inclusion is embedded across the value chain — from hiring and infrastructure to deployment and leadership. Women are not only represented but are actively contributing across roles, including shopfloor operations, shift management, and decision-making processes.

As the facility continues to grow, its foundational philosophy remains unchanged: inclusion is not a parallel agenda to performance — it is integral to it.

Inclusion of the Specially-abled

Apart from gender, employment of the differently-abled is a priority area in ITC's diversity agenda. In several of ITC's Businesses, employees and associates who are differently-abled are engaged across the value chain, with the necessary infrastructure support and training. ITC, directly as well as through partnerships with service providers and agencies, deploys 459 differently-abled persons.

Case Study

Empowering Inclusion: Specially Abled Workforce at Tiruvottiyur Factory

The Packaging & Printing Business at the Tiruvottiyur factory continues to advance its commitment to inclusive workforce development as a strategic lever for sustainable growth, operational excellence, and long-term value creation. Inclusion is positioned not only as a social responsibility but as a core element of the business strategy to build a diverse, resilient, and future-ready workforce aligned with Organisation's commitment on diversity & inclusion.
Over the past decade, the integration of specially abled individuals has evolved into a structured and scalable model embedded within operations, with representation in canteen operations increasing from 15% to 50% over last decade. This progress reflects a deliberate approach that combines targeted infrastructure enhancements to improve accessibility and mobility with strategic partnerships that strengthen the sourcing and onboarding of skilled talent aligned to operational requirements.

The initiative also reinforces the organisation's human capital strategy by prioritizing employee well-being through enhanced social security measures that provide financial stability and extended support to employees and their families, thereby enabling sustained engagement and retention.

Inclusion is operationalized through equitable processes, clearly defined roles, and a culture of mutual respect, ensuring meaningful participation while upholding consistent performance standards. Going forward, the Tiruvottiyur factory aims to further scale this model by expanding opportunities for underrepresented segments, deepening integration across functions, and strengthening the linkage between inclusion outcomes and business performance, thereby reinforcing its commitment to sustainable and inclusive growth.

Grievance Redressal

To address employee grievances pertaining to human rights and labour practices, a Grievance Redressal Procedure with appropriate systems and mechanisms exists across ITC. It aims to facilitate open and structured discussions on any grievances.

The implementation is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees. Nil grievances were received from employees on matters relating to policy, welfare and administration in FY 2025-26.

Age wise breakdown

Domain	<30 years	30-50 years	>50 years
Total Employees	30%	60%	10%
Total New Hires	63%	36%	1%
Total Attrition	46%	47%	7%

Performance Indicators

Domain	FY 2025-26
Total Full-time employees	34,589
Total Full-time employees (Female)	5,888
Total Full-time employees (Male)	28,701
Total Seasonal workers	1832
Permanent Full-time Employees (Male)	28,237
Permanent Full-time Employees (Female)	5,691
Rate of New Hires	29%
Total New Hires	9,785
Total New Hires (Male)	7,089
Total New Hires (Female)	2,696

Human Rights

ITC has a long-standing commitment to human rights and it is reflected in its Code of Conduct for its employees and Suppliers' and Service Providers' Code of Conduct. The Company has policies on human rights which are applicable to its employees, suppliers and service providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights.

The Company is committed to **Respecting and Remediating** Human Rights for employees and workers within its operational premises and beyond its fence. There are oversight mechanisms, and preventive measures for its suppliers and vendor partners, also. ITC also has in place, dedicated policies and channels for handling grievances of its key stakeholders.

Material issues addressed in this section:

Human Rights

Respecting and Remediating Human Rights

Within ITC Operations

The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on human rights. All ITC contracts for the construction of factories and property upgrades incorporate the environment, health, safety and human rights clauses, including workplace environment and compliance of labour practices and are supervised by ITC managers for 100% adherence.

ITC Suppliers' and Value-chain Partners

ITC's Code of Conduct for Suppliers' and Service Providers enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. This Code is shared and accepted by all supply chain partners and service providers. In FY 2025-26, ITC engaged 1,466 service providers (within and outside premises) and all contracts with the service providers included clauses that conformed to ITC's Human Rights Policies and EHS guidelines.

Refer "Sustainable Supply Chain and Responsible Sourcing" section of this Report for more details

ITC's Policies on Fair Labour Practices

Prohibition of Child Labour and Forced Labour

In line with ITC's unflinching commitment to good labour practices, it is ensured that no person below the age of eighteen years is employed by any Business. Forced or compulsory labour is strictly prohibited in all ITC Units and so is the association with vendors and suppliers who employ child and/ or forced labour.

Freedom of Association

ITC recognises and respects the right of its employees to exercise or refrain from exercising the freedom of association and collective bargaining. During the last year, 9,907 workers (88%) were covered under the collective bargaining process across India. Employees that are not covered under collective bargaining are covered as per Company policy and in alignment with local applicable laws.

Related Policies

- ITC's Code of Conduct
- Policy on Freedom of Association
- Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace
- Policy on Diversity, Equity & Inclusion

Road Ahead

ITC will continue its efforts on capacity building of all concerned internal and external stakeholders on Human Rights. ITC's due-diligence processes for vendors and supplier partners on Human Rights issues will be further strengthened for mitigating any potential human rights issues. ITC aims to further build upon the expertise on field engagement with farmers and follow international standards for fair practices in agri value chain. Moreover, ITC is also strengthening its grievance redressal systems for all value-chain partners.

Occupational Health and Safety

Promoting a Culture of Safety

ITC continues to believe that a safe and healthy work environment is a prerequisite for employee well-being, and the adoption of best practices in occupational health and safety has a direct impact on its overall performance. It helps in attracting and retaining quality talent, besides being the duty of the Company as a responsible corporate citizen.

ITC endeavours to ensure Environment, Health & Safety (EHS) standards at all its units are ahead of legislation, regulations and codes of practice and are benchmarked against international best practices. ITC's approach to occupational health & safety standards is articulated in the Board approved EHS Policy. It is based on an EHS management system that emphasises on enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators. Further, it promotes a culture of safety through behaviour change programmes and by providing appropriate training to employees as well as service providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

ITC has identified the EHS risk management framework as one of the integral steps towards building a robust safety management system. This framework consists of a set of processes for continual risk identification, assessment and mitigation with active participation of the workforce. Digitisation of EHS Management processes has now given additional thrust to their effective implementation.

Several national awards and certifications acknowledge ITC's commitment and efforts towards providing a safe and healthy workplace to all.



ITC's approach towards achieving Zero Accident goal

To incorporate safety deeper into ITC's operational practices and achieve the 'Zero Accident' goal, the Company's Safety strategy rests on two pillars: **'Safety by Design'** and **'Safety by Culture'**.

Safety by Design: From 'Drawing Board' to 'Operations'

ITC follows 'Safety by Design' by integrating best-in-class engineering standards in the design and in project execution stage of all investments in the built environment. This helps in reducing potential hazards as well as optimising operational costs.

Aspects such as fire safety, electrical safety, material handling, machine safety, people and material flows, etc. are evaluated in detail at the design stage and the requirements as per best-in-class Standards and practices are incorporated. Compliance with these Standards is then verified by conducting audits during the project implementation and before the project is formally commissioned.

Safety by Culture: From 'Compliance Focus' to 'Behaviour Centric' safety culture

ITC's journey in safety has evolved from 'compliance driven by standards and guidelines' to a 'behaviour centric – safety culture'. 'Safety by Culture' looks at driving behavioural changes so that safety is ingrained in the culture of the organisation across operating Units. Accordingly, behaviour-based safety initiatives are being implemented across several operating Units. To drive the safety culture, ITC is making use of tools such as a structured conversation with workers on 'Safe and Unsafe acts', supplemented by adoption of keystone behaviours by individual Units to demonstrate collective commitment and create a shared vision of safety and discipline within the Unit. Design thinking methodologies have also been used to reinforce behavioural based safety initiatives which have resulted in significant positive changes.

In addition, all ITC Units undergo periodic Environment, Health & Safety audits at the business level as well as Corporate, to verify compliance with standards.

Organisational EHS Framework

The key activities carried out to ensure integration of robust EHS standards across the project life-cycle are depicted below.

Drawing Board Stage

EHS requirements are integrated at the design stage for all new investments to minimise hazards with potential risk of Injuries

Design Reviews

- Building and structural stability
- Fire and life safety measures
- Electrical systems
- Machine safety
- Work place lighting
- Ventilation and hygiene requirements
- Noise and dust controls
- Water and energy use optimisation
- Waste management
- Traffic safety
- Segregation of man-material movement

Advantages of incorporating EHS in the design phase

- Helps in eliminating and reducing hazards
- Optimises operational cost and overall infrastructure
- Create assets that are aligned to organisational goals.

Execution Stage

Compliance with EHS standards during the construction phase is ensured by implementing project EHS management systems

Project EHS management systems

- Training of all employees including service providers' employees
- Enforcement of the use of safe equipment / tools / tackles
- Development of and adherence to safe work procedures (SWPs) / method statements
- Observing good housekeeping and storage practices
- Usage of Personal Protective Equipment (PPE)

Pre-commissioning audits of all large projects done by Corporate EHS (CEHS) department

- To ensure that infrastructure including plant and machinery have been procured and installed in conformance with defined standards

Operations Stage

Compliance with Corporate guidelines during the operation phase of all ITC Units, Warehouses and Offices is ensured through established EHS management systems with designated roles and responsibilities for competent resources

EHS management systems

- A well-defined EHS Management structure
- Quarterly Meeting of the EHS Committee in every ITC Unit to review EHS performance
- Engagement with the workforce to jointly assess risks in the operations and accordingly improvise the Safe Work Practices (SWPs)
- Coverage of health and safety aspects in long-term agreements with trade unions
- Awareness sessions for employees, their families and surrounding communities on HIV/AIDs, hepatitis, dengue, malaria and other wellness related issues

Monitoring compliance through

- Internal audits of ITC Units at Divisional as well as Corporate levels periodically
- Accident reporting and investigation to identify the root causes and subsequent implementation of corrective and preventive measures
- Accident investigation findings with corrective and preventive measures form part of the report presented to the Corporate Management Committee (monthly) and the Board (quarterly)
- Ensure effective dissemination of learnings from each incident/ accident across the organisation to prevent recurrence

Occupational Health and Safety

Safety Performance 2025-26

ITC reports its safety performance on two fronts – 'on-site' - refers to the place of work i.e., factory, office, etc. which is under direct operational control of ITC and 'off-site' - is defined as places other than on-site while on official duty, which includes to and fro commute between residence and place of work.

On-Site Safety

In FY 2025-26, the total on-site Lost Time Accidents (LTA) decreased to 5, as compared to 15 in FY 2024-25. Out of these 5 accidents, 1 pertain to ITC employees, and the balance 4 relate to service providers' employees. These accidents involved 4 male employees and 1 female employee.

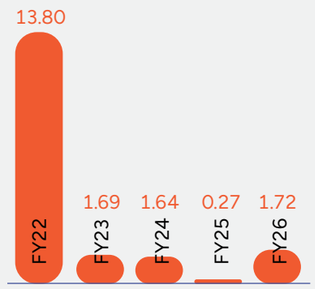
Further, detailed investigations are carried out for all accidents, including LTA*, to identify the root causes and to understand the measures that require implementation, to prevent recurrence. The learnings from all accidents are disseminated across the organisation and formal compliance obtained.

* Lost Time Accident (LTA) is defined as an accident due to which the injured is not able to come back to work in the next scheduled shift.

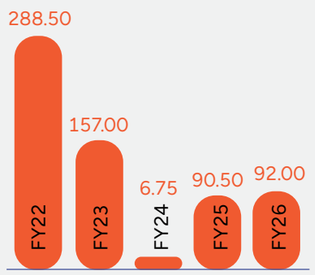
Lost Day Rate

Lost Day Rate (LDR) is a measure to evaluate safety performance and it does so by comparing the number of person-days lost per million person-hours worked.

Lost day rate
(Employees)



Lost day rate
(Service provider employees)



Loss of person-days accounted for as per IS 3786:1983 due to fatalities/ amputation.
Reporting of LDR changed from 200,000 to per million person-hours worked for uniform reporting in our submissions.

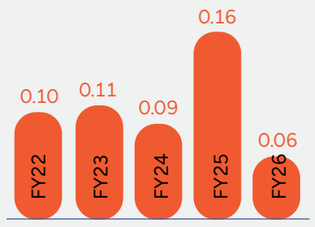
Injury Rate

Injury rate (IR) is defined as the frequency of LTAs, per million person-hours worked.

Injury rate
(Employees)



Injury rate
(Service provider employees)



For 2024-25 & 2025-26, ITC Hotels data have not been considered.
Reporting of IR changed from 200,000 to per million person-hours worked for uniform reporting in our submissions.

High Consequence Work Related Injury Rate (HCWRI)

There have been no High Consequence Work Related Injury and following is the rate of High Consequence Work Related Injuries (excluding fatalities), per million person-hours worked.

Year	High Consequence Work Related Injuries (HCWRI)	HCWRI Rate
2025-26	0	0
2024-25	0	0

Reporting of HCWRI changed from 200,000 to per million person-hours worked for uniform reporting in our submissions.

Rate of Fatalities

Unfortunately, there has been 1 fatal accident pertaining to a service provider employee and following is the rate of fatalities, per million person-hours worked.

Year	Fatalities	Rate of Fatalities
2025-26	1	0.007

Reporting of fatalities rate changed from 200,000 to per million person-hours worked for uniform reporting in our submissions.



Zero Accident Units

The following 61 Units achieved 'Zero On-site Lost Time Accident' status in FY 2025-26. Also, amongst all operational Units as of March 2026, 31 units held on to the "Zero On-site Lost Time Accident" performance since FY 2021-22.

Manufacturing Units

- G3 Spices
- KGLT Mysore
- GLT Anaparti
- GLT Chirala
- Sunrise Agra
- Sunrise Reengus
- Sunrise Jaitpura
- Sunrise Bikaner
- ICML Haridwar
- ICML Ranjangaon
- FBD Malur
- Munger Dairy
- ICML Mysore
- ICML Guwahati
- ICML Kapurthala
- ICML Panchla
- ICML Pudukottai
- ICML Medak
- ICML Khurda
- FBD Jammu Confectionary
- ITD Bangalore
- ITD Kidderpore
- ITD Munger
- ITD Pune
- ITD Saharanpur
- PCPB Guwahati
- PCPB Haridwar
- PCPB Manpura
- PCPB Uluberia
- PPB Haridwar
- PPB Tiruvottiyur
- PPB Munger
- PPB Nadiad
- Bhadrachalam Plantation Office
- PSPD Bhadrachalam Project site
- PSPD Bollarum
- PSPD Kovai
- PSPD Kovai Project site
- PSPD Tribeni
- PSPD Tribeni project site
- Rudrapur Plantations
- NENPL, Mangaldai
- SNPL - Simra Unit
- SNPL - Pokhra Unit

Offices and Others

- ABD (Agri-commodities) DHQ
- ABD (Leaf Tobacco) DHQ Guntur
- R & D Rajahmundry
- CPO
- Corporate (HO), Calcutta
- ESPB DHQ
- ITC LSTC
- FBD DHQ, Bangalore
- ITD DHQ
- MAB DHQ
- PCPB DHQ
- PPB DHQ
- PSPD, DHQ
- I3L Bangalore
- Technico - HQ, Chandigarh
- Technico -R&D Centre, Manpura
- TM&D DHQ

Occupational Health and Safety

Occupational Health

A healthy workforce is an important contributor to ITC's competitiveness and sustainability. All Units maintain a conducive work environment in line with Indian/ International standards on hygiene, lighting, ventilation and effective controls on noise and dust. Units are equipped with Occupational Health Centres with adequate medical staff to monitor occupational health and provide immediate relief as required.

In addition, at least 2% of total employees are professionally trained as first aid providers.

As part of ITC's preventive medical programme, various categories of employees based on age and exposure to occupational hazards undergo periodic medical check-ups. In FY 2025-26, a total of 7,715 employees underwent preventive medical examinations.



Off-Site Safety

In FY 2025-26, the total number of off-site LTAs decreased to 15 (out of a total of ~34,000 own employees) compared to 21 (out of a total of ~33,000 own employees) in FY 2024-25 and all of these were road accidents. One fatal road accident was reported in FY 2025-26.

As a standard practice, off-site accidents are duly investigated and learnings from these accidents also are disseminated across the organisation. The Businesses are advised to sensitise employees on the perils of unsafe road conditions and there is constant reinforcement of the message to exercise extreme care, caution against over speeding and being vigilant on the road.

Road Accidents' Trend

Though road infrastructure and traffic management outside the Units' premises are well beyond ITC's control, the Company believes that improved awareness and adoption of 'defensive road safety techniques' help to reduce the risks. ITC has accordingly strengthened the ongoing training and awareness enhancing sessions for its employees and service providers.

A majority of the road accidents in the recent past have involved two-wheeler riders. Accordingly, a user interactive two-wheeler rider safety training programme is provided to all employees including ITC's Trade Marketing & Distribution (TM&D) supply chain members. The user interactive modules have also been translated into vernacular languages to ensure wider coverage and adoption. A similar user interactive training module for four-wheeler users is also made available to employees.

Way Forward

ITC will remain committed to achieve the 'Zero Accident' Goal

In line with the Company's EHS policy, ITC will continue to institutionalise safety as a value-led concept by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture.

ITC has put in place comprehensive health and safety protocols for the safety and well-being of its stakeholders. ITC will continue to strengthen its safety processes, adopting globally recognised best practices including digital transformation of EHS management systems, ensuring that facilities are designed, constructed, operated and maintained in an inherently safe manner.

ITC will continue to undertake efforts to create a safe working environment and a strong safety culture by:

- Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections and pre-commissioning audits, thereby strengthening of engineering control measures through 'design for safety' principles
- Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively
- Progressively covering businesses under various behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances.
- Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline.
- Leveraging the digital landscape for safety management system.

ITC will continue to assess its safety performance by tracking both leading and lagging indicators, and identify solutions for strengthening the safety culture accordingly. With this approach, ITC will endeavour to achieve the organisation-wide goal of "Zero Accidents".

Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth

'Mission Sunehra Kal' (MSK) is the umbrella brand for the mosaic of mutually reinforcing interventions under ITC's Social Investments Programme (SIP), managed by a dedicated team across regions of India. Select CSR programmes are also delivered by ITC's Businesses in their respective domains of expertise.











MSK aims to **transform lives** - particularly of the most marginalised - through a holistic, systems-oriented approach. It addresses current and emerging livelihood challenges by enabling healthy, educated, skilled and engaged communities, to pursue lives of dignity with confidence. In parallel, MSK enables the **transformation of landscapes** through conservation of natural resources and promotion of climate resilient agriculture practices, recognising the interdependence between ecological sustainability and livelihood security.

The Company's CSR Policy, approved by the Board of the Company, guides the programmes, projects and activities that the Company undertakes to create a significant positive impact for its identified stakeholders. These programmes fall within the purview of Schedule VII of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Material issues addressed in this section

Climate Smart Agriculture, Water Stewardship, Sustained Stakeholder Value Creation, Nature and Biodiversity, Sustainable Livelihoods

Key Stakeholders

MSK primarily works with communities with whom ITC has a long-standing relationship, while also collaborating with State & Central Governments. Technical Institutions, Implementation partners and Coalitions / Collaboratives are also critical stakeholders.

Communities remain central to ITC's CSR interventions

Rural communities linked to ITC's Agri-Businesses through crop development and procurement activities. While these linkages have generated sustained income gains over decades, communities increasingly seek support and solutions to combat climate risks that threaten production systems and livelihoods, alongside improved well-being - especially for their children, and healthier living habitats.

Communities in proximity to all ITC's manufacturing Units, who benefit from the multiplier effects of Company's operations. They expect the Company to further strengthen local socio-economic ecosystems for measurable improvements in their Human Development Indices (HDIs).

Geographical Spread and Coverage

ITC's CSR footprint spans **20+ States / Union Territories and over 275 Districts**, largely covering the stakeholders outlined above.

Multi-dimensional programmes under MSK have reached over **10 million beneficiaries, including 6 million women**, across diverse segments such as farmers, youth, children and persons with disabilities.

MSK's Approach

Stakeholder Needs and Priorities

ITC undertakes periodic studies, surveys and consultations to assess evolving community needs. These insights inform the programme design and refinement of programmes to address priority gaps and align with national development priorities.

A comprehensive **Core Area Perspective Plan (CAPP)** is conducted every five years across ITC's catchments to guide programme planning. The process deploys Participatory Rural Appraisals, Focus Group Discussions (separately with men, women and vulnerable groups), Key Informant Interviews and household surveys to prioritise needs. CAPP 1.0 was developed and first done in FY 2015-16, followed by CAPP 2.0 in FY 2021-22 across 21 factories and 7 agri locations.

To ensure continued relevance, annual sample **household surveys** are undertaken. In FY 2025-26, over **9,000 households** were surveyed using mixed-method approaches combining quantitative tools with qualitative insights.

Mission Sunehra Kal

In addition, regular **third-party impact assessments**, baseline & mid-term evaluations, and **structured grievance and feedback mechanisms** guide adaptive programme management.

Refer "Stakeholder Engagement" section of this Report for more details

National priorities and relevant Government schemes are also mapped (Figure 1) to ensure convergence with public system and amplification of impact.

The Three Pathways Strategy for Holistic Development

Revisits to **community needs assessments** revealed that stakeholders are confronted with multiple, inter-related issues, anchored in the twin imperatives of securing sustainable livelihoods, today and tomorrow. This reinforced the **Three Pathways strategy, designed as an integrated** response to development challenges, balancing short-term and long-term impact and outcomes.



SIP — Three Pathways Strategy to Transform Lives and Landscapes

Strengthening Livelihoods Today and Building Capabilities for Tomorrow

Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture and Allied Livelihoods	Nurturing Human Capabilities - Strengthening Foundational Literacy & Livelihoods and Preparing Communities for Future	Strengthening Public and Community Health Ecosystems to create Healthier Habitats
Short-term impact Horizon • Water-demand & supply • Climate Smart Agriculture • Social Forestry • Animal Husbandry	**Short-term impact Horizon** • Secondary Education • Skilling • Nano and Micro Enterprises	**Short-term impact Horizon** • Rural Healthcare services - Swaasth Kiran • Sanitation
Long-term impact Horizon • River Sub-basin • Soil Health • Biodiversity	**Long-term impact Horizon** • Early childhood education • Primary Education • Career Intentionality • Empowerment	**Long-term impact Horizon** • Maternal, Child Health & Nutrition • Waste Management/ Circular Economy

Alignment to National Priorities of Viksit Bharat and Sustainable Development Goals

By investing holistically, the Three Pathways strategy establishes enabling conditions for habitations aligned to **national priorities** and the **Sustainable Development Goals (SDGs)**, spanning natural resource conservation, human capability development and healthier habitats.

The **Viksit Bharat@2047** is centred on inclusive growth, welfare saturation, governance reforms and environmental sustainability, and technological advancement across **nine development pathways for youth, women, farmers, and marginalised communities**. These groups also constitute the primary stakeholders of ITC's SIP. Women and vulnerable communities remain central across programmes, not only as beneficiaries, but also as influencers and grassroots change agents. The design of ITC's programmes reflect the ethos of **Sabka Saath, Sabka Vikas, Sabka Vishwas & Sabka Prayas**.

The Three Pathway strategy aligns interventions with these focus groups through inclusive context-specific approaches that promote nutrition-sensitive agriculture, food security and resilient livelihoods, contributing to national and global sustainability goals. Figure 1 below illustrates these linkages for key interventions.

Figure 1: Linkage to Key Government priorities and Sustainable Development Goals (SDGs)

Pathway 1 **Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture and Allied Livelihoods**

Natural Resources Management

SDGs



Government Priorities and Programmes of Relevance

Atal Bhujal Yojana, Biodiversity conservation, Jal Jeevan Mission (Urban), Har Khet ko Pani, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI) programme, National Water Mission, River Basin Management

Climate Smart Agriculture

SDGs



Government Priorities and Programmes of Relevance

Agri biomass for energy needs and Agri start-ups, Chemical Free farming, Drone didi programme, India's Net Zero plans, Liquid and nano fertilizer use, Millet mission, Solar energy in agri

Livelihood Diversification

SDGs



Government Priorities and Programmes of Relevance

Assistance for Agro-forestry, Ministry of New and Renewable Energy for Biogas, National Livestock Mission, Pradhan Mantri Matsya Sampada Yojana, Rashtriya Gokul Mission

Institutional Support

SDGs



Government Priorities and Programmes of Relevance

Crop Insurance, Custom Hiring Centers, Farmer Producer Organisations, Kisan Credit Card, Pradhan Mantri Kisan Samman Nidhi, Soil Health Card

Mission Sunehra Kal

Figure 1: Linkage to Key Government priorities and Sustainable Development Goals (SDGs)

Pathway 2 **Nurturing Human Capabilities —Strengthening Foundational Literacy & Livelihoods and Preparing Communities for Future**

Support to Education

SDGs



Government Priorities and Programmes of Relevance

Early Childhood Care and Education, National Education Policy, Samagra Shiksha Abhiyan, Swachh Vidyalaya Campaign, Pradhan Mantri Schools for Rising India

Skilling of youth

SDGs



Government Priorities and Programmes of Relevance

National Action Plan for Skill Development of Persons with Disabilities (NAP- SDP), Pradhan Mantri Kaushal Vikas Yojana, Skill India Mission, Prime Minister Internship scheme

Empowering women

SDGs



Government Priorities and Programmes of Relevance

Financial literacy to women, Krishi Sakhi Scheme, Lakhpati Didi program, National Rural Livelihood Mission (NRLM), Pasu Sakhis Scheme, Producers' Enterprises, Self Help Groups

Pathway 3 **Strengthening Public and Community Health Ecosystems to create Healthier Habitats**

Public Health -

Public Health - Sanitation, Waste Management, Nutrition and Healthcare

SDGs



Government Priorities and Programmes of Relevance

Anaemia Mukt Bharat, National Health Mission, Rashtriya Bal Suraksha Karyakram (RBSK), Saksham Anganwadi programme and POSHAN 2.0, Swaach Bharat Mission 3.0, TB Mukht Bharat Abhiyan

Implementation Strategy

Mission Sunehra Kal's approach (MSK) is anchored on the belief that lasting change requires **community-owned systems, trusted institutions and locally meaningful outcomes**. Recognising that development challenges are inter-sectional, the approach advances **sectoral convergence** across nature, agriculture, education, livelihoods, health and nutrition to deliver **holistic human and natural capital outcomes**.

The strategy prioritises **equitable ownership by strengthening grassroots institutions, participatory governance**, and **behaviour change ecosystems**. Enabled by collaborative leverage, strategic complementarity, **fund convergence**, and technology-enabled, data-driven systems, MSK delivers **impact at scale** in mission mode.

Prototype-Pilot-Scale-Amplification /Multiplication (PPSAM) approach

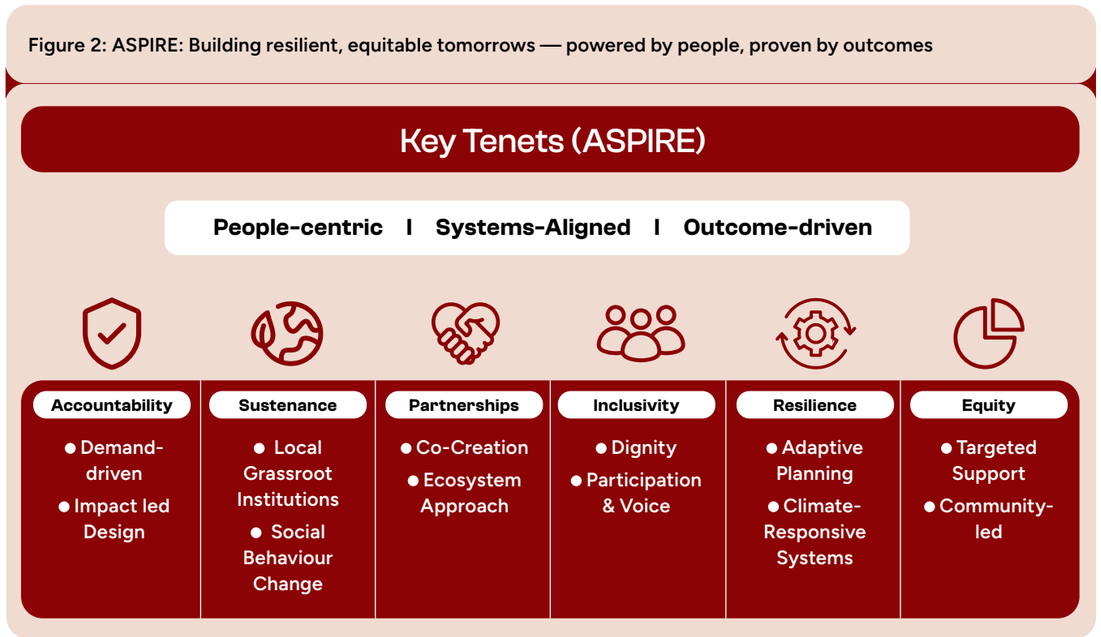
MSK continuously scans for changes in context, solution opportunities driven by new models, technologies or innovations. Basis that MSK advances interventions through a structured Prototypes-Pilots-Scale-Amplification / Multiplication cycle, ensuring relevance, vibrancy, and adaptability even within scaled programmes. **Adaptive implementation** enables prototypes and pilots to evolve into **institutionalised, system-integrated solutions** with clear outcome orientation.

- **Prototype** tests new ideas and designs to validate hypotheses related to efficacy of solutions
- **Pilot** extends promising prototypes across multiple locations to assess value for beneficiaries and communities, while identifying simple yet effective approaches for scale-up
- **Scale** takes successful pilots to all relevant catchments for wider and speedy implementation
- **Amplification** extends scaled interventions to non-core catchments through **Public Private Partnerships (PPPs)** leveraging Government resources, scale and reach
- **Multiplication** advances successful at scale interventions through collaboratives and bilateral partnerships, enabling institutional strengthening and systemic changes

Key Tenets – ASPIRE framework

The **ASPIRE framework**, comprising **Accountability, Sustenance, Partnerships, Inclusivity, Resilience and Equity,** provides the philosophical and operational foundation for MSK. It is **people-centric in intent, systems-aligned in execution and outcome-driven in impact**, with a clear commitment to addressing structural inequities that constrain equitable access to rights, resources and opportunities.

Figure 2: ASPIRE: Building resilient, equitable tomorrows — powered by people, proven by outcomes



Mission Sunehra Kal

Accountability

No Outcomes Without Evidence, No Interventions Without Demand

MSK's approach to accountability follows a clear chain from community realities to measurable outcomes, anchored in evidence-based decision-making and demand-driven programme design.

Community needs identified through CAPP and lived experiences, inform outcome definition, which in turn shapes responsive interventions, enabling iterative programme design and **adaptive implementation**.

Two examples to illustrate response to needs:

- Liquid Waste Management (LWM) emerging as a growing issue in rural areas, with limited viable solutions, led to prototyping customised liquid waste management models and supporting Panchayats to leverage Government funds.
- Similarly, girls from poor socio economic backgrounds face high dropout rates prompted the initiation of a secondary education programme was initiated to build career intentionality among girls in Grades 8–12 and support out of school girls and women to reappear for the Class 10 examination, strengthening their agency.

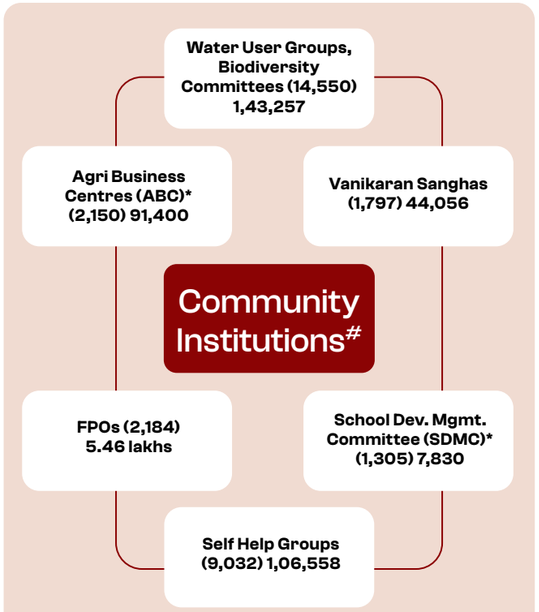
Sustained impact on the foundation of community ownership

Programmes may conclude, but communities endure. For MSK, sustenance is embedded as a core design principle, focussed on building community ownership and institutional capacity to enable continuity beyond programme support.

This enables a **system-level change**, where communities transition from programme participation to l**ong-term ownership** and **stewardship of outcomes**.

This is operationalised through the systematic strengthening of grassroots institutions such as **Self-Help Groups (SHGs), Farmer Producer Organisations (FPOs), Village Water User Groups and Joint Forest Management Committees (JFMCs),** which anchor decision-making and enable **local stewardship** of resources and outcomes.

Figure 3: Grass-root Institutions facilitated (cumulative)



Excludes Mohalla Committees and Mothers Groups
* Represents Annual Figures for FY 2025-26

Along with the Grass-root Institutions covered in Figure 3 above, several other types of **community-based activity groups** are also formed and or strengthened under the programmes to ensure community ownership and sustenance of outcomes. **Mohalla Committees** formed under the decentralised waste management programme oversee day-to-day operations, including user fee collection and payments to waste collectors. Under the education programme, **Child Cabinets** and **Water & Sanitation (WATSAN) Committees** are formed at school and community level respectively, comprising of children and community members, promoting adoption of good sanitation & hygiene practices at school and community level. **Mothers' groups** are formed to support activity-based learning for children at community level, while **Rogi Kalyan Committees** are activated as part of programmes upgrading infrastructure in Primary Health Centres.



Partnerships

A Collaboration for Purpose, Built on Co-Creation

MSK's approach to partnerships is anchored in co-creation and collaborative governance, bringing together Government, civil society, private sector and knowledge institutions as an ecosystem for purpose and change.

This **'multiverse' of over 200 partnerships** moves beyond transactional coordination to **shared ownership of outcomes**, with solutions co-designed with communities and aligned to systemic priorities.

This is operationalised through **Public Private Partnerships (PPPs)**, enabling convergence with Government priorities and delivery systems. The approach emphasises **resource pooling, institutional strengthening,** and **outcome-linked accountability**, ensuring that partnerships are both catalytic and enduring.

Within this ecosystem, ITC plays a facilitative and orchestrating role, **bridging communities, institutions, and Government systems**, enabling **technical expertise** and field insights to inform scalable solutions. As a result, partnerships support **last-mile delivery**, improved service access and **systems integration**, embedding interventions within existing structures rather than operating in isolation. What emerges is a **networked ecosystem**, where partnerships drive **scale, sustenance**, and long-term impact.

Government Partnerships

Public Private Partnerships (PPPs) with Central and State Governments remain central to MSK's approach, enabling expansion of proven interventions through Government systems. Beyond resource pooling, these partnerships support **large-scale amplification** through institutional convergence and integration with public delivery systems.

MSK has forged **98** PPPs till date. Snapshot of all the MoUs signed so far is presented in **Figure 4** below. Of these, **17 are currently active** including **three signed** during the year **(FY 2025-26)** and as mentioned below:

- Phase II Partnership with Panchayat Raj and Rural Development Dept., Govt. of Rajasthan for **restoration of commons in 14 Districts (2 Aspirational Districts)** (after successful completion **of Phase I in 8 Districts**)
- Phase II Partnership with Government of Assam for **Maternal and Child Health and Nutrition including Early Stimulation, covering 11 Districts (7 Aspirational Districts)** (after successful completion **of Phase I in 8 Districts**)
- Partnership with The/Nudge and State Rural Livelihood Mission, Assam, for enabling **economic inclusion of women**, covering **10 Blocks in 6 Districts (1 Aspirational District)**

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Figure 4: Government Partnerships (signed till date and active ones in brackets)

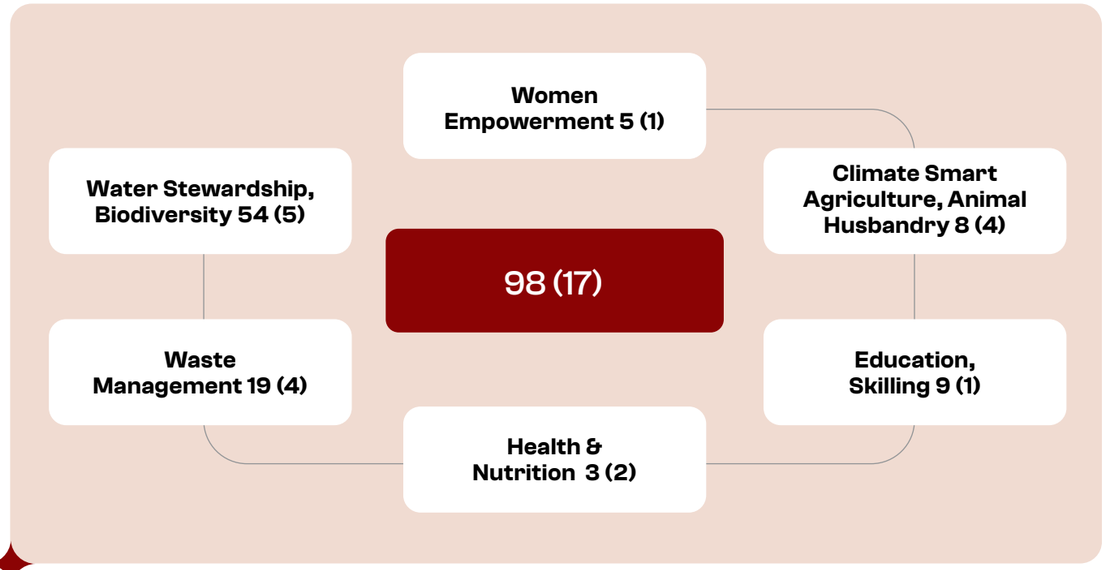


Table 1: List of 17 Active PPPs

Pathway 1 — Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture & Allied Livelihoods

Water Stewardship

Government / Partnership Agency	States	Active PPPs
Rural Development & Panchayat Raj Department	Karnataka	3
Watershed Development and Soil Conservation Department	Rajasthan	
Water Resource Department	Maharashtra	

Biodiversity Conservation

Government / Partnership Agency	States	Active PPPs
Rural Development Department	Andhra Pradesh	2
Rural Development & Panchayat Raj Department	Rajasthan	

Climate Smart Agriculture

Government / Partnership Agency	States	Active PPPs
NABARD - WADI Project	Rajasthan	4
Farmer Welfare and Agriculture Development Department	Madhya Pradesh	
Tribal Co-operative Marketing Development Federation of India	Andhra Pradesh and Odisha	
Rajiv Gandhi Mission for Watershed Management	Madhya Pradesh	

Pathway 2 — Nurturing Human Capabilities – Strengthening Foundational Literacy and Livelihoods and Preparing Communities for Future

Support to Education

Government / Partnership Agency	States	Active PPPs
Directorate of Women and Child Development	Andhra Pradesh	1

Women Empowerment

Government / Partnership Agency	States	Active PPPs
Assam State Rural Livelihood Mission and The/Nudge	Assam	1

Pathway 3 — Strengthening Public and Community Health Ecosystems to create Healthier Habitats

Maternal and Child Health and Nutrition

Government / Partnership Agency	States	Active PPPs
Child Development Services and Nutrition Department	Uttar Pradesh	1
Directorate of Women and Child Development	Assam	1

Waste Management

Government / Partnership Agency	States	Active PPPs
Saharanpur Municipal Corporation	Uttar Pradesh	4
Ministry of Urban Development	Uttar Pradesh	
Zilla Parishad, Mysuru	Karnataka	
Department of Drinking Water and Sanitation through India Sanitation Coalition	Bihar, Assam, Uttar Pradesh, Maharashtra, Punjab, MP, Gujarat, Tamil Nadu, Karnataka	

As a result of these partnerships and MSK's direct interventions, ~₹620 million was leveraged in FY 2025-26 by way of local contributions and external funds across programmes.

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Knowledge Partnerships

Pursued with national & international organisations / agencies, purpose is to remain contemporary and access the latest knowledge / technical know-how to continuously improve the quality of programmes.

Prominent knowledge partnerships over the years include those with **CGIAR** for Climate Smart Villages, **IUCN** for Sustainable Agriscapes, **IWMI** and **WWF India** for water, **IIT – Delhi's CERCA unit** for digital mapping of crop residue management, **Indian Institute of Science (IISc)**, **Bengaluru** for South Pennar river basin water security study, **National Dairy Research Institute (NDRI), Kalyani, West Bengal** for strengthening livelihood through livestock development and training of Pashu Sakhi cadres, **IIT Madras** for Liquid Waste Management, and **IIT Kharagpur** for study on impact of climate. **Agricultural Institutes** like Tamil Nadu Agricultural University (TNAU), Indian Institute of Rice Research (IIRR), Indian Institute of Soya Research (IISR), ICAR-Agricultural Technology Application Research Institute (ATARI), Kanpur, Dr. Rajendra Prasad Central Agricultural University, Pusa, National Bureau of Agriculturally Important Microorganisms (NBAIM), National Research Centre for Makhana (NRCM), and District level Krishi Vigyan Kendras (KVK) also are an integral part of the partnership ecosystem.

In recent past, ITC also had partnership with **IIT Delhi and IIT Kanpur** to support research and development in the areas of technology, energy and de-carbonisation aimed at accelerating India's journey towards achieving its Sustainable Development Goals.

Implementation Partnerships

Over 110 reputed and expert implementation partners, with their **thematic expertise and grass-root community connect** play a pivotal role in the execution of the projects. Engagement with AFPRO, BAIF, DHAN, DRDCT, FES, IIRD, Lokmitra, MYKAPS, MYRADA, Outreach, Pratham, SEWA, SSGS and Umang Sunehra Kal Sewa Samity for over 15 years are a testament to enduring partnerships.

ITC invests in financial and project management skills of these partners to ensure robust outcomes and also **enable their capacity** building through exposure to ITC projects across geographies and cross-fertilisation of learnings. Their perspectives are also considered for the **Double Materiality** exercise that ITC undertakes with all stakeholders.

MSK's ecosystem of partners enables **blending of capital to catalyse research and innovation, institutional capacity, scale-thinking and system integration**.

Inclusivity

Rights, Voice and the Right to Be Seen

Access alone is not inclusion; it is proximity without power. MSK's approach to inclusivity is anchored in enabling agency, strengthening visibility, voice and representation, and ensuring meaningful participation, so that individuals and communities are recognised as contributors to development rather than just recipients.

Programmes are designed to address structural barriers to enable equitable engagement across contexts.

- Women's participation in enterprise-based livelihoods builds **economic identity**, translating income into financial security, decision-making power and **recognition** within households and communities, while skilling of persons with disabilities enables **dignified livelihoods** and strengthens household resilience.
- Adolescent girls facing early marriage or disrupted education are supported through **second-chance pathways** that restore aspiration and enable their participation in education and livelihood systems.
- At the systems level, frontline functionaries such as Anganwadi Sevikas are strengthened and recognised, improving the visibility of their contributions within service delivery.
- Inclusivity also extends to those often overlooked. In solid waste management, **waste collectors are integrated into formal systems**, improving their working conditions, income opportunities and social recognition, and reinforcing dignity in an essential yet undervalued role.
- Community platforms such as SHGs, Mothers' Groups, Child Cabinets and WATSAN Committees create spaces for collective voice, enabling communities to engage with institutions as informed and empowered stakeholders.

Resilience

Through Adaptive Community-Centred Planning

For communities living at the margins of climate risk, livelihood uncertainty and systemic gaps, resilience is a practical necessity that must be embedded within systems from the outset.

MSK integrates **adaptive planning and climate-resilient systems**, recognising intersecting challenges of climate variability, livelihood transitions and systemic vulnerabilities to enable **future-ready** communities capable of navigating uncertainty with confidence.

Through the Climate Smart Villages (CSV) programme, farmers adopt **climate-responsive agriculture** practices that enhance productivity while reducing vulnerability. **Real-time advisories** through platforms such as ITCMAARS support **informed decision-making**, and proactive responses to weather and market risks, alongside water stewardship and income diversification help households to **de-risk incomes**.

Parallel investments in **climate-resilient infrastructure**, including cool roof interventions in schools, have improved learning environments and supported more consistent student attendance.

Equity

Advancing Targeted, Inclusive and Accelerated Progress

Development that improves averages while leaving disparities intact is not equitable. MSK's approach to equity addresses structural inequalities through targeted support and community-led planning, ensuring access to resources, services and opportunities is not determined by gender, geography, disability, or social identity, including Scheduled Castes (SC), Scheduled Tribes (ST) and communities.

- This is operationalised through **differentiated interventions** that prioritise smallholder farmers, women-led enterprises, persons with disabilities and ultra-poor households, with emphasis on **equitable access, inclusive growth and accelerated progress**.
- Programmes such as the **Targeting the Hardcore Poor (THP)** initiative, identify ultra-poor women through structured, community-based processes and supported through sequenced interventions including livelihood assets, financial inclusion, and capacity building. Designed with a clear understanding of layered vulnerabilities, the programme enables **economic mobility**, strengthens **agency**, and supports sustained pathways out of poverty.

What emerges is a shift towards **equity-led development**, where outcomes are measured by how effectively the most excluded are able to participate, progress and claim their rights.

Interventions in High Priority Areas

Performance across programmes under the Three Pathways approach is presented in the sections that follow. Programmes are undertaken by ITC independently or through **Public Private Partnerships** and executed through implementation partners.

Anchored in a clear theory of change, all programmes are designed to deliver **measurable, sustained outcomes at individual, community and systems levels**, by strengthening demand-responsive systems, enabling community ownership, and embedding solution within public delivery mechanisms.

Across the Three Pathways, MSK delivers multi-dimensional outcomes, including productivity enhancement, access to services, behaviour change, income enhancement, and institutional strengthening.

Refer: ITC's "Report and Accounts 2026" and "ITC portal" for details on the findings of impact assessments conducted in FY 2025-26

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Table 2 below highlights key programmes under the Three Pathways for transforming lives and landscapes, with performance status against Target 2030 for select programmes being implemented at scale. Details of these programmes are given in subsequent sections.

Table 2: Key interventions under the Three Pathways approach and achievement against 2030 targets

Objectives	Key Initiatives & Interventions
Pathway 1	**Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture & Allied Livelihoods**

Natural Resources Management

to conserve and replenish natural resources critical for agriculture

- **Water stewardship** for water positive catchments through:
  - supply augmentation with focus on wetland conservation
  - revival of traditional water bodies, groundwater recharge
  - demand management initiatives with focus on agri and domestic water use efficiency
  - reuse and recycling of water
  - river basin level and urban water related interventions
- **Biodiversity conservation** through restoration of commons for reducing pressures on forests, Miyawaki plantations, mangrove conservation and native species-based improvement at landscape level, as per the Sustainable Agriscapes approach
- **Soil health** improvement through conservation agriculture practices like Zero Tillage, in-situ stubble incorporation, microbial inoculum, green manuring, and field application of compost, tank silt, biochar and toilet manure (circularity)

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Water Stewardship area	Lakh acres	22	19.85
Water harvesting structures	Nos.	50,000	38,540
Water storage potential#	million kl	75.00	66.31
Crop water use efficiency (annually)	million kl	2,000	1,520
Biodiversity conservation	Lakh acres	10	8.10

Climate Smart Agriculture (CSA)

for climate change adaptation, increased resilience and actions for sustainable improvement of crop yields and incomes

- **Farmer capability building through Farmer Field Schools and Choupal Pradarshan Khets,** digital outreach and exposure visits for awareness
- Large-scale adoption of Regenerative, Sustainable and Climate Smart / Resilient Agri-Practices to improve farmer incomes, resilience to extreme weather episodes and agro-ecology, whilst also reducing Agriculture's GHG footprint
- Promote **Climate Smart Villages (CSV)** to make entire village climate resilient on agri and allied services
- **Focused approach for capability building and promotion of women agriculturists** as climate smart farmers and women ABCs and FPOs

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
CSA area	Lakh acres	40.00	31.93
Climate Smart Villages	Nos.	10,000	7,055
CSV area (sub part of CSA area)	Lakh acres	30.00	25.50

Table 2: Key interventions under the Three Pathways approach and achievement against 2030 targets

Objectives	Key Initiatives & Interventions
Pathway 1	**Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture & Allied Livelihoods**

Livelihood Diversification

to improve incomes and de-risk livelihoods from climate change

- **On-farm diversification** through tree-based farming comprising of fruit, fuel, timber and other commercial purpose plantations done in small-farmer friendly plantation models such as (Tree-based farming, Block and Bund plantations) to improve income from farms.
- **Off-farm diversification** through animal-based livelihood promotion (small and large ruminants; piggery, apiaries and fisheries) to improve income and de-risk livelihoods of rural households

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
On-farm diversification - Social Forestry	Lakh acres	6.30	5.72
Off-farm diversification – Animals owners covered under Animal Husbandry programme	Lakh house holds	10.00	9.80

Institutional support

for risk mitigation and reduction of costs of cultivation

- Link farmers with Government programmes and schemes in the areas of credit, insurance, soil health information, additional income, marketing and pension
- Promote farmer institutions like Farmer Producer Organisations (FPOs) and Agri Business Centres (ABCs) to leverage the power of collectives for sale of agri-produce, and strengthen access to credit, inputs, farm equipment, etc.

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Agri Business Centres (Annually)	Nos.	2,000	2,150
Farmer Producer Organisations	Nos.	4,000	2,184

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Table 2: Key interventions under the Three Pathways approach and achievement against 2030 targets

Objectives	Key Initiatives & Interventions
Pathway 2	**Nurturing Human Capabilities – Strengthening Foundational Literacy and Livelihoods and Preparing Communities for Future**

Support to Education

for improving quality of education and creating a conducive, holistic learning environment

- Build capabilities of Anganwadis and support children (0-5 years) in education, stimulation and nutrition support through Early Childhood Care and Education (ECCE)
- Improve the quality of education and learning, teacher training and activity-based learning for children
- Mainstream out-of-school children by providing support through Supplementary Learning Centres
- Provide 'child and climate friendly infrastructure' support to schools and Anganwadi centres. Develop Model Schools and Anganwadis for demonstrating holistic child development
- Mainstream drop-out adolescent girls of classes 9th-12th, and create career intentionality amongst those pursuing secondary education

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Children covered under Support to Education	No. Lakhs	20	23.50
Infrastructure support to Govt. Schools and Anganwadis	Nos.	4,000	4,100

Skilling of youth

for enabling gainful employment or livelihood

- Promote and develop skills required for gainful employment and livelihoods among unemployed youth including differently abled youth

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Youth trained under skilling programme	No. Lakhs	2.25	1.45

Women Empowerment

for reduction in economic and social discrimination against women and girls

Interventions under **Empowerment, Enterprise Mindset** and **Entrepreneurship Development**

- **Empowerment**
  - **Inclusion of girls and women** in education and skilling programmes
  - **Financial & digital literacy, Rights & Entitlements** and Government scheme linkages
- **Enterprise Mindset**
  - Key role for women in identifying opportunities for self and enabling it for others – **Yojana Sakhis, Pashu Sakhis, Krishi Sakhis, Swaasth Sakhis, Mother's Groups, Mohalla Committees, Water User Groups, Vanikaran Sanghas**
- **Entrepreneurship Development**
  - **Socio-economic mainstreaming of ultra-poor women** (household income of less than ₹30,000/- per annum, women sole bread earner), through empowerment and enterprise development.
  - **Socio-economic** empowerment of **Self-Help Groups** women through focused interventions for livelihood through Agri-Business Centres, nurseries, custom hiring centers, etc.
  - Nano and micro individual / group enterprises

Table 2: Key interventions under the Three Pathways approach and achievement against 2030 targets

Objectives	Key Initiatives & Interventions
Pathway 2	**Nurturing Human Capabilities – Strengthening Foundational Literacy and Livelihoods and Preparing Communities for Future**

Women Empowerment

for reduction in economic and social discrimination against women and girls

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Women covered through livelihood interventions and other microenterprises	No. Lakhs	5	6

Pathway 3	**Strengthening Public and Community Health Ecosystems to create Healthier Habitats**

Public and Community Health

Provide access to sanitation, waste management and healthcare services to improve habitats, reduce mortality, and ensure a healthy community

- **Sustainability** of **Open Defecation Free (ODF)** habitations and transform those towards ODF+ through improved hygiene, sanitation and decentralised waste management practices. Drive waste management as close to the generator and **ensuring minimal waste to landfill** by emphasising **on source segregation, composting, decentralised processing** and **material recovery**
- **Improve Maternal and Child Health and Nutrition** focusing on first "1,000 days of life ", promoting '5 food groups' of locally grown foods and "7 critical home visits".

Adopting closed loop approach for **reducing malnutrition** among women and children (below 5 years). Build capacity of frontline resources like ASHA, Anganwadi and ANM cadres to cascade awareness and social behaviour change among the community

- **Improve Access to community healthcare services** in needy areas through doorstep delivery of curative and preventive healthcare services through **Mobile Medical Units, Mobile Vision Units** and upgradation of health infrastructures like **Primary Healthcare Centres (PHCs)**

Key Initiatives	UoM	Target 2030	Achieved till FY 2025-26
Household toilets constructed	Nos.	40,000	43,843
Households covered under Decentralised Solid Waste Management#	No. Lakhs	85.00	82.34
Engagements done under Maternal and Child Health and Nutrition programme (Annually)	No. Lakhs	15	17
Community Engagements - Swaasth Kiran	No. Lakhs	15.00	11.90

Note: #Target 2030 revised during FY 2025-26

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Pathway 1



Conserving Natural Resource Ecosystems and Enhancing Resilience of Agriculture & Allied Livelihoods

Natural Resource Management (NRM)

India is grappling with severe environmental challenges, including the degradation of nearly 30% of its land[1] and water stress affecting over 600 million people[2]. These pressures threaten rural livelihoods, as more than 60% of the population relies on agriculture[3]. In response, ITC focuses on conserving and restoring three critical natural resources—**water, soil and biodiversity**—through an integrated approach— to strengthen ecosystems, enhance resilience and sustain agricultural livelihoods.

The approach for each of these natural resources is detailed below:

Water stewardship for drought proofing agriculture and achieving unit positive status through supply and demand management initiatives; urban water management to mitigate risk of flash floods during rains and groundwater depletion during the rest of the year

Soil health improvement through practices such as manure application, tank silt application, conservation agriculture, green manuring; and

Biodiversity conservation through **commons restoration** and **forest fringe development**.



Water Stewardship

The programme aims to ensure water security for all stakeholders by integrating supply augmentation and demand management in agri-catchments to enable water positive agri-value chains, and in factory catchments to achieve unit level Water Security. The programme is aligned to Government's **National Water Mission, Jal Jeevan Mission (Urban), Har Khet ko Pani, Atal Bhujal Yojana, and River Basin Management programmes** which focus on **improving access to irrigation, facilitating additional area under cultivation, increasing crop intensity, rejuvenating rivers, and strengthening groundwater resources**.

In agri-catchments, ITC focuses on **drought-proofing agriculture** by improving groundwater status and reducing crop-related demand for water. In factory locations, the focus is on achieving water security for all stakeholders by progressing towards a positive water balance through integrated supply and demand-side interventions. The programme also emphasises prototyping and pilot testing of technologies and solutions to improve water use efficiency, especially for small and marginal farmers. These included:

- **Mobile drips** pilot continued with 115 units to conserve water and reduce costs benefitting 1,280 acres of 790 rainfed farmers of Andhra Pradesh.
- **Organic hydrogel** in partnership with EF Polymers aimed at reducing irrigation requirements by absorbing water and releasing it during crop stress. It was piloted in 4,100 acres (cumulatively 5,800 acres) across crops such as Chilli, Cotton, Cumin, Wheat and Plantations in seven States.

[1]FAO. (2020). India at a glance. Food and Agriculture Organisation of the United Nations.
[2]NITI Aayog. (2019). Composite Water Management Index 2.0. Government of India.
[3]Indian Council of Agricultural Research [ICAR]. (2019). Natural Resource Management. Indian Council of Agricultural Research.

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Besides its rural and agri-centric focus, **urban water management programmes** are being implemented in Bengaluru and Chennai (based on recommendations by **IIT Madras**) to address challenges such as flash floods, depleting groundwater tables, and water shortages. These programmes facilitate the revival of urban water bodies including **restoring inter-connectedness**, strengthening of natural streams (drainage systems), roof-top water harvesting, and groundwater recharge including shallow aquifers - while also testing models for treatment and reuse of water for agriculture purposes.

Recognising water is finite, ITC acknowledges that a positive water balance can be achieved only by optimising demand alongside supply augmentation. Accordingly, the programme promotes **crop water use efficiency (More Crop per Drop)**, wherein practices reduce water consumption and cultivation costs while improving yields. Water efficient agri practices promoted by ITC were adopted across **20.10 lakh acres** in FY 2025-26 covering 15 crops such as Paddy, Wheat, Soya, Sugarcane, Chilly, Banana, Coconut and Vegetable crops. Based on estimates from various studies, these practices have potentially saved **1,520 million kl** of water during the year.

On the supply side, in FY 2025-26, the programme covered over **1.69 lakh acres**, of which over 95,630 acres were covered through catchment treatment and 74,350 acres by providing access to irrigation, taking the cumulative to over **19.85 lakh acres** spread over 17 States. **2,640** water harvesting and ground water recharge structures were constructed in FY 2025-26, taking the cumulative to 38,540, with a net fresh water-harvesting potential of **66.31 million kl**.

Community based water stewardship interventions also enabled the retaining of **Alliance for Water Stewardship (AWS) Platinum** certification for **nine units**, reinforcing ITC's commitment to collective action and sustained stewardship at the catchment level.

To address the scale and inter-connected nature of water stress, programme has expanded to **river sub-basin level** interventions, enabling management of competing demands from neighbouring areas of ITC's catchments and creating more holistic and sustainable outcomes. Work has been done in four river sub-basins till date - **Ghod basin (Maharashtra), Kolans (Madhya Pradesh), Upper Bhavani (Tamil Nadu) and Murreru (Telangana)** – all of which have achieved water positive status, compared to the deficit estimated at the time of inception. In addition, work has commenced in a fifth sub-basin through a PPP - **South Pennar (Karnataka)**, guided by recommendations from the study conducted by **Indian Institute of Science (IISc)**.

In pursuit of these interventions, ITC collaborates with reputed institutions and thematic expert organisations to improve water use efficiency in agriculture, map zones for managed aquifer recharge and for water balance estimation. Key partners include **Indian Institute of Science (IISc) Bengaluru, IWMI, WWF India, iit-iit Foundation, ACWADAM, GEOVALE**, and others.

ITC is an anchor partner in a collaborative orchestrated by **Sattva Consulting that has amongst others INREM Foundation, FIDE, CoRE Stack, Geovale, WELL Labs, Arghyam and Living Landscapes**. The purpose is to develop a **Water Data Exchange (WDE)** conceived as the essential digital infrastructure to democratise high-quality water intelligence for data-driven collective action at scale. Using **Beckn Protocol**, prototypes for specific use cases are being developed, starting with agriculture.

Case Study

When Water Found a Home



Water has long shaped the destiny of farmers. Excess rain floods fields; absence of it cracks the soil. For monsoon-dependent families, water is both hope and risk. In the ITC programme, a simple structure—the **farm pond**—has begun to transform this reality. By giving water, a place to stay, farm ponds have converted uncertainty into stability across contrasting agro ecologies, like Pathrai in Madhya Pradesh and Jhal Thikriwal in Punjab.

Across 16 States, ITC established over **25,000 farm ponds,** storing lakhs of cubic metres of water close to farms. Functioning as **micro buffers,** they capture rainwater during intense showers, retain it for dry periods, relieve pressure on groundwater, giving farmers greater control over their most critical resource.

Pathrai, Madhya Pradesh: Drought Risk to Year-Round Productivity

Sourabh Singh cultivated five rainfed acres in Pathrai, where a weak monsoon often erased an entire season. Soybean yields were low, Rabi crops routinely failed, and in absence of water storage, purchased irrigation at ₹1,500/- per acre, limiting annual income to just ₹35,700/-.

When Pathrai became part of the ITC programme, watershed planning identified a natural low point on Sourabh's farm. A 20×20 metre pond with a storage capacity of 1,024 cu.m was constructed as part of a micro-catchment pond network.

Stored runoff transformed farm outcomes. With assured irrigation, all five acres came under cultivation. Soybean yields doubled with Broad Bed Furrow, Wheat yields tripled under Zero Tillage, and farm income rose to ₹2.88 lakhs. Reliable water enabled diversification into livestock, generating 50 litres of milk daily and additional income of ₹2.85 lakhs annually. Groundwater levels improved, wells retained water longer, and irrigation shifted to sprinklers. What was earlier a monsoon-dependent gamble, became a resilient farming system.

Jhal Thikriwal, Punjab: Managing Excess Water Productively

In Jhal Thikriwal, Amarjit Singh faced the opposite challenge. His 2.5 acres of clay soil field was water-logged during every monsoon, submerging crops. Long-standing engagement with ITC has fostered community confidence in building water structures. As per the ITC watershed plan, a series of ponds were designed to **intercept runoff,** including a 1,151 cu.m pond at the outlet of Amarjit's field.

Capturing excess rain prevented stagnation and enabled the adoption of Direct Seeded Rice. Paddy yields increased from 14 to 22 quintals per acre, while Wheat yields rose from 14 to 18 quintals per acre. **Annual income increased more than threefold to ₹2.40 lakhs.**

The pond also provided protective drainage, supplementary irrigation, income from fish culture, and supported 317 agroforestry saplings—converting flood-prone land into a diversified production system.

One Intervention, Multiple Outcomes

Despite facing opposing water risks—drought and flooding—both farmers demonstrated a shared outcome: water storage delivers stability. Farm ponds absorb excess rainfall and make it available during dry spells, transforming erratic monsoons into a dependable asset. Integrated with climate smart agronomy, livestock and agroforestry, farm ponds facilitate resilient, income-secure rural livelihoods.

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Soil Health

The programme adopts an integrated approach to restore and sustain soil quality by integrating NRM, Climate Smart Agriculture (CSA), and Biodiversity. Given the prevalence of low **Soil Organic Carbon** (SOC < 0.5%), the programme addresses risks to long term food security and agriculture resilience through interventions structured across three complementary tracks:

- Strengthening the **physical foundation** of soil through reduced disturbance with practices such as Direct Seeded Rice, Zero Tillage, Soil Moisture Conservation, silt application, and commons restoration.
- Enhancing **biological care** through in-situ crop residue management, green manuring, cover crops, organic compost, biochar, and food forests.
- Ensuring **chemical balance** by soil-test-based decision making through Soil Health Cards, adoption of nano fertilisers, precision nutrient application using drones and application of microbial inoculants.

During the year, **4.05 lakh tonnes of tank silt** was applied **(cumulatively - 96.00 lakh tonnes),** and 5,210 compost units (cumulatively - over 72,510) were promoted. **Catchment treatment** work was done in 95,630 acres in FY 2025-26 to control top soil run-off (cumulatively **- 12.46 lakh acres). No till / Zero Tillage practices** to add crop stubble back to soil that helps in retaining soil moisture and reducing soil erosion was promoted in **9.71 lakh acres** of Wheat in FY 2025-26.

Soil testing was facilitated for samples from 4.82 lakh farmers in FY 2025-26 **(cumulatively - 10.82 lakhs).** Based on these results, farmers were trained on appropriate application of recommended fertiliser doses.

Pilot on use of **Bio-Inoculum–based nutrient management** was undertaken across 13,089 acres in FY 2025-26 (cumulatively - 15,789 acres) in six States, covering major crops. The intervention under the technical guidance of the National Bureau of Agriculturally Important Micro organisms (**NBAIM**), focused on improved nutrient-use efficiency, cost reduction, and climate resilient crop production.

Biodiversity Conservation

Biodiversity conservation is integral to sustainable agriculture. In India, land degradation driven by multiple factors—including unsustainable land-use practices, deforestation, and ecosystem stress—has contributed to significant biodiversity loss[4,5]. ITC's Biodiversity Conservation programme, implemented primarily through PPPs in **agriculture catchments**, aims to enhance the resilience of **ecosystem services** provided by nature – including **provisioning services** (food, fodder, fuelwood) and **regulatory services** (pollination, water cycle, soil health and carbon sequestration). These landscape level interventions also **improve the green cover and species diversity**.

To achieve landscape-level impact, ITC has adopted the following tracks:

- **Rejuvenation of commons** through scientific landscape planning, soil improvement, community-led management for securing such lands, and livelihood integration;
- Enhanced **forest protection** by reducing dependency pressures via fringe area development for fuel and fodder, soil conservation, and strengthened collaboration between community and Forest Departments.

Community ownership is central to the success of biodiversity conservation programme. ITC invests in creating awareness on the linkages between biodiversity and livelihoods - such as food, fodder & fuelwood, water conservation and the role of predator birds and pollinators on pest control. To institutionalise this ownership, **Charagah Vikas Samitis (CVS), Banjar Bhoomi and Charagah Vikas Samitis (BBCVS), and Biodiversity Conservation Committees** are

[4]Olsson, L., Barbosa, H., Bhadwal, S., Cowie, A., Delusca, K., Flores-Renteria, D., Hermans, K., Jobbagy, E., Kurz, W., Li, D., Sonwa, D. J., & Stringer, L. (2019). Land degradation. In H.-O. Pörtner et al. (Eds.), Climate Change and Land: An IPCC Special Report. Intergovernmental Panel on Climate Change (IPCC).

[5]United Nations Convention to Combat Desertification (UNCCD). (2022). Global Land Outlook 2: Summary for decision makers. UNCCD.



formed with inclusion of community members from amongst small and marginal farmers, landless, shepherds, pastoral communities and socially challenged. These institutions oversee the implementation, and most importantly, play a critical role in **reclaiming encroached commons, and thereafter protect the restored landscapes.**

Over the last 3 years, nearly **5,000 acres of encroached land has been reclaimed** in Andhra Pradesh and Rajasthan.

During the year, ITC's community driven biodiversity programme conserved over **1.63 lakh acres,** taking cumulative coverage to more than **8.10 lakh acres.**

Prototypes and pilots undertaken during the year included:

- **Mangrove restoration:** These are coastal area forest ecosystems that faces significant risks due to increasing human interventions. They help in regulating salt water ingression, soil erosion control and also provide livelihood support for communities residing in the area. Initiated in Andhra Pradesh in FY 2023-24, the mangrove restoration prototype was scaled-up by 400 acres in FY 2025-26 (cumulatively **1,900 acres**). To ensure long-term protection of the restored mangrove areas, 62 community volunteers were trained and deployed to monitor mangroves and also safeguard **Olive Ridley turtle habitats.** These volunteers in turn work closely with fishing community to raise awareness, promote conservation practices, and support the ongoing maintenance of these vital ecosystems
- **Miyawaki forest:** This is a unique way to create forests which mimics natural forests within a short (2 years) time. However, the major challenge in scaling-up of Miyawaki forest is its high cost. MSK is therefore prototyping cost-optimisation models, including convergence with Government schemes. During the year, 45 acres was developed (cumulatively **67 acres in 99 villages of five States**).

For Water Stewardship and Biodiversity Conservation, ITC has major **partnerships with Governments of Andhra Pradesh, Maharashtra, Rajasthan, Karnataka and with NABARD in Andhra Pradesh.**

Mission Sunehra Kal

Case Study

When the Forest Found Its Way Back

Forests have always shaped the lives of communities living beside them, providing fodder, fuel, food, and water. When stressed, their decline quietly erodes both biodiversity and livelihoods. In semi arid landscapes, pressure from grazing, encroachment, and invasive species can push forests to a tipping point. Yet, with the right care, degraded forests can remember how to heal. In Sarapaka, near Bhadrachalam along the Godavari, a dry deciduous forest landscape has begun that journey—by being given the space and support to recover.

Once part of the legendary Dandakaranya, the Sarapaka forest patch in Bhadradri Kothagudem District steadily degraded over decades. Agricultural encroachment, illegal felling, and uncontrolled grazing fragmented habitats and weakened regeneration. Invasive species such as *Lantana camara* and *Chromolaena odorata* crowded out native flora, while moisture stress accelerated decline. Communities living within and around the forest grew increasingly dependent on shrinking supplies of fuelwood, fodder, and Non-Timber Forest Products (NTFPs). What remained was a **tired ecosystem—yet one that still held dormant regenerative potential.**

From Degradation to Regeneration

The turning point came when the forest was seen not as a site to be replanted, but as a **living system** waiting to recover. Through a **partnership between ITC MSK and the Telangana State Forest Department,** the focus shifted to restoring nature's own processes. Early observations revealed declining biodiversity, thinning biomass, and uneven regeneration, alongside signs of resilience—surviving rootstock and remnant native species capable of responding once grazing pressure, moisture stress, and invasive growth were eased. This insight shaped an approach centred on **enabling the forest to heal itself.**

The programme was implemented in partnership with **Society for Sampurna Grama Swaraj (SGSS).** Restoration began with water. In a hard-rock landscape where runoff quickly escapes, moisture availability was foundational. A **ridge-to-valley watershed approach,** supported by GIS and remote sensing, led to the construction of **41 mini percolation tanks, 50 rock-fills dams, and 72 stone gully plugs across 1,087 acres.** These structures slowed runoff, improved soil moisture, and reconnected hydrology with vegetation—giving the forest time and water to respond.

With enabling conditions restored, vegetation recovery followed **Assisted Natural Regeneration.** Existing seedlings and rootstock were protected, while selective gap planting of **native species such as *Syzygium cumini* (Jamun) and *Dalbergia latifolia* (Rosewood)** strengthened forest structure. Seed ball dispersal extended regeneration into inaccessible areas. Cattle proof trenches, fencing, invasive species management, and reclamation of encroached forest land reduced biotic pressure, allowing native flora to reclaim space.

When Communities Became Forest Stewards

Ecological recovery was paired with **social alignment.** Community Based Organisation (Vannikaran Sanghas) were formed, bringing the Seetarampuram community into the heart of forest protection. Convergence with then **MGNREGS** generated alternative



livelihoods, while **Ujjwala gas connections** reduced dependence on fuelwood. As household pressures eased, community perception shifted—from extraction to stewardship. **Protection of the forest became a shared responsibility rather than an external enforcement effort.**

Letting the Forest Breathe Again

Impact assessment conducted by **Foundation for Ecological Security (FES)** and scientific monitoring recorded steady ecological recovery over the course of the intervention. Tree species richness increased, mature tree density rose by nearly 19%, and above-ground carbon stocks grew by over 10**%. Biodiversity responded visibly, with bird species increasing from 36 to 42, butterflies from 25 to 44, and odonates from 10 to 21.** The return of the **Crimson Rose butterfly**—a sensitive indicator species—signalled the revival of native micro-habitats. Canopy assessments revealed a 130% increase in large tree cover in the first 100-hectares (247 acres) plot, while standing biomass reached 25.9 MT per acre. Improved forest health has also enhanced NTFP availability and fodder, supporting livestock based livelihoods. **Sarapaka demonstrates that when water, vegetation, and people are addressed together, forests can find their way back—gradually, resiliently, and with community care.**

Mission Sunehra Kal

Climate Smart Agriculture (CSA)

Globally, the agri-food system is a major contributor to climate change, accounting for one-third of total greenhouse gas emissions. With the global population projected to reach 9.7 billion by 2050, food demand will rise significantly, putting increased pressure on natural resources. Historically, increased food production has been driven by agricultural expansion and unsustainable resource use, further aggravating emissions and land degradation. In response to these intertwined challenges, **Climate Smart Agriculture (CSA)** has emerged as an approach to address food security, promote sustainable development and mitigate climate change.[6]

In India, agriculture employs nearly 43% of the workforce and contributes to about 14% of country's total GHG emissions, primarily from enteric fermentation, Paddy cultivation, and fertiliser application. Increasing climate variability—droughts, floods, and erratic monsoons—makes CSA critical for resilient and low-carbon agricultural transformation. Government programmes such as the **National Mission on Sustainable Agriculture (NMSA), PM-KUSUM, and Soil Health Card Scheme,** among others, provide policy frameworks that support CSA.[7,8]

ITC's CSA programme aims to strengthen resilience to climate risks change by building farmer's capabilities through skills, technologies and institutional linkages, with the intended outcomes of **sustainably improving yields and incomes.**

The programme aligns closely with Government initiatives such as **PM KUSUM, Sustainable Agriculture, Natural Farming, and the Millet Mission programmes.** CSA focuses on large scale promotion and adoption of proven crop specific practices aimed at the following:

- Reducing costs and improving yields, and thereby incomes of farmers, whilst also building resilience to climate change – **Adaptation to climate change;**
- Reducing GHG emissions – **Mitigation and decarbonising agriculture;** and
- Improving water use efficiency and conserving other natural resources – **Sustainable and Regenerative**

ITC builds farmer capabilities by training them through **Farmer Field Schools and Choupal Pradarshan Khets on identified technologies and practices.** Digital platforms like **ITCMAARS** and WhatsApp support continuous learning and dissemination of localised and customised information including weather advisories. Post awareness, ITC ensures sustained adoption through on-field technical assistance, year-round engagement, and enabling convergence with relevant Government programmes & schemes and with local farmer collectives.

Aligned with the **United Nations-declared International Year of Women Farmers (2026), a gender-responsive approach to climate-smart agriculture** empowers women farmers by ensuring equitable access to knowledge, resources, and decision-making. Tailored interventions, such as **Women Farmer Field Schools, Drone Didis,**



[6]World Bank. (2024). Climate-smart agriculture. https://www.worldbank.org/en/topic/climate-smart-agriculture

[7]FAO. (2021). Climate-smart agriculture sourcebook. Food and Agriculture Organisation of the United Nations.

[8]Ministry of Environment, Forest and Climate Change (MoEFCC). (2023). India's Third Biennial Update Report to the UNFCCC.



Krishi Sakhis, enhances resilience and productivity among women in agriculture.

Through **869 exclusive Women Farmer Field Schools,** scientific and technological best practices reached **2.27 lakh women** farmers during the year. Promoting inclusivity in climate-smart practices contributes to sustainable and equitable rural development.

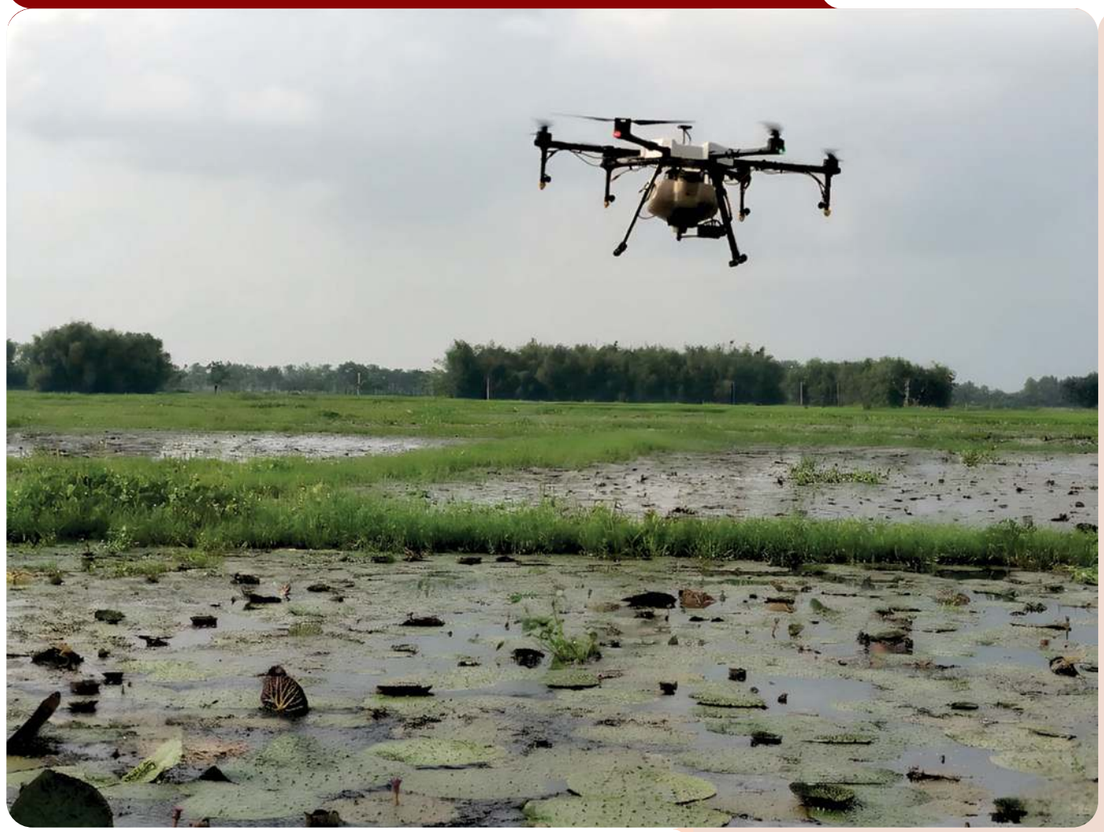
The CSA programme covered over **31.93 lakh acres** benefitting over **12.09 lakh farmers** during the year across 17 States. Major climate smart agriculture practices that were promoted included:

- **Zero Tillage (ZT)** method, **Broad Bed Furrow (BBF)** method of sowing and other standard package of practices in Wheat in **17.8 lakh acres**
- Sustainable Rice cultivation practices - **Direct Seeding of Rice (DSR), Alternate Wetting and Drying (AWD)** (also referred as Pani Pipe) and **Crop Residue Management** (no stubble burning) in **5.8 lakh acres**
  - **Crop Residue Management (CRM)** - Avoiding Paddy stubble burning in the areas where it is prevalent, especially Punjab, by promoting both **in-situ** (incorporating stubble into soil) and **ex-situ** solutions in nearly 2.94 lakh acres. In-situ solutions include promotion of use of happy-seeder, super-seeder and rotavators to add Paddy stubble back to soil, and ex-situ includes collection of Paddy stubble by baling and sale as fodder, biomass for power generation, ethanol production, etc. As a result, **no stubble burning happened in 96.5% (2.84 lakh acres)** of targeted area, witnessing total stoppage of stubble burning, thereby **avoiding 2.15 lakh tonnes of carbon release into the atmosphere.** These practices have now got internalised as farmers continue on their own and do not burn stubble.
- **Broad Bed Furrow** method of Soya cultivation with package of practices in **6.2 lakh acres**
- Seedling planting, drip irrigation and trash mulching in Sugarcane in **1.06 lakh acres**
- **Raised bed planting** and drip in Onion in **29,900 acres**
- **Makhana cultivation** in 23,150 acres
- **Other crops:**
  - Micro irrigation, Climate Resilient & High Yielding varieties & other standard Package of Practices (POPs) in Cotton, Vegetables (Chilly, Onion, Tomato), Agronomical crops (Maize and Millets), Pulses and Oilseed crops, Fruit (Banana), Plantation (Arecanut, Coconut, Curry leaf, Oil palm), and other crops in around **0.54 lakh acres**

Mission Sunehra Kal

Case Study

ITC's 3E approach to strengthening Makhana cultivation



Across Bihar's Makhana belt, the landscape is beginning to shift. Once marked by deep, thorn-filled ponds and labour heavy harvesting, it is now showing early signs of renewal. Productivity has risen from **8.5 to 9.8 quintals per acre** with improved varieties like **Sabour Makhana-1 and Swarna Vaidehi.** At the same time, **cultivation costs declined from around ₹ 1.04 lakhs to ₹ 0.88 lakhs per acre,** based on sample survey of 100 farmers. Community based institutions such as women groups have started nurseries to manage seed production and decentralised mechanisation wherein shared machines are managed within the village, reducing drudgery and ensuring timely, affordable access for all farmers.

This change did not happen on its own – it grew from steady field engagement, community mobilisation and the confidence built through simple, practical demonstrations. ITC's **3E framework** implemented in partnership with **Sarva Seva Samiti Sanstha and Kaushalya Foundation** is facilitating this shift:

The framework covers:

Educate (on scientific pond management, high yielding varieties, practices like **IPNM** through **Farmer Field Schools** and demonstrations);

Engage (Institution building like **Producer Groups, Agri Business Centres** & Nurseries, Kisan Gosthis and Melas that built trust); and

Enable (through pond rejuvenation and desilting, mechanisation access, scheme linkages and health & nutrition support).

Drone technology was also introduced for fertiliser application and pest management, improving precision while reducing manual effort and input losses. Farmers were supported in registering for Government schemes such as **Makhana Vikas Yojana, Makhana Beej Vitaran Yojana, PM Matsya Sampada Yojana,** KCC, PM KISAN and MGNREGS, enabling access to seeds, subsidies, credit and pond rejuvenation. ITC also organised over 210 **health and nutrition camps** with District Health Department team to support well-being of women farmers & processing workers.

Partnership with the **National Research Centre for Makhana (NRCM), Darbhanga** and support from **Bihar Agriculture University, Bhagalpur** created credibility of the programme. In the very first year itself, over **7,100 farmers** of four Districts were engaged with, covering **23,150 acres in 214 villages,** and which has now expanded to **six Districts.**

What was once a fragmented, labour intensive sector is now evolving into a **more organised, community-driven, and climate smart system,** wherein science, community institutions, and stronger local engagement are helping farmers retain more value within their village.

ITC also has a **partnership with TRIFED in Andhra Pradesh and Odisha** to promote **Organic Turmeric** cultivation. Under this initiative, 35 nurseries and 114 Farmer Filed School (FFS) were established, training **8,500 farmers across 8,600 acres (cumulative - 12,600 acres).**

Prototypes and pilots undertaken during the year included:

- **Food Forest:** This is a biodiversity-rich, multi-layer farming system that mimics natural forests to produce food sustainably with minimal external inputs. ITC is prototyping this model across 50 acres of rainfed farmland to address low productivity, poor soil health, high input costs, and climate risk. Working closely with farmers, the initiative focuses on dense multi-layer planting, natural farming practices and on-field learning to enable system transition and hands-on experimentation.

Climate Smart Villages (CSV) Programme

Whilst the CSA programme focuses on crop- and farmer- level interventions, the CSV programme adopts a whole-village approach, aiming to **facilitate higher gains in good season and lower losses in an adverse season compared to a non-intervention village**.

The programme integrates **Natural Resources Management, CSA, livelihood diversification** options and **institutional convergence**. Work continued in **7,055 CSVs** across 12 States covering **25.50 lakh acres** (part of total CSA area).

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Case Study

How Gadiya Became a Climate Smart Village (CSV)

Rising Climate Risks

Last year's extreme rainfall destroyed nearly 70% of the Soybean crop across many villages in Jhalawar. Fields remained submerged for days, and farmers who typically harvested 5 quintals per acre lost almost everything. In Gadiya village with 290 families, however—a CSV under ITC's MSK—losses were limited to around 50%, a small but crucial difference that helped families withstand a season of climate shock.

The contrast reflects a deeper challenge. Farmers in Jhalawar face erratic monsoons, long dry spells, sudden downpours, and terminal heat. Climate events that were once occasional are now frequent, steadily damaging crops and making farming risky and unsustainable.

Building Resilience Through Change

In Gadiya, seasonal shocks did not become long-term setbacks. The village joined MSK's Climate Smart Village (CSV) programme in 2019, with resilience becoming visible from 2021. Over the next few years, annual Soybean production rose by 275 MT (80%) and Wheat by 138 MT, **adding nearly ₹158 lakhs to the local economy. Livelihood diversification through livestock and horticulture generated another ₹128 lakhs**, strengthening buffers against climate losses. Today, 93% of households live in pucca homes, up from 23% earlier—reflecting improved resilience and living standards.

This progress was intentional. The CSV programme focused on four pillars: climate smart agriculture, natural resource management, livelihood diversification, and institutional linkages, offering a comprehensive pathway to reduce climate risk. Through Farmer Field Schools, farmers adopted practices such as Broad Bed Furrow in Soybean, Zero Tillage in Wheat, seed testing and treatment, and resilient crop varieties. These measures improved crop establishment, conserved moisture, reduced costs, and stabilised yields under erratic rainfall.

Water, Livelihoods, and Institutions

Water security became a turning point through six Water User Groups. Rejuvenation of six percolation tanks (41,200 cu.m. of storage potential), soil moisture work and 40 acres of pasture revived groundwater, and micro-irrigation expansion from 46% to 95%, enabled crops to withstand irregular monsoons. Income diversification further strengthened resilience. 78 farmers took up livestock rearing and 47 expanded existing herds, increasing cattle numbers from 359 to 530. Fruit plantations increased from 35 to 86 acres. 278 of the 290 families now have multiple income sources.

Institutional strengthening ensured inclusion, especially of women farmers. 90 women were mobilised into seven SHGs, improving access to credit, training, and schemes. Farmers were linked to the FPO of nearby Devnagari Gadi for collective procurement and better market access. Support enabled uptake of over 750 schemes - KCC, PMFBY, PM Kisan, Soil Health Cards and e-NAM covering 77% of the households, while ITCMAARS strengthened decision-making through weather advisories, crop selection, and PoP guidance.



From Vulnerability to Confidence

Gadiya's experience demonstrates how a holistic focus on lives and landscapes, anchored in strong village institutions, can build livelihood resilience and ensure agriculture does not remain a gamble.

"Pehle jab baarish samay par nahi hoti thi, to hamari faslein bahut kharab ho jaati thin—kabhi khet paani se bhar jaate the, to kabhi fasal banne se pehle hi mitti sookh jaati thi. Karyakram aane ke baad mera nuksaan kam hua aur mushkil mausam mein bhi ghar chalaane layak upaj ho jaati hai. Jab halaat sambhale, tab ek ekad zameen aur kharidi aur kheti ke liye ek tractor bhi le liya—yeh maine kabhi socha bhi nahi tha.

Ab doosre gaonon ke kisaan bhi poochhne aate hain ki mausam kharab ho to fasal kaise bachai jaaye. Accha lagta hai ki log wahi tareeke apna rahe hain, jinse mujhe sahara mila"– Haripal Singh, Farmer with about 4 acres, Gadiya Village

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Livelihood Diversification



In rural India, where agriculture remains the primary livelihood for a majority of the population, diversification of income sources through on- and off-farm activities is essential to reduce vulnerability and improve financial stability[9]. The challenges of monocropping, land degradation, and climate-induced shocks, such as erratic rainfall patterns and increasing temperatures, underscore the need for strategies that provide farmers with alternative sources of income.[10]

By promoting tree plantations and animal-based livelihoods, ITC aims to reduce farmers' dependency on agriculture alone by adding additional income sources which are more diversified, and climate-resilient. Evidence from International Livestock Research Institute[11] highlights that integrating livestock into farming systems can significantly reduce income volatility and improve food security.

ITC's strategy enhances farm incomes while de-risking livelihoods from climate change.

On-Farm Livelihood Diversification: Social Forestry

Social forestry offers an effective pathway to diversify farm income, restore degraded lands, and enhance environmental sustainability. Studies indicate that agroforestry systems, including social forestry, help improve soil health, increase carbon sequestration, and provide a steady income stream, particularly for smallholder farmers[12].

ITC promotes Pulpwood, Energy wood, Agarbatti Bamboo and other commercial tree species through tree-based farming and bund plantation models. Suitable species such as Casuarina, Subabul, Melia Dubia, Silver Oak and Bambusa Tulda are planted alongside agriculture crop. This integrated model, allowing crops and trees to be cultivated together, ensures food & wood security while generating sustainable income.

- 44,000 acres were greened in FY 2025-26, taking the cumulative coverage to **over 5.72 lakh acres** benefiting **1.98 lakh households**, primarily small and tribal farmers. ITC's **Farm Forestry and Social Forestry programmes** together have covered **14.83 lakh acres to date**.

Farmers are also helped in getting their plantations certified under **Forest Stewardship Council Certification (FSC®)**, wherein, 425 farmers got about ₹ 26.26 lakhs in FY 2025-26 as **FSC®** premium besides regular wood income.

- **Other fruit and commercial tree plantations**: ITC also encourages farmers to take up fruit tree or other commercial species plantations, either in part of their field or as an **agro-horti model** (both crops and trees cultivated together). In FY 2025-26, over 24,860 acres of fruit tree plantations were promoted taking the cumulative to **over 64,860 acres**.

[9]Hussain, M., Malik, M., & Khan, M. (2019). The role of livelihood diversification in strengthening rural resilience: Evidence from Indian agricultural communities. Environmental Sustainability, 13(2), 110-123.

[10]Kumar, P., Agarwal, A., & Saha, A. (2020). Challenges in Indian agriculture and the need for livelihood diversification. Indian Journal of Agricultural Economics, 75(4), 562-578.

[11]ILRI. (2018). Transforming livestock-based livelihoods in South Asia. International Livestock Research Institute.

[12]Wani, S. P., Pathak, P., & Rego, T. J. (2009). Agroforestry practices for improving productivity and sustainability of agriculture in semi-arid regions. Food Security, 1(3), 157-172.

Off-Farm Livelihood Diversification: Improved Animal Husbandry Practices (IAHP)

The IAHP programme supports farmers in diversifying beyond agriculture by strengthening livestock-based livelihoods, which are climate resilient and provide regular income. The programme is aligned **with Government schemes such as National Livestock Mission and Pradhan Mantri Matsya Sampada Yojana** and covers **major and minor ruminants, poultry, piggery and fisheries**.

IAHP is implemented through two approaches:

- Adoption of best practices
  - Over **2.16 lakh households** were supported with training, technical guidance and scheme linkages on adoption of contemporary practices linked to breed improvement, feed and fodder management, housing and healthcare including vaccinations and Artificial Insemination (AI).
  - 1.33 lakh AIs were facilitated during the year, leading to birth of over 44,820 high yielding and indigenous calves. (cumulatively **32.23 lakh** AIs leading to 11.35 lakh calves)
- Village Level Service Cadre

ITC promotes self-employed village cadres such as Artificial Insemination Technicians and women **Pashu Sakhis** who provide services and advisory support at doorstep. Rural youth and women are provided structured training to be able to provide these services and demand is generated for their services by creating awareness among village households.

- 72 AI Technicians and **2,900 Pashu Sakhis** benefitted over **9.80 lakh animal owners** cumulatively.



Mission Sunehra Kal

Case Study

When Trees Replaced Uncertainty

In eastern Uttar Pradesh, farming has become increasingly uncertain. Erratic monsoons, prolonged dry spells, sudden floods, and rising temperatures have turned traditional cereal based agriculture into a high risk livelihood. In Gorakhpur District, repeated crop failures in Paddy and Wheat have left farmers struggling with unstable incomes and diminishing confidence in farming as a sustainable way of life.

Ranjeet Singh, a farmer from Jungle Behuli village in Jungle Kaudia Block, experienced this vulnerability firsthand. Cultivating Paddy and Wheat on his 3.5 acres, his annual income hovered around ₹1.5 lakhs—insufficient to support a family of six. Frequent crop losses due to irregular rainfall and heat stress steadily eroded returns, making seasonal agriculture alone inadequate for sustaining his household. Each unsuccessful monsoon pushed farming closer to a gamble rather than a dependable livelihood.

From Climate Risk to Livelihood Resilience

The turning point came when Ranjeet was encouraged to diversify rather than intensify his farming system. Under ITC's CSV programme, he was introduced to Ultra-High-Density (UHD) Guava cultivation—a perennial, climate-resilient alternative capable of generating year-round income. ITC had engaged with Central Institute for Subtropical Horticulture (CISH), Lucknow, for technical knowhow. Ranjeet decided to allocate one acre of his land based on this knowhow made aware to him by ITC.

Ranjeet established a UHD Guava plantation with nearly 1,500 saplings, including Thai (1-kg variety), L-49, and Taiwan Pink varieties in around 0.8 acre of farm land. Scientific spacing, canopy management, and nutrient practices enabled efficient land use and early fruiting. Unlike traditional orchards, the UHD model allowed staggered harvesting, reducing dependence on a single season or monsoon cycle.

Guava soon proved its strength as a climate buffer. The orchard bears fruit twice a year, ensuring income even when cereal crops are affected by erratic weather. Under normal conditions, plants yield around 10 kg per plant per season, with slightly lower but stable output during the rainy season. With market prices ranging between ₹25–30 per kg, income began flowing at multiple points through the year, reducing vulnerability to climate shocks.

Building Multiple Anchors of Stability

From the fourth year onwards, Ranjeet's farming system underwent a clear transformation. While income from Paddy and Wheat continued, Guava emerged as a strong second pillar. In the fourth year, the plantation generated around ₹1.5 lakhs, enabling him to recover his initial investment and repay loans. Currently, the Guava orchard earns approximately ₹3 lakhs annually, with the potential to rise further as the plantation matures and productivity stabilises.

Livestock added another layer of resilience. Ranjeet owns a cow and a buffalo, contributing nearly ₹1 lakh annually through milk sales. This steady cash flow, independent of weather conditions, further strengthened household income security.

Together, earnings from agriculture, plantation, and livestock have raised Ranjeet's annual income three times to well over ₹4.5–5 lakhs. More importantly, income has become diversified, predictable, and resilient, even in years of adverse climatic conditions.

Turning Farming from a Gamble into a Strategy

Ranjeet's journey highlights a critical lesson for climate adaptation: livelihood diversification is as important as improving crop productivity. By allocating part of his land to high-value, climate-resilient horticulture and strengthening livestock income, he has reduced risk, created year-round employment, and renewed confidence in farming.

Today, his farm serves as a reference point for surrounding villages. Inspired by his experience, nearly 96 farmers have adopted high-density Guava cultivation as a diversification strategy. Ranjeet's story demonstrates how scientific horticulture, institutional support, and informed decision making can help farmers adapt to climate change—showing that climate resilience begins not with dependence on a single crop, but with diversification.



Mission Sunehra Kal

Institutional Support

Majority of Indian farmers fall in small and marginal category due to their smaller land holding which limits their capacity to invest and withstand crop failures. These farmers face barriers in accessing essential resources like credit, inputs and technology, which are vital for improving agricultural productivity and resilience. According to the National Sample Survey (NSS) 2013-14, about 50% of small and marginal farmers do not have access to formal credit, and only 26% are covered under crop insurance.

To address these gaps, ITC facilitates institutional access, cost reduction, and risk mitigation through aggregation and scheme convergence.

- **2,184 FPOs including 31 women exclusive** onboarded on ITCMAARS with 2.4 million registered farmers
- **2,150 Agri Business Centres** (ABCs) serving **0.91 lakh member farmers of which 468 are women exclusive serving 8,162 members**
- Over **8,200 Water User Groups and Social Forestry Committees serving over 1.46 lakh members, cumulatively till date**
- During the year, **28.31 lakh scheme linkages** (cumulatively over 70 lakhs) were facilitated for various Government schemes like:
  - **Soil Health Card** for rationalisation of fertiliser use
  - **PM KISAN** financial support programme for supplementary income to farmers
  - **PM KISAN Maandhan Yojana (PMKMY)** - Pension scheme for a safe future
  - Institutional credit from **Kisan Credit Card (KCC)** and Cooperative Societies for timely loans and minimising dependency on money lenders
  - Crop insurance from **PM Fasal Bima Yojana (PMFBY),** for overcoming crop damage due to extreme weather episodes
  - Sale of produce through **e-NAM** market channels

This integrated CSV approach underscores how grassroots interventions can enhance food system resilience while empowering marginalised communities. Together, these strategies offer a scalable framework for sustainable and climate resilient agriculture that not only enhances yield and income, but also contributes to improved diets and long-term food security.



Pathway 2



Nurturing Human Capabilities – Strengthening Foundational Literacy and Livelihoods and Preparing Communities for Future

This Pathway focuses on **unlocking human potential** by building strong foundations and enabling **future-ready communities**. It **strengthens education systems** from **early childhood to secondary levels**, aligned with NEP 2020, to improve **learning outcomes, retention, and equity**. The Pathway advances youth skilling and employability through **industry-aligned training, market linkages**, and **livelihood** options addressing evolving demands.

Integral to this approach is women's empowerment, driven **through financial & digital inclusion, enterprise development** and **sustainable livelihoods**. By **promoting an entrepreneurial mindset, community-based institutions** and **inclusive participation,** the pathway shifts focus from access to **agency, economic resilience and long-term socio-economic transformation**.

Mission Sunehra Kal

Support to Education

Infrastructure Support and Maintenance



Improvement in infrastructure at identified Government Schools & Anganwadis (S&As) is a core feature of the Support to Education programme aimed at **creating safe** and **enabling learning environments** through **'Child Friendly Schools'**. 535 S&As received infrastructure support in FY 2025-26, taking the cumulative coverage to over **4,100**. This has contributed to increased enrolment, particularly of girls.

To strengthen **climate resilience of school infrastructure**, the following initiatives were undertaken:

- 40 S&As were supported with **solarisation** in Saharanpur, Munger, Howrah and Pune, meeting electricity needs and supporting **clean cooking in the mid-day meal kitchens**.
- 5,760 **aerators** were installed in 350 S&As, promoting water conservation with children-led behaviour change outreach to families and communities.
- Plastic waste was converted to benches, round tables, library racks, and paving tiles, installed across 127 S&As, demonstrating a **circular plastic management model**. In this process, children were also made aware of waste management and recycling.

Additionally, **114 smart classrooms** were made functional – through new installations or activation of existing infrastructure – accomplished by teacher training to enhance classroom pedagogy and learning outcomes.

To ensure sustenance, **1,305 School Development Management Committees** were strengthened to enable participation and ownership in infrastructure maintenance.

Contributions for operations and maintenance of infrastructure/ sanitation facilities, creation of soap banks, capacity building of school heads, teachers and child cabinet members was also undertaken. In addition, **1,327 Child Cabinets and Water & Sanitation (WATSAN) Committees** were also strengthened to institutionalise hygiene and cleanliness practices. These efforts collectively support long-term functionality and community stewardship of school assets.

Early Childhood Care and Education (ECCE)

Recognising the foundational importance of ECCE including early stimulation, aligned with **National Education Policy 2020**, strengthening the capabilities of Anganwadi Sevikas remained a priority. In partnership with the **Women Development and Child Welfare Department, Andhra Pradesh,** capacity building continued across all the 26 Districts, covering 55,600 Anganwadi Sevikas, who in turn reached out to **2.79 lakh children** during the year. Whilst these are new children reached out in FY 2025-26, the programme continued to engage with 7.96 lakh children.

In Saharanpur, Uttar Pradesh, a partnership focussing on **Poshan Bhi, Padhai Bhi** integrated **nutrition and early learning** covering 30,000 children. The second phase of the PPP signed with **Directorate of Women & Child Development, Government of Assam** expanded coverage to 11 Districts (extended from eight Districts in Phase 1) **integrating Nutrition, Early Stimulation and ECCE**.



Mission Sunehra Kal

Case Study

From Awareness to Action:
How Mothers' Groups Are Shaping Learning at Home Strengthening Outcomes at the Household Level



In T. Mettupatti village in Tamil Nadu, something quiet but significant has changed in the way families spend their time together. **Early childhood learning** has moved beyond the Anganwadi into everyday home routines, when a mother sits beside her child to play, sing or talk. 98% of mothers reported regular parental engagement following the **Early years programme (Anganwadi and Balvachan Programme)**.

This shift is visible across children's daily lives. Nine in ten are now engaged in outdoor play, over three quarters in dance, and nearly two thirds in free play, with half incorporating yoga—supporting **holistic child development** and **play-based learning**. Caregivers, too, have evolved. Understanding of nutrition and early development has deepened, with 76% reporting better knowledge of balanced diets, 72% of infant feeding practices, and over 60% aware of local nutrition and meal planning. What began as awareness has now become an embedded practice—contributing to **enhanced school readiness and foundational learning outcomes**.

Where Access Existed, but Action Was Limited

This was not always the case. Sangeetha, like many mothers in her community, watched her child return from the Anganwadi sensing something meaningful had happened, yet unsure how to continue it at home.

She knew learning mattered, but lacked clarity and confidence on what to do or whether it would make a difference. While access existed, **continuity** between the Anganwadi and home remained limited.

A Community-Led Behaviour Change Approach

Recognising this gap, ITC MSK, in partnership with **Pratham Education Foundation**, designed an approach that begins at the household. Built on evidence that caregiver-led engagement and nurturing care-giver centric model anchored on **parental agency, confidence, capability** and **connection** with their children. The locus of changes shifted from service delivery to sustained, participatory engagement.

Mothers' Groups as Platforms for Collective Learning

Sangeetha's entry point was a **Mothers' Group**—10 to 15 women meeting regularly to learn, share and support one another. Facilitated by Master Trainers and anchored by **Leader Mothers**, these groups became **peer-learning spaces for shared learning and experimentation**. WhatsApp groups sustain engagement, carrying reminders and ideas into everyday life.

Translating Learning into Daily Practice

The methods are designed to travel home. **Idea Video Cards** and digital messages translate developmental concepts into simple, actionable activities. Over time, Sangeetha moved from observation to consistency. What once felt unfamiliar, now became part of how she engaged with her child, **not as an instruction, but as a connection**.

From Participation to Leadership

Today, Sangeetha has transitioned from a participant to a Leader Mother, facilitating sessions and supporting other caregivers. Her journey reflects a broader community level transformation. **38,000+ Mothers' Groups** demonstrate the programme's scale and depth of engagement. Change is no longer confined to institutions; it is carried home, shaping learning, one interaction at a time.

> **Earlier, I was unsure about my child's development and how to support learning at home. Now, through the videos and group activities, I practice daily and can see the difference."**
>
> **- Sangeetha, Leader Mother, Tamil Nadu**

Improving Learning outcomes

The programme aims to improve education quality and learning levels through an enabling environment and child-friendly pedagogy. Aligned to Government's **'Samagra Shiksha Abhiyan' and 'National Education Policy 2020',** the programme focuses on learning outcomes, retention and equity by bridging gender and social category gaps. Operational across 60 Districts in 15 States, the programme reached to an additional **4.39 lakh children** in FY 2025-26. Whilst these are new children reached out in FY 2025-26, the programme continued to engage with 10.94 lakh children.

Read India Programme adopts Pratham Education Foundation's evidence-based **Teaching at the Right Level (TaRL)** approach to **strengthen foundational literacy** and **numeracy**. Children were grouped based on the assessment of their learning levels, irrespective of their class in school, and engaged through activity-based pedagogy.

Additionally, over **5,020 Mothers' groups** were formed and trained on **activity-based learning** to reinforce learning at home.

125 **Supplementary Learning Centres** (SLCs) facilitated mainstreaming of 4,030 out-of-school children (estimated 50% girls) into the formal education system taking the cumulative to **20,830**. Structured follow up visits in schools ensured retention.

Model Schools aligned with **PM Schools for Rising India (PM SHRI)**, demonstrate NEP best practices across four components - **Child and Climate-friendly infrastructure; Learning Quality**; **Social and Mental Well-Being; and Community Engagement**. 25 schools selected are on a three-stage track **(Rising, Emerging and Model)** - 7 have become Model, 16 are in Emerging and remaining 2 in Rising Category.



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Education Intervention for Secondary and Higher Secondary children

Case Study

Enabling Career Intentionality and Second Chances for Adolescent Girls



For adolescent girls in rural contexts, educational transitions are rarely linear. They are shaped by intersecting constraints - Early marriage, household responsibilities, restricted mobility and limited structured career guidance. For those in school, the challenge is often direction rather than access; for those who drop out, re-entry pathways are few and misaligned with their realities.

ITC MSK responds through a lifecycle-based approach, recognising differentiated needs across stages and enabling aspiration, continuity and re-entry. Central to this approach is sustained trust-building at the community level, without which participation, persistence and progression remain fragile.

Through **Project Puthri**, implemented with **Avtar Human Capital Trust** in Pudukottai, 835 girls (Classes 8 to 12) are being guided on career intentionality — a critical stage where life choices are shaped amid limited guidance and strong social pressures. It is anchored on three pillars—**Mentoring, Role Models and Career Coaching**. Mentoring enables informed decisions around education continuity, marriage and agency, while role models expand aspirations by demonstrating achievable white collar career pathways. Career coaching then translates ambition into action, shifting girls from passive enrolment to purposeful, self directed education journeys.

Project PRAGATI, implemented with **Educate Girls** in Munger, enables **second chance pathways** for out-of-school girls and women (15 to 29 years) through flexible, community-based learning, complemented by **family counselling and male allyship**. The programme addresses the social drivers of dropout and barriers to re-entry. Central to its success are **Prerakhs**, whose sustained community engagement builds trust with learners and families, enabling re-entry, retention and exam readiness despite social resistance, self-doubt and competing household responsibilities.

286 learners appeared for Class 10 examinations, including 55 married women; **119 passed in the first attempt**, underscoring the impact of sustained community engagement and individual commitment despite significant household and social pressures.

Together, these programmes demonstrate a coherent approach to girls' development—meeting them where they are, responding to what they need, and treating education not as a single moment, but as a facilitated, ongoing pathway.

> **After failing my Class 10 exams twice, I stayed away from studies for five years and also faced taunts from people around me. Later, I joined the Pragati Camp, which gave me a second chance. With continuous hard work and determination, I successfully passed my Class 10 exam with good marks. Today, I am confident and motivated to continue my education up to Class 12 and furthermore fulfil my dream of becoming a GNM nurse."**
>
> **– Saniya Khatun, Munger**

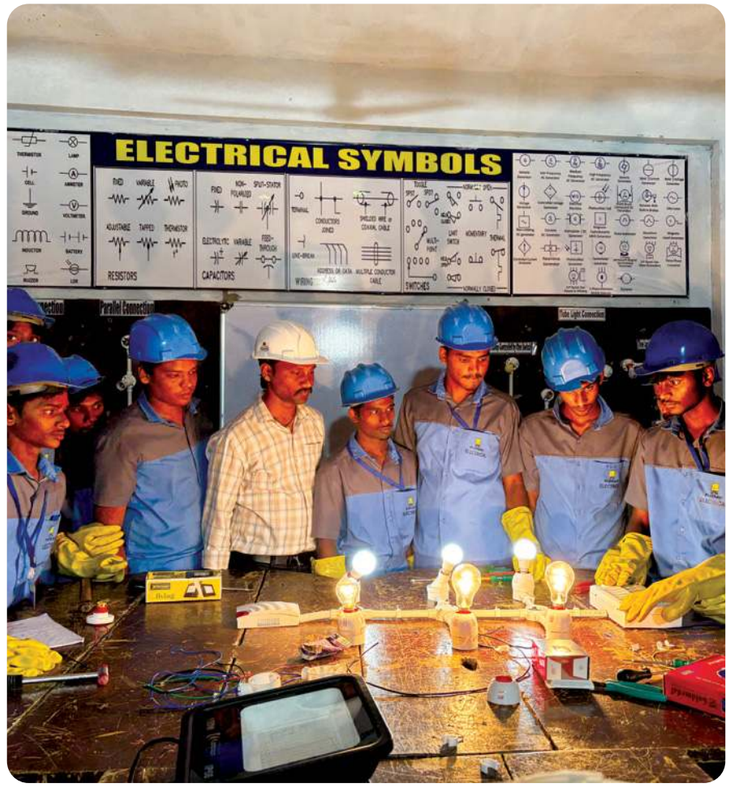
Human Capital Development

Skilling of Youth

India's demographic dividend presents a significant opportunity, with a median age of 28 and **65% of the population under the age of 35**. However, this is accompanied by persistent challenges, with **youth unemployment** at 14.8% and a **growing skill mismatch** between educational attainment and industry requirements. To harness this potential, ITC is committed to nurturing **future-ready youth** by equipping them with skills to improve their livelihoods.

The programme is closely aligned with the **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**, including its latest focus under PMKVY 4.0 on **industry-relevant skills, new-age technologies**, and **enhanced employability** through internships and apprenticeships—with increasing emphasis on **digital skilling and blended learning pathways**.

Operational in 33 Districts across 16 States, the programme trained 17,600 youth during the year (**1.45 lakh** youth cumulatively). Over 24% of those trained were from the SC/ST communities and around **49% female students**. Courses spanned 10 skill area, **integrating digital skilling modules and customised learning stacks aligned** to industry requirements, particularly soft skills and **job readiness**. Youth are also helped in securing employment in the market or starting their own enterprises, not only improving their livelihood, but also boosting their self-esteem and enabling them to support their family's well-being.



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Considering the magnitude of the livelihood challenge faced by youth, ITC plans to scale up the skilling programme by focusing on newer tracks - satellite centres, community-based training, ecosystem approach leveraging ITI and colleges, **digital learning platforms and Recognition of Prior Learning (RPL)**, enabling flexible and scalable skilling solutions across diverse contexts.

During the year, two of these tracks - **skilling at community level and leveraging ecosystem were piloted**. To train youth who can't travel to skilling centres, through community level centres, 3,850 youth across 11 States were trained. This approach reduces barriers to participation, particularly for women and marginalised youth, while also addressing distress migration by enabling local livelihood opportunities. In this approach, the existing ITC skill centre is used as Hub for practical classes, and other sessions and training conducted at community level. The second track saw collaboration with Government or other private exiting infrastructure and institutions like ITIs and degree colleges covering **7,900 youth** during the year.

During the year, skilling intervention for **persons with disabilities** was implemented in eight centres in five States. In just three years of operations, the programme has made significant progress contributing to **inclusive** and **accessible skilling ecosystems**, aligned with national priorities for **equitable workforce participation**. In FY 2025-26, around 1,300 youth (cumulatively **over 2,370**) were trained and 863 have already been placed (cumulatively 1,460).

Sixth Sense, specifically designed for the visually challenged has covered 210 such individuals across five cities, training them on fragrance testing.

Case Study

Accelerating Youth Skilling through an Ecosystem Approach in Haridwar



When training exists, but outcomes do not

In Haridwar, classrooms were full. Students attended courses, completed curricula, and acquired technical knowledge. Yet, as graduation neared, uncertainty persisted. Skills did not consistently translate into jobs. For many students across **ITIs and degree colleges**, the education-to-employment transition emerged as the system's weakest link.

These **system-level gaps** reflected a disconnect between training delivery and employment readiness, driven by inadequate soft skills, limited digital exposure, and weak industry and placement linkages that prevented skills translating to jobs.

Earlier, ITC's Skilling programme followed a centre-based model, delivering training through fixed ITC centres. While structured, it remained disconnected from **institutional pathways within ITIs and colleges**, constraining scale and employability outcomes. Placement rates remained below 10% at these institutes, with many students lacking **communication, workplace readiness,** and **digital competencies** required by industry.

Reframing skilling within institutional ecosystems

Recognising these gaps, ITC MSK introduced a demand-led skilling ecosystem, where **ITIs and degree colleges also become core delivery platforms** for skilling interventions.

ITC centres were repositioned as **resource and facilitation hubs**, while training, employability support, and placement readiness were **embedded within institutional systems**. This ensured that final-year students received **timely, demand-responsive skilling aligned with their transition into the workforce**. By integrating with ITIs and colleges, the programme strengthened **institutional convergence**, expanded reach without duplicating infrastructure, and ensured **inclusive access at scale**.

Embedding digital and data-led skilling

Within this **institutional ecosystem, digital skilling and customised stacks** were integrated to strengthen delivery. Student profiling, skill mapping, and placement tracking enabled **data-driven interventions** aligned with both learner needs and employer demand. **Digital modules** complemented technical training, strengthening communication, workplace readiness, and digital literacy within classrooms. As a result, youth demonstrated improved digital and workplace competencies, contributing to stronger placement outcomes.

Connecting institutions to industry

The ecosystem approach enabled deeper **linkages between institutions and industry**. Structured **job fairs, placement drives**, and **employer engagements** were conducted on campus, ensuring direct access to employment opportunities. Outreach scaled **2.3 times, from 338 to 798 students** at incremental cost. Placement outcomes improved from below 10% to 65%, with **560 youth** already **placed or engaged as trainees**—underscoring the effectiveness of **embedding employability support within institutional ecosystems.**

What the model demonstrates

The Haridwar experience illustrates that skilling outcomes improve when ITIs and colleges **function as integrated delivery platforms**, supported by resource hubs, digital tools, and industry partnerships. By embedding skilling within existing education systems, the model strengthens **accountability, scalability, and market alignment**, ensuring training remains connected to employment pathways.

> The partnership with ITC has not only improved our students' employability, but also built their confidence and aspirations. Students today demonstrate greater placement readiness and are better prepared to transition into the professional world. Classrooms have become more interactive, and the overall environment of our institution is now more vibrant and aspirational. We truly value this collaboration and look forward to strengthening it further."
>
> **Mr. Ashish Nautiyal, Principal Government ITI, Piran Kaliyar, Haridwar**

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Livelihoods

Women Empowerment

In India, where women make up nearly half the population, their empowerment is not merely a matter of social justice but a prerequisite for national development. Empowered women with enhanced **agency and voice**, can uplift families, reduce poverty, and ensure better education and health outcomes for future generations[13]. India's goal of self-reliance will remain unfulfilled without active efforts to remove gender-based barriers, address **structural inequalities** and **power asymmetries**, and unlock the full potential of half its population.

Women in India often face systemic barriers in accessing education, healthcare, and economic opportunities, limiting their ability to realise their full potential. Recognising the need to empower women as vital to achieving an inclusive and prosperous society, ITC's Women Empowerment Programme is envisioned in alignment with India's evolving priority and broader vision of **"from women's development to women-led development"** under *Viksit Bharat*, advancing a gender-transformative approach that seeks to **shift underlying norms, roles** and **systems**.

ITC's women empowerment programme has three tracks - **Empowerment, Enterprise Mindset and Entrepreneurship development** to enhance their current and future livelihood. This initiative is closely aligned with the **'National Rural Livelihoods Missions'** of the Government, which aim to support women to diversify their livelihoods, strengthen **collective agency** through SHG platforms, and improve their incomes (to become **Lakhpati Didis**) and quality of life.

The **Nari Shakti** narrative of the programme foregrounds women as drivers of change at household, community, and village levels, supporting dignity beyond livelihoods, including **recognition, participation and leadership roles**.

ITC's Women Empowerment Programme - Securing Current and Future Livelihoods

Empowerment

- Financial and Digital Literacy (FL)
- Rights and Entitlements
- Scheme Linkages

Enterprise Mindset

- Women Farmers
- Krishi I Pashu I Yojana I Swasth Sakhi - Last-mile delivery
- ABCs, FPOs, SHGS

Entrepreneurship Development

- Targeting Hardcore Poverty for Ultra-Poor Women
- Nano & Micro enterprises (Group and Individual)

[13]Jean, Guillaume. (2025). Community-Led Approaches to Women's Empowerment: Education and Mentorship in Rural Areas.

Empowerment – Financial and Digital Inclusion

Financial inclusion is a critical step toward achieving economic empowerment for women. Financial Literacy and Inclusion Programme was first implemented in partnership with Madhya Pradesh State Rural Livelihood Mission and CRISIL Foundation covering all 52 Districts of Madhya Pradesh.

Basis the learnings in MP, the programme initiated in other States continued during the year, together covering 33,240 new SHGs with 3.48 lakh members (cumulatively over **4.23 lakh SHGs and 41.97 lakh women**). 2.91 lakh **scheme linkages** were facilitated taking the cumulative to over **33.91 lakhs**, with active role and support of **Yojana Sakhis**.



Enterprise Mindset – Women Cadres as Service Providers

A self-sustaining women cadre of **6,583 service providers** are trained and supported to help other women in agri-extension, livestock, scheme linkages and health, and in the process earn livelihood through income from the services provided.

The cadre include:

- **Krishi Sakhi –** Train other farmers on climate smart agriculture
- **Pashu Sakhi –** Provide doorstep animal husbandry services specially to women
- **Yojana Sakhi –** Help financial literacy amongst women and in scheme linkages (Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Sukanya Samridhi Yojana, Ayushman Bharat card) and bank loans
- **Swaasth Sakhi –** Create awareness on health and nutrition and make available health and sanitation products to women at door steps

Entrepreneurship Development – Group and Individual Enterprises

Entrepreneurship Development – Socio Economic Mainstreaming of Ultra-Poor Women

Operational in 10 Districts across 8 States, the **Targeting Hardcore Poor (THP)** programme implemented in partnership with **Bandhan Konnagar** trained 4,840 women in FY 2025-26 (cumulatively over **45,520 women**).

These are **ultra-poor women** (women from the poorest sections of the community who have annual income less than ₹30,000/-, with no possession of assets, and also not having any able-bodied male member working in their family), shouldering responsibility of heading the family. They are benefitted through a structured **two-year graduation-based programme** as depicted below and thus helping them to move out of abject poverty.



Impact studies have shown that the income of these ultra-poor women has increased by more than five-fold. There is also a substantial improvement in their **Human Development Indicators** like access to health, sanitation, children education, housing, social security, etc. This approach supports women in transitioning from subsistence to dignity and sustainable livelihoods through structured enterprise growth pathways. To scale the programme further, a PPP has been signed with **State Rural Livelihood Mission (SRLM) of Assam** and The/Nudge to enable the economic inclusion of 10,000 ultra-poor women in 10 Blocks across six Districts.

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Entrepreneurship Development – Laddered approach for women-led enterprises in urban areas

MSK has developed holistic models for urban women's entrepreneurship to address livelihood vulnerabilities and enable inclusive growth. Pilot initiatives such as **WINGS (Women's Initiative for Nurturing Growth and Sustainability)** in Kolkata and the **Livelihood Progression Ladder** in Saharanpur focus on building enterprise capabilities among women in urban catchments.

Rooted in the everyday economies of urban and peri-urban Saharanpur, the model traces a quiet but powerful shift—where women move from unseen contributors in family trades to confident enterprise owners, supported by structured pathways, financial access, and markets that finally recognise their worth.

Over **1,740 women** have been supported through structured interventions combining technical training, digital literacy, business development planning, market analysis, risk management, and long-term mentorship. These interventions demonstrate that women-centred and context-sensitive approaches can drive both economic and social transformation.

Case Study

Climbing the Ladder of Change:
Advancing Women's Financial Empowerment through Enterprise in Saharanpur



700+
Lakhpati Didis

₹11.5+ Crores
Generated

From Invisible Work to Economic Identity

Where Work Exists, but Ownership Does Not

In the aftermath of COVID 19, as livelihoods in Saharanpur faltered, women's work remained steady yet largely invisible. Wood chisels echoed through workshops; nearby, women sanded, polished, and assembled. Their labour was real. Their control was not.

This gap was never about ability, but about access. Healthcare meant waiting for approval. School fees were crises, not planned expenses. Income passed through households, rarely returning to the woman who earned it.

Designing Pathways from Income to Enterprise

ITC MSK sought to shift not just earnings, but decision making. Implemented in partnership with **MeraBizNet and Hand in Hand**, the programme uses a structured three-year livelihood progression model that supports women's transition from home-based work to enterprise ownership.

The journey begins with SHG mobilisation, skill mapping, and digital and financial literacy, enabling women to engage confidently with markets and institutions. This is complemented by structured linkages to formal, loan-based financial instruments, particularly Government-backed, credit-linked schemes supporting nano and micro-enterprises across diverse livelihood segments, such as the Mukhyamantri Yuva Udyami Yojana, PM MUDRA Yojana, PM SVANidhi, and PM Vishwakarma. These linkages enable women entrepreneurs to translate skills and business plans into viable enterprises through timely access to working capital and investment finance, strengthening income generation and market participation.

Women move from irregular incomes of ₹5,000/–₹7,000/- to stable earnings of over ₹10,000/-, crossing ₹1 lakh annually in most cases. Sustained mentoring and market exposure at each stage strengthen business decisions and growth.

A phygital mentoring model ensures continuity. Women receive personalised guidance from urban professionals on pricing, design, positioning, and market presentation. Expertise once distant becomes accessible, building confidence to value and negotiate their work.

From Local Work to Expanding Enterprises

Income growth has been significant: in handicrafts and packaging, earnings rose from below ₹4,000/- to upto ₹14,000/-; in food and allied services, from below ₹3,000/- to upto ₹15,000/; and in service enterprises, from below ₹3,000/- to upto ₹12,000/-. Today, 35–40% of sales flow through digital channels—including platforms such as Open Network for Digital Commerce (ONDC), Facebook Marketplace and Meesho —reflecting a shift to wider markets.

How Change Cascades Within Households

When income becomes hers, choices follow. Children, especially daughters, remain in school longer. Nutrition improves. Healthcare is sought early, without waiting for permission. Women now participate in both household and business decisions — from pricing products to accepting orders. Women led enterprises increased from 260 in 2023 to 1,227 in FY 2025-26, demonstrating sustained momentum.

What the Model Demonstrates

Over 700 women have since crossed the **Lakhpati** threshold, generating more than ₹11.5 Crores in FY 2025-26. Within this, 165 **Udhyami** entrepreneurs—earning around ₹1.5 lakhs annually—represent a stage of stabilised enterprise growth, while 127 **Pragatisheel** entrepreneurs—earning over ₹2 lakhs annually—are expanding their businesses further. Notably, many within these cohorts are also creating local employment, engaging other women across production, packaging, and service delivery.

The Saharanpur experience shows that financial empowerment requires more than income — it needs structured progression, market access, and the steady transfer of decision making into women's hands. By aligning community platforms, enterprise development, and market linkages, ITC MSK enables women to shape value chains and strengthen the communities built around them.

> **Mentoring these women entrepreneurs has been deeply fulfilling. These women are hardworking, self-reliant, yet often unaware of the market's possibilities. I have tried to connect their skills with newer opportunities—from YouTube to boutique tie-ups. I look forward to seeing them build a stronger, more sustainable livelihood."**
>
> **– Tejal Thakker, mentor at MeraBizNet.**

Pathway 2 demonstrates how education, skilling and women's empowerment – when **designed as connected systems** – translate into **capability, resilience and long-term socio-economic transformation**, anchored in strong community institutions and market linkages.

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Pathway 3



Strengthening Public and Community Health Ecosystems to create Healthier Habitats

The Pathway focuses on building **healthier communities** by **strengthening public** and **community health ecosystems**. Anchored in **primary healthcare strengthening, last-mile service delivery**, and **convergence** with Government systems, it advances **Universal Health Coverage** through **integrated systems-based approaches**. The Pathway spans **maternal, child & adolescent health and nutrition, preventive and curative care**, and **community-led behaviour change** to drive sustained outcomes. It also addresses **environmental determinants of health** through **sanitation and decentralised waste management**, aligned with **circular economy principles**. By enabling **community ownership, institutional capacity**, and **data-driven decision making**, it fosters **resilient, equitable and inclusive health systems**.

Public Health

Improving population health outcomes requires **integrated, systems-based approaches** that address service delivery alongside environmental determinants of health. Strengthening primary healthcare systems, enhancing last-mile reach, and ensuring convergence across service platforms remain central to equitable health outcomes. ITC's community health programmes align with these priorities by reinforcing frontline systems, enabling behaviour change, and improving access to preventive and curative services.



Sanitation & Waste Management

Transformative sanitation goes beyond infrastructure to address environmental, social and behavioural determinants. If grounded in environmental sanitation principles, such efforts promote sustained public health impact at scale[14,15]. Aligning with Swachh Bharat Mission, ITC's sanitation and waste management programmes through community-led solutions promote **hygienic habitats and healthier communities**.

Access to Sanitation – Households and Community

Through behaviour change communication, the programme focused on sustaining **Open Defecation Free (ODF)** habitations through improved hygiene and sanitation practices aligned with **Swachh Bharat Mission 2.0.** Cumulatively, **225 community toilets** and **43,843 household toilets** have been constructed.

The **Swasth India Mission**, rooted in the belief **'Swasth Bacche, Mazboot Desh'**, supported the fight against preventable infections by promoting **hand hygiene** through interactive sessions in **25,000 schools** across India and innovative mass media campaigns.

Waste Management

ITC's **Community-Led Decentralised Solid Waste Management (CLDSWM)** model focuses on source segregation, minimising waste to landfill, and building community-owned waste management systems aligned with circular economy principles. The programme is operational in 35 Districts of 14 States. During the year, focus was on ensuring impactful execution of the amplification partnerships.

Implemented in partnership with Panchayats and Urban Local Bodies (ULBs) under the Swachh Bharat Mission, the programme covered over **7.13 lakh new households** during the year, cumulatively reaching **82.34 lakh households** across urban and rural areas.

Decentralised models were reinforced through household clusters and encouraging home composting to push waste management closer to the generator so as to minimise environmental impact and associated costs. Households are encouraged and guided to come together and form **Mohalla Committees** for supervision of waste collection, promote waste segregation, collect / monitoring user fees and support payments to waste collectors. The number of Mohalla Committees paying to the waste collectors has been sustained over the years, while in some locations, the local Government pays the waste collectors directly.

[14]Budge S, Ambelu A, Bartram J, Brown J, Hutchings P. Environmental sanitation and the evolution of water, sanitation and hygiene. Bull World Health Organ. 2022 Apr 1;100(4):286-288. doi: 10.2471/BLT.21.287137. Epub 2022 Mar 3. PMID: 35386561; PMCID: PMC8958826.

[15]JHA, P. (2003). Health and social benefits from improving community hygiene and sanitation: an Indian experience. International Journal of Environmental Health Research, 13(sup1), S133–S140.

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During the year, ₹148 million was mobilised through user fees, compost sales, and recyclables, supporting operational sustenance. Waste collectors also benefit from additional income, strengthening livelihood security beyond fixed user fee linked income.

Over 6.87 lakh tonnes of waste was collected during the year, of which around 4.23 lakh tonnes of wet waste was composted and around 1.65 lakh tonnes of dry waste recycled - avoiding **86%** of waste going to landfills. Of the recyclable waste, over 3,500 tonnes was plastic waste including 732 tonnes of Multi Layered Plastic (MLP).

Urban Waste Management

The **PPP with Uttar Pradesh Urban Development Department** continued in **85 ULBs across 75 Districts of the State**. ITC supported ULBs through training and sustained handholding to establish decentralised systems, encourage household user fees, and strengthen monitoring. Four lakh additional households were covered by ULBs in FY 2025-26 (cumulatively 53 lakhs). 1,650 Mohalla Committees (cumulatively 21,650) have been formed who participate in and monitor the waste management programme.

Additionally, MSK participated in **Swachhata hi Seva Campaign 2025 ('Swabhav Swachhata Sanskar Swachhata')** during the year covering 2.5 lakh citizens in 16 States. Over 630 Schools and Anganwadis were engaged through awareness activities with over 30 Implementing partners played a pivotal role in ensuring outreach and impact.

The campaign activities included:

- **Swachhata ki Bhagidari:** Swachhata Pledges in Schools and community, Rallies, Cyclathons, Swachhta Raths and advocacy workshops, Waste to Art Installations, Cultural fests/ events.
- **Cleanliness Target Units:** Mass cleanliness drive (of cleaning 400 critical spaces) & Plantation drive – **'ek Ped Ma ke naam' (24,800** saplings planted post cleaning of waste spots)
- **Safai Mitra Suraksha Shivirs:** Health check-ups and PPE kits distribution to over 13,000 waste collectors

Rural Waste Management (RWM)

Aligned with **Swacch Bharat Mission - Grameen** initiative of Ministry of Jal Shakti, **Ganga Gram PPP with Lohiya Swachh Bihar Abhiyan (LBSA), Bihar Government** and **other RWM** projects, continued across 11 States with a strong emphasis on community ownership and capacity building of Panchayats. Community champions were nurtured to institutionalise the processes. ITC developed **Swachhta Mitra App** which is now being used by LSBA beyond Ganga Gram. In Mysuru Zila Panchayat, SHGs were supported to deliver waste management services, receiving appreciation as a best practice.

The **Green Temple** initiative is a closed loop model converting waste generated in places of worship into biogas for use in temple kitchens and compost for its gardens. It expanded to another 423 places of worship in FY 2025-26 (cumulatively **2,385** in 7 States).

Liquid Waste Management (LWM) is a major issue in rural India, where limited access to safe disposal system impacts health and environment. ITC is facilitating design and implementation of place-based solutions in collaboration with expert agencies. 696 soak pits were constructed leveraging Government funds. 84 other structures like vertical chambers, waste stabilisation ponds and horizontal filters were also piloted.

Case Study

Designing Systems, Enabling Scale: Orchestrating Community-Led Waste Management in Urban Uttar Pradesh

53 lakh Households

85 Cities

Segregation Sustained at Source

Aligning Systems

Across **85 Urban Local Bodies** in Uttar Pradesh, over 53 lakh households now practice source segregation supported by 13,000+ waste collectors and strengthened Municipal systems. This transformation emerged through the ITC–Urban Development Department (UDD), Government of Uttar Pradesh collaboration, anchored in a clear theory of change—aligning citizen behaviour, municipal systems, and frontline resources to enable sustainable, city wide waste management outcomes.

As a technical partner, ITC strengthened Municipal capacity through training and sustained handholding to design and implement community-led, decentralised waste management systems. This included forming Mohalla Committees and nurturing them as programme owners and catalysts at the ward level, driving behaviour change around **"My Waste, My Responsibility,"** introducing decentralised composting solutions, and establishing citizen led monitoring mechanisms.



From Fragmented Efforts to Aligned Systems

Earlier, systems were fragmented—households disposed mixed waste, collection was irregular, community participation was limited, and Municipal systems operated under continuous strain. ITC's partnership with UDD addressed this through a non-linear systems approach, aligning household behaviour, institutional processes, and downstream infrastructure into mutually reinforcing systems.

Designing Convergence, Not Isolated Interventions

The approach originated in Saharanpur, where a decentralised, community-led waste management model was piloted by ITC and refined in partnership with Saharanpur Municipal Corporation. Intervention today covers 1.5 lakh households of which over 90% segregate their waste.

Learnings from Saharanpur helped in a state-wide systems design, formally embedded through a 2019 MoU between ITC and UDD. Scale was achieved not through replication, but through a common system architecture that allowed contextual adaptation, aligned with Government priorities. Within this framework, ITC MSK played a catalytic role in enabling convergence across Municipalities, communities, civil society platforms, and market linkages.

Communities as the Engine of the System

Khirni Bagh colony, Shahjahanpur is one such example of systems shift, where segregation is now routine, public spaces remain clean beyond collection cycles, and residents actively pay for waste management services while stewarding outcomes through **Mohalla Swachhta Committees**. Participatory assessments and continuous engagement enabled citizen-led monitoring, strengthening local accountability and embedding segregation and cleanliness as durable social norms.

Cascading Impact Through System Alignment

As segregation increased, pressure on collection systems reduced, improving operational efficiency. Municipal Corporations strengthened downstream systems through establishment of decentralised Material Recovery Facilities, supported by ITC's training and continuous handholding support to improve dry-waste sorting and recycling value-chain integration. Waste collectors, positioned as frontline service providers, were central to this shift. A focused **well-being programme** addressed their social and economic security, and social recognition—advancing dignity beyond livelihoods and higher motivation. Community sensitisation repositioned waste collectors from invisible labour to respected service providers, strengthening trust and inclusion.

Sustained Outcomes, Embedded Systems

The outcome is not only cleaner cities, but systems that endure—where community ownership sustains behaviour change, Municipalities lead service delivery, and dignified work enables resilient, inclusive urban sanitation ecosystems.

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Collaboration for Light House Initiative (LHI):

LHI is an initiative of Department of Drinking Water and Sanitation (DDWS), Government of **India with India Sanitation Coalition (ISC)** to create 75 Model Gram Panchayats (GPs) in waste management and sanitation. ITC adopted 36 of these GPs across 10 States and successfully made them as Model. Phase II of LHI partnership focuses on creating Model Blocks. ITC is partnering with ISC across **19 Blocks in 16 Districts** of nine States covering 533 GPs. ITC is supporting in planning, preparing and facilitating approval of **Village Development Plans & consolidated Block Development Plans**, implementation basis technical assessment backed by community mobilisation for awareness, source segregation, waste collection systems, and stronger village institutions for sustenance.

An important element of ITC's waste management intervention is the **well-being of waste collectors**, as they play a critical role in the entire value chain and their efficiency and effectiveness is critical to the sustenance of any intervention related to waste management. The initiative focuses on their health, social and economic well-being, and has now expanded into the Government PPPs also. Interventions including financial literacy training, health camps, scheme linkages, mainstreaming their out-of-school children, skill training, SHG linkages, and helping to take up secondary livelihoods covered over **23,000 waste collectors** and their families, cumulatively. Over 16,050 linkages (like Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Ayushman Bharat, Ujjawala, e-Shram, etc.) were facilitated cumulatively.



The Company also has a waste recycling programme, **'WOW – Well Being Out of Waste'**, which predominantly focuses on larger metros and towns.

Refer "Sustainable Waste Management and Plastic Neutrality" of this Report for more details

Health & Nutrition

ITC adopts a systems-strengthening approach integrating **preventive, promotive and curative care** to improve health and nutrition outcomes. The programme focuses on institutional capacity, supplementing existing infrastructure, convergence with Government schemes, technology enablement, and last-mile access to basic primary / secondary healthcare.

Maternal and Child Health and Nutrition (MCHN)

This programme aims to improve the health-nutrition status of pregnant and lactating mothers, children under 5, adolescent and eligible couples. Aligned with **POSHAN Abhiyan, Integrated Child Development Services (ICDS), National Health Mission (NHM)** and key national initiatives like **Poshan Bhi, Padhai Bhi**, the programme focuses on:

- First **'1,000 days'** in high burden areas, and
- Addressing anaemia across age groups through screening under **Anaemia Mukt Bharat (ABM) and Rashtriya Bal Suraksha Karyakaram (RBSK)** and thereafter, loop closure through awareness creation and linkages with Government schemes.

Government delivery was strengthened by training front-line cadre of Anganwadi Sevikas, ANMs and ASHA Sevikas were trained on engagement with community, making effective **'seven home visits'** and promoting nutrition through locally available produce.

Intervention is also advancing newer approaches like integration of early childhood stimulation aligned with the **Navchetna Framework** through Anganwadi platforms.

A family-centric counselling approach reinforces adoption of that recommended practices at the household level. Hub-and-Spoke Anganwadis demonstrate best practices for peer-learning and replication.

Improving case-specific dietary diversity remains central to addressing the burden of malnutrition, particularly through the promotion of **five food groups using locally available foods including Shree Anna (Millets)**. This is especially critical, as the recent evidence from the **National Family Health Survey (NFHS-5)** indicates a persistent burden of **under-nutrition—stunting (35.5%), wasting (19.3%), and underweight (32.1%)—alongside a rising dual burden** marked by **increasing micronutrient deficiencies**, particularly **iron-deficiency anaemia**, affecting **57% of women (15–49 years)** and **67.1% of children (6–59 months)**. Emphasis has been given to adequate portion sizes and increased meal frequency. Awareness on nutritional supplements and hygiene and sanitation practices has also been integrated.



Nearly 500 Severally Acute Malnourished (SAM) children were linked with Government facilities for treatment in Assam, Bihar, Telangana, Odisha, Uttar Pradesh, West Bengal. Strengthened screening and tracking, and informed community supported by digital tools such as the Poshan Tracker, improve identification, follow-up, and adherence to treatment—enhancing early detection of **wasting** and **growth faltering**, thereby meaningfully contributing towards the vision of **'Suposhit Viksit Bharat'**. Additionally, facilitation of **immunisation** of **one lakh children** and **vaccination** of over 69,100 pregnant women for tetanus toxoid and other vaccines was done during the year.

Anaemia

ITC's anaemia control programme covering all age groups that has four elements – **Exploring; Educating; Encouraging and Empowering implemented through Talk, Test, Treat (T3) camps.** Recognising that anaemia is often clustered within specific geographies, **exploration** encompasses analysis of screening data at Block, Gram Panchayat, and Ward levels to identify high-burden pockets, aligned with public health thresholds. These hotspots are prioritised for intensified screening including use if non-invasive portable devices developed by start-ups, validated by Government, to help in increasing testing capacity and fast-tracking testing process.

This is followed by **Educating** - Awareness on supplementation, dietary diversity and hygiene; **Encouraging - nutrition gardens** and consumption of locally grown '5 Food Groups' through nutri-groups; and **Empowering** - Building capabilities of ASHA and Anganwadi Sevikas on identification and management of anaemia, including referral services.

Re-screening of 19,546 community members who went through a corrective intervention, shows that over **70% already have reported improvement in Hb level.**

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Case Study

Strengthening Continuity in Anaemia Care



70%
Improved Haemoglobin Levels

38%
Shift to Lower Severity Categories

From Persistent Burden to System Gaps

Anaemia remains a public health priority in India. Within programme geographies, interventions such as Iron and Folic Acid (IFA) supplementation and deworming were already in place. Yet, outcomes were uneven due to limited screening uptake, low risk perception, and inconsistent dietary practices.

Systemically, two gaps stood out: anaemia burden was viewed largely through aggregated estimates with limited Block- or community-level visibility, masking local variation; and screening was episodic, with weak follow-through leading to drop-offs between identification, treatment, and sustained care.

Improving Visibility, Enabling Focus

ITC strengthened screening as an entry point into care, leveraging community trust to improve uptake. Place-based mobilisation through ASHAs, Anganwadi Sevikas, schools, and peer platforms such as NutriGroups, combined with non-invasive haemoglobin testing, enhanced acceptability.

Since 2023, 3.62 lakh screenings across 13 States have generated granular insights, revealing clustered burden across Districts and Blocks. Kamrup, Saharanpur, Kheda, and Darrang fall within higher severity categories; Munger and Kapurthala reflect moderate levels; and **most of the other locations showing** comparatively lower severity, as per World Health Organisation (WHO) thresholds. This evidence enables interventions tailored to local burden, platforms, and frontline capacity.

Designing for Continuity: Closing the Loop

Earlier approaches lacked continuity. The model addresses this by positioning screening as the start of a closed-loop system linking identification to treatment, counselling, and follow-up, anchored in the 4E approach—explore, educate, encourage, empower.

Operationalised through the Talk, Test, Treat continuum, individuals are linked to IFA supplementation, deworming, and health services, with severe cases referred appropriately. Frontline follow-ups reinforce continuity of care.

Linking Behaviour Change to Outcomes

Community platforms—nutrition demonstration camps, NutriGroup meetings, and kitchen gardens—anchor behaviour change, enabling improved dietary iron intake, diversity, and hygiene.

Among 19,546 individuals who completed loop closure, 68% were anaemic at baseline (severe, moderate, or mild). Of the total cohort, 38% demonstrated a positive shift in anaemia severity categories (e.g., severe to moderate, moderate to mild, or mild to non-anaemic), indicating improvement in haemoglobin status.

Diagnosed with severe anaemia (Hb 7.3 g/dl), Safia (15 years) had irregular IFA intake, but through school-based screening, counselling, and linkage with health services, she achieved a normal haemoglobin level (13.9 g/dl) with regular IFA compliance and improved diet diversity. Today, she has transitioned into a peer influencer, motivating other girls to adopt healthy practices and supporting their continued education and well-being.

What the Model Demonstrates

Anaemia reduction depends not only on coverage, but also on system functioning—improved screening, clear identification of hotspots, and sustained continuity between detection and care. By aligning data systems with peer-led community platforms and structured frontline follow-through, the model demonstrates a scalable pathway to sustained anaemia reduction.

Over 17 lakh beneficiaries spread across 36 Districts in 11 States were covered during the year, under the MCHN and Swasthya Choupal programme aimed at improving the health-nutrition status of women, adolescents and children in the catchments with high malnutrition.

- ITC, in partnership with the **Directorate of Social Welfare, Government of Assam,** has been supporting efforts to address malnutrition across 11 Districts, including seven Aspirational Districts. To date, 845 ICDS Supervisors have been trained. These supervisors have further cascaded the training to 21,840 Anganwadi Centres. Through these efforts, Anganwadi Sevikas have reached over **11.7 lakh pregnant women, mothers, and adolescents**. They have created awareness on antenatal care and preventive immunisation. Focus has also been placed on timely and appropriate breastfeeding practices.

Building on learnings from Assam, ITC also collaborated with the **Child Development Services and Nutrition Department in Saharanpur, Uttar Pradesh,** to strengthen the capabilities of Anganwadi Sevikas. This partnership adopts an integrated approach covering both Early Childhood Care and Education and Nutrition.

Iodine deficiency is considered as one of the most common causes of preventable mental impairment and constitutes a significant public health problem. Under ITC's **'Smart India'** intervention, over **25 lakh** beneficiaries were reached out for awareness on iodine deficiency disorders and healthy eating, in the States of Andhra Pradesh, Karnataka and Telangana.

Community Healthcare

ITC **Swaasth Kiran** programme has taken up curative health care interventions in a phased manner to bridge the gaps in primary and secondary healthcare delivery and to

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address the challenges of **awareness, availability, accessibility and affordability in rural communities**. These efforts are grounded to promote equitable access to healthcare services and advancing the broader goal of **universal health coverage**.

Implemented with support from and in close coordination with the District Health Departments, **17 Mobile Medical Units (MMU)** were functional (seven in Saharanpur, six in Munger and four in Kamrup). These MMUs have provided free medical consultation and medicines to the rural community at their doorstep. During the year, nearly **2.74 lakh individual engagements** were done with community members across 830 villages, 58% of which were with women. Further, 64,700 diagnostic tests were conducted, and 910 referrals made.

Understanding the need for high-quality doorstep eye care for the community, **Sachal Nethra Seva** is operational in rural Saharanpur in Uttar Pradesh in partnership with **Dr. Shroff's Charity Eye Hospital**. Building on an integrated, systems based approach, the initiative is structured around four core elements that ensure a continuum of eye care.

- It begins with **community level screening and support**, led by **trained Community Ophthalmic Practitioners (COPs)** who conduct **door-to-door screening, counselling, and awareness activities**.
- This is followed by **Mobile Vision Unit–1 (2 operational)**, which through **village-level eye camps** provide **diagnosis, refraction, dispensing of spectacles, and follow-up services**.
- The next layer, **Mobile Vision Unit–2 (2 operational)**, offers **hub-based advanced screening** for conditions like **glaucoma and diabetic retinopathy**, supported by **tele-consultation with specialists**.
- The final element involves **referral linkages to eye hospitals for surgical interventions and clinical management at subsidised costs**.

During the year, more than **2 lakh community members** were engaged by youth trained for creating awareness and preliminary screening using a mobile application that measures visual activity. Of those screened, 16,279 cases were referred to the MVUs, and thereafter, 1,429 cataract surgeries done at **Dr. Shroff's Charity Eye Hospital in Saharanpur**.

The **Certified Ophthalmic Paramedic Programme** is a **two-year, hospital-based skilling course** designed exclusively for girls. Ophthalmology demands specialised training and has long faced a shortage of skilled paramedical staff. The Programme addresses this gap. Of the **199 girls** from in and around Saharanpur enrolled with the course, 78 have already successfully completed the same including 34 during the year.

ITC Swaasth Kiran in just about four years has facilitated over **11.90** lakh engagements in the three Districts, indicating improved health-seeking behaviour and increased utilisation of primary healthcare services.

Case Study

Aspiration to Access:

How local community Vision Technician is playing a key role in last mile vision care

A Quiet Shift in Care

In **Nakur Block of Saharanpur**, located nearly 30 kms from the nearest Government hospital, access to timely eyecare has long been shaped by distance, mobility and constrained health infrastructure. Within this context, a quiet transformation is underway. The local Vision Centre has become a dependable first point of care, where people come for screenings, basic diagnostics and guidance without needing to travel far. Early signs of vision loss are being detected sooner, referrals are clearer, and care feels more continuous and accessible.

In India, only 17,856 optometrists or ophthalmic technicians serve a population of 1.4 billion, and coverage for low vision services remains below 10%[16] . In this context, building a locally rooted cadre of trained Vision Technicians is critical to improving access, strengthening primary care and making health systems more responsive in underserved geographies.

A Dream, Carefully Held

For Mantasha, this journey began with a quiet aspiration. A B.Sc. Botany student from a marginalised community, she wanted to enter the medical field. Financial constraints, limited mobility and social expectations shaped what was possible for young women like her. While her mother supported her, her father remained uncertain about her stepping into an independent role. Balancing studies, travel and responsibilities at home, Mantasha continued forward, even when the path ahead was unclear.



The Door That Opened

Her turning point came with the **Certified Ophthalmic Programme at Dr. Shroff's Charity Eye Hospital**, Saharanpur, supported by ITC MSK. The **two-year programme** began with a foundation in communication and patient care, before participants were guided into one of six specialised streams (Vision Technician, Operation Theatre Technician, Medical Record Assistant, Patient Educator, Supply Chain Management and Optical Dispensing). Mantasha entered the **Vision Technician stream**, stepping into a clinical setting for the first time.

From Learning Skills to Practising Care

Her training combined **technical rigour with patient-facing skills**. She learned to take patient history, conduct vision assessments, operate diagnostic tools such as A-scan and Optical Coherence Tomography (OCT), and perform procedures including keratometry, slit lamp examination and lacrimal syringing. She was also trained in patient counselling, guiding individuals through care pathways with clarity and confidence.

This transition was not only about acquiring skills, but also about **finding voice**. From someone who once hesitated to speak in unfamiliar spaces, Mantasha began engaging directly with patients, explaining procedures and responding to concerns.

Becoming the Centre of Care

Having completed her training by January 2025, Mantasha is currently working as a Fellow Vision Technician at the **Vision Centre** in Nakur. She conducts screenings, supports diagnostics, identifies cases needing referral and ensures patients understand their next steps. Upon completion of her fellowship, she will be placed as a Vision Technician at Dr. Shroff's Charity Eye Hospital.

Today, she is a trusted presence in the community and mentors other young women entering the programme.

When One Journey Strengthens the System

Mantasha's journey reflects how locally built **clinical capacity strengthens health systems** at the last mile. Each trained Vision Technician improves early detection, enables timely referrals and supports **continuity of care**. At the same time, her presence is reshaping what is possible for women in her community — change that begins, simply, with one voice learning to care with confidence.

> **Despite financial challenges and limited family support, I remained determined to continue my education. The Certified Ophthalmic Programme at Dr. Shroff's Charity Eye Hospital, supported by ITC, became a turning point in my life. After completing the course, I received a fellowship and am associated with a Vision Centre in Nakur. Today, I support my mother, contribute to my sister's education, and am also pursuing an Optometry course. I am grateful to ITC for enabling me to become independent and build a better future."**
>
> **— Mantasha, Saharanpur**

[16]Vashist, P., Manna, S., Gupta, V., Gupta, N., Saxena, R., Agrawal, S., Bhardwaj, A., Senjam, S. S., Sharma, N., & Tandon, R. (2025). Human resources and infrastructure for ophthalmic services in India: Results from the national survey. Indian Journal of Ophthalmology, 73(11), 1679–1686. https://doi.org/10.4103/IJO.IJO_2816_24

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Primary Health Centres (PHCs) and Sub Centres play a very important role in preventive healthcare and are the most reliable primary care source for households from the socio economically weaker sections. Infrastructure upgradation aligned to **Indian Public Health Standards** was taken up in **20 PHCs** during the year and 57 till date. This included infrastructure like separate facility for Antenatal Check-up, institutional delivery place, sanitation block, patient waiting area and equipment (baby warmer, delivery trolley, BP monitoring machine, suction apparatus and dressing trolley, etc.). These PHCs are also serving as convergence locations for training and engagement with adolescent girls. Special focus was given to activate **Rogi Kalyan Committees** and **Village Health Sanitation & Nutrition Committees (VHSNCs)** which ensures participation of community and enables post project maintenance of the infrastructure, reinforcing decentralised health governance and community ownership of public health systems.

Additionally, ITC provided support to the national campaign to eradicate Tuberculosis - **Pradhan Mantri TB Mukt Bharat Abhiyan** of the Ministry of Health & Family Welfare, through prescribed food and nutrition kits which was extended for a sustained period of six months. During the year, 2,000 patients in Saharanpur and Haridwar were covered, taking the cumulative to **5,000**.

Together, these interventions demonstrate an integrated, systems-based approach to healthcare delivery, combining services, behaviour change, and infrastructure to improve health outcomes at scale.

Awards and Publications

ITC was conferred with the following awards and recognitions during FY 2025-26

FICCI Healthcare Excellence Award 2025 under Excellence in Community Engagement for the Sachal Netra Seva Programme delivering affordable rural eye care in Saharanpur.

Rotary India Eastern Region National CSR Award 2025 as the Winner (Mega Corporate) in the Healthcare Category for the Programme on Maternal and Child Health and Nutrition in Assam.

ITC's Malur Factory was conferred as Winner in "Beyond the Fence" Category by **CII in the National Award for Excellence in Water Management,** 2025 for the water stewardship work done in the catchment with community.

ITC's Water Stewardship PPP in Jhalawar with Government of Rajasthan was felicitated amongst the Best 15 Mukhyamantri Jal Swavlamban Abhiyan Projects at the Watershed Mahotsav, Kota.

Key publications during FY 2025-26 included

Case study titled "Climbing the Ladder of Change: ITC's Programme on Transforming Women's Livelihoods in Urban India" published by **Access Development Services.**

A chapter on ITC's Climate Smart Village Programme in the book on 10 years of Impact and Nation Building by Mr. Bhaskar Chatterjee.

The volume on Reimagining Institution: Collaborative Pathways to Social Development in India has a chapter on ITC's journey of e-choupal to ITCMAARS weaving in MSK story. This was published by **Bharati Institute of Public Policy (BIPP) of Indian School of Business (ISB)**.

White Paper on **Building Crop Resilience in the face of Climate Change**, basis deliberations at a 3-day workshop involving 40 leading scientists conducted in partnership with **Ignite Life Science Foundation**.

Road Ahead

MSK programmes under the Three Pathways strategy will continue to be guided by convergence across:

Organisational Priorities and strategic pillars of **ITC Next strategy aligned to Sustainability 2.0;**	National Priorities aligned to goals of Viksit Bharat 2047;	Community Priorities identified through **Core Area Perspective Plan (CAPP) study – CAPP 3.0 due in FY 2026-27** and other surveys and engagements

Emphasis will remain on the Prototype-Pilot-Scale-Amplification/Multiplication approach to incorporate innovative and differentiated design elements in a structured manner, whilst pursuing amplification of successful interventions by strengthening partnerships with Government and Collaboratives.

Going forward, MSK will progressively deepen its focus on **systems maturity, resilience, and long-term outcomes**, leveraging data, digital tools, and learning loops to anticipate emerging risks, respond to demographic and climate-linked vulnerabilities, and strengthen public systems for sustained impact.

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Creating Enduring Institutions



ITC Sangeet Research Academy

The ITC Sangeet Research Academy (ITC SRA), established in 1977, is an embodiment of ITC's sustained commitment to a priceless national heritage. This commitment towards ensuring enduring excellence in Classical Music education continues to drive ITC SRA in furthering its objective of preserving and propagating Hindustani classical music based on the age-old principles of 'Guru- Shishya Parampara'. The eminent Gurus of the Academy impart intensive training and quality education in Hindustani classical music to the Scholars. The present Gurus of the Academy include **Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Pandit Uday Bhawalkar, Vidushi Subhra Guha, Shri Omkar Dadarkar, Shri Abir Hossain and Shri Brajeswar Mukherjee**.

Creation of the next generation of masters of Hindustani Classical music for the propagation of a precious legacy continues to be the Academy's objective. The focus is on nurturing exceptionally gifted students selected from across the country through a system of multi-level audition. Full scholarship is provided to them to reside and pursue music education in the Academy's campus and in other designated locations under the tutelage of some of the country's most distinguished musicians. The Academy currently has **18 Junior Scholars, 25 Scholars and 2 Musician Scholars** – 20 female Scholars among them - taught by the 8 Gurus and 5 Musician Tutors. Two of the Academy's Junior Scholars and one Musician Tutor are visually challenged.

During the year, through collaborations with organisers all over the country, the Academy also presented its Scholars and young musicians in **38 ITC Mini Sangeet Sammelans**, concerts and Baithaks in cities like Delhi, Mumbai, Bangalore, Bidar, Ahmednagar, Jalgaon, Mangalore, Jaipur, Khairagarh, Nashik, Dehradun, Jabalpur, Malda, Howrah etc. enabled the Academy to fulfil its avowed objective of preserving and propagating Hindustani Classical Music. The year also marked its **second Thumri Festival,** commemorating the centenary of Thumri Queen Padma Bhushan Shobha Gurtu, featuring stalwarts of the genre and Scholars of the Academy. In Delhi, a series of six Guru Shishya Parampara themed concerts titled **Morning Ragas** was organised in collaboration with the India Habitat Centre, two concerts were organised at the India International Centre and one held in collaboration with FICCI on the occasion of Intellectual Property Day. Through 40 sessions of **Wednesday Recitals** - the Academy's weekly platform, scholars' performances were showcased, also providing them with valuable opportunities to develop their stage presentation skills.

CII–ITC Centre of Excellence for Sustainable Development

The CII–ITC Centre of Excellence for Sustainable Development, established in 2006 by ITC in partnership with the Confederation of Indian Industry (CII), continues to promote sustainable business practices among Indian enterprises. Guided by an Advisory Council chaired by ITC's Chairman, with representation from industry, civil society and institutions, the Centre provides strategic direction to India's transition towards green growth, industrial competitiveness and environmental stewardship.

The Centre's work spans policy advocacy, training and advisory, and executive education, across key areas including climate action, ESG and sustainable finance, circular economy, nature positive business, air quality, public health, rural livelihoods and MSME transition. Over the years, it has developed several marquee initiatives, including the CII ITC Sustainability Awards, Annual Sustainability Summit, Climate Action Programme (CAP 2.0), ESG Intelligence & Analytics, Eco Edge, and the CII Sustainable Plastic Packaging Awards.

This commitment was reaffirmed at the Centre's 20th anniversary in September with the unveiling of ঘRaa – the CII Sustainability Mascot, launched by the Hon'ble Minister of Environment, Forest and Climate Change, Shri Bhupender Yadav, symbolising responsible manufacturing, conscious consumption and sustainability-focused citizenship.



SDG Target Mapping

Aligned SDGs	Themes	Key indicators to which MSK intiatives contribute
1 NO POVERTY	**Climate Smart Agri, Livestock & Women**	**1.2**: Reduce poverty **1.3:** Social Protection Systems for all **1.4:** Equal rights to economic resources to vulnerable **1.5:** Build resilience of poor and vulnerable
2 ZERO HUNGER	**Climate Smart Agri, Livestock & Women**	**2.2:** End all forms of malnutrition **2.3:** Agricultural productivity & incomes **2.4:** Sustainable & resilient agri
3 GOOD HEALTH AND WELL-BEING	**Public Health: Sanitation and Health & Nutrition**	**3.1:** Reduce maternal mortality **3.2:** End new-born/neonatal & under-5 mortalit **3.3:** End epidemics & communicable diseases **3.4:** Reduce prematuremortality **3.7:** Access to sexual & reproductive health-care
4 QUALITY EDUCATION	**Support to Education & Skilling of Youth**	**4.1:** Quality education & learning outcomes **4.2:** Quality early childhood **4.3:** Quality vocational education **4.4:** Vocational skills & jobs **4.5:** Education & vocational training for vulnerable **4.a:** Gender sensitive education
5 GENDER EQUALITY	**Women Empowerment**	**5.5:** Women leadership opportunities **5.a:** Women rights to ownership **5.b:** Technology for women empowerment **5.c:** Sound policies for equality and empowerment
6 CLEAN WATER AND SANITATION	**Water Stewardship, Sanitation, School WASH (PE)**	**6.1:** Safe drinking water **6.2:** Access to sanitation and hygiene **6.4:** Water-use efficiency **6.5:** Water resources management **6.6:** Protect water-related ecosystems **6.a & 6.b:** Capacity building & community participation
7 AFFORDABLE AND CLEAN ENERGY	**Climate Smart Agri - solar pumps, Livestock - biogas units**	**7.2:** Renewable Energy
8 DECENT WORK AND ECONOMIC GROWTH	**Skilling of Youth and Women Empowerment**	**8.3:** Job creation **8.5:** Employment & decent work for all **8.6:** Reduce youth unemployment
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Climate Smart Agriculture, Women Empowerment, Support to Education and Sanitation**	**9.1**: Affordable and equitable access for all to resilient infrastructure for economic development and human well-being **9.3:** Access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets
10 REDUCED INEQUALITIES	**Women Empowerment, Support to Educaiton, Skilling of Youth**	**10.1:** Income growth of the bottom 40% of the population at a rate higher than the national average **10.2:** Empower and promote the social, economic and political inclusion of all **10.3:** Ensure equal opportunity and reduce inequalities of outcome
11 SUSTAINABLE CITIES AND COMMUNITIES	**Public Health: Sanitation**	**11.6:** Air quality & waste management
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Natural Resource Management - Soil, Water & Biodiversity; Waste Management**	**12.2:** Achieve the sustainable management and efficient use of natural resources **12.5:** Substantially reduce waste generation through prevention, reduction, recycling and reuse **12.6:** Adopt sustainable practices and to integrate sustainability information into their reporting cycle
13 CLIMATE ACTION	**All Pathway 1 themes**	**13.1:** Resilience & adaption to climate-hazards **13.2:** Policies, strategies and plans **13.3:** Climate Change education
14 LIFE BELOW WATER	**Waste Management**	**14.1:** Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
15 LIFE ON LAND	**Social Forestry, Water Stewardship, Biodiversity Conservation and Climate Smart Agriculture**	**15.1:** Sustainable ecosystems **15.2:** Restore degraded forests & afforestation **15.3:** Combat desertification **15.9:** Ecosystem & biodiversity planning
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Social Forestry, Water Stewardship, Climate Smart Agriculture, Support to Education, Women Empowerment, Health & Nutrition**	**16.6:** Develop effective, accountable and transparent institutions at all levels **16.7:** Ensure responsive, inclusive, participatory and representative decision-making at all levels **16.9:** Provide legal identity for all, including birth registration
17 PARTNERSHIPS FOR THE GOALS	**Water Stewardship, Biodiversity Conservation, Climate Smart Agriculture, Support to Education, Public Health: Sanitation and Health & Nutrition, Women Empowerment**	**17.16:** Enhance global partnership for sustainable development, complemented by multi-stakeholder partnerships to support the achievement of the sustainable development goals **17.17:** Encourage and promote effective public, public-private and civil society partnerships

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Awards and Recognition

ESG Ratings

- During the year, ITC sustained its 'AA' rating from MSCI ESG for the eighth consecutive year and continued to feature in the Dow Jones Best-in-Class (DJ BIC) Emerging Markets Index.
- ITC also remained on CDP's 'A List' for Water for the third consecutive year and maintained a 'Leadership level' score of 'A-' for Climate for the fourth consecutive year.
- ITC also achieved a 'Leadership Level' score of 'A' for CDP Forest, earning inclusion in the 'A List' in its first year of participation.

These external assessments reinforce the strength of Company's sustainability governance and disclosures, supporting long-term resilience and stakeholder confidence. ITC is continuously working on all fronts, focusing on well-defined targets and goals to sustain and strengthen its leadership in ESG performance. Its superior ESG performance has also been acknowledged by leading analysts and brokerage firms.

Major Awards 2025–26

- Mr Sanjiv Puri, Chairman & Managing Director, has received the 'Best CEO Award' in FMCG category at Fortune India's Best CEOs 2025.
- Mr Sanjiv Puri, Chairman & Managing Director, has been recognised among India's Top 100 Infuential People powering Technology & Innovation by MIT Sloan Management Review India.
- ITC was honoured with the 'Times of India Earth Care Award' in the Green Business Titan category at the 12th edition of Earth Care Awards.
- ITC's Agri Business was recognised as one of the 'Icons of India's AgriFood Systems' at the ET Edge Global Sustainability Alliance AgriFood Systems Summit 2026.
- ITC bestowed with 'Green Champion Award' for Leadership in Green Factory Buildings at the CII IGBC Green Building Congress 2025.
- ITC Limited received the 'Masters of Risk Award' in the FMCG category at India Risk Management Awards 2025.
- ITC's Paperboards & Specialty Papers Division (PSPD) won the prestigious 'Aegis Graham Bell Award' for Innovation in Manufacturing by Ministry of Electronics & IT.
- ITC's Tobacco Division was conferred with Distinction in HR Excellence at the 16th CII National HR Excellence Awards 2026 achieving the highest score ever recorded in history.
- ITC has been recognised at FICCI 's Healthcare Excellence Awards 2025 in the category 'Excellence in Community Engagement' for the Swaasth Kiran – Sachal Netra Seva Initiative.
- ITC has been conferred the 'Krishi Vikram Award 2025' in the Large Corporate category by the Indian Chamber of Commerce.
- ITC won 'Gut Health Product of the Year', 'Healthy Aging Initiative of the Year' & 'Health Awareness Campaign of the Year' at ET's Nutrition & Wellness Awards 2025.
- ITC Foods won at the BW People L&D Excellence Awards 2026 in the Best Inclusive Learning Program of the Year category.

Awards and Recognition

Major Awards 2025–26

- ITC Agri received two 'BW Businessworld Supply Chain Awards' at the BW Businessworld Supply Chain Leadership Awards 2025.
- ITC Foods won the 'BCWI Avtar & Seramount Award' for exceptional commitment to promote gender diversity, equality & inclusion in the workplace.
- All ITC's Cigarette factories across India have been SA-8000 certified - the global gold standard for social accountability in the workplace.
- ITC's Integrated Consumer Goods Manufacturing and Logistics (ICML) facility in Khordha, Odisha was awarded the Platinum rated Green Building Certification by IGBC.
- ITC Spices has received the 'Fi India Awards 2025' for Outstanding Contribution to Food Safety.
- ITC's Foods won the Special Jury Commendation at FICCI's Women Empowerment Awards 2025 under the Health & Well-being category.
- ITCMAARS won the Platinum Award at the CII Industry-Academia Partnership Impact Award 2025.
- ITC Foods has won the Inclusive Workplace Excellence category at the CII-Employers' Federation of India National Awards.
- ITC's Units in Kolkata, Bengaluru and Pune have been honoured at the National Safety Council of India (NSCI) Awards.
- ITC's Munger Unit has been awarded for its best efforts in industrial pollution control by the Bihar State Pollution Control Board.
- ICML Units in Kapurthala and Mysuru won several awards at the 52nd Kaizen Competition organised by Confederation of Indian Industry (CII).
- ICML Units in Medak, Panchla, Guwahati and Uluberia won several awards at the 6th Edition of CII National Technology Competition.
- ITC's Life Sciences & Technology Centre has been honoured at the ET HRWorld EX Awards 2025 for Exceptional Employee Experience.
- ITC's Tobacco Division has been awarded the 'Financial Express HR Gold Award' for Diversity, Equity & Inclusion, recognised for its thoughtfully designed and steadily advancing inclusion journey.
- ITC's Trade Marketing & Distribution (TM&D) Division has been conferred the Gold Award for Excellence in Diversity, Equity & Inclusion (DEI) Strategy at the Financial Express Awards 2025.
- ITC Agri Business won 2 'CII SCALE Awards' for Digital Transformation and Women Leadership.
- ITC Foods has been recognised for Excellence in Employee Relations at the EFI-CII National Awards for Excellence in ER 2025.
- ITC's Agri Business received 3 Awards at the CII's Digital Transformation (DX) Awards 2025
- ITC featured amongst the top wealth creators during the period 2020 -25 based on the 30th edition of Wealth Creation Study by Motilal Oswal.
- ITC won the prestigious 'Brand of the Year Award' at the Financial Express BrandWagon Ace Awards.
- ITC Limited was awarded 3 Golds, ITC Foods received 3 Golds and ITC Sunrise won a Gold & Best Branded Content at the Adgully Image Summit & Awards 2025.
- ITC's Packaging & Printing Business received 3 prestigious WorldStar Packaging Awards for sustainable & innovative packaging solutions.
- ITC Foods was adjudged a winner in the 'Best Use of AI in Customer Engagement' category at the 2nd Data & AI Future First Confex 2025.
- ITC won 6 First Prizes at the prestigious PRSI National Awards 2025.
- ITC Mangaldeep has won two prestigious ET Digi Plus Awards 2025 for its campaigns at Maha Kumbh.
- Savlon Swasth India Mission won 4 accolades at the Spikes Asia Awards for #HandwashLegends.

Major Awards & Certifications over the Years

- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Business Leader of the Year Award' by the All India Management Association.
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred the Best CEO Award in the 'Large Companies' category by Business Today.
- Mr Sanjiv Puri, Chairman & Managing Director, was awarded the Transformational Leader Award by the Asian Centre for Corporate Governance and Sustainability.
- Mr. Sanjiv Puri, Chairman & Managing Director, received the 'AIMA – JRD Tata Corporate Leadership Award 2024' for his exceptional contribution to corporate leadership and professional management.
- Mr. Sanjiv Puri, Chairman & Managing Director, was awarded the 'Sir Jehangir Ghandy Medal for Industrial and Social Peace' by XLRI Jamshedpur for his significant contributions to industry and society.
- Mr. Sanjiv Puri, Chairman & Managing Director, was recognised as the 'Best CEO' in the 'Diversified Conglomerate' category by Fortune India.
- ITC ranked 1st in the 'Conglomerates' sector in BW Businessworld's 'India's Most Sustainable Companies 2024' for its exemplary sustainability initiatives.
- ITC received the 'India's Top Value Creator 2024 Award' in the 'Diversified' category from Dun & Bradstreet.
- ITC became the first Indian company to win the prestigious 'Global Kaizen Award' for its Panchla ICML facility at the 5th Edition of the Global KAIZEN™ Awards 2023 at Lisbon, Portugal.
- ITC was awarded the First Prize in the 'Best Industry for CSR Activities' category by the Ministry of Jal Shakti, Government of India, at the 3rd National Water Awards 2020.
- ITC's Paperboards & Specialty Papers Division (PSPD) won the first prize in the BRICS Industrial Innovation Contest 2024 for its 'Chemicals Consumption Reduction in Kraft Pulp Mill' project at Bhadrachalam, in the 'Intelligent Manufacturing, Intelligent Equipment' category.
- ITC was conferred the 'Best Governed Company' Award in the Listed Segment: Large category by the ICSI at the 20th ICSI National Awards for Excellence in Corporate Governance.
- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Distinguished Alumnus Award of the Year 2018' conferred by IIT, Kanpur in recognition of his achievements of exceptional merit.
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred 'The IMPACT Person of the Year, 2020' Award by exchange4media, a leading online news platform.
- Mr Sanjiv Puri, Chairman & Managing Director, was ranked one of India's Most Valuable CEOs by BW Businessworld.
- ITC's Life Sciences and Technology Centre was ranked 'Top Innovator' in India amongst Indian pharma and healthcare private companies.
- Nine ITC units received the Platinum level certification, the highest recognition for water stewardship in the world, from the Alliance for Water Stewardship.
- ITC won the prestigious Porter Prize 2017 for 'Excellence in Corporate Governance and Integration' and for its exemplary contribution in 'Creating Shared Value'.
- ITC's leading hygiene brand Savlon bagged 7 awards at the coveted Cannes Lions 2017.
- ITC Limited became the 1st company to win the India Today Safaigiri Corporate Trailblazer Award 2016.
- ITC's Paperboards and Specialty Papers units at Bhadrachalam, Bollaram, Kovai and Tribeni are FSC® Chain of Custody certified.
- ITC was presented the World Business and Development Award at the Rio+20 UN Summit for its Social and Farm Forestry initiative.

Site-wise Details of Water Stewardship Plan

Site-wise Details of Water Stewardship Plan in line with the Alliance for Water Stewardship (AWS) Standard.

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions		Demand Side Management:		WASH and Water Governance	Process Water Withdrawal & Discharge
				Water Efficiency Measures at ITC units	Catchment level Interventions		
Paper Mill at Kovai, Tamil Nadu	Site lies in the Upper Bhavani River Basin **Over 51,000 acres** covering **149 villages**	Created **1,331 water harvesting and ground water recharge structures** to harvest rainwater, increase filtration rate & improve quality of water. Total water storage potential created: **~2.33 million kl**.		Optimisation of freshwater utilisation in process through water conservation measures leading to a daily savings of **150 kl/day** Recycling of treated discharge water in process up to **58%**	Promotion of **Split dose** and **drone spray application** across more than **35,514 acres** to address high level of phosphorous and nitrate in the catchment. Total potential water savings in agricultural practices in FY 2025-26: **~45.32 million kl**.	**520 Awareness campaigns** done on WASH. Created **74 Water User Groups** to strengthen water governance in the catchment.	**Withdrawal:** ~861,100 kl **Discharge:** 0 kl
Foods Factory at Malur, Karnataka	Site lies in the South Pennar River Basin **Over 40,200 acres** covering **168 villages**.	Created a cumulative of **620 water harvesting and ground water recharge structures**. Total water storage potential created: **~1.39 million kl**.		Rooftop Rainwater harvesting has helped in recharging more than **~16,000 kl** of water. Moreover, **7,801 kl** of rainwater was utilised in the unit reducing freshwater consumption. Furthermore, use of ETP Treated water in Toilet Flushing and use of Canteen RO reject water for washing utensils has led to a saving of **~4106 kl/annum**	Total potential water savings in agricultural practices in FY 2025-26: **~3.17 million kl**.	**41 schools** and **45 Anganwadis** covered under WASH interventions. Created **29 Water User Groups** to strengthen water governance in the catchment.	**Withdrawal:** ~66,300 kl **Discharge:** 0 kl
Cigarettes Factory at Bengaluru, Karnataka	Site lies in the South Pennar River Basin **Over 24,700 acres** covering **76 villages.**	Created a cumulative of **448 water harvesting and ground water recharge structures**. Total water storage potential created: **~0.80 million kl**.		Created an additional water storage of **1,000 kl** for treated wastewater and **4,000 kl** for rainwater Minimised blowdown losses by **20-25%** through scale and bio removal in HVAC cooling tower Total rainwater harvested in FY 2024-25 was about **~1,06,443 kl**. Additionally, **~25,695 kl** of rainwater and **~26,433 kl** of treated wastewater was utilized within the unit replacing freshwater consumption.	Total potential water savings in agricultural practices in FY 2025-26: **~4.33 million kl**.	**45 schools** and **25 Anganwadis** covered under WASH interventions. Created **23 Water User Groups** to strengthen water governance in the catchment.	**Withdrawal:** ~82,900 kl **Discharge:** 0 kl

Site-wise Details of Water Stewardship Plan

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions		Demand Side Management:		WASH and Water Governance	Process Water Withdrawal & Discharge
				Water Efficiency Measures at ITC units	Catchment level Interventions		
Leaf Threshing Unit at Mysuru, Karnataka	Site lies in the Kabini River basin **93,637 acres** covering **137 villages**.	Created a cumulative **428 water harvesting and ground water recharge structures**. Total water storage potential created: **~4.61 million kl**.		Under Project Bhagirathi, the unit could sustain all previous interventions and stabilized ETP RO operations, resulting in annual savings of **1925 kl** in FY 2025-26.	Various demand side interventions undertaken have led to an annual potential water savings in agricultural practices of about: **~7.31 million kl.** in FY 2025-26	**59 schools** and **38 Anganwadis** covered under WASH interventions. **16 Water user groups** to strengthen Water Governance in the catchment.	**Withdrawal:** ~29,700 kl **Discharge:** 0 kl
Integrated Paper Mill at Bhadrachalam, Telangana	Site lies in the Mureru River Basin (Tributary of Kinnerasani-Godavari) **2 lakh acres** covering **104 villages**.	Created **3,502 recharge structures** to harvest rainwater, recharge ground water, increase filtration rate and improve quality of water. Total water storage potential created: **2.70 million kl.**		Several interventions like reducing freshwater through process optimization in pulp mill, using STP treated water make up in cooling tower, using excess Hot water in DO stage in place of fresh water in pulp mill, mechanical seal cooling water recovery in pulp mill and using ETP treated water in ETP chemical preparation have led to daily water saving of **3705 kl** in the unit.	Total potential water savings in agricultural practices in FY 2025-26: **~62.2 million kl**.	**1,557 Awareness campaigns** done on WASH. Created **174 Water User Groups** to strengthen water governance in the catchment.	**Withdrawal:** ~22.64 million kl **Discharge:** ~16.93 million kl
1) Cigarettes and 2) Foods Factories at Ranjangaon, Maharashtra	Site lies in the Ghod River Basin. **8.80 lakh acres** covering **461 villages**.	Constructed **2,769 water harvesting and ground water recharge structures** to harvest rainwater, increase infiltration rate and improve quality of water. Total water storage potential created: **~1.47 million kl**.		**Cigarettes Factory** Use of ETP Water for toilet flush, PMD trench cleaning led to a savings of **~218 kl**. Additionally, condensate water recovery from AHUs has led to water savings of **~595 kl**. Total rainwater harvested in FY 2025-26 was **~41,622 kl** and around **195 kl** of freshwater was substituted through rainwater during the year **In Foods Factory,** An automated program-based cleaning system was adopted in snacks line involving water/foam flushing and air purging has led to a monthly saving of **~15 kl** in water consumption	Total potential water savings in agricultural practices in FY 2025-26: **~235.27 million kl**.	**360 Awareness campaigns** done on WASH in FY 2025-26 **5 Water Awareness Programme** organised with Water User Associations on efficient water utilisation to strengthen water governance in the catchment. Around **600 farmers** participated in the programme. Total **1 toilet blocks** and **5 handwash stations** constructed in anganwadis and **1 Handwash station** constructed in school in FY 2025-26. Total **193 awareness campaigns** on waste management were conducted covering **17,500 community members** in FY 2025-26.	**Cigarettes factory** **Withdrawal:** ~25,700 kl **Discharge:** 0 kl **Foods factory** **Withdrawal:** ~149,200 kl **Discharge:** 0 kl

Site-wise Details of Water Stewardship Plan

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions		Demand Side Management:		WASH and Water Governance	Process Water Withdrawal & Discharge
				Water Efficiency Measures at ITC units	Catchment level Interventions		
Cigarettes Factory at Saharanpur, UP	Site lies in the Hindon River Basin. **1.07 lakh acres** covering **98 villages**.	Renovated and constructed **86 water harvesting and ground water recharge structures**. Total water storage potential created: **0.53 million kl.**		Installation of Adiabatic cooling tower led to a saving realization of **~1,880 kl** in FY 2025-26 for cooling tower in secondary manufacturing division. Total rainwater harvested in FY 2025-26 was **~36,106 kl** and around **~3,470 kl** of freshwater was substituted by rainwater.	Various demand side interventions undertaken have led to a total potential water savings in agricultural practices in FY 2025-26: **~ 16.46 million kl**.	**129 Toilets** and **137 Handwash stations** have been constructed in schools as part of WASH initiatives. **6,559 programmes** promoting WASH undertaken. **11 Community toilets** constructed till date. Trained **68 Water User Groups** on efficient water utilisation. **1.69 lakh households covered** under solid waste management programme.	**Withdrawal:** ~37,400 kl **Discharge:** 0 kl
Foods Factory at Kapurthala, Punjab	Site lies in the Kali Bein River **Over 95,800 acres** covering **133 villages**.	Rejuvenated **205** water harvesting and ground water recharge structures. Total additional water storage created: **~0.79 million kl**.		The site utilised **2,290 kl** of rainwater for washroom cleaning. Additionally, the site continued to undertake several water optimisation initiatives reflecting a strong commitment towards sustainable water management.	Various demand side interventions undertaken have led to a total potential water savings in agricultural practices in FY 2024-25: **~90.17 million kl**	**1,213 WASH awareness campaigns** undertaken and **42,458 households** covered under Solid Waste Management programme Created **113 Water User Groups** to strengthen water governance in the catchment.	**Withdrawal:** ~152,100 kl **Discharge:** 0 kl

ITC's Sustainable Supply Chain Initiative

(Standalone Basis)

Sl. No.	Supplier Screening	FY 2025-26
1.1	Total number of Tier 1 suppliers	16,732
1.2	Total number of significant suppliers in Tier 1	228
1.3	Total number of significant suppliers in non-Tier-1	0
1.4	**Total number of significant suppliers (Tier-1 and non Tier-1)**	**228**

Sl. No.	Supplier Assessment	FY 2025-26
1.1	Total number of suppliers assessed via desk assessment/on-site assessments	73
1.2	Percentage of significant suppliers assessed	More than 95%*
1.3	Number of suppliers assessed with substantial actual/potential negative impacts	19
1.4	Suppliers with substantial actual/ potential negative impacts with agreed corrective action / improvement plan	16#
1.5	Number of suppliers with substantial actual/potential negative impacts that were terminated	0

*219 is the cumulative (till date since FY 2022-23)

based on high-risk suppliers identified in FY 2024-25

Sl. No	Corrective Action Plan Support	FY 2025-26
2.1	Total number of suppliers supported in corrective action plan implementation	13**

** based on high-risk suppliers identified in FY 2024-25 who have undergone reassessment

Sl. No	Capacity Building Programs	FY 2025-26
3.1	Total number of suppliers in capacity building programs	509

GRI Content Index

Statement Of Use	ITC Limited has reported in accordance with the GRI Standards for the period April 01, 2025 to March 31, 2026
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	About ITC	-	-	-
	2-2 Entities included in the organisation's sustainability reporting	About this Report	-	-	-
	2-3 Reporting period, frequency and contact point	About this Report	-	-	-
	2-4 Restatements of information	There's no restatement in this Report.	-	-	-
	2-5 External assurance	About this Report Independent External Assurance	-	-	-
	2-6 Activities, value chain and other business relationships	About ITC Sustainable Supply Chain and Responsible Sourcing	-	-	-
	2-7 Employees	Workforce for Tomorrow	-	-	-
	2-8 Workers who are not employees	Workforce for Tomorrow	-	-	-
	2-9 Governance structure and composition	Governance	-	-	-
	2-10 Nomination and selection of the highest governance body	Governance	-	-	-
	2-11 Chair of the highest governance body	Governance	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	-	-	-
	2-13 Delegation of responsibility for managing impacts	Governance	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Governance	-	-	-
	2-15 Conflicts of interest	Governance	-	-	-
	2-16 Communication of critical concerns	Stakeholder Engagement Governance	-	-	-
	2-17 Collective knowledge of the highest governance body	Report and Accounts 2026: BRSR Principle - 1, Essential Indicator (Q1)	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Governance	-	-	-
	2-19 Remuneration policies	Governance ITC Remuneration Policy	-	-	-
	2-20 Process to determine remuneration	Governance	-	-	-
	2-21 Annual total compensation ratio	Governance	-	-	-
	2-22 Statement on sustainable development strategy	Chairman's Message	-	-	-

GRI Content Index

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-23 Policy commitments	Chairman's Message ITC Policies	-	-	-
	2-24 Embedding policy commitments	Chairman's Message	-	-	-
	2-25 Processes to remediate negative impacts	Report and Accounts 2026 - Business Responsibility Sustainability Report (BRSR), 2026 - Principle 1, 3, 5, 9 Stakeholder Engagement Sustainable Supply Chain and Responsible Sourcing Workforce for Tomorrow	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Governance Workforce for Tomorrow ITC Code of Conduct ITC Whistleblower Policy	-	-	-
	2-27 Compliance with laws and regulations	Report and Accounts 2026: BRSR 2026 Principle 1,6	-	-	-
	2-28 Membership associations	Report and Accounts 2026: BRSR 2026 - Principle 7	-	-	-
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	-	-	-
	2-30 Collective bargaining agreements	Workforce for Tomorrow Reports and Accounts 2026: BRSR 2026 - Principle 3	-	-	-
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Issues	-	-	-
	3-2 List of material topics	Material Issues	-	-	-
Brand & Reputation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability Strategic Risk Management	-	-	-
Data Security & Privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability Strategic Risk Management Reports and Accounts 2026 : BRSR 2026 - Principle 9	-	-	-
R&D and Innovation					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability ITC's Approach to Value Creation: Strategic Pillars	-	-	-
Climate Smart Agriculture					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable and Climate Resilient Agriculture	-	-	-
Ethics & Governance					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Material Issues	-	-	-

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Nature & Biodiversity (Biodiversity)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity Management	-	-	-
Sustained Stakeholder Value Creation (Economic performance)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Creating Sustained Economic Value	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Creating Sustained Economic Value	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	Refer ITC's publicly available response to CDP Climate Change Questionnaire Strategic Risk Management Refer 'Risks and Impact Management section', Page 18 to Page 42 – ITC's TNFD Report	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	Creating Sustained Economic Value	-	-	-
	201-4 Financial assistance received from government	Creating Sustained Economic Value	-	-	-
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	Reports and Accounts 2026 : BRSR 2026 - Principle 5	-	-	-
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Governance Reports and Accounts 2026 : BRSR 2026 - Principle 8 - 100% - Senior Management: Defined as the Members of the Corporate Management Committee at ITC and the Company Secretary - Considering ITC's pan-India presence, local is defined at the India / Country-level.	-	-	-
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	About ITC ITC's Approach to Value Creation Creating Sustained Economic Value	-	-	-
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	About ITC ITC's Approach to Value Creation Creating Sustained Economic Value	-	-	-
	203-2 Significant indirect economic impacts	Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth	-	-	-
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Reports and Accounts 2026 : BRSR 2026 - Principle 2, Principle 6, Principle 8	-	-	-

GRI Content Index

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain and Responsible Sourcing Reports and Accounts 2026 : BRSR 2026 - Principle 8 ITC considers sourcing from suppliers within India as sourcing from local suppliers	-	-	-
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance	-	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance Strategic Risk Management	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Governance Report and Accounts 2026 : BRSR 2026 – Principle 1,5 Report and Accounts 2026: Affirmation on Code of Conduct by all Directors and Senior Management All new employees are made aware of the Code of Conduct at the time of joining and they sign the Code to affirm their compliance to the Code. The Code of Conduct consists of clauses on Avoidance of Conflict of Interest, Anti-Bribery and Corruption, Hospitality and Gifts, Transparency and Auditability, among others	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Report and Accounts 2026 : BRSR 2026 – Principle 1	-	-	-
Anti-competitive behaviour					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Report and Accounts 2026 : BRSR 2026 – Principle 7	-	-	-
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		-	-	-
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Policy on Tax	-	-	-
GRI 207: Tax 2019	207-1 Approach to tax	Policy on Tax	-	-	-
	207-2 Tax governance, control, and risk management	Report and Accounts 2026	-	-	-
	207-3 Stakeholder engagement and management of concerns related to tax		-	-	-
	207-4 Country-by-country reporting	Report and Accounts 2026	-	-	-
Biodiversity					
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse Biodiversity loss	Policy on Biodiversity Conservation Policy on Deforestation ITC's Nature Report 2025	-	-	-

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	101-2 Management of Biodiversity Impacts	Biodiversity Management ITC's Nature Report 2025	-	-	-
	101-3 Access and Benefit Sharing	*The Company follows a long standing, community centric approach to conservation, recognising the link between ecosystem health and local livelihoods, and generates socio-economic benefits for communities. In this context, ITC complies with all applicable Access and Benefit Sharing (ABS) requirements, including state-specific provisions, in accordance with India's Biological Diversity (Access and Benefit Sharing) Regulations, 2025.*	-	-	-
	101-4 Identification of Biodiversity Impacts	ITC's Nature Report 2025	-	-	-
	101-5 Locations with Biodiversity Impacts	Biodiversity Management ITC's Nature Report 2025 Environmental Impact Assessment Report for PSPD Bhadrachalam	-	-	-
	101-6 Direct Drivers of Biodiversity Loss	Biodiversity Management Climate Change Water Security Air Emissions Management ITC's Nature Report 2025 CDP Forest Disclosure 2025	-	-	-
	101-7 Changes to the State of Biodiversity	Biodiversity Management ITC's Nature Report 2025	-	-	-
	101-8 Ecosystem Services	Biodiversity Management	-	-	-
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing	-	-	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainable Supply Chain and Responsible Sourcing Total raw materials = 3.4 million tonnes Total renewable raw materials = 2.96 million tonnes Total non-renewable raw materials = 0.46 million tonnes	-	-	-
	301-2 Recycled input materials used	Towards Circularity	-	-	-
	301-3 Reclaimed products and their packaging materials	Towards Circularity	-	-	-

GRI Content Index

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Net Zero & Climate Transition (Energy)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change	-	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Climate Change Renewable Energy: 12,389.92 TJ Non-renewable energy: 11,787.73 TJ	-	-	-
	302-2 Energy consumption outside of the organisation	Climate Change	-	-	-
	302-3 Energy intensity	Climate Change	-	-	-
	302-4 Reduction of energy consumption	Climate Change	-	-	-
	302-5 Reductions in energy requirements of products and services	Climate Change	-	-	-
Water Stewardship (Water and effluents)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Stewardship	-	-	-
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Stewardship	-	-	-
	303-2 Management of water discharge-related impacts	Water Stewardship Chemical Safety Management	-	-	-
	303-3 Water Withdrawal	Water Stewardship The details of sites in water stress regions including water withdrawal are included in BRSR Principle 6 Leadership indicator 1, in Report and Accounts 2026. The information in BRSR is on standalone basis and does not include subsidiaries. Total Water Withdrawal: 1.9 million kl	-	-	-
	303-4 Water discharge	Water Stewardship The details of sites in water stress regions including water discharge are included in BRSR Principle 6 Leadership indicator 1, in Annual Report and Accounts 2026. The information in BRSR is on a standalone basis and does not include subsidiaries. Total Water Discharged: 0.06 million kl	-	-	-
	303-5 Water consumption	Water Stewardship The details of sites in water stress regions including water consumption are included in BRSR Principle 6 Leadership indicator 1, in Annual Report and Accounts 2026. The information in BRSR is on a standalone basis and does not include subsidiaries. Total Water Consumption: 1.9 million kl	-	-	-

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Net Zero & Climate Transition (Emissions)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate Change	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change	-	-	-
	305-4 GHG emissions intensity	Climate Change	-	-	-
	305-5 Reduction of GHG emissions	Climate Change	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	Air Emissions Management	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions Management	-	-	-
Spills					
GRI 3: Material Topics 2021	3-3 Management of material topics	Chemical Safety Management	-	-	-
GRI 306: Effluents and Waste 2016	306-3 Significant spills	There are no significant spills during the year	-	-	-
Circularity & Sustainable Packaging (Waste)					
GRI 3: Material Topics 2021	3-3 Management of material topics	Towards Circularity	-	-	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Towards Circularity	-	-	-
	306-2 Management of significant waste-related impacts	Towards Circularity	-	-	-
	306-3 Waste generated	Towards Circularity	-	-	-
	306-4 Waste diverted from disposal	Towards Circularity	-	-	-
	306-5 Waste directed to disposal	Towards Circularity	-	-	-
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 - Principle 6	-	-	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain and Responsible Sourcing Human Rights Annexure- Sustainable Supply Chain Initiatives Report and Accounts 2026 : BRSR 2026 - Principle 6	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain and Responsible Sourcing Annexure- Sustainable Supply Chain Initiatives Report and Accounts 2026 :BRSR 2026 - Principle 6	-	-	-

GRI Content Index

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Workforce for Tomorrow	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce for Tomorrow	-	-	-
	401-3 Parental leave	Workforce for Tomorrow	-	-	-
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	-	-	-
	403-3 Occupational health services	Occupational Health and Safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	-	-	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	-	-	-
	403-6 Promotion of worker health	Occupational Health and Safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	-	-	-
	403-9 Work-related injuries	Occupational Health and Safety	-	-	-
	403-10 Work-related ill health	Occupational Health and Safety	-	-	-
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Workforce for Tomorrow The average training hours per employee, depicted here are for both permanent and other than permanent employees and not based on gender or management category.	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Workforce for Tomorrow	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Workforce for Tomorrow Report and Accounts 2026 : BRSR Principle 3, Essential Indicator, Q.9. The data depicted in BRSR is for ITC standalone.	-	-	-

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Workforce for Tomorrow	-	-	-
	405-2 Ratio of basic salary and remuneration of women to men	Report and Accounts 2026 : BRSR 2026 - Principle 5. The median remuneration is depicted in BRSR.	-	-	-
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Report and Accounts 2026 : BRSR 2026 - Principle 5	-	-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Report and Accounts 2026 : BRSR 2026 - Principle 5. The data in BRSR is for ITC Standalone.	-	-	-
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Workforce for Tomorrow	-	-	-
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026: BRSR 2026 - Principle 5	-	-	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Workforce for Tomorrow Human Rights Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 - Principle 5 No significant risks were identified	-	-	-
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 - BRSR 2026 Principle 5	-	-	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Workforce for Tomorrow Human Rights Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 Principle 5 No significant risks were identified	-	-	-

GRI Content Index

GRI Standard/ other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce for Tomorrow Report and Accounts 2026 : BRSR Principle 5, Essential Indicator Q.1	-	-	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	All employees and workers, are provided training on human rights related aspects.	-	-	-
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth	-	-	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth	-	-	-
	413-2 Operations with significant actual and potential negative impacts on local communities	Mission Sunehra Kal for Transforming Lives and Landscapes - Sustainable and Inclusive Growth A comprehensive Core Area Perspective Plan (CAPP) is conducted every five years across ITC's catchments. Last CAPP was carried out in FY 2021-22 across 21 factories and 7 agri locations.	-	-	-
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 Principle 3, 5	-	-	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 - Principle 3, 5	-	-	-
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2026 : BRSR 2026 - Principle 3,5	-	-	-
Public policy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Report and Accounts 2026	-	-	-
GRI 415: Public Policy 2016	415-1 Political contributions	Report and Accounts 2026	-	-	-
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability	-	-	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Sustainability	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Sustainability	-	-	-
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability	-	-	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Sustainability	-	-	-
	417-2 Incidents of non-compliance concerning product and service information and labeling	Report and Accounts 2026 : BRSR 2026 - Principle 9	-	-	-
	417-3 Incidents of non-compliance concerning marketing communications	Report and Accounts 2026 : BRSR 2026 - Principle 9	-	-	-
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Product Sustainability	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Product Sustainability Report and Accounts 2026 : BRSR 2026 Principle 9	-	-	-

Quantification Methodologies

Energy and GHG Emissions

To set organisational boundaries for consolidated GHG emissions, ITC has utilised the operational control approach for various entities covered under the Report. ITC's GHG emissions inventory is prepared based on the ISO 14064-1:2018 Standard, and using 'GHG Protocol Corporate Accounting and Reporting Standard' as amended thereto and 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' (including supplements to it) developed by the GHG Protocol Initiative, a partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Global Warming Potential (GWP) used are sourced from the IPCC Sixth assessment report.

1. Stationary Combustion
Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 have been used to calculate GHG emissions from stationary combustion sources.

Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCV) to arrive at the energy consumption values, which is multiplied by the emission factor to quantify the direct emission from stationary combustion sources

2. Purchased Energy
The quantification of indirect GHG emission due to purchased electricity is based on activity data (electricity consumption in kWh) multiplied by weighted average emission factors specified in the 'CO_2 Baseline Database for the Indian Power Sector User Guide', (version 21.0, November 2025) issued by Central Electricity Authority, Government of India. For market-based Scope 2 emissions, the emission factor of the contracted power plant is used (where applicable), and for location-based Scope 2 emissions, the emission factor of the grid is used for purchased electricity including purchased renewable electricity.

The quantification of indirect GHG emissions for purchased steam is based on activity data (energy consumption in GJ) multiplied by the relevant emission factor. The emission factor is sourced from the IPCC Guideline for National Greenhouse Gas Inventories of 2006 for the corresponding fuel.

3. Transportation
Sources for the latest Global Logistics Emissions Council (GLEC) framework, Version 3.2

4. Process emissions
ITC's Paper Unit at Bhadrachalam also have a limestone calcination line. Process emissions from calcination is estimated using the methodology provided in the Pulp and Paper Tool published GHG Protocol.

5. Emissions from refrigerants
Emission factor for refrigerant gases is sourced from Montreal Protocol and OzonAction factsheet on refrigerant blends published by UNEP.

6. Upstream emissions associated with materials used
Cradle-to-gate emission factor for materials is sourced from the GaBi dataset.

Emissions are calculated by multiplying the quantity of material consumed with corresponding emission factor.

7. Upstream emissions of fuel and energy
Fuel related upstream emission factors are sourced from the information provided in the CDM Methodological tool – Upstream leakage emissions associated with fossil fuel use, Version 2.0[1]. For electricity related upstream emission factor, Transmission losses were sourced from the data published by Ministry of Power, Government of India.

Emissions are calculated by multiplying energy from each fuel with corresponding upstream emission factor. For grid electricity, emissions are calculated by multiplying grid electricity with transmission losses and grid emission factor.

8. Downstream emissions from end of life of plastic packaging
End of life of incineration of plastic is sourced from the WARM tool (Version 16) published by US EPA[2]. Emission factor for mixed plastic is used which is multiplied with the quantity of plastic waste send for co-processing through various channel partners.

9. Other Sources
The quantification of GHG emissions from other sources is based on a robust process of data collection at unit/Division level and methodologies/ emission factors taken from recognised global sources such as IPCC, GHG Protocol and UNFCCC. The sources that have a minor contribution to ITC's overall GHG emissions are listed below:

- Emissions from company owned vehicles
- Emissions from employee commuting
- SF_6 release from power distribution system
- CO_2 release from fire protection system
- Emissions from gas cutting/ welding
- Methane released from wastewater treatment
- Emissions from composting of waste inside the unit premises
- Emissions from fertiliser application in forestry project
- Emissions from business air travel

Contribution of other sources of GHG emissions is less than 1% in ITC's total GHG emissions. These are estimated once in three years.

10. GHG Removals
GHG removals from plantations have been calculated based on the approved methodology used in ITC's UNFCCC registered CDM project '2241: Reforestation of severely degraded landmass in Khammam district of Andhra Pradesh, India under ITC Social Forestry Project.'

[1]https://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-15-v2.0.pdf

[2]https://www.epa.gov/warm/versions-waste-reduction-model

Certifications

Environment, Social and Occupational Health & Safety

ISO 14001: Environment Management System

- All ITC owned manufacturing Units (except Leaf threshing Unit at Anaparthi and newly inducted factories from Sunrise foods & newly commissioned factories at Jammu, Uluberia and Guntur), LSTC and ITC Grand Central.
- Subsidiaries: Surya Nepal Private Limited (SNPL) Units at Simara & Seratar
- Third Party Vendors: ATC Limited Unit at Hosur, HDC Hyderabad, RCTI Bhopal and GS Global Ventures Private Limited

OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems

- All ITC owned manufacturing Units (except Leaf threshing Unit at Anaparthi and newly inducted factories from Sunrise foods & newly commissioned factories at Jammu, Uluberia and Guntur)
- Subsidiaries: North-East Nutrients Private Limited (NENPL) Unit at Mangaldoi, SNPL Units at Simara & Seratar.
- Third Party Vendors: ATC Limited Unit at Hosur, HDC Hyderabad, RCTI Bhopal and GS Global Ventures Private Limited

ISO 50001: Energy Management System

- Paperboards and Specialty Papers Units at Bhadrachalam, Tribeni and Kovai and Cigarettes factories at Munger, Kidderpore, Bengaluru, Pune and Saharanpur

SA 8000: Social Accountability

- Cigarettes factories at Munger, Kidderpore, Bengaluru, Pune and Saharanpur, Packaging and Printing Units at Munger & Tiruvottiyur
- Subsidiary: SNPL Unit at Simara
- Third Party Vendors: ATC Limited Unit at Hosur, and GS Global Ventures Private Limited

FSSC 22000/ISO 22000/HACCP: Food Safety Management System

- All ITC owned Foods Business Units, ITC Units at Bengaluru, Manpura, Nadiad, Pune, Saharanpur, and ITC Grand Central
- Subsidiaries: North-East Nutrients Private Limited (NENPL) Unit at Mangaldoi

Other Product Certifications: BRCGS Certification as per BRC Global Standard for Packaging and Packaging Materials

- Packaging and Printing Units at Tiruvottiyur, Haridwar and Nadiad, Paperboards and Specialty Papers Units at Bollaram, Bhadrachalam and Tribeni

Forest Stewardship Council®

- Paperboards and Specialty Papers Business has Forest Stewardship Council-Forest Management (FSC®-FM) certification (FSC®-C102390) and FSC® Chain of Custody (FSC®-C064218)
- Packaging and Printing Units at Tiruvottiyur, Haridwar and Nadiad (FSC®-C109843, FSC®-C184784 and FSC®-C187699)
- Paperkraft Notebooks of Education and Stationary Products Business are FSC® certified (FSC®-C181115)

LEED® Platinum Rating by US Green Building Council/Platinum Rated Green Building by Indian Green Building Council

- ITC Grand Central
- ITC Green Centre at Bengaluru, ITC Sankhya Data Centre, ITC Green Centre at Guntur, ITC Virginia House Kolkata, ITC Centre Manesar, ITC Centre Kolkata and ITC Green Centre at Kolkata

Platinum Rated Green Factory Building by Indian Green Building Council (IGBC)

- ITC Units at Saharanpur, Bengaluru, Munger, Pune, Kidderpore, Medak, Khurda, Nadiad and ATC Limited

Certifications

LEED® Zero Carbon

- Sankhya Data centre

Alliance for Water Stewardship (AWS) Platinum-level certification

- Paperboards and Speciality Papers Unit at Kovai and Bhadrachalam
- Foods Unit at Malur, Ranjangaon and Kapurthala,
- Cigarettes Unit at Saharanpur, Bengaluru and Ranjangaon
- Leaf threshing Unit at Mysuru

Rainforest Alliance Certification

- In FY 2025-26, 6,757 acres of coffee raw materials and 284 acres of Mango area was certified under Rainforest Alliance sustainable standard

Union for Ethical Bio Trade (UEBT) & Rainforest Alliance Joint Certification:

- In FY 2025-26, around 7,426 acres of area under new UEBT & RA joint herbs & spices programme covering Chilli, Cumin, Celery and Turmeric crops.

Global G.A.P Certification

- In FY 2025-26, 936 acres of Chilli was certified under Global G.A.P. The Good Agriculture Practices (GAP) programme addresses environmental, economic and social sustainability for on-farm processes, and result in safe and quality farm produce.

Fairtrade Certification

- Fairtrade certification endorses that the Agri produce meet defined environmental, labour and developmental standards. In FY 2025-26, 955 acres of Mango area was covered under Fairtrade certification.

Grown for Good (G4G) Certification

- In 2025-26, 2027 acres under Chilli, Cumin, Celery was certified under G4G Certification promoting sustainable sourcing, food safety and environmental stewardship.

Farm Sustainability Assessment (FSA) 3.0 Certification

- In 2025-26, a Globally recognized FSA 3.0 certification for wheat & paddy (ITC 1st in India) in 22,287 acres, enabling on-farm sustainability in areas like soil management, water usage, waste management, labour conditions and community impact.

Certified Organic Production:

- In FY 2025-26, 2815 acres of Mango, 3555 acres of Spices (Chilli, Turmeric, Seed Spices) and 14,682 acres of area under Cereals (Wheat, Paddy, Soybean, Maize, Gram, Pigeon Pea, Mustard) is covered under organic certification.

NPOP, NOP and EU certification standards:

- The processing and warehouse facilities in the processed fruits & spices business comply with NPOP, NOP and EU organic certification standards

Independent External Assurance

KPMG Assurance and Consulting Services LLP
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Independent Practitioners' Reasonable and Limited Assurance Report

To the Board of Directors of ITC Limited

Assurance Report on select sustainability disclosures in the Sustainability Report 2026

Assurance report on the select sustainability disclosures in the Sustainability Report 2026 of ITC Limited (the 'Company') prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 (also called 'Identified Sustainability Information' (ISI)) for the period from 1 April 2025 to 31 March 2026.

Reasonable Assurance Opinion and Limited Assurance Conclusion

We have performed an assurance engagement on whether the Company's Identified Sustainability Information (ISI) (refer Appendix A and B of this report) for the period from 1 April 2025 to 31 March 2026 have been prepared in accordance with the Reporting Criteria (refer table below):

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
Select GRI Indicators (Refer Appendix A)	From 1 April 2025 to 31 March 2026	Reasonable	– *GRI Standards 2021.* – *Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised Edition) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD).*
Select GRI Indicators (Refer Appendix B)	From 1 April 2025 to 31 March 2026	Limited	– *GRI Standards 2021.* – *Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised Edition); and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD).*

ISO Certifications: ISO 14001:2015-Environmental Management System, ISO 45001:2018-Occupational Health & Safety Management System, ISO 22301:2019-Business Continuity Management System, ISO 27001:2022-Information Security Management System, ISO 27017:2015-Cloud Security Management System, ISO 27701:2019-Personal Information Management System, ISO 20000-1:2018- Information Technology System Management and ISO 42001: 2023- Artificial Intelligence Management System

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

KPMG (Registered) (a partnership firm with Registration No. BA-62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0367), with effect from July 23, 2020

Registered Office:
2nd Floor, Block T2 (B Wing)
Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai - 400 011

Independent External Assurance

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, environmental and social professionals.

For the purposes of the remainder of our assurance report:

- "Information covered by Reasonable Assurance" refers to the Identified Sustainability Information that was subjected to reasonable assurance, as specified in Appendix A;
- "Information covered by Limited Assurance" refers to the Identified Sustainability Information that was subjected to limited assurance, as specified in Appendix B;
- "Assured Sustainability Information" refers to all Identified Sustainability Information covered by assurance (both reasonable assurance and limited assurance); and
- "Applicable Criteria" refers to the Reporting Criteria relevant to the information covered by assurance as identified above.

Reasonable assurance opinion

In our opinion, the Company's Information covered by Reasonable Assurance, presented in the Company's Sustainability Report 2026 for the period from 1 April 2025 to 31 March 2026, is prepared, in all material respects, in accordance with the GRI Standards 2021, the Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised Edition) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) and the basis of preparation set out in the *'About this Report'* section of the Sustainability Report 2026.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company's Information covered by Limited Assurance, presented in the Company's Sustainability Report 2026 relating to select GRI indicators for the period from 1 April 2025 to 31 March 2026, is not prepared, in all material respects, in accordance with the GRI Standards (2021), Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised); and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) and the basis of preparation set out in the *'About this Report'* section of the Sustainability Report 2026.

Basis for opinion and conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of this report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

KPMG Assurance and Consulting Services LLP (the Firm) applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the Firm to design, implement and operate a system of quality management, including policies or

procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Other information

Management and the Board of Directors of the Company are responsible for the other information. The other information comprises the information included in the Company's Sustainability Report 2026 and Report and Accounts 2026 (but does not include select GRI indicators and assurance report thereon).

Additionally, we have performed two more engagements –

1) a reasonable assurance engagement on BRSR Core attributes and issued an independent assurance report on 10 June 2026.
2) A reasonable and limited assurance engagement on GHG emissions inventory and issued an independent assurance report on 22 June 2026.

Our reasonable assurance opinion and limited assurance conclusion on select GRI indicators do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our assurance report on select sustainability disclosures in the Sustainability Report 2026, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Reporting Criteria or our knowledge obtained in the assurance or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Intended use or purpose

The ISI, reasonable and our limited assurance report are intended for users who have reasonable knowledge of the Reporting Criteria and the ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Identified Sustainability Information (ISI)

The management of the Company acknowledges and understands their responsibility for:

- designing, implementing and maintaining internal control relevant to the preparation of the ISI that is free from material misstatement, whether due to fraud or error;
- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the Reporting Criteria;
- disclosure of the applicable criteria used for preparation of the ISI in the Sustainability Report;
- preparing, fairly stating, properly calculating the ISI in accordance with the Reporting Criteria;
- ensuring the Reporting Criteria is available for the intended users with relevant explanations;

Independent External Assurance

- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- providing the details of the management personnel who takes ownership of the ISI disclosed in the Sustainability Report;
- ensuring compliance with applicable laws, regulations or applicable contracts;
- making judgements and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the Reporting Criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those Charged With Governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

Inherent limitations

The preparation of the Company's ISI requires the management to establish or interpret the Reporting Criteria, make determinations about the relevance of information to be included, and make estimates and assumptions that affect the ISI.

Measurement of certain amounts in the ISI, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example GHG Emissions, Water Consumption, Energy Consumption, etc. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain combined reasonable and limited assurance on the ISI, and whether the ISI is free from material misstatement, whether due to fraud or error; in accordance with the Reporting Criteria in line with the section above;
- forming an independent reasonable assurance opinion and limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting reasonable assurance opinion and limited assurance conclusion to the Board of Directors of the Company.

Summary of the work we performed as the basis for our opinion/conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Procedures performed for reasonable assurance opinion

The nature, timing, and extent of the procedures performed depended on our judgement, including an assessment of the risks of material misstatement of the information covered by reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the ISI covered by reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the ISI covered by reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the suitability of the Reporting Criteria used by the Company in preparing the ISI covered by reasonable assurance;
- evaluated the appropriateness of reporting policies, quantification methods, models, and controls used in the preparation of the information covered by reasonable assurance and the reasonableness of estimates made by the Company; and
- evaluated the overall presentation of the information covered by reasonable assurance.

Procedures performed for limited assurance conclusion

Our procedures selected depended on our understanding of the ISI covered by limited assurance and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we:

- assessed the suitability of the Reporting Criteria used by the Company in preparing the ISI covered by limited assurance;
- interviewed senior management and relevant staff at corporate and selected locations concerning policies for environmental, social and occupational health and safety, and the implementation of these across the business;
- through inquiries, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the ISI covered by limited assurance, but did not evaluate the design of particular control activities, obtained evidence about their implementation or tested their operating effectiveness;
- made inquiries of relevant staff at corporate and selected divisional locations responsible for the preparation of the ISI covered by limited assurance;
- undertook site visits at selected manufacturing units, as appropriate;
- inspected, at each site visited, a limited number of items to or from supporting records, as appropriate;
- applied analytical procedures, as appropriate;
- recalculated the information covered by limited assurance based on the criteria; and

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- evaluated the overall presentation of the information covered by limited assurance to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the Company's policies relating to environmental, social and occupational health and safety, and the implementation of these across the business

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Exclusions:

Our assurance scope excludes the following and therefore we do not express an opinion or a conclusion on the same:

- The Company's internally developed criteria used to determine its positive status in relation to environmental parameters, as well as any form of review of the commercial merits, technical feasibility, accuracy of claims, or compliance with applicable legislations, including the assessment of judgments related to commercial risks associated with business activities.
- Operations of the Company other than those under the Reporting Boundary set out in the 'About this Report' section of the Company's Sustainability Report 2026 (Scope of Assurance).
- The Company's statements that describe the strategy, progress on goals (other than those listed under the scope of assurance as mentioned above), expression of opinion, claims, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Aspects of the GRI indicators and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period from 1 April 2025 to 31 March 2026.

Shivananda Shetty
Partner

For KPMG Assurance and Consulting Services LLP
Date: 22 June 2026
Place: Gurugram

Appendix A

Information covered by Reasonable Assurance – Select GRI Indicators

Reference	Disclosures	Type of Assurance
2-2	Entities included in the organization's sustainability reporting	Reasonable
2-3	Reporting period, frequency and contact point	Reasonable
2-4	Restatements of information	Reasonable
2-6	Activities, value chain and other business relationships	Reasonable
2-7	Employees	Reasonable
2-8	Workers who are not employees	Reasonable
2-9	Governance structure and composition	Reasonable
2-10	Nomination and selection of the highest governance body	Reasonable
2-11	Chair of the highest governance body	Reasonable
2-12	Role of the highest governance body in overseeing the management of impacts	Reasonable
2-13	Delegation of responsibility for managing impacts	Reasonable
2-14	Role of the highest governance body in sustainability reporting	Reasonable
2-15	Conflicts of interest	Reasonable
2-16	Communication of critical concerns	Reasonable
2-17	Collective knowledge of the highest governance body	Reasonable
2-26	Mechanisms for seeking advice and raising concerns	Reasonable
2-29	Approach to stakeholder engagement	Reasonable
2-30	Collective bargaining agreements	Reasonable
3-1	Process to determine material topics	Reasonable
3-2	List of material topics	Reasonable
3-3	Management of material topics	Reasonable
301-1	Materials used by weight or volume	Reasonable
302-1	Energy consumption within the organisation	Reasonable
302-3	Energy intensity	Reasonable
302-4	Reduction of energy consumption	Reasonable
303-3	Water withdrawal	Reasonable
303-4	Water discharge	Reasonable
303-5	Water consumption	Reasonable
305-1	Direct (Scope 1) GHG emissions	Reasonable
305-2	Energy indirect (Scope 2) GHG emissions	Reasonable
305-6	Emissions of ozone-depleting substances (ODS)	Reasonable
305-7	Nitrogen oxides (NO_X), sulphur oxides (SO_X), and other significant air emissions	Reasonable
306-3	Waste generated	Reasonable
306-4	Waste diverted from disposal	Reasonable
306-5	Waste directed to disposal	Reasonable
401-1	New employee hires and employee turnover	Reasonable
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Reasonable

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Reference	Disclosures	Type of Assurance
401-3	Parental leave	Reasonable
403-9	Work-related injuries	Reasonable
404-1	Average hours of training per year per employee	Reasonable
413-1	Operations with local community engagement, impact assessments, and development programs	Reasonable

Appendix B

Information covered by Limited Assurance – Select GRI Indicators

Reference	Disclosures	Type of Assurance
305-3	Other indirect (Scope 3) GHG emissions	Limited
308-2	Negative environmental impacts in the supply chain and actions taken	Limited
414-2	Negative social impacts in the supply chain and actions taken	Limited

Independent External Assurance

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Independent Practitioner's Reasonable and Limited Assurance Report

To the Board of Directors of ITC Limited

Assurance report on the Greenhouse Gas (GHG) emissions inventory presented in the Sustainability Report 2026 of ITC Limited (the 'Company').

Assurance report on the Greenhouse Gas (GHG) emissions inventory presented in the Sustainability Report 2026 of ITC Limited (the 'Company') prepared in accordance with the requirements of the GHG Protocol 'A Corporate Accounting and Reporting Standards (Revised Edition) and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, developed by GHG Protocol Initiative, a partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD (together called 'Identified Sustainability Information' (ISI)) of ITC Limited (the 'Company') for the period from 1 April 2025 to 31 March 2026.

Reasonable Assurance Opinion and Limited Assurance Conclusion

We have performed an assurance engagement on whether the Company's Identified Sustainability Information (ISI) (refer Appendix A and B of this report) for the period from 1 April 2025 to 31 March 2026 have been prepared in accordance with the Reporting Criteria (refer table below).

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
• Scope 1 GHG emissions. • Scope 2 GHG emissions. • Biogenic GHG emissions. • GHG removals from Farm and Social Forestry projects *(Refer Appendix A)*	From 1 April 2025 to 31 March 2026	Reasonable	– *The GHG Protocol 'A Corporate Accounting and Reporting Standards (Revised Edition)' developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD).*

ISO Certifications: ISO 14001:2015-Environmental Management System, ISO 45001:2018-Occupational Health & Safety Management System, ISO 22301:2019-Business Continuity Management System, ISO 27001:2022-Information Security Management System, ISO 27017:2015-Cloud Security Management System, ISO 27701:2019-Personal Information Management System and ISO 20000-1:2018-Information Technology System Management

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

KPMG (Registered) (a partnership firm with Registration No. BA-62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0367), with effect from July 23, 2020

Registered Office:
2nd Floor, Block T2 (B Wing)
Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai - 400 011

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting Criteria
Scope 3 GHG emissions: • Category 1: Purchased Goods. • Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2. • Category 4: Upstream Transportation & Distribution. • Category 6: Business Travel. • Category 7: Employee Commuting. • Category 9: Downstream Transportation & Distribution. • Category 12: End-of-Life Treatment of Sold Products. *(Refer Appendix B)*	From 1 April 2025 to 31 March 2026	Limited	– *The GHG Protocol 'A Corporate Accounting and Reporting Standards (Revised Edition)' and 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD).*

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, environmental and social professionals.

For the purposes of the remainder of our assurance report:

- "Information covered by Reasonable Assurance" refers to the Identified Sustainability Information that was subjected to reasonable assurance, as specified in Appendix A;
- "Information covered by Limited Assurance" refers to the Identified Sustainability Information that was subjected to limited assurance, as specified in Appendix B;
- "Assured Sustainability Information" refers to all Identified Sustainability Information covered by assurance (both reasonable assurance and limited assurance); and
- "Applicable Criteria" refers to the Reporting Criteria relevant to the information covered by assurance as identified above.

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Reasonable Assurance Opinion and Limited Assurance Conclusion

Reasonable assurance opinion

In our opinion, the Company's Information covered by Reasonable Assurance, presented in the Company's Sustainability Report 2026 for the period from 1 April 2025 to 31 March 2026, is prepared, in all material respects, in accordance with the Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised Edition) developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD). The basis of preparation of GHG emissions inventory is set out in '*Quantification Methodologies'* section of the Company's Sustainability Report 2026.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Information covered by Limited Assurance, presented in the Company's Sustainability Report 2026 for the period from 1 April 2025 to 31 March 2026, is not prepared, in all material respects, in accordance with the Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised Edition) and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD). The basis of preparation of GHG emissions inventory is set out in '*Quantification Methodologies'* section of the Company's Sustainability Report 2026.

Basis for opinion and conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under these standards are further described in the "Our responsibilities" section of this report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

KPMG Assurance and Consulting Services LLP applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the Firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Other information

Management and the Board of Directors of the Company are responsible for the other information. The other information comprises the information included in the Company's Sustainability Report 2026 (but does not include the GHG emissions inventory thereon).

Additionally, we have performed two more engagements:

1) a reasonable assurance engagement on the BRSR Core attributes and issued an independent practitioner's assurance report on 10 June 2026.
2) a combined reasonable and limited assurance engagement on select disclosures as per GRI Standards 2021 and issued an independent practitioner's assurance report on 22 June 2026.

Our reasonable assurance opinion and limited assurance conclusion on the GHG emissions inventory do not cover the other information and we are not expressing any form of assurance thereon.

In connection with our assurance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Reporting Criteria or our knowledge obtained in the assurance or otherwise appears to be materially misstated. If based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Intended use or purpose

The ISI, and our reasonable and our limited assurance report are intended for users who have reasonable knowledge of the greenhouse gas emissions and related inventory, the Reporting Criteria and who have read the information in the Company's Sustainability Report 2026 with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the GHG Emissions Inventory

The management of the Company acknowledges and understands their responsibility for:

- properly preparing and presenting the ISI that is free from material misstatement and is prepared in accordance with Reporting Criteria as defined above and for the information contained therein;
- designing, implementing and maintaining internal control relevant to the preparation of the GHG emissions inventory that is free from material misstatement, whether due to fraud or error;
- selecting and applying quantification methods, making judgements and estimates that are reasonable in the circumstances and maintaining adequate records, in relation to the ISI;
- preparing, fairly stating, properly calculating the ISI in accordance with the Reporting Criteria;
- ensuring the Reporting Criteria is available for the intended users with relevant explanations;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- providing the details of the management personnel who takes ownership of the ISI disclosed in the report;
- ensuring compliance with applicable laws, regulations or applicable contracts;
- making judgements and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the Reporting Criteria;

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- preventing and detecting fraud;
- selecting components of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those Charged With Governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

Characteristics and limitations of the GHG Emissions Inventory

The preparation of the Company's sustainability information requires the management to establish or interpret the Reporting Criteria, make determinations about the relevance of information to be included, and make estimates and assumptions that affect the reported information.

Measure of GHG emissions is subject to significant inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain a combined reasonable and limited assurance on GHG emissions inventory presented in Sustainability Report 2026, about whether the GHG emissions inventory is free from material misstatement, whether due to fraud or error;
- forming an independent reasonable assurance opinion and limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting reasonable assurance opinion and limited assurance conclusion to the Board of Directors of the Company.

Summary of the work we performed as the basis for our opinion/conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Procedures performed for reasonable assurance

The nature, timing, and extent of the procedures performed depended on our judgement, including an assessment of the risks of material misstatement of the information covered by reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding information covered by reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information covered by reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the suitability of the Reporting Criteria used by the Company in preparing the information covered by reasonable assurance;

- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information covered by reasonable assurance and the reasonableness of estimates made by the Company; and
- evaluated the overall presentation of the information covered by reasonable assurance.

Procedures performed for limited assurance

Our procedures performed depended on our understanding of the information covered by limited assurance and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we:

- assessed the suitability of the criteria used by the entity in preparing the information covered by limited assurance;
- interviewed senior management and relevant staff at corporate and selected locations concerning policies for GHG emissions, and the implementation of these across the business;
- through inquiries, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the information covered by limited assurance, but did not evaluate the design of particular control activities, obtained evidence about their implementation or tested their operating effectiveness;
- made inquiries of relevant staff at corporate and selected divisional locations responsible for the preparation of the Scope 3 GHG emissions covered by limited assurance;
- undertook site visits at selected manufacturing units, as appropriate;
- inspected, at each site visited, a limited number of items to or from supporting records, as appropriate;
- applied analytical procedures, as appropriate;
- recalculated the information covered by limited assurance based on the criteria; and
- evaluated the overall presentation of Scope 3 GHG emissions covered by limited assurance to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the Company's policies relating to GHG emissions, and the implementation of these across the business.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Exclusions:

Our assurance scope excludes the following and therefore we do not express an opinion or a conclusion on the same:

- The Company's internally developed criteria used to determine its carbon positive status, as well as any form of review of the commercial merits, technical feasibility, accuracy of claims, or compliance with applicable legislations, including the assessment of judgments related to commercial risks associated with business activities.

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- Operations of the Company other than those under the Reporting Boundary set out in the 'About this Report' section of the Company's Sustainability Report 2026 (Scope of Assurance).
- The Company's statements that describe the strategy, progress on goals (other than those listed under the scope of assurance as mentioned above), expression of opinion, claims, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Aspects of the data and information (qualitative or quantitative) other than the GHG Emissions Inventory.
- Data and information outside the defined reporting period from 1 April 2025 to 31 March 2026.

Shivananda Shetty
Partner

For KPMG Assurance and Consulting Services LLP
Date: 22 June 2026
Place: Gurugram

Appendix A
GHG Emissions Inventory (Scope 1 GHG Emissions, Scope 2 GHG Emissions, Biogenic Emissions, and Carbon Sequestration)

	GHG emissions (tCO_2e)	Type of Assurance
Scope 1 GHG Emissions	1,048,590	Reasonable
Scope 2 (Market-based) GHG Emissions	158,314	Reasonable
Scope 2 (Location-based) GHG Emissions	177,302	Reasonable
Biogenic Emissions	1,106,037	Reasonable

	Estimated GHG Removals (tCO_2)	Type of Assurance
Carbon Sequestration through Social and Farm Forestry Initiatives	7,567,401	Reasonable

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Appendix B
GHG Emissions Inventory (Scope 3 GHG Emissions)

	GHG emissions (tCO_2e)	Type of Assurance
Scope 3 GHG Emissions		
Category 1: Purchased Goods	638,261	Limited
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	91,634	Limited
Category 4: Upstream Transportation & Distribution	248,245	Limited
Category 6: Business Travel	11,717	Limited
Category 7: Employee Commuting	5,481	Limited
Category 9: Downstream Transportation & Distribution	389,355	Limited
Category 12: End-of-Life Treatment of Sold Products	57,314	Limited

Plastic Neutrality Report & Assurance Statement for FY 2024-25

Plastic Neutrality Report (FY 2024-25)

ITC's approach towards sustainably managing post-consumer plastic packaging waste involves implementing an integrated solid waste management programme that incorporates unique and multi-dimensional initiatives including the flagship waste management initiative 'ITC WOW – Well Being Out of Waste' and tie-ups with waste management agencies. This enables collection and sustainable management of post-consumer plastic packaging waste including multi-layered laminates, thereby enabling a more circular economy for plastic waste as well as creating opportunities for supporting sustainable livelihoods in the waste economy. As a result of these efforts, ITC continues to remain plastic neutral. The amount of plastic waste sustainably managed in FY 2024-25 through authorized plastic waste processors exceeded Company's extended producer responsibility obligations (64,440 MT) as a registered Brand Owner under Plastic Waste Management Rules, 2016 (as amended).

Plastic Neutrality Report & Assurance Statement for FY 2024-25

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BDO India Services Private Limited
Magnum Global Park, Floor 21
Sector 58, Golf Course Extension Road
Gurugram, Haryana 122011

Independent Assurance Statement

To
ITC Limited
Virginia House
37 J.L. Nehru Road
Kolkata - 700071

Independent Assurance Statement on ITC Limited's Plastic Neutrality Report for the financial year 2024-25.

Introduction and objective of engagement

BDO India Services Private Limited was engaged by ITC Limited (the 'Company') to provide independent assurance to the information contained in the Plastic Neutrality Report (the 'Report') for the financial year 2024-25.

Respective responsibilities

The Report is the sole responsibility of the management of ITC Limited. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Responsibility of BDO India Services Private Limited, as agreed with the management of ITC Limited, is to provide assurance on the Report as described in the assurance standard and assurance scope given below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted the assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Scope, boundary and assurance criteria

The scope of assurance engagement was limited to review of extended producer obligations as a registered Brand Owner and amount of plastic waste sustainably managed as mentioned in the Report for FY 2024-25 covering ITC businesses including Branded Packaged Foods Business, Personal Care Products Business, Education and Stationery Products Business, Incense Sticks (Agarbattis) and Safety Matches Business, Cigarettes Business, Agri Business, Packaging and Printing Business and Paperboards and Specialty Papers Division. The boundary of our assurance was for data and information for the period 1st April 2024 to 31st March 2025.

We applied the criteria of **'Limited'** Assurance.

Assurance and methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the 'Scope and boundary of assurance'.

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/omission of relevant information/data in the Report. Our review process included the following steps:

- Assessment of the Report, specifically as per extended producer obligations;
- Verification of systems and procedures used for collection, interpretation of above data and management systems related to the same;
- Review of appropriateness of various assumptions, estimations and used for data analysis;
- Discussions with the key personnel, responsible for data compilation and analysis;

We used our professional judgement as Assurance Provider and applied appropriate risk-based approach, for determining sample for review. Based on materiality, we selected three businesses (namely, Branded Packaged Foods, Personal Care Products and Matches and Agarbatti) for review of generation quantity, and three plastic waste collection partners for review of plastic waste collection, recycling and end of life data.

We reviewed suitable documentary evidence to substantiate our findings regarding the information and verification of data, and retained relevant documentation, wherever permitted. The reviews were conducted through virtual mode, where information and evidence were made available to us. For data analytics and coded sheets related to SAP, documentary evidence presented to us could not be retained due to confidentiality constraints indicated by the Company; for such, we recorded our observations subsequent to reviewing such evidence.

Inherent Limitations

There are inherent limitations in assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

Exclusions

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st March 2024 to 31st April 2025);
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

We noted that the disclosures and data as defined under the scope of assurance have been fairly presented in the Report. The systems and processes deployed by the Company for estimating plastic waste management were noted to be consistent.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us not to believe that the amount of plastic waste sustainably managed by the Company in FY 2024-25 through authorized plastic waste processors exceeded the Company's extended producer responsibility obligations (64,440 MT) as a registered Brand Owner under Plastic Waste Management Rules, 2016 (as amended).

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited

Indra Guha
Partner- Sustainability & ESG
Business Advisory Services
Gurugram, Haryana
23 June 2026

Enduring Value

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ITC on YouTube

ITC on Instagram

ITC CorpComm
WhatsApp Channel

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