



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

RESULTS UPDATE & FAQ Q2 FY26



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Q1. What is ITC's Vision and Mission?

Vision:

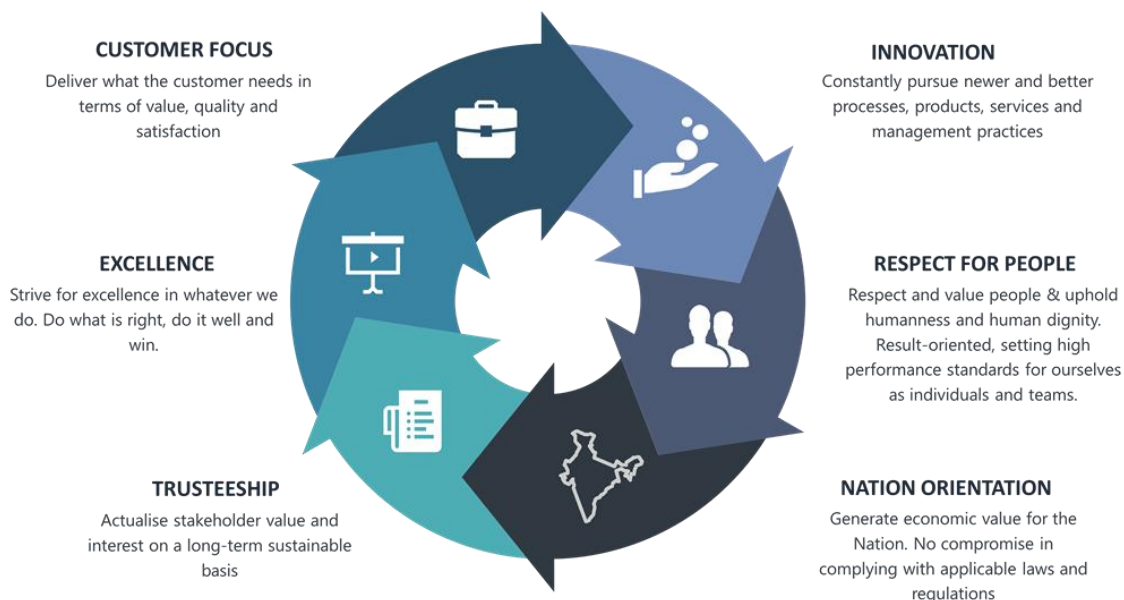
To sustain ITC's position as one of **India's most valuable and admired corporations** through **world-class performance**, creating **growing value for the Indian economy** and the **Company's stakeholders**.

Mission:

To enhance the wealth generating capability of the enterprise in a globalising environment, **delivering superior and sustainable stakeholder value**.

Q2. What are the Core Values of ITC?

ITC's core values are aimed at developing a customer focused, high-performance organisation which creates value for all its stakeholders.



Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb2>

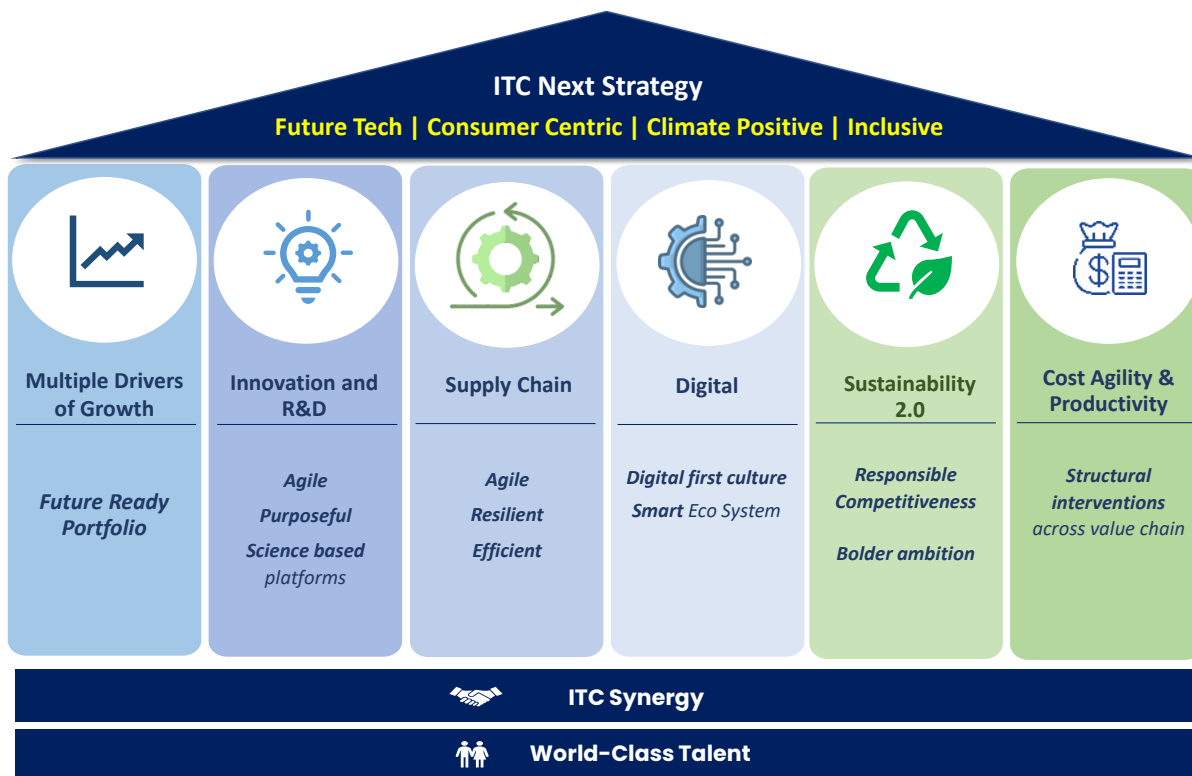
Q3. How does the Company effectively manage a highly diversified business portfolio? What is the Company's Corporate Governance structure?

ITC's 'Strategy of Organisation' is crafted in a manner that enables focus on each business while harnessing the diversity of the portfolio to create unique sources of competitive advantage.

Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb4> for details of ITC's Governance Structure.

Q4. What are key elements of ITC's strategy?

ITC Next strategy is focused on creating structural drivers that will power the Company's next horizon of growth and ensure that the enterprise remains future-ready, consumer-centric and nimble.



Q5. Please provide a brief overview of Q2 FY26 results.

India's GDP grew by 7.8% in Q1 FY26, underpinning the strong macroeconomic fundamentals of the Indian economy that remain resilient despite global headwinds marked by geo-political tensions, evolving trade policy dynamics and heightened uncertainty & volatility in the operating environment.

High frequency indicators for the quarter suggest mixed trends. While rural demand continued to demonstrate resilience, urban consumption witnessed uptick. On the other hand, industrial growth, core sector growth, automobile sales, credit growth and electricity & fuel consumption remained relatively subdued.

Lower inflation, reduction in interest rates & liquidity support by RBI, income tax cuts announced in the recent Union Budget along with front loading of Government expenditure, and the recent reduction in GST rates across a wide range of products are expected to progressively bolster consumption.

Excessive rains in many parts of the country and transition to new GST rates posed operational challenges, especially for the FMCG categories, causing short-term business disruptions during the quarter. Notwithstanding such transitory factors, the Company

delivered resilient performance during the quarter. Gross Revenue¹ stood at Rs. 19,148 crores, while PBT and PAT stood at Rs. 6,851 crores and Rs. 5180 crores respectively. Earnings Per Share for the quarter stood at Rs. 4.13 (LY 3.98).

Please refer to the quarterly Press Release and Investor Presentation uploaded on the Corporate Website for detailed segment wise update.

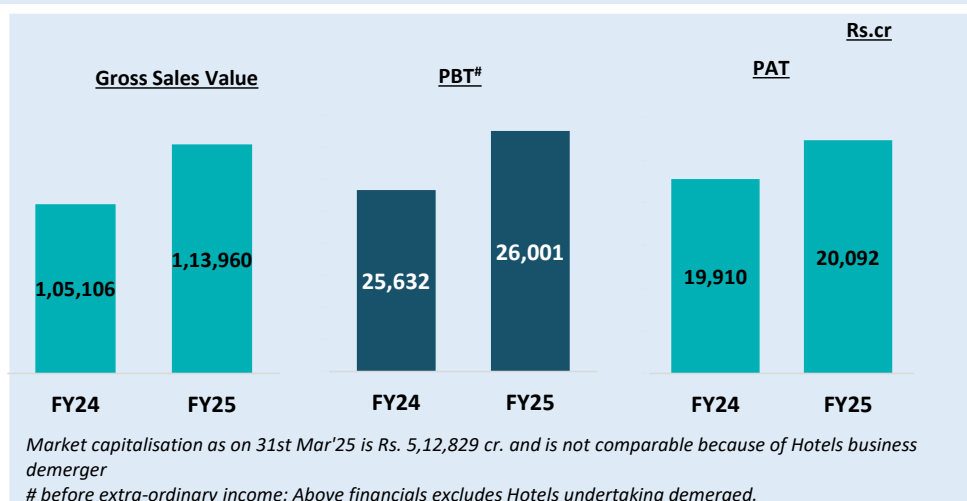
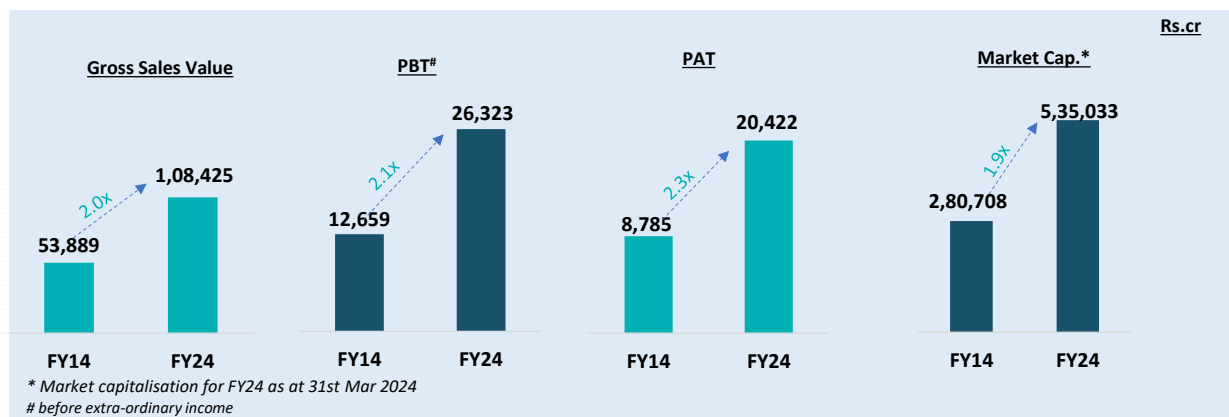
1. Quarterly Press Release: <https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/september-2025/ITC-Press-Release-Q2-FY2026.pdf>
2. Investor Presentation: <https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/september-2025/ITC-Quarterly-Result-Presentation-Q2-FY2026.pdf>

Q6. What benefits are anticipated from the GST reforms introduced during the quarter

The pathbreaking GST reforms introduced during the quarter are expected to enhance consumer affordability, boost consumption, revitalise small and medium enterprises, stimulate a virtuous cycle of economic growth & accelerate India's journey to 'Viksit Bharat'. the Company, GST rates have been reduced on over 50% of FMCG portfolio and the benefits have been passed on to consumers

¹ Standalone Financials

Q7. What has been the financial performance track record of the Company over the last decade?



Growth largely organic and funded through Retained Earnings

Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)

Q8. What has been the performance track record of the Company over the medium term?

- The performance of all operating Businesses of the Company over last five years period (between FY20 and FY25) is as follows:
 - **FMCG-Others segment:** Segment Revenue grew at a CAGR of 11.3% and Segment Results grew at CAGR of 30%
 - **FMCG – Cigarettes segment:** Net Segment revenue grew at CAGR of 7% and Segment Results grew at CAGR of 6%
 - **Agri Business segment:** Segment Revenue and Results grew at CAGR of 14% and 13% respectively
 - **Paperboards, Paper & Packaging segment:** Segment Revenue grew at a CAGR of 7%. Segment Results were impacted during the last 24 months (Refer Question 16)

Q9. Please provide some dimensions of the Company's transformation in the FMCG-Others segment over the years.

The Company remains focused on rapidly scaling up the FMCG businesses anchored on strong growth platforms and a future-ready portfolio powered by purpose-led brands and supported by agile innovation leveraging the robust R&D platforms of ITC Life Sciences and Technology Centre (LSTC). In addition to fortifying their core portfolio, the Businesses continue to address adjacent growth opportunities by leveraging the 25+ powerful mother brands established over the years. Simultaneously, the Businesses continue to make strategic investments in building categories of the future and establishing the Company's 'right to win' by progressively scaling up those nascent categories where beachheads have been created.

The FMCG Businesses continue to create structural competitive advantages and enhance profitability by leveraging world-class distributed manufacturing and logistics infrastructure, multi-channel distribution network and newer routes to market, smart buying & value engineering and smart manufacturing on the twin pillars of Digital and Sustainability. ITC's FMCG-Others Segment has grown manifold in scale, diversity of portfolio and in terms of resources deployed, as shown in next page:

	2001-02		2024-25
Diversity of Portfolio	1	Categories	40+
	<100	SKUs	2900+
Scale of Distribution	3	Channels	10
	72K	Markets Served	1.6 lakh+
	0.75 Mn	Outlets Served	2.9 Mn+*
Strength of Resources	6	Factories	200+
	0.4 Mn sqft	Warehousing Space	6.1 Mn sqft
	0.1 Mn MT	Throughput	~2.5 Mn MT

*Served directly. Total reach appx. 7 million outlets

Q10. Please provide some insights on how the Company is strengthening its presence across distribution channels.

- The Company continues to strengthen its deep & wide multi-channel distribution network and sharpen channel-specific strategies to efficiently service consumer demand across the country. Valuable insights of consumer behaviour and channel/region specific trends gained

over the years continue to be leveraged to deliver superior performance in terms of product availability, visibility and freshness.

- Strategic portfolio augmentation leveraging agile and purposeful innovation continues to be stepped up towards addressing evolving consumer needs and accelerating premiumisation. NewGen channels (viz. e-Commerce, Quick Commerce, Modern Trade) witnessed robust growth on the back of sharp execution of channel-specific joint business plans, collaborations, format-based assortments and category-specific sell-out strategies.
- In line with the Company's multi-channel Go-to-Market strategy, market coverage was stepped up to appx. 2x of pre-pandemic levels. In rural markets, direct reach enhancement was supported through a hub and spoke distribution model with the continued expansion of rural stockists network.
- E-Commerce sales witnessed rapid growth driven by account specific strategies, new product introductions and customised supply chain solutions; collaborations with leading e-Commerce and Quick Commerce platforms on all aspects of operations viz. category development, supply chain, consumer offerings and customer acquisition has enabled it to significantly scale-up sales in these channels. Digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now account for 31%² of the Company's FMCG³ portfolio (Vs. 17% in FY 2019-20). Presence in the Food Service and Institutional channels continues to be scaled up by leveraging existing partnerships and enhancement of product range.
- The Company's digitally powered eB2B platform, UNNATI, has been rapidly scaled up during the year, covering over 8 lakhs outlets with a large number of retailers placing orders directly on the platform. UNNATI facilitates sharp and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, and deeper brand engagement.
- Multi-pronged interventions continue to be made to accelerate growth across categories leveraging the Company's strong growth platforms. The portfolio continues to be further augmented with sharper focus on fortifying the core categories, addressing value-added adjacent opportunities leveraging mother brands and scaling up new growth vectors. Appreciable progress has been witnessed in these newer categories, which continue to be scaled up.
- Focused investments continue to be made to enhance distribution infrastructure and drive penetration across markets. Significant investments in capability augmentation in emerging channels (Quick commerce, e-Commerce and Modern Trade) is being made to enable portfolio premiumisation and enhance market standing.
- Over the years, the Company has made significant investments in setting up state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) proximal to large demand centres. These facilities are at the heart of the Company's strategy to create structural advantage by enhancing product freshness, elevating

² Till FY'25

³ Excluding Education and Stationery Products

market agility, minimising the cost of servicing proximal markets, enabling scalability, while also setting new benchmarks in safety and product quality. The Company continues to leverage the benefits of the state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLFs) at Pudukkottai, Kapurthala and Panchla. These state-of-the-art automated facilities are co-located with the ICMLs and provide several structural advantages including inventory optimisation, delaying operations and lowering cost of market servicing.

- The Company continues to leverage the integrated planning and supply chain tool, powered by best-in-class algorithms for inventory optimisation and productivity enhancement to significantly improve supply chain agility and market servicing through enhanced forecast accuracy
- Tech-enabled cloud kitchens were scaled up to actualise emergent opportunities.

Q11. In the FMCG-Others Segment, please provide an overview of ITC's scale, offerings, Brands and market standing.

The Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy in a relatively short period of time, represents an annual consumer spend of over Rs. 34000 crores in FY25. To illustrate, the market standing of some of ITC's brands is as follows:

Brand	Offerings	Market Standing
	- Staples (Atta, Spices, Salt), Fresh Dairy, Ghee & RTE	#1 in Branded Atta
	- Biscuits & Cakes	#1 in Cream Biscuits
	- Bridges, Potato chips & Namkeens	#1 in Bridges
	- Noodles & Pasta	#2 in Noodles
	- Educational & Stationery products	#1 in Notebooks
	- Matches, Dhoop & Agarbatti	#2 in Incense Sticks

Other Key Brands:



Q12. How does the Company choose new categories in the FMCG space? Which are the new categories it has forayed into in recent years?

The choice of category is guided by its growth prospects, profitability profile and the ability of the Company to effectively leverage its institutional strengths with a view to achieving leadership status within a reasonable time frame. Synergies with existing categories in terms of overlap of distribution reach, brand extension possibility, procurement efficiencies, etc. are considered while choosing new categories.

The Company continues to scale-up presence in value-added adjacencies leveraging powerful mother brands and invest in categories of the future.

In the Branded Packaged Foods Businesses, Chocolates, Dairy, Coffee and Frozen Foods are some of the areas that the Company has entered into over the last few years. In line with the Company's commitment to fostering nutrition, health and wellness, the Business has launched a range of nutrition dense products under the 'Right Shift' brand to address the nutritional needs of consumers over 40. The portfolio has been curated using natural and proprietary ingredients developed at the ITC Life Sciences & Technology Centre. Anchored on the vectors of better digestion, strength and energy building, the Company had launched a range of products such as 'Jaggery Ragi Cookies', 'Millet Oats Kheer mix', 'Millet Oats Upma mix' and 'Millet Chana Mixture' with other products in the pipeline. In the Personal Care Products Business, the Business has successfully entered the Hygiene space with the acquisition of 'Savlon' brand a few years ago and the 'Nimyle' brand in the Floor Cleaner segment.

Q13. Is the Company open to making acquisitions in order to accelerate growth in the FMCG segment?

ITC examines prospects for inorganic growth that arise from time to time not only in this business segment but also in the other businesses, guided by considerations such as strategic fit, valuation, financial viability and ease of integration.

In recent times, the Company has acquired Brands such as '**Savlon**' and '**Nimyle**' to strengthen its presence in Personal Care Products Business. In July'20, the Company **acquired 100% of the equity share capital of M/s Sunrise Foods Private Limited** (Sunrise), an Indian company primarily engaged in the business of spices under the trademark 'Sunrise'.

Fortifying its presence in the 45,000 crores, fast growing, nutrition-led healthy foods space, the Company made a strategic investment in M/s. Sproutlife Foods Private Limited (SFPL), a D2C start-up engaged in the manufacture and sale of innovative products catering to health-conscious consumers under the clean label, new-age digital-first brand 'Yoga Bar'. The Company currently holds 47.5% stake in SFPL and will acquire 100% stake in the entity in 2026.

Further, in line with the ITC Next Strategy of building a future ready portfolio, accelerating growth and enhancing competitiveness, several value accretive acquisitions were announced in the FMCG space viz. M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo). These interventions are expected to augment the Company's presence and market standing in high-growth and future-facing businesses.

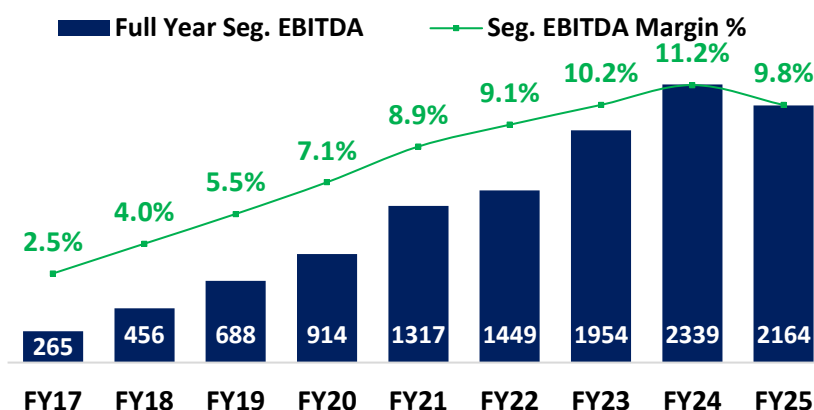
Digital first & Organic portfolio, comprising the Yogabar, Mother Sparsh, Prasuma & Meatigo and 24 Mantra brands, continue their strong growth momentum clocking an ARR of appx. Rs. 1,100 cr.

The Company shall continue to pursue opportunities for inorganic growth that are value-accretive and synergistic.

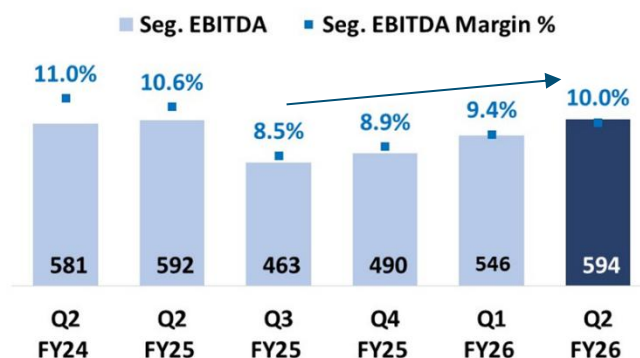
Q14. (a) Please update on the margin expansion trajectory in the FMCG-Others segment.

As evident from the chart below, the **Segment EBITDA margin** of the FMCG-Others segment has been on an upward trajectory and has **expanded by ~862 bps (between FY17 to FY24)**. Margin expansion was driven by multipronged interventions viz. premiumization, supply chain optimization, digital interventions across the value chain and strategic cost management.

Segment EBITDA for FY25 stood at Rs. 2163.92 crores, with margins at 9.8%. Costs of several major inputs such as edible oil, wheat, maida, potato and cocoa witnessed sharp escalation, especially in the second half of the financial year, weighing on margins. The inflationary pressures were partially mitigated through focused cost management, portfolio premiumisation, supply chain agility, digital interventions and calibrated pricing actions. Trade and marketing investments were sustained at competitive levels during the year towards supporting growth and market standing.



During the quarter ended 30th September, 2025, Segment EBITDA margin stood at 10.0% up 50 bps sequentially on the back of smart net revenue management and ongoing price-volume-value rebalancing & focused cost management initiatives amidst input price volatility.



Please refer to the Investor Presentation for further details:

<https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/september-2025/ITC-Quarterly-Result-Presentation-Q2-FY2026.pdf>

(b) Please provide an overview of the margin profile of the Branded Packaged Foods Businesses and the Personal Care Products Business.

The Branded Packaged Foods Businesses of the Company comprise 'Staples & Meals', 'Snacks', 'Dairy & Beverages', 'Biscuits & Cakes' and 'Chocolates, Coffee & Confectionery'. These Businesses **have evolved over a period of time and are currently at different stages of their lifecycles**. As such, the revenue dimensions, cost structures and profitability profiles of each of these businesses are distinct from one another. For example, **EBITDA margins of the more mature categories in the portfolio are either in early double digits or in the mid-to-high single digit range** whilst margins of other nascent categories are lower, reflecting scale of investments towards category development and brand building.

The Personal Care Products Business comprise 'Personal Wash & Hygiene', 'Health', 'Fragrances', 'Home Care', 'Skin Care' and 'Talc' categories. The Company continues to **make significant investments** in this Business primarily in the **area of brand building, R&D and product development** towards competing effectively with incumbent players comprising firmly entrenched MNCs and domestic companies.

Presently, each category is **operating at industry benchmarked gross margins**. With enhanced scale and consumer franchise, each category is expected to earn best-in-class EBIT margins progressively over the medium-term.

Q15. Please provide an overview of other Operating segments

AGRI No 1. Agri business Player	Paperboards, Paper & Packaging Clear Market Leader
<ul style="list-style-type: none"> ▪ Leading Agri Business player in India ▪ Pioneer in rural transformation (<i>e-Choupal</i>) ▪ Digitising Agri value chain with ITCMAARS – a crop-agnostic ‘phygital’ full stack AgriTech platform ▪ Largest procurer of Wheat after FCI ▪ No 1. leaf tobacco exporter in India (5th largest in the World) 	<ul style="list-style-type: none"> ▪ No. 1 in Revenue ▪ World-class Environmental Performance ▪ Best-in-Class financial & operating metrics ▪ Leader in Value Added Paperboards ▪ One stop shop for packaging solutions
<ul style="list-style-type: none"> ▪ Best-in-class profitability ▪ Sourcing & Supply operations in 22 states ▪ Delivering competitive advantage to ITC’s Foods Business through distinctive sourcing capabilities ▪ World-class processing facilities ▪ Focus on scaling up Value-added segment (<i>Spices, Coffee, Aqua, MAPE, etc.</i>) 	<ul style="list-style-type: none"> ▪ Integrated Operations (<i>BCTMP first-of-kind in India</i>) ▪ Secure, sustainable & cost competitive fibre base (<i>Cumulative plantations @ over 13 lakh acres</i>) ▪ More than 50% of energy consumption from renewable sources

Q16. Please provide an update on the performance of the other Operating segments for Q2 FY26

- **Agri Business Segment** performance during the quarter reflects timing difference and high base effect. Revenue grew 7% YoY & PBIT grew 10% YoY in H1. Growth driven by agile execution of trading opportunities leveraging multi-channel and digitally powered agri commodity sourcing network.
- **Paperboards, Paper & Packaging Segment** performance has improved sequentially with profits up 17% QoQ. The operating environment remained challenging during the quarter, with sustained influx of low-priced supplies into global markets including India, elevated domestic wood prices and subdued realisations. Amidst such a challenging environment, the segment registered revenue growth of 5% YoY driven by volumes. There are initial signs of moderation in wood prices with improving availability.
 - Over past few quarters, the industry has been engaging with policy makers for introduction of suitable measures to safeguard domestic industry. Consequently, with effect from 22nd August’25, a Minimum Import Price has been imposed on Virgin Multi-layer Paperboard. In addition, the Directorate General of Trade has recommended the imposition of Anti-dumping Duties on imports originating from China & Chile. A separate investigation into alleged dumping of paperboard from Indonesia is also underway. Industry stakeholders have also submitted representations requesting safeguard measures for both coated & uncoated paper imports.

Q17. What does the segment “Others” represent? Please provide an overview.

Others Segment includes ITC Grand Central Hotel, Mumbai (managed by ITC Hotels Ltd.) and FoodTech Business.

FoodTech Business, a new vector of growth envisioned in the ITC Next strategy, leverages the Company’s institutional strengths in Foods Science & Manufacturing, FMCG Food brands and Culinary expertise to tap into the fast-growing online food services segment. A delectable range of cuisines is today being offered under 4 brands - ‘**ITC Master Chef Creations**’, ‘**ITC Aashirvaad Soul Creations**’, ‘**ITC Sunfeast Baked Creations**’ and ‘**Sansho by ITC Master Chef**’. The initiative has scaled up rapidly in a capital-efficient manner since inception, setting new benchmarks in culinary innovation and tech-enabled operations; GMV crossed Rs.90 cr. in H1 FY26 (FY25 GMV appx. Rs.105 cr.). The full-stack food-tech platform has already scaled up to appx. 60 cloud kitchens across 5 cities and is now being progressively introduced across India

Q18. Please provide an overview of the Capex plan of the Company.

The Company’s capex plans **are directed primarily towards capacity gearing, productivity enhancement, ensuring the highest standards in quality and environment, health & safety, and R&D.**

In the FMCG-Others segment, in recent years, the Company has been investing behind setting up **state-of-the-art owned integrated consumer goods manufacturing and logistics facilities (ICMLs)** across regions in line with demand projections. These ICMLs provide structural advantages such as enhancing market responsiveness, reducing the cost of servicing proximal markets, ensuring delivery of fresher products to the market and providing heightened focus on product hygiene, safety and quality. Currently, **eleven ICMLs have been operationalised.** Going forward, over the next few years, additional investments in these ICMLs will be largely through equipment lines on a modular basis in line with demand growth.

The major items of capital expenditure in the **Paperboards, Paper and Packaging segment** going forward comprise investments for gaining structural cost advantages in the segment and capacity augmentation for Value added Paperboards in line with the growth needs of the Business.

Q19. Is the Company open to making acquisitions in order to accelerate growth in the Other segment?

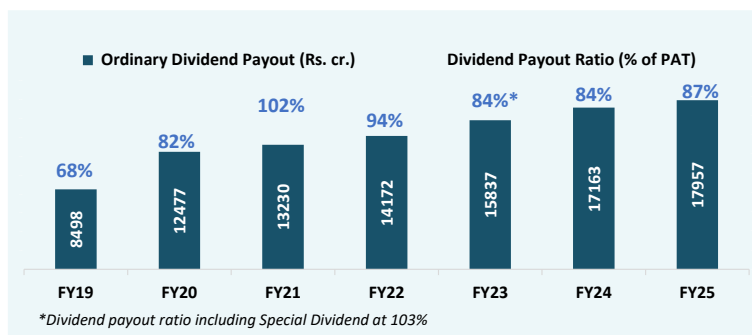
In Paperboards, Paper & Packaging Segment, the Company has entered into a Business Transfer Agreement to acquire the Pulp and Paper Undertaking of Aditya Birla Real Estate Limited (Century Pulp and Paper). The acquisition will immediately add significant scale and economies to existing operations with potential for further capacity expansion, provide locational advantage for efficient customer servicing and proximity to key raw material sources, mitigate operational risks through multi-site operations and enhance resilience across industry cycles through portfolio diversification

The acquisition is also expected to strengthen the market standing of the Company’s Paperboards and Specialty Papers Business and engender new opportunities in the domestic and international markets. The acquisition aligns with the Company's strategy of driving the

next horizon of growth in the Paperboards and Specialty Papers Business by expanding capacity at a new location considering that the existing facilities are already saturated.

Q20. What is the Dividend policy of the Company? What has been the trend of dividend payouts in recent years?

As per the Dividend Distribution policy approved by the Board of Directors on 18th March, 2020, effective financial year 2019-20, in the medium term, the dividend payout ratio is expected to be around 80% to 85% of the Profit After Tax of the Company. The Board may declare interim dividend(s) at its discretion.



The Board of Directors of the Company have recommended to the shareholders for their approval a Final Dividend of Rs. 7.85 per share for the financial year ended 31st March, 2025. Together with the Interim Dividend of Rs. 6.50 per share paid on 7th March, 2025, the total Dividend for the financial year ended 31st March, 2025 amounts to Rs. 14.35 per share (previous year: Rs. 13.75 per share). Total cash outflow on account of Dividend (including Interim Dividend of Rs. 8133.11 crores paid in March 2025) will be Rs. 17956.69 crores.

Refer chart above for Dividends in the last 7 years.

Please refer to the following link for the Dividend Distribution policy of the Company.
<http://www.itcportal.com/about-itc/policies/dividend-distribution-policy.pdf>

Q21. Please explain the Company's 'Triple Bottom Line' philosophy & Environment, Social & Governance (ESG) credentials.



**Gross Sales Value (GSV) for continuing business (excl. Hotels business)*

ITC 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 supports 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 the Company a global exemplar in 'Triple Bottom Line' performance. The Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 23 years), 'carbon positive' (for 20 years), and 'solid waste recycling positive' (for 18 years). With its bold Sustainability 2.0 agenda, ITC is setting the bar higher and remains committed to making meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar. This approach has enabled the Company and its businesses, to support sustainable livelihoods for nearly nine million people.

ITC has sustained its 'AA' rating for the 7th successive year by MSCI-ESG - the highest amongst global tobacco companies. The Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row. In FY25, the Company continued to be part of the prestigious 'A List' for CDP Water and retained its 'Leadership Level' score of 'A -' in CDP Climate Change.

In the area of water stewardship, the Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard, which is a credible, globally applicable and recognised framework for ensuring sustainable water management within the wider water catchment context. The Kovai unit of the Company is the first site in India and the first paper mill in the world to achieve the highest Platinum rating under AWS. Further, the Kapurthala unit of Foods Business and Bhadrachalam paper mill recently achieved Platinum level certification under AWS. With this, 9 units of the Company have achieved Platinum level certification under AWS till date.

Further, ITC Sankhya, Bengaluru became the world's first Data Centre to achieve LEED Zero Carbon certification by the USGBC making it an icon of environmental stewardship.

Refer link below for highlights:

<https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/september-2025/ITC-Quarterly-Result-Presentation-Q2-FY2026.pdf>

The Company is actively working towards its Sustainability 2.0 agenda which calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy. With its bold Sustainability 2.0 ambitions, the Company is setting the bar higher with a multi-dimensional contribution to societal value creation, and remains committed to making a meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar.

To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of sustainability policies and is being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. Sustainability 2.0 broadly captures the theme of reducing resources utilisation, recycling, restoring the environment and replenishing. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.

In addition to the 2030 targets, ITC is enhancing its long-term climate-related goals by committing to achieve 'Net Zero Operations' by 2050 which will entail decarbonisation of its scope 1 and scope 2 emissions i.e., electrical and thermal energy-related emissions in own operations. Additionally, the Company will continue to collaborate with its extended ecosystem for facilitating decarbonisation of emissions across the value chain (scope 3 emissions) as well as setting up systems for monitoring scope 3 emissions in line with emerging standards.

The Company's Sustainability Report for FY 2024-25, in addition to conforming with Global Reporting Initiative (GRI) Standards, is also aligned with the requirements of the International Framework developed by the International Integrated Reporting Council.

Please refer to the following link

- **Sustainability Report:**
<https://www.itcportal.com/sustainability/itc-sustainability-report-2025/itc-sustainability-report-2025.pdf>
- **ITC Sustainability at a glance:**
<https://www.itcportal.com/sustainability/index.aspx>

Q22. Please provide a brief on ITC's Digital journey.

ITC continues to build a dynamic 'Future-Tech' enterprise powered by state-of-the-art digital technologies and infrastructure ('Mission DigiArc') across the value chain adding significant impetus to digital marketing, digital commerce, digital products and digital operations. The DigiArc ecosystem today encompasses 250+ factories, 52 warehouses, over 3,500 distributors and 2.9 million retailers driving real-time, data-led intelligence across the extended enterprise.

The FMCG Businesses continue to leverage the power of digital to drive superior consumer insights & innovation, deepen consumer engagement and enhance brand loyalty. Strategic interventions continue to be made towards delivering delightful brand experiences seamlessly across touchpoints through personalised journeys mapped to individual needs, preferences and context.

Cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) continue to be deployed towards strengthening the Company's real time operations and execution platform, enhancing productivity, driving efficiency and cost agility. These initiatives are anchored on the key pillars of synchronised planning and forecasting, agile, resilient & efficient supply chain, smart buying & value engineering, smart manufacturing and smart demand capture & fulfilment. Strategic investments have been stepped up to build platforms of insights by harmonising and integrating large and isolated datasets powered by AI/ML technologies and 'human-centred design' & visualisation tools.

Towards enhancing the competitiveness of domestic agri-value chains, strengthening market linkages and building traceable & climate smart value chains, the Company has successfully scaled up ITCMAARS – a crop-agnostic full stack AgriTech digital platform, together with a physical ecosystem, across 11 states. The ITCMAARS 'Phygital' platform now spans more than 2,150 Farmer Producer Organisations (FPOs) encompassing more than 2.3

million connected farmers and several industry partners including agri input manufacturers, banks, financial institutions and agri-tech startups. By synergistically integrating NextGen agri technologies, ITCMAARS is developing a robust ecosystem to seamlessly deliver hyperlocal and personalised solutions to the Indian farming community leveraging world-class digital tools (including IoT) to develop new and scalable revenue streams, strengthen sourcing efficiencies and power the Company's world-class Indian brands.

The Company's TM&D vertical continues to remain at the forefront of leverage cutting-edge digital technologies and building a digital ecosystem to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. Technology enablement in the form of customised mobility and routing solutions, machine learning algorithms, data science models, data analytics comprising insightful visualisation tools and predictive analysis are being increasingly leveraged to enable speedy and accurate data capture, enable real-time informed decisions and aid optimisation of trade & marketing inputs to enhance sales.

Several Robotic Process Automation BOTs are operational across businesses thereby eliminating non-value adding and repetitive work. Access to secure and contemporary platforms has been provided by seamlessly and securely implementing remote working for its employees through extensive IT enablement.

Notes

