

Management Discussion and Analysis

1. Economic Review

1.1 Global

The last year was characterised by resilient but uneven global growth, moderating inflation in several economies and continued uncertainty from trade and geopolitical developments. For consumer businesses, this translated into stable demand for everyday staples, selective premiumisation and heightened focus on value, while volatility in commodities, freight and currencies remained key external variables.

Input cost movements in agricultural commodities such as tea and coffee continued to influence sector margins and pricing actions. Companies across markets intensified efforts on supply chain resilience, productivity programmes and digital enablement to improve agility, service levels and speed-to-market.

In this environment, we remained focused on strengthening resilience through diversified sourcing, calibrated pricing, portfolio premiumisation and execution excellence, while maintaining investments in brands and innovation to capture long-term growth.

→ Outlook

Global risks remain elevated to the downside due to potential escalation in geopolitical tensions, renewed trade frictions and climate-related disruptions that can impact commodity supply. The IMF projects global growth to slow down to 3.1% in the light of outbreak of war in the Middle East in 2026 (IMF World Economic Outlook, April 2026) and 3.2% in 2027. Slowdown in growth and increase in inflation are expected to be particularly pronounced in emerging markets and developing economies. We continue to build resilience through productivity programmes, risk management and a diversified portfolio across geographies and categories.

1.2 India

India continued to remain among the fastest growing large economies during FY 2026, supported by domestic demand, infrastructure-led investments and rising digital adoption. Consumption in staples remained resilient, while discretionary categories reflected pockets of softness and recovery throughout the year.

The FMCG sector saw continued channel shifts towards modern trade, e-commerce and quick commerce,

alongside ongoing premiumisation. Rural demand trends improved, while urban demand remained supported by convenience-led, premium and on-the-go offerings.

For TCPL, these trends translated into strong momentum across our India branded portfolio, supported by distribution expansion, sharper execution and accelerated innovation across Foods and Beverages.

→ Outlook

The Reserve Bank of India has kept FY 2026 growth projection unchanged at 7.6% but pencilled in a slower 6.9% expansion for FY 2027, indicating lower growth in the first half as it warned that the war in the Middle East, higher oil prices and geopolitical tensions could weigh on the outlook.

India's structural drivers—favorable demographics, rising incomes and expanding digital commerce—continue to support long-term growth opportunities in packaged foods and beverages. We will continue to strengthen core categories, scale growth platforms and build channels of the future, supported by brand investments and execution excellence.

2. Strategic Priorities

2.1 Overall Strategy

Tata Consumer Products is an integrated foods and beverages company with a diverse portfolio spanning tea, coffee, ready-to-drink (RTD) beverages, water, salt, staples, mini-meals and out-of-home consumption through its JV with Starbucks. We are anchored in the Tata values and are committed to delivering high-quality products and experiences to consumers in India and internationally.

Our strategy is centred on strengthening our core businesses, accelerating growth businesses, driving execution excellence and building omni-channel capabilities. Digital and innovation remain central to our transformation agenda, alongside embedding sustainability in all aspects of the business. We continue to drive our actions across all 6 pillars of our strategy as shown in the illustration below. For more details on our progress towards our strategic priorities, refer Chapter 3 of the integrated report



FY 2026 was a year of strong strategic progress, with broad-based growth in India and steady momentum in international markets, supported by sharper execution, portfolio expansion and premiumisation.

Some of the key highlights of FY 2026 are as follows:

- New financial milestones: Revenue crossed ~₹20,000 crore.
- India packaged beverages crossed the ₹5,000 crore revenue milestone.
- Growth businesses grew 24% contributing 31% of the India business; they crossed ₹4,000 crore in annual revenue during the year.
- India Salt strengthened leadership with ~100 bps market share gain (Salt market share MAT March) and premiumisation scaled with premium salt ending the year with ₹300+ crore mainly driven by rock salt contributing ₹100+ Crores.
- Reach & execution: Portfolio distributed across 4.5 million retail outlets reaching 290 million households; direct reach improved ~3x vs FY 2021 exit.
- GTM transformation across Top 100 towns executed in 55 days, ~500 distributors onboarded onto the model; rural expansion with 100+ super-stockists and 3,000+ sub-stockists.
- Channels of the future: Food Services Excl. RTD crossed ₹100 crore within a year across 40 cities; pharmacy channel reached >40,000 outlets in the first year including through Tata 1mg partnership.
- Tata Starbucks crossed 500 stores in India (502 stores across 80 cities).
- Innovation: 80 new product launches during the year (~1 launch every 5 days), including multiple first-in-industry and disruptive innovations.

Key strategic developments

We accelerated portfolio transformation and brand building across our core and growth businesses. Capital Foods and Organic India continues to grow, supported by category defining celebrity-led campaigns and high-impact content properties.

We have set up a platform-based portfolio approach and identified the opportunities to invest behind as part of our strategy discussions and planning process. Science-led innovation continued to be an important enabler of portfolio transformation. We continue to deliver benchmark Innovation: Sales ratio and are ramping up disruptive innovations. This year our Innovation: Sales ratio stood at 4.5%. We collaborated with CSIR-NIIST to advance science-backed food and beverage innovations, including technology transfers and sponsored research.

We are now taking our innovation efforts further up a notch by building more disruptive and consumer centric innovations which are not only new to TCPL's portfolio but also new to the industry itself. This year saw the launch of multiple such disruptive products. A few examples are mentioned below.

Our "Easy to cook" range of millets is specifically developed to overcome the traditional difficulties of binding and rolling millet doughs. A specialized range of "Easy Cook" pulses was designed for faster cooking times without requiring pre-soaking, enabling consumers to cook their favourite Kabuli Chana in approximately 10 mins. Tata Tea Agni Extra Josh is a specialized, modern tea blend designed for high energy needs, featuring added natural caffeine to boost productivity. We have a growing pipeline of disruptive innovations demonstrating our focus on technology and process excellence.

We strengthened distribution and execution through the GTM transformation across Top 100 towns and deeper rural coverage, supported by technology-enabled

frontline execution. As part of this transformation, we have trifurcated our infrastructure and distributor network based on the specific needs of the categories handled, nature of retailers serviced and relative market strength. This was delivered in a phased manner across markets in India.

The company is deploying AI/ML and advanced analytics across multiple functions to improve speed, precision and decision-making—from demand forecasting and inventory optimisation to pricing intelligence, smart sourcing, digital-first marketing and trend spotting.

We continued to strengthen our go-to-market capability through an AI-enabled GTM platform (MAVIC) developed with Salesforce. The platform was rolled out to 3,000+ distributors within four months, with peak onboarding of ~200 distributors in a single day, reducing distributor onboarding time to ~45 minutes and enabling new retailers to place orders within ~2 minutes. We have set up a Sales Analytics Center of Excellence which embeds insights into frontline workflows. Orders placed via Sales Force Automation (SFA) had increased and range per outlet had also improved through the Sales Analytics Center of Excellence and new digital and analytics capabilities.

We have built and are deploying an intelligent Recommendation Engine to drive Assortment Cross-sell and accelerate sales of the GT channel leveraging machine learning and AI models. The limited feature rollout and pilot has been completed in FY 2026 and we will roll out nationally subsequently. First of its kind initiatives in the GTM modernisation continue.

E-commerce channel grew 62%+ led by quick commerce, and we continued our leadership in e-commerce for packaged beverages. We also expanded our presence significantly in regional Modern trade accounts and focused on this channel to drive assortment and premiumisation.

We completed the implementation of Centralized dispatch planning across our CFAs enabling us to maintain benchmark service levels. In addition, we executed key programmes across our value chain to unlock and upgrade capacity and realise cost savings.

2.2 Opportunities and Strengths

We hold strong leadership positions and equity in key categories and brands, supported by one of the widest

distribution footprints in the industry. Our portfolio is balanced between resilient staples and high growth premiumizing categories.

Our growth platforms—Tata Sampann, RTD, Tata Soufull, Capital Foods and Organic India—provide significant headroom for scaling in under-penetrated, structurally growing categories. These platforms are supported by a strong innovation engine and increasing brand investments.

India's consumption trends are being reshaped by the rapid growth of quick commerce and omnichannel retail, increasing consumer expectations around convenience and speed of delivery. This reinforces the importance of sharp assortment, strong supply chain responsiveness and execution excellence across channels. We have the advantage of a globally diversified portfolio which also allows us to expand into new markets as well as cross leverage our portfolio in existing markets.

Our omni-channel advantage continues to strengthen with leadership in e-commerce for packaged beverages and rapid growth in quick commerce, alongside increasing relevance in modern trade. Internationally, our portfolio benefits from strong positions in tea across key markets and presence in US Coffee market, providing opportunities for premiumisation and distribution expansion.

2.3 External Threats and Mitigation Strategies

The operating environment continues to be exposed to heightened external volatility arising from climate-related disruptions, changing weather conditions (heightened potential for El Niño episodes), and a fragmented geopolitical landscape that can affect commodity prices, inflation and global logistics networks.

During the year, we faced challenges in our portfolio of exports including the international sales of Capital Foods and Organic India due to US tariffs and shipping disruptions due to geopolitical events. We grew these businesses domestically, while continuing to find alternative routes to service our international customers. We are confident of driving stronger growth going ahead through our new Go-To-Market strategy and Innovation efforts.

Our cost management and pricing decisions are influenced by volatility in agricultural commodities such as tea and coffee, which can impact gross margins and

availability. Weather volatility can also affect demand in seasonal categories such as Packaged Water and Ready to Drink beverages. Disruptions in availability of fuel or packaging material due to geopolitical events have been efficiently managed so far without affecting our manufacturing and supply operations. We continue to monitor such events and build resilience across our value chain to mitigate such disruptions.

Competitive intensity and pricing actions across select categories and channels, regulatory changes (including GST transitions in specific categories) are also important considerations that we continue to monitor. International businesses may be influenced by promotion timing, demand softness and foreign exchange or trade uncertainty.

To address these challenges, we focus on both urban and rural markets through an omnichannel strategy. Our diverse product portfolio caters to varying consumer needs, and our efforts to enhance the quality of products in categories like tea and salt, along with our growth businesses, help us capitalize on opportunities in the premium and discretionary segments.

We also focus on calibrated pricing, mix improvement, cost and productivity programmes, diversified sourcing, and technology-enabled planning and execution. Additionally, we have implemented systems to improve procurement monitoring and management, allowing us to respond proactively to supply chain disruptions and price volatility.

Overall, these strategic imperatives and ongoing efforts allow Tata Consumer Products to navigate challenges, mitigate risks, and capture opportunities in a competitive and dynamic market environment

2.4 Growth Drivers

a) India Business

Our India business delivered a strong performance with substantial growth, reflected in an overall expansion across India and an increase in total reach to '290' million households. The growth portfolio has multiplied over '7' times in the past '5' years, demonstrating strong momentum. This performance is underpinned by a focus on innovation, with 80 new product launches and an Innovation to Sales ratio of 4.5%.

FY 2026 performance in India was also anchored in stronger execution and an expanded distribution footprint. The portfolio is now distributed across 4.5 million retail outlets reaching 290 million households, with direct reach improving ~3x vs FY 2021 exit. We progressed on the GTM transformation across Top 100 towns in 55 days, transitioning ~500 distributors and deepening rural presence through 100+ super-stockists and 3,000+ sub-stockists.

Omnichannel continued to be a key growth driver and a strong tailwind for our business. E-commerce channel grew 62% led by quick commerce, and we sustained leadership positions in packaged beverages online. Channels of the future scaled through the year: Food Services crossed ₹100 crore within a year across 40 cities, while the pharmacy channel reached >40,000 outlets in the first year itself. We partnered with Tata 1mg to draw synergies in terms of portfolio and distribution reach in the pharmacy channel.

We strengthened sales productivity through technology and analytics interventions: A Sales Analytics CoE has been set up to integrate insights into frontline workflows. This has led to higher sales productivity, outlet level billing productivity and range selling.

i) Beverages

India beverages delivered broad-based momentum through FY 2026, supported by calibrated pricing, premiumisation and sustained brand investments.

Tea

Tea portfolios continued to strengthen through innovation and communication. Notably, Tata Tea has maintained its e-commerce market leadership, outperforming competitors and accelerated across channels in FY 2026. The brand continued to build strong loyalty through campaigns like "Desh ka Garv" which celebrated Independence Day with an AI-led campaign, highlighting national pride and new communication for Tata Tea Premium Care to build awareness for the innovation. Tata Tea Gold maintained a healthy double-digit growth helping our premiumisation efforts in the category.

Tata Tea Agni launched a category-first Energy Tea proposition (with added caffeine). This innovation added natural caffeine to the familiar Tata Tea Agni, lending a refreshing boost to meet the demands of a modern energy intensive lifestyle.

Tetley expanded the wellness proposition through Slim Care (L-Carnitine) and Beauty Care (Biotin) variants supported by the #NotYourRegularGreenTea campaign. Leading the campaign is actor and wellness icon Kriti Sanon, who joined Tetley as brand ambassador. The campaign highlights how Tetley's science-backed teas go beyond tradition to meet real, modern wellness needs — offering flavour with functional benefits.

We also continued to strengthen our regional brands with both Kannan Devan and Gemini crossing Rs. 300 Crores in revenue during the year. Our premiumisation agenda in beverages also got boosted by the scale up of Organic India in our portfolio. The brand is well known for its commitment to organic and sustainable wellness products, including a range of teas, supplements, and food items.

Coffee

Coffee remained a key growth driver through the year delivering 43% revenue growth, supported by improved availability, portfolio actions and brand building.

Tata Coffee Grand Premium launched its first-ever brand campaign in non-South markets— #NotJustYourRegularCoffee—built around individuality and the signature 'Shik Shik Shik' cue of flavour-locked crystals. The campaign featuring fresh faces relatable to the Gen Z, positions its premium instant coffee as a bold, aromatic, and superior alternative which targets consumers who value authenticity and reject mundane, traditional choices. To enhance accessibility, we are focusing on ready-to-drink cans and instant coffee premixes as well.

RTD

Our RTD beverages business, built momentum through distribution expansion,

premiumisation and innovation across formats and occasions. The business delivered 10% revenue growth despite unseasonal rains and changes in GST. Tata Copper+ is a prominent player as the 5th largest packaged water-based beverage brand in India, showcasing our ability to tap into consumer preferences for copper-stored water. Furthermore, our premium RTD portfolio, led by the Himalayan brand, has demonstrated strong growth, contributing a larger share to the overall RTD business, supported by a dedicated sales team for HoReCA customers.

We have crafted our RTD Beverages portfolio along 3 key pillars— Hydration, Brew and Affordable Cups. We have clear advantages and right to win on each of these pillars which are guiding our actions and helping us grow despite competitive intensity.

In Hydration, we exploited our First-Mover Advantage in Copper-infused Water (Tata Copper+) & Premium Natural Mineral Water (Himalayan) and also expanding our portfolio into value added segments.

Our deep knowhow of consumer preferences in Tea and coffee naturally lends itself to develop full spectrum play across RTD Tea and Coffee. This has helped us innovate at speed on products like specialty cold brew coffee, café inspired cold coffee in multiple flavors, range of refreshing and clean label fruit teas and new age formats like Kombucha, Matcha and sparkling teas.

We leverage our Affordable cup format with products like Tata Gluco + Energy, Jelly and Sports drinks which offers a convenient on the go consumption option for the consumers and enables us to scale profitably in these areas. Our distributed manufacturing presence also enables faster response and flexibility to consumer needs.

During the year, we also refreshed consumer communication on brands across all the pillars.

Tata Gluco+ launched 'Piyo Goodness. Karo Greatness.' through a thematic film created entirely using AI, linking glucose energy to

positive community action and reinforcing its caffeine-free proposition.

Tata Copper+ launched a campaign featuring an ad film set on a train to connect the traditional, time-honored practice of drinking copper-vessel water with modern hydration. The campaign, part of the wider "Jeene Ka Paani" initiative, highlights the product's benefits through a story of shared wisdom, emphasizing a quiet moment of connection between two generations over a Tata Copper+ bottle. The brand was also the proud hydration partner for the NMDC Hyderabad Marathon.

We are leveraging synergies between our RTD infrastructure and our expertise in Tea and Coffee through portfolio extensions such as the launch of Tata Coffee Grand Cold and launch of RTD Tea segment with two differentiated launches: Tetley Green Tea Slimcare and Tetley Fruit Tea.

ii) Foods

Foods momentum was supported by leadership in staples and scaling of growth platforms. India foods business grew 18% and salt revenue grew 14% supported by strong volume growth.

Salt strengthened leadership with ~100 bps market share gain (Salt market share MAT March) and premiumisation scaled with premium salt ending the year with ₹300+ crore mainly driven by rock salt contributing ₹100+ Crores. Tata Salt's 'Namak Ho Tata Ka... Tata Namak 2.0' refreshed the iconic jingle through eight films. Our rural expansion initiatives have been particularly successful, driving higher volumes, broader distribution reach, and deeper penetration into households, reinforcing Tata Salt as a trusted choice across India.

Tata Salt won the CII 2025 EPR Excellence Award for redesigning packaging that enabled reuse of 1 crore bags, saving 267 tons of plastic.

Tata Sampann continued to build scale and crossed the ₹1,500 crore revenue milestone. The brand grew by 46% supported by

innovation and distribution expansion. We continue to innovate at scale gaining penetration in the Indian pantry market. Some of the launches include 4 hyper-regional gravy masala blends for restaurant-style curries at home, a range of unpolished millets to champion nutrition, a GI Tagged Shahi Tur Dal variant of unpolished dals with a provenance and health first proposition, amongst many other new launches.

Dry fruits and Cold Pressed Oil continue to build on their growth momentum. Tata Simply Better entered the flavoured dry fruits and nuts segment with innovative single-serve packs.

Tata Soulfull expanded tea-time adjacency through No Maida Rusk (16% jowar; no maida) supported by a campaign featuring Manoj Bajpayee. The brand strengthened its Masala Oats+ portfolio with the launch of two new regionally inspired variants — Masst Misal for Western India and Gondhoraj Chilli for Eastern India. With both offerings powered by 25% millets (Navane & Jowar) and a signature non-sticky texture, the brand continues to bridge the gap between traditional flavours and modern, nutritious snacking.

Our Desi Chinese brand, Ching's Secret accelerated innovation with launches such as Ching's Chilli Oil, Korean Ramen and Korean Kimchi noodles. The new Agent Ching campaign with its unique long form ad reached an unprecedented 100m+ impressions in less than 2 months of launch and dominated cultural conversations in the category.

The Organic India brand strengthened its authenticity proposition through 'Sirf Naam Se Nahi, Kaam Se Organic' featuring Sachin Tendulkar, highlighting proof-based standards including 600+ tests on herbs and sourcing from 2,000+ farmers.

iii) Tata Starbucks

Tata Starbucks continued to scale in India and crossed the 500-store milestone (502 stores across 80 cities), supported by new store formats, innovation and collaborations. Strategic expansion in new

cities, new store formats, growth in delivery business and innovative price points and product introductions remain focus areas for the business. A strong focus on digital integration, including our mobile app and loyalty programme, provided seamless and personalized customer experiences, further driving growth.

b) International Business

International business continued steady momentum, led by the US coffee business. During FY 2026, the US coffee business crossed the ~₹2,000 crore revenue milestone and the UK business achieved the ~₹1,500 crore revenue milestone. Tetley continued to be the #1 tea brand in Canada and the fastest growing brand in specialty tea. Tetley's TV campaign titled 'Britain's tea' was well received by consumers across the board. The campaign represents another major landmark for the Tetley brand, reflecting the brand's appetite for a bold and unique way to reach tea drinkers and generate a new wave of love for a brand that has enjoyed strong familiarity with UK audiences for generations.

The US Business gained share in both bags and KCups segments in Eight O Clock Coffee while building presence in ethnic products specially with Capital Foods and Organic India. US topline growth was aided by calibrated price increases to counter elevated coffee terminals. UK improved topline through price increases in a declining market however expanded margin. Teapigs continued to remain a growth driver for the UK business, helping premiumize the portfolio as well. Canada gained market share on the back of successful innovation launches.

In South Africa, Joekels had another standout year and Tetley grew strongly, along with successful innovations like Chai Latte and Chamomile. Society Cappuccinos continue to see growth off the back of the packaging design change and long-term promotions.

c) Non Branded Business

Non-branded business performance reflected commodity cycles across coffee, managed through sourcing agility and inventory optimisation. The solubles coffee business, delivered strong profitability and volume performance. The

plantations business benefited from elevated commodity prices and we continue to monitor the commodity while being focused on improving productivity of our plantations and labour force.

2.5 Road Ahead

We will continue to drive sustainable and profitable growth by strengthening our core categories and accelerating scale in growth businesses through innovation, premiumisation and distribution expansion. We will further strengthen omni-channel capabilities, including e-commerce / quick commerce, food services and pharmacy channels, and continue to invest behind brand building and execution excellence. We will also continue to drive productivity, cost discipline and working capital focus while building a future-ready organisation enabled by data, analytics and digital tools.

2.6 Sustainability

Sustainability continues to be central to our vision at Tata Consumer Products. Our sustainability strategy rests on four pillars - For better sourcing, For better planet, For better communities, and For better nutrition. All our sustainability commitments for FY 2026, including becoming Scope 1 and Scope 2 neutral, raising our renewables share to 35% of our total power demand across geographies (within the same boundary conditions), achieving zero waste to landfill across all geographies, and ensuring that 70% of all our packaging material is recyclable, compostable, or reusable across all geographies, have been successfully achieved.

TCPL was included in the Sustainability Yearbook 2025 by S&P Global for the second consecutive year and was also rated among the top three Most Sustainable Consumer Goods Companies by Business World in their annual India's Most Sustainable Company (IMSC) rankings 2025 for the second consecutive year.

Our Company's sustainability strategy 'For Better Living' is inspired by the Tata core values of Integrity, Responsibility, Excellence, Pioneering, and Unity and focuses on our corporate identity of 'For Better'. We have also announced sustainability targets aligned with the Tata Group's vision in Project Aalingana - around driving Net Zero, pioneering Circular economies, and preserving Nature and Biodiversity.

Following our established protocol to periodically visit and reassess our material sustainability topics, we undertook an extensive Double Materiality Assessment in

FY 2026. This exercise provided a structured and holistic understanding of the most significant environmental and social impacts associated with our operations and value chain, as well as their potential influence on the Company's financial performance, regulatory exposure, and long-term business resilience. The assessment enabled us to sharpen our focus on priority risks and opportunities, ensuring that our sustainability strategy remains relevant, forward-looking, and aligned with evolving stakeholder expectations and regulatory requirements.

Through our For Better Sourcing theme, we remain committed to sustainably sourcing and encourage our supply chain partners to follow sustainable agricultural practices through certifications like Rain Forest Alliance (International markets) and trustea programme (India). We are proud to state that 100% of Tetley tea and Good Earth in our international markets are Rainforest Alliance certified. TCPL actively procures trustea-certified tea in India, with over 60% of tea in FY 2025–26 being trustea certified. Our ethical sourcing approach is anchored by Coffee and Farmer Equity (C.A.F.E.) Practices, the coffee industry's first set of ethical sourcing standards. During the year, we worked with over 4,000 growers to achieve C.A.F.E. Practices certifications, promoting sustainable farming and ethical sourcing. As a founding member of the Ethical Tea Partnership (ETP), we are committed to creating a vibrant tea industry that upholds social and environmental sustainability.

The "Mthunzi" initiative, named to evoke the protective nature of shade, represents Tetley Trees' ethos of sustainable sourcing and farmer support, promoting environmental care and community upliftment through the "Plant for the Planet" project.

In our quest towards working For Better Communities, we aspire to touch 1.75 million lives through community initiatives by 2026 and scale this to 2 million by 2030. We have already reached nearly 1.69 million beneficiaries by March 2025 as per independent 3rd party assessment results. In India, we provide affordable healthcare to over 1,00,000 tea community members annually through our hospitals in Munnar (Kerala) and Chubwa (Assam). These hospitals operate on a not-for-profit basis and cater not only to the nearby areas but also to neighbouring states. The hospitals are recognized for their healthcare facilities, professionalism, safety standards, ethics, and affordability.

Project Jalodari is the flagship water management programme of TCPL. The key objectives of the project are to create sustainable water sources, raise awareness, and build capacities around sanitation issues in the communities where we operate.

As a part of the For Better Planet theme, Tata Consumer Products is aligning its GHG emissions targets with the Aalingana project of the Tata Group. Our Eaglescliffe factory in the UK uses offsite solar power for its operations and has also installed a biomass boiler to reduce its GHG emissions, resulting in more than 95% renewable energy usage. The site was also one of the first in the UK to achieve ISO5001 demonstrating strong energy management. Our various factories in India have also commissioned solar PV modules using the latest multi-crystalline technology. The group also undertook a detailed climate risk assessment as per the Taskforce on Climate Related Financial Disclosures [TCFD].

In FY 2026, we undertook detailed nature-risk and dependency assessments at identified priority sites, building on insights from the Taskforce on Nature-related Financial Disclosures (TNFD). This assessment aims to understand interactions with local ecosystems, identify impacts, risks, and opportunities at an early stage, and strengthen our sustainability agenda by embedding nature-related considerations into business decisions while supporting positive outcomes for both communities and nature.

Our circularity strategy is designed to promote sustainability through a three-part framework: Compliance, Smart Packaging, and Peer Interaction. Compliance component emphasizes our commitment to adhering to environmental regulations and standards. We follow the Extended Producer Responsibility (EPR) mandate and are committed to the Plastic Pact, ensuring that our practices align with environmental standards and contribute to a circular economy. Our focus is on Smart Packaging, which involves conscious reengineering to avoid plastic introduction and designs that prioritise recyclability, facilitating efficient recycling processes. This approach not only reduces waste but also enhances the sustainability of our products. Beyond internal efforts, we actively collaborate with industry peers to accelerate plastic reduction, invest in R&D for innovative materials, and pioneer sustainable packaging solutions that redefine industry's best practices.

We initiated innovative reuse strategy for secondary bags of Tata Salt which resulted in reduced plastic usage, plastic savings and operational efficiency. The initiatives eliminated the need to purchase new bags demonstrating a dual benefit of sustainability and improved logistics.

3. Industry and Business Overview

3.1 India Business

The packaged foods and beverages segment in India continued to remain resilient through FY 2026, supported by structural tailwinds such as increasing penetration of branded staples, rising digital adoption and the rapid growth of omni-channel retail, including modern trade, e-commerce and quick commerce.

In line with these trends, the TCPL portfolio is now distributed across 4.5 million retail outlets reaching 290 million households across India. Direct reach has improved ~3x versus FY 2021 exit, supported by the GTM transformation across Top 100 towns and channel expansion.

The operating environment reflected competitive intensity and volatility in select inputs during parts of the year. We responded through calibrated pricing actions, portfolio mix management, innovation and execution excellence, while sustaining investments in brands and distribution.

a) Industry overview and Outlook

Tea

The Indian tea market continues to be shaped by price-value dynamics, commodity cycles and evolving consumer preferences toward taste, wellness and convenience. Premiumisation and format innovation remain important category trends, alongside the continued shift toward modern trade and e-commerce. The category demonstrated a sustained positive trajectory, growing at 9% and crossing Rs. 25,000 Crores in size (Nielsen).

Innovation and communication continued to strengthen category performance through FY 2026.

Our presence spans the Premium, Sub-premium, Popular, and Economy segments, featuring well-established brands like Tata Tea Premium, Tata Tea Gold, Tetley, Kanan Devan, Chakra Gold and Tata Tea Agni.

Coffee

Coffee continues to expand beyond core markets with an impressive growth rate of 10-12%, supported by increasing café culture and experimentation with at-home formats. Despite this robust growth, the coffee category presents significant potential for deepening penetration. Growth is being driven by premiumisation and increasing consumption occasions, especially among younger consumers.

We offer a range of coffee products including spray dried and freeze dried instant coffee, filter coffee in powder and decoction, and RTD coffee products in a range of flavors.

Ready to Drink Beverages

The RTD beverages category continues to evolve around on-the-go consumption, seasonal demand patterns and premiumisation in hydration and functional propositions.

The glucose drinks market is expanding strongly though it remains largely seasonal in demand. The packaged water market continues to be a large and growing opportunity for us. The RTD category is also witnessing changing consumer preferences towards healthier alternatives like low or no sugar and additives.

We operate across both value and premium segments in the beverage industry. Tata Copper caters to the value segment, while Himalayan represents our premium offering in packaged water. We offer products under Tata Gluco + brand in the glucose and jelly drinks market. Additionally, we have Fruski within the packaged juice drinks category with a variety of flavours and formats.

We continue to experiment in RTD category with innovative products like Zip Zap Energy drink, Tata Gluco + Sports Drink, Tata Lyfe Packaged Coconut Water, Kombucha, Slimcare and Fruit teas under Tetley, and RTD coffee under the Tata Coffee brand.

Salt

The Indian Packaged Powdered salt market, currently estimated at 3.8 million tonnes by volume, is demonstrating robust value growth, registering a growth of 5.4%.

Salt continues to premiumize through value-added salts and rock salt, supported by functional fortification and strong brand trust. Tata Salt's 'Namak Ho Tata Ka... Tata Namak 2.0' refreshed the iconic jingle through eight films, reinforcing iodine's role in children's mental development.

India Salt strengthened market leadership with ~100 bps market share gain (MAT March). Premiumisation scaled with premium salt ending the year with ₹300+ crore mainly driven by rock salt contributing ₹100+ Crores.

Tata Himalayan Rock Salt Crystal was launched this year to strengthen our presence in the high-growth rock salt category.

Pantry Platform

Pantry categories remain under-penetrated from a branded standpoint, creating headroom for trusted, quality-led brands. Tata Sampann crossed the 1,500 crore revenue milestone, with digital-first categories like dry fruits and cold pressed oils achieving an annual run-rates of ~₹300 crore and ~₹200 crore respectively.

Similarly, markets like spices and dry fruits are currently underpenetrated and fragmented, presenting a substantial opportunity for branded players building a national presence. Across pantry categories, there is a shift from unorganized to organized products driven by increased awareness, access and affordability. Consumer trends of premiumisation, health and wellness and convenience support the trend of packaged pantry penetration. India also stands as the world's leading exporter of organic products.

We continue expanding our portfolio this year including gravy masala mixes (four hyper-regional blends) and unpolished millets, supporting growth across health & wellness and convenience-led occasions.

Mini-meals

Mini-meals and breakfast solutions continue to benefit from lifestyle changes and rising demand for quick, nutritious options. Growth in this segment is primarily driven by increasing consumer awareness

of healthy breakfast choices and the rising demand for ready-to-eat (RTE) hot and cold cereals. Tata Soufull is capitalizing on this opportunity by offering nutritious breakfast options for both kids and adults, with ragi as the core ingredient, reinforcing its commitment to healthier alternatives.

In FY 2026, Tata Soufull also expanded tea-time adjacency through No Maida Rusk (16% jowar; no maida) and strengthened consumer connect through a campaign featuring Manoj Bajpayee.

Desi Chinese

Our Ching's Secret brand caters specifically to the Desi Chinese category, while Smith & Jones offers essential food ingredients that enhance home-cooked meals, making them a staple in modern kitchens.

Desi Chinese continues to see strong in-home consumption, with innovation and partnerships driving growth. The new Agent Ching campaign with its unique long form ad reached an unprecedented 100m+ impressions in less than 2 months of launch and dominated cultural conversations in the category.

Health supplements

Health and wellness continue to be driven by preventive wellness trends and preference for natural solutions. Despite being a high-growth segment, the market remains highly fragmented. Key trends driving this expansion include a growing base of health-conscious consumers, rising awareness of wellness products, and increasing demand for natural and traditional herbal solutions. Additionally, the shift toward preventive healthcare, coupled with a rise in lifestyle-related ailments and obesity, is fueling the need for comprehensive well-being solutions.

Organic India operates in the premium and organic segment, where earning consumer trust is fundamental to long-term success. The brand presents a strong opportunity to develop a high-growth, high-margin health and wellness platform.

→ Outlook

We expect structural growth in packaged foods and beverages to continue, supported by premiumisation, under-penetration and channel expansion. We will remain focused on scaling growth businesses, strengthening execution across channels and sustaining innovation cadence.

b) Business Performance

Tea

The Tea business grew by 3% in volume terms and 6% in value terms during the year. In terms of mix, our premium products delivered good growth by brands like Tata Tea Gold, Tata Tea Premium and Tetley.

Our direct outlet reach was around 1.8 million outlets and in terms of overall outlets, we were at 4.5 million (Nielsen). Our market shares continue to remain slightly subdued, largely driven by softness in General Trade. However, we continue to remain market leaders in the Ecommerce channel. In modern trade as well, the Company gained market share through focused scaling of premium products.

Tata Tea Premium continued its Independence Day 'Desh Ka Garv – Pradesh Ki Kala' campaign, showcasing a limited-edition collection of hand-painted artisanal kettles inspired by seven regional art forms, supported by an AI-crafted film voiced by Piyush Mishra.

Tetley Green Tea strengthened the wellness portfolio through Slim Care (with added L-Carnitine) and Beauty Care (with added Biotin) variants supported by the #NotYourRegularGreenTea campaign featuring Kriti Sanon.

Tata Tea Agni expanded the energy-led proposition through 'Extra Josh'—India's first tea with added natural caffeine—supported by two TVCs and launched across northern markets.

Coffee

Coffee continued with a strong trajectory delivering 43% revenue growth in the year.

Tata Coffee Grand Premium launched the 'Not Just Your Regular Coffee' campaign to strengthen consumer connect beyond core geographies, built around the brand's signature 'Shik Shik Shik' cue and flavour-locked crystals.

Vending

Our vending machines business under the Tata MyBistro brand expanded significantly during the year and crossed the Rs. 100 Crore ARR milestone and 8000+ machines across India. We expect further growth from the business offering a variety of coffee, tea and other drinks mainly to institutional customers

Ready to Drink Beverages

In FY 2026, RTD delivered 10% revenue growth despite unseasonal rains.

Tata Gluco+ refreshed its proposition through 'Piyo Goodness. Karo Greatness.' supported by a thematic film created entirely using AI and reinforcing the brand's caffeine-free positioning.

Tetley entered the RTD tea segment with Tetley Green Tea Slimcare and Tetley Fruit Tea, expanding consumption occasions for the brand. Tetley Kombucha and Tata Coffee Grand Cold Coffee continued delivering growth in this category.

Salt

Our salt business continues to deliver strong volume-driven revenue growth. The overall portfolio grew by 14% in value and 10% in volume terms. We also expanded Market share by 100 bps in the category.

The premium salts portfolio continued growing with premium salt ending the year with ₹300+ crore mainly driven by rock salt contributing ₹100+ Crores.

Our iconic campaigns like "The Namak Ho Tata Ka" campaign and celebrating Desh ka Namak deepened trust and reinforced Tata Salt's legacy as India's most trusted salt brand.

Pulses, Spices and Others

The Company's staples and pantry portfolio delivered strong momentum through FY 2026, supported by distribution expansion, premiumisation and innovation-led portfolio widening. We see continued traction in core staples and expanding adjacency play in spices and meal solutions. The portfolio delivered robust growth of 46% aided by new launches and execution strength; Over the year, Tata Sampann achieved the ₹1,500 crore revenue milestone, and scaled digital-first platforms with dry fruits and cold-pressed oils

growing significantly and underscoring continued premiumisation and category expansion within the pantry platform.

Snacks / Breakfast Cereals

Tata Soufull continued to strengthen its position in wholesome breakfast and snacking, leveraging the Company's sharper execution to expand penetration and repeat in modern trade and omni-channel environments. The brand materially expanded its "tea-time adjacency" with the launch of **Tata Soufull No Maida Rusk**—a differentiated proposition with **no maida** and **16% jowar**, offered in **Elaichi** and **Butter** variants—thereby building a credible health-led platform within the ambient snacks/bakery space

Desi Chinese

During FY 2026, the Company strengthened its Desi Chinese platform through better distribution and execution, and faster innovation across sauces, noodles and meal solutions, backed by high-impact marketing and partnerships. Capital Foods launched Ching's Chilli Oil, Korean Ramen and Korean Kimchi noodles to expand into new cuisine and consumption occasions. It continued premiumisation with Ching's Premium Soy Sauces and Premium Stir-Fry Sauces, building stronger relevance for at-home restaurant-style experiences. Brand visibility and trial were further boosted through the "Agent Ching Attacks #AagLagaDe" cinematic campaign (fifth film in the Ranveer Ching's franchise featuring Ranveer Singh, Sreeleela and Bobby Deol).

Organic India

Organic India continued to strengthen the Company's health & wellness platform, supported by deeper distribution integration and sustained brand-building investments. The business was fully integrated within the India portfolio and continued to grow through the year, aided by sharper execution and scale benefits from the Company's wider go-to-market footprint. Brand equity was reinforced through the "Sirf Naam Se Nahi, Kaam Se Organic" campaign featuring Sachin Tendulkar, which emphasised proof-based organic standards, transparency and quality—highlighting rigorous practices including 600+ tests on herbs and sourcing linkages with 2,000+ farmers—supporting trust-building and driving relevance in a rapidly growing "better-for-you" consumption space.

Road Ahead

We will continue to drive distribution-led volume growth in India, strengthen omni-channel capabilities and accelerate innovation-led portfolio expansion across core and growth businesses.

3.2 International Business

a) Industry overview and Outlook

International tea and coffee categories continue to evolve around premiumisation, health-led propositions, sustainability expectations and e-commerce adoption, while remaining influenced by commodity volatility and macro uncertainty.

Tea

The global packaged tea industry is a dynamic and rapidly evolving sector driven by growing health consciousness among consumers, a rising preference for organic and specialty teas, and increasing demand in emerging markets. Innovation in flavors, convenient packaging options, and the expansion of e-commerce channels are further enhancing market reach and consumer engagement. As producers strive to differentiate their offerings, sustainability and ethical sourcing practices are becoming significant trends, reflecting consumers' growing interest in socially and environmentally responsible products

Coffee

The coffee market is a dynamic and rapidly evolving industry worldwide, driven by increasing demand for high-quality, specialty coffee products. Consumers are becoming more discerning, seeking unique flavors, sustainable sourcing, and innovative brewing techniques. Factors such as ethical sourcing, environmental impact, and health benefits are also playing a crucial role in shaping market trends. This competitive landscape offers abundant opportunities for growth by meeting diverse consumer expectations and maintaining quality standards.

International performance in FY 2026 was led by strong coffee momentum in the USA. Eight O'Clock Coffee continued to gain market share in both bagged coffee and K-Cups for multiple consecutive quarters, while Tetley continued to retain market leadership in Canada.

→ Outlook

While macro uncertainties persist, we continue to focus on strengthening our positions through premiumisation, innovation and disciplined execution across international markets.

b) Business Performance



US

The US coffee business remained a key growth driver and crossed the ~₹2,000 crore revenue milestone during FY 2026. Eight O'Clock Coffee continued to gain market share in bagged coffee and K-Cups, reflecting stronger brand performance and execution.



UK

During the year, the UK business declined by -1% in constant currency, led by volume decline on account of demand softness. The UK business achieved the ~₹1,500 crore revenue milestone. Good Earth saw good growth driven by volume growth with strong market share gains.



Canada

We continue to hold No. 1 position in the Canadian tea market. Revenue for the year was flat in constant currency terms with lower volumes in Regular tea, however Speciality teas saw significant growth leading to improved product mix and also emerged as the fastest-growing brand in the specialty tea segment in Canada (as per NielsenIQ), underscoring continued premiumisation and mix improvement within the portfolio.

Road Ahead

We will continue to drive sustainable and profitable growth by strengthening distribution, premiumizing portfolios and investing in innovation and brand building, while unlocking cost and working capital efficiencies.

3.3 Non-Branded Business

Non-branded business performance in FY 2026 reflected commodity cycles and the impact of coffee price movements. The business responded through sourcing strategy, risk management and inventory optimisation, maintaining agility through volatility.

Overall non-branded business grew 25% (23% in constant currency) led by both Plantations and Soluble Soluble portfolio, comprising 68% of overall non-branded portfolio, grew by 32% (29% in constant currency) driven by good performance in Coffee.

The Plantations business, which comprises the remaining ~32% of the total non-branded business, grew by 10%. Higher revenue was mainly due to higher volumes along with increased realisation.

Road Ahead

We will continue to monitor commodity volatility, strengthen sourcing and risk management, and focus on improving efficiencies while maintaining competitiveness across geographies.

3.4 Others

Tata Starbucks

Tata Starbucks continued to scale in India and crossed the 500 store milestone (502 stores across 80 cities). The milestone was celebrated with the opening of a Starbucks Reserve store in Gurugram and the '500 Ways to Belong' campaign, reflecting over a decade of connection, craft and community. This became the second Reserve store in India and showcases rare small-lot coffees and elevated brewing techniques such as siphon, pour-over and Chemex. The store also introduced the OVISO espresso machine designed to elevate espresso experience.

Growth was supported by store additions, innovation in beverages and food programme, seasonal collaborations and enhanced gifting portfolio.

Road Ahead

We remain committed to expanding the store base, enhancing customer and partner experiences, and driving profitable growth through execution focus and productivity initiatives.

4. Financial Review

4.1 Consolidated performance

Key financials

Revenue from operations at Rs 20,290 Crores, grew by 15% (13% in constant currency) driven by growth in both Branded and Non-Branded Business.

- India Business delivered 14% revenue growth.
 - Our Core portfolio (primarily Tea and Salt) grew by 9% led by volume aided by increased distribution and the benefit of price increases implemented during the second half of FY25 to offset higher input costs. Tea business continued its recovery and normalised in the second half of the year. Salt grew by 14% led by both volume and value.
 - Growth businesses (Tata Sampann, RTD, Tata Soulfull, Vending, Capital Foods and Organic India) grew by 24% with volume-led growth. Growth contribution increased from 28% in PY to 31% to India Branded Business.
- International Business (excluding export revenues of Capital Foods and Organic India) grew by 9%

in constant currency, driven by US on account of pricing intervention taken during the year.

- Non-Branded business revenue grew by 25% (23% in constant currency) led by higher volumes in Solubles and higher realisation in both Coffee Plantations and Solubles.

Earnings before interest, taxes and depreciation and amortisation (EBITDA) were at Rs 2,815 Crores, improved on absolute terms by 12% over previous year driven by revenue growth and margin improvement in India Business partly offset by margin decline in International and Non-Branded Businesses. EBITDA margin at 13.9%, decline of 30 bps from previous year.

Profit before exceptional items and taxes (PBIT) at Rs 2,193 Crores was higher than the previous year by 23%.

Group net profit for the year at Rs 1,547 Crores, higher than the previous year by 20% driven by higher operating profits partly offset by higher exceptional cost and tax expenses. The prior year's tax expenses included one-time credit arising from the merger of wholly owned subsidiaries.

Earnings per share were at Rs 15.59 for the year as compared to Rs 13.60 in the previous year.

Performance snapshot

The consolidated financial highlights for FY 2025-26 are as follows: -

| Particulars | In Rs Crores | | |
|--|--------------|--------|----------|
| | FY2026 | FY2025 | Change |
| Revenue from Operations | 20,290 | 17,618 | 15% |
| Operating profit before depreciation and amortisation (EBITDA) | 2,815 | 2,502 | 12% |
| EBITDA % | 13.9% | 14.2% | (30 bps) |
| Operating profit (EBIT) | 2,188 | 1,902 | 15% |
| EBIT % | 10.8% | 10.8% | flat |
| Profit before exceptional items and taxes | 2,193 | 1,782 | 23% |
| PBT (bei)% | 10.8% | 10.1% | 70 bps |
| Exceptional items (net) | (20) | (5) | >100% |
| Profit before tax | 2,173 | 1,777 | 22% |
| Profit after tax | 1,638 | 1,380 | 19% |
| Share of profits/(loss) of JVs and Associates | (91) | (93) | 3% |
| Group net profit | 1,547 | 1,287 | 20% |
| Net Profit Margin % | 7.6% | 7.3% | 30 bps |

| Particulars | In Rs Crores | | |
|---|---------------|---------------|---------------|
| | FY2026 | FY2025 | Change |
| Net Worth | 23,189 | 21,390 | 8% |
| Capital Employed | 5,226 | 5,066 | 3% |
| Goodwill | 11,884 | 11,330 | 5% |
| Brand (indefinite life) | 2,093 | 2,093 | 0% |
| Borrowings (excluding lease liabilities) | 2,120 | 1,849 | 15% |
| Cash & cash equivalents, including current investments and ICDs | 5,098 | 3,573 | 43% |
| Net Cash/(Debt) | 2,978 | 1,808 | 65% |
| Key financial ratios | FY2026 | FY2025 | Change |
| Return on Capital Employed (RoCE) % | 41.87% | 37.54% | 433 bps |
| Return on Net Worth (RoNW)% | 6.94% | 6.63% | 31 bps |
| Basic EPS (Share) | 15.59 | 13.06 | 19% |
| Debtors' turnover (Days) | 18 | 18 | 1% |
| Inventory turnover (Days) | 64 | 66 | 3% |
| Interest coverage ratio | 21.54 | 8.71 | 147% |
| Current ratio | 1.57 | 1.54 | 2% |
| Debt equity ratio | 0.12 | 0.11 | (11%) |

- Interest coverage Ratio is higher due to higher interest in previous year on borrowings to fund acquisitions

4.2 Standalone performance

Key financials

Revenue from operations at Rs 14,700 Crores, higher than the previous year by 15%, driven by growth in both Branded and Non-Branded business. Branded business revenues grew on the back of improved performance across categories. Tea and Salt witnessed growth led by volume and value increase coupled with continued momentum in Growth Businesses with Tata Sampann growing by 46% and RTD growing by 10%. Non-Branded business growth of 22% driven by higher realisation and higher volumes in coffee solubles business.

Earnings before interest, taxes and depreciation and amortisation (EBITDA) at Rs 1,834 Crores, higher by 29%. EBITDA margins at 12.5% higher by 140 basis points on account of tapering of tea cost inflation in India partly offset by lower profitability in Non-Branded Business.

Profit before exceptional items and taxes (PBIT) at Rs 2,063 Crores was higher than the previous year by 42%.

Profit after tax at Rs 1,635 Crores was higher than the previous year by 30% driven by higher operating profits partly offset by higher exceptional cost and tax expenses. The prior year's tax expenses included one-time credit arising from the merger of wholly owned subsidiaries.

Performance snapshot

The standalone financial highlights for FY 2025-26 are as follows: -

| Particulars | In Rs Crores | | |
|--|--------------|--------|---------|
| | FY2026 | FY2025 | Change |
| Revenue from Operations | 14,700 | 12,802 | 15% |
| Operating profit before depreciation and amortisation (EBITDA) | 1,834 | 1,420 | 29% |
| EBITDA % | 12.5% | 11.1% | 140 bps |
| Operating profit (EBIT) | 1,605 | 1,204 | 33% |
| EBIT % | 10.9% | 9.4% | 150 bps |
| Profit before exceptional items and taxes | 2,063 | 1,448 | 42% |
| Exceptional items (net) | (16) | 55 | >-100% |
| Profit before tax | 2,047 | 1,503 | 36% |
| Profit after tax | 1,635 | 1,255 | 30% |
| Net Profit Margin % | 11.1% | 9.8% | 130 bps |

| Particulars | In Rs Crores | | |
|---|--------------|--------|--------|
| | FY2026 | FY2025 | Change |
| Net Worth | 17,805 | 17,010 | 5% |
| Capital Employed | 11,049 | 10,924 | 1% |
| Goodwill | 3,860 | 3,860 | 0% |
| Brand (indefinite life) | 2,093 | 2,093 | 0% |
| Borrowings (excluding lease liabilities) | 274 | 166 | 65% |
| Cash & cash equivalents, including current investments and ICDs | 1,829 | 858 | 113% |
| Net Cash/(Debt) | 1,555 | 692 | 125% |

| Key financial ratios | In Rs Crores | | |
|-------------------------------------|--------------|--------|---------|
| | FY2026 | FY2025 | Change |
| Return on Capital Employed (RoCE) % | 14.53% | 11.02% | 351 bps |
| Return on Net Worth (RoNW)% | 9.39% | 8.23% | 116 bps |
| Basic EPS (Rs/Share) | 16.52 | 12.82 | 29% |
| Debtors' turnover (Days) | 16 | 15 | (7%) |
| Inventory turnover (Days) | 51 | 54 | 6% |
| Interest coverage ratio | 25.35 | 9.65 | 163% |
| Current ratio | 1.40 | 1.28 | 9% |
| Debt equity ratio | 0.04 | 0.03 | 46% |

1. Return on Capital employed higher mainly due to improved operating performance.
2. Basic EPS higher due to higher profit after tax driven by higher dividend from overseas subsidiaries.
3. Interest coverage Ratio is higher due to higher interest on borrowing to fund acquisitions in previous year
4. Debt equity Ratio higher driven by higher lease liabilities and working capital borrowings.

5. Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring the effectiveness. The Committee considers the risks that impact the mid-term to the long-term objectives of the business, including those reputational in nature and provides an update to the Board on the Company's risks and mitigation plans outlined in the risk registers. The Audit Committee has additional oversight in the area of financial risks and controls. The Company has an elaborate Enterprise Risk Management Policy and Charter defining the risk management governance model, risk assessment and prioritisation process. Additionally, the ERM process has been further strengthened through Executive Committee (EC) comprising of CEO, CFO, COO, Business Heads, Function Heads and ERM team. EC periodically reviews significant risk exposures and ensures appropriate mitigations are defined. The effectiveness of the mitigation plans deployed is measured through key performance indicators. The ERM team also collaborates

closely with business / functions to identify external and emerging risks, assess the potential impact and develop robust mitigation strategies.

Please refer page no. 166 of integrated reporting section of this report for risk management process and key risks including the mitigation measures deployed.

6. Internal Controls and Internal Audit

Our internal financial control framework is commensurate with the size and operations of the business and is in line with the requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Unit/functional heads are responsible for ensuring compliance with the policies and procedures laid down by the management. Our internal control systems are periodically tested by the Management, Statutory Auditors and Internal Auditors. Internal Audit (IA) at the Company is an independent and objective activity designed to provide assurance to senior management and add value by identifying opportunities to deliver business benefits and improvements to internal controls. It helps us

accomplish our objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of processes, controls, and governance. The internal audit function carries out a focused and risk-based annual internal audit plan approved by the Audit Committee using a 10-factor risk approach. You, Now IA are carried out by in-house team which is supported by co-sourcing partners. The IA function oversees the IA activities for all the business & geographies including the JVs, associates and Subsidiaries.

7. Cyber Security

At Tata Consumer Products, cybersecurity continues to remain a strategic priority as we strengthen our digital ecosystem and accelerate technology-led transformation across the enterprise. Our cybersecurity programme is aligned with the NIST Cybersecurity Framework and focuses on enhancing organisational resilience across risk identification, prevention, detection, response, and recovery.

During the year, we further strengthened our security posture through continuous risk assessments, vulnerability management, penetration testing, and enhanced monitoring capabilities across endpoints, applications, cloud environments, and enterprise infrastructure. Focused initiatives were undertaken to improve visibility of critical assets, strengthen privileged access controls, and reinforce third-party security governance to proactively mitigate evolving cyber risks.

Our Security Operations Centre (SOC) continued to mature through advanced monitoring, automated alerting, and improved incident response mechanisms aligned with CERT-In guidelines and established cyber response playbooks. These capabilities support timely detection, containment, investigation, and recovery from cybersecurity incidents while improving operational resilience and response readiness.

Recognizing the growing importance of data privacy and regulatory preparedness, we continued to strengthen controls around data protection, access governance, and information handling practices. Efforts during the year also included enhancing data discovery and classification practices, improving monitoring for unauthorized access and potential data exfiltration risks, and reinforcing privacy-by-design principles across technology initiatives.

The organisation also continued to invest in cybersecurity awareness and capability-building programmes through

role-based trainings, phishing simulations, awareness campaigns, and targeted communication initiatives aimed at strengthening cyber hygiene and reducing human-related risks.

In parallel, we have started embedding Artificial Intelligence (AI)-enabled capabilities within select cybersecurity processes to improve threat prioritisation, anomaly detection, and operational responsiveness. These initiatives are intended to support a more adaptive, scalable, and intelligence-driven cybersecurity posture as the threat landscape continues to evolve.

Collectively, these initiatives strengthen business continuity, operational resilience, regulatory compliance, and stakeholder confidence while supporting Tata Consumer Products' broader digital transformation journey.

8. Human Resources and Industrial Relations

We have 11,233 full time employees (including the plantation workers) across our businesses and markets. Another 12,406 Staff are employed off roll employees supporting frontline sales, supply chain, and enabling functions. As we seek to accelerate our journey to becoming a premier global FMCG organisation, our integrated People agenda is focused on shaping a Future-Ready organisation that delivers value, without compromising on our core Values:

- 1) **Attracting & Retaining Talent with a competitive and differentiated Employer value proposition:** Given the dynamic nature of our business and the FMCG sector, there is a need to constantly adapt to current and emerging challenges, even as we stay true to our core values.
 - a. Attracting and retaining Talent is crucial to ensuring we have the right people in place to drive our organisation forward. This conviction leads us to champion #ForBetter Opportunities, thereby creating a dynamic workplace and upholding ethical standards that align with our organisational ethos while overall attrition has been at 26%.
 - b. In the past year, we onboarded over 650 professionals, with a strong emphasis on strengthening our sales teams to support accelerated growth and integrating talent into newly added business verticals. We also expanded our workforce across emerging and specialist domains such as e-commerce, category marketing,

strategic procurement, digital, and AI—further enhancing our capabilities and future-readiness.

- c. In order to develop 'fit for future' capabilities, we have focused on initiatives geared to help all our People thrive and grow, creating an inclusive environment, where they are provided a range of learning opportunities and enable well-being.
 - d. Our focused Entry Level Cadre Building strategy has yielded strong results: recognized among the **Top Unstop Desirable FMCG & FMCD Companies 2026**.
 - e. Beyond full-time employees, we remain committed to ensuring dignity of labour, fair wages, and a respectful, compliant workplace for our offroll workforce, in line with India's contract labour regulations.
- 2) Embedding TCP Growth Mindset & Behaviours:** We continue to build high-performing, consumer-focused teams by embedding Growth Mindset Behaviours (GMB) into everyday rituals and leadership practices, anchored in our core values.
- a. Continued enterprise-wide rollout of GMB through dilemma-themed campaigns and storytelling-led interventions, strengthening shared language and behavioural clarity.
 - b. Embedded GMB into recognition rituals — the 'Spot Recognition' (Spotlight) and the 'Daily Peer Recognition' (Gratitude Tree) — reinforcing desired behaviours through frequent, visible appreciation.
 - c. Strengthened inclusive leadership capability through 'Leading with Inclusion' sessions (South and West chapters), moving the focus from awareness to actionable inclusion and equipping leaders to lead with empathy and equity.
 - d. Facilitated a workshop on the CliftonStrengths framework, enabling participants to identify individual strengths and leverage them effectively for team planning and collaboration.
 - e. Reinforced organisation-wide alignment to the North Star strategy through the 'Pledge Your Support to the North Star' initiative, driving collective ownership and participation across teams.
- 3) Enabling FMCG sector-leading Productivity through Engagement, Recognition & Wellbeing:** We are strengthening employee experience and effectiveness by moving from feedback to action, scaling system-led

recognition, and expanding wellbeing access with strong utilisation and cost discipline.

- a. **Engagement:** The InterACTIONS Survey achieved a record 94% response rate and an Engagement Index of 76, with Sentiment at 77 and Speak-Up Culture at 76% favourability. Action planning is being strengthened through a new digital analytics and action-planning platform; 224 People Managers received scorecards, with 65% submitting action plans translating into 266 actions.
- b. **Onboarding & frontline voice:** We scaled a structured 2-day onboarding programme for new hires in GG grade, strengthened pre-boarding digitisation and Day-1 readiness, and introduced SLA tracking on Freshdesk to reduce onboarding friction. We also designed and deployed the first Engagement Survey for the Non-Graded workforce (India) — 1,100 employees across locations with 94% participation, offered in 8 languages with 19 questions — recording a score of 88; unit-level action plans are underway.
- c. **Recognition & celebration:** Recognition continued to scale as a strategic culture lever. Spotlight utilisation reached 68% (1871 Spotlights) recognitions in FY 2026 (27% increase vs FY 2025) and Gratitude Tree reached 1,666 recognitions in FY 2026. ACE and GJC programmes recognised 87 teams (from 370 nominations) and 116 employees (from 443 nominations) respectively. We also celebrated excellence through Hall of Fame 2025, recognising 94 winners across 14 categories; for FY 2025, GJC closed with 134 nominations and 28 winners, while ACE saw 69 nominations and 17 winners.
- d. **Recognition governance:** The MORE 3.0 recognition framework was rolled out with simplified workflows. We also strengthened system-led governance through real-time analytics dashboards and personalised manager views; manager-level utilisation tracking and accountability (earn-back model); automated allocations linked to role and workforce plans; and simplified UI/UX with integrated allocation tracking.
- e. **Wellbeing:** Wellbeing utilisation continued to grow at scale, supported by cost optimisation. Annual Health Check-ups reached 1,012 (50% YoY) with 36% employee coverage, and tele-consultations reached 2,187 (55% YoY). We achieved a 5% reduction in AHC cost through vendor

negotiations, alongside women-centric webinar series and workplace wellbeing initiatives such as Posture Perfect (138 participants) and hybrid Chair Yoga sessions.

f. Leadership alignment & employee experience:

Good to Great forums strengthened leadership alignment and connectivity, including ExCom Open House, game-based learning workshops and sessions focused on team synergy, resilience and the power of the collective.

g. ZARA: Digital employee experience was strengthened through ZARA—our MS Teams-based virtual assistant (AI chatbot) available on desktop and mobile—enabling employees to access HR and IT information and services seamlessly. ZARA provides centralised access to 33 HR policies and 49 IT policies, along with self-service capabilities such as leave balance checks, ticket raising, and automated responses for common queries. Adoption and service performance remained strong, with 2000+ users, 10,263 queries handled, 4,226 policy searches, and 351 leave applications (FY 2026 YTD). ZARA delivered high reliability (100% uptime) and responsiveness (5.9 seconds average response time), supported by 563 positive responses. Operationally, ZARA reduced manual intervention, improved service turnaround time, ensured 24/7 availability, and strengthened policy transparency and employee self-service across locations.

4) Investing in the development of Mission Critical Skills:

We are a learning organisation focused on the continuous improvement of our teams and team members. To help our people unlock their potential, we offer a wide range of tailored learning experiences and resources at every stage of their professional journey. These initiatives focus not only on honing functional or business-specific skills but also on cultivating broader professional and general management competencies.

a. Following a proactive approach to employee development, we consistently enrol our workforce in targeted programmes at the Tata Management Training Centre, ensuring the acquisition of pertinent professional skills across various organisational levels.

b. Our integrated Learning Management System, in collaboration with LinkedIn Learning, provides access to a vast repository of over 18,000 learning

resources. This platform serves as a comprehensive hub for both professional and functional skill development. 'EdgeforMe,' our centralised learning platform, has been reimagined and institutionalised as the go-to destination for all learning needs.

c. SkillUP For Better, is a functional skill-building initiative aimed at building a future-ready and resilient organisation by investing in mission-critical skills across sales, R&D, marketing, procurement and digital functions and finance that empower both teams and individuals. Complementing digital learning, our in-person workshops focus on building functional skills customised to specific departments. Notable workshops include the fundamentals of sensory technique for R&D, consumer sensitivity workshops for the marketing team in packaged foods and agile project management for the digital team, Upskilling teams in **AI-powered financial analytics, P&L management** to name a few. These workshops leverage external consumer reports and sales data to identify realtime opportunities, ensuring our teams are wellequipped to navigate the dynamic FMCG landscape.

5) Empowering the leaders of tomorrow: We focus on **cultivating impactful excellence** by ensuring our leaders are equipped with the capabilities required for **effective strategy execution**. Through targeted investments in **future-fit, critical, and scarce skills**, we continue to prepare our workforce for evolving business needs.

- Between **April 1, 2025 and March 31, 2026**, a total of **49,084 learning hours** were delivered across the Global Grade population, spanning **E-Learning (33,469 hours), Professional Skill Development (5,165 hours), Leadership Development (5,434 hours), and Skill Up! initiatives (4,989 hours)**.

- **Leadership Horizons:** Designed for top senior leaders in collaboration with TMTTC & SHL, which aims to :

- **Baseline the readiness of future top business and functional leaders** across TCPL through a structured and objective assessment framework

- **Provide world-class leadership development inputs** through a carefully curated, multi-modal process that combines assessments, feedback, coaching, and contextual learning

- Enable leaders to build **self-awareness, clarity of development priorities, and enterprise leadership capability** aligned to TCPL's strategic direction
 - The programme ensures that leadership development is **intentional, measurable, and closely aligned** to TCPL's long-term succession and capability-building priorities.
 - In FY 2026, the programme strengthened advanced leadership capabilities, with 28 participants undertaking this transformative development journey.
 - **Aarohan and Aspire:** Alongside leadership development, we are focused on nurturing future talent through a robust professional development strategy. Aarohan, for Indian frontline managers, and Aspire, for international frontline managers, together form TCPL's flagship frontline leadership programmes, built on three key pillars.
 - a) Leading Self
 - b) Leading Teams
 - c) Driving Change & Results
 - The programme has covered **185 participants** across functions, developing critical managerial capabilities at the frontline. With a vision to scale up, we plan to extend Aarohan to **500+** frontline managers across functions in FY 2026-27.
 - Grow Beyond Better, fifth season of TCPL's annual B-school case study competition concluded with an impressive 14,265 registrations from 850+ campuses nationwide. The competition garnered ~1000 submissions, showcasing a plethora of innovative ideas from students on the case 'Ching's - Winning in Korean Noodles'. The grand finale was a virtual live event and managed to create a lasting social media buzz.
 - This season, we introduced a **Treasure Hunt Quiz** focused on TCPL's product portfolio, sustainability initiatives, and early talent programmes. The activity significantly boosted traffic on our Career Page and generated strong engagement with over **1,300 participants. Top 3 teams** emerged from **NMIMS Mumbai, IIT Kharapur, and IIM Visakhapatnam.**
 - As a part of Unstop Campus Employer Branding Report 2026, TCP is recognized among the **Top Unstop Desirable FMCG & FMCD Companies 2026.**
- 6) Cultivating a culture of Workplace Accountability and harmonious ER/IR:** We continue to strengthen ethical conduct, workplace accountability, and robust governance mechanisms that support respectful employee relations and statutory compliance.
- a. Reinforced ethics awareness and accountability through mandatory annual Tata Code of Conduct refresher e-module and declarations on KREDO, alongside Ethics Month initiatives (leadership podcasts, 'Ethics for Better' newsletter, pledge campaigns with suppliers/vendors, and awareness activities).
 - b. Built capability for consistent and fair case management through a TMTC masterclass for Ethics Counsellors (120 counsellors trained) and a two-day workshop on disciplinary actions for HR managers (29 participants).
 - c. Strengthened governance through ongoing Ethics Counsellor Connect sessions with the APEX Committee, reinforcing the Ethics Redressal Framework, confidentiality, and recognition of counsellors and local committees.
 - d. The ER/IR/WA Council continues to convene monthly to address evolving labour laws, policy/process gaps, conflict resolution and statutory compliance, with the revised labour codes remaining a key priority.
 - e. Advanced our social impact and inclusion agenda through the first Tata Affirmative Action Programme (TAAP) external assessment, achieving a band of 500–525 across Employment, Education, Entrepreneurship, Employability and Essential Enablers.