



# Hindustan Unilever Limited

Hindustan Unilever Limited  
Unilever House  
B D Sawant Marg  
Chakala, Andheri East  
Mumbai 400 099

Tel: +91 (22) 3983 0000  
Web: www.hul.co.in  
CIN: L15140MH1933PLC002030

25th July, 2019

CIN: L15140MH1933PLC002030

Stock Code: BSE-500696

NSE- HINDUNILVR

ISIN: INE030A01027

BSE Limited  
Corporate Relationship Department,  
2nd Floor, New Trading Wing,  
Rotunda Building, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Dear Sir,

**Sub.: Minutes of the 86th Annual General Meeting**

We are pleased to enclose herewith copy of the Minutes of the proceedings of the 86th Annual General Meeting held on 29th June, 2019.

We shall request you to kindly take it on records.

Thanking You,

Yours faithfully,  
**For Hindustan Unilever Limited**

**Dev Bajpai**  
Executive Director, Legal & Corporate Affairs  
and Company Secretary  
DIN : 00050516 / FCS : F3354  
Encl. as above  
AAT



**HINDUSTAN UNILEVER LIMITED**

**MINUTES OF THE 86TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN UNILEVER LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT UNILEVER HOUSE, B. D. SAWANT MARG, CHAKALA, ANDHERI (EAST), MUMBAI 400 099, ON SATURDAY, 29TH JUNE, 2019 AT 2.30 P.M.**

**Present:**

**Members of the Board of Directors:**

<b>Mr. Sanjiv Mehta</b>	<b>Chairman and Managing Director and as a member of the Company</b>  Also, as an Authorised Representative of Unilever PLC, Brooke Bond Group Limited, Brooke Bond Assam Estates Limited, Brooke Bond South India Estates Limited, Unilever Overseas Holdings AG, Unilever Overseas Holdings B.V. and Unilever UK & CN Holdings Limited
<b>Mr. Aditya Narayan</b>	<b>Independent Director</b>  Also, as the Chairman of the Audit Committee of the Company
<b>Mr. O. P. Bhatt</b>	<b>Independent Director</b>  Also, as the Chairman of the Corporate Social Responsibility Committee and Stakeholders' Relationship Committee of the Company
<b>Dr. Sanjiv Misra</b>	<b>Independent Director</b>
<b>Ms. Kalpana Morparia</b>	<b>Independent Director</b>
<b>Mr. Leo Puri</b>	<b>Independent Director</b>
<b>Mr. Srinivas Phatak</b>	<b>Executive Director, Finance &amp; IT and Chief Financial Officer and as a member of the Company</b>
<b>Mr. Pradeep Banerjee</b>	<b>Executive Director, Supply Chain and as a member of the Company</b>
<b>Mr. Dev Bajpai</b>	<b>Executive Director, Legal &amp; Corporate Affairs and Company Secretary and as a member of the Company</b>

**Members of the Management Committee:**

<b>Ms. Priya Nair</b>	<b>Executive Director, Home Care and as a member of the Company</b>
<b>Mr. Srinandan Sundaram</b>	<b>Executive Director, Sales &amp; Customer Development and as a member of the Company</b>
<b>Mr. Sudhir Sitapati</b>	<b>Executive Director, Foods &amp; Refreshments and as a member of the Company</b>
<b>Ms. Anuradha Razdan</b>	<b>Executive Director, Human Resources</b>
<b>Dr. Vibhav Sanzgiri</b>	<b>Executive Director, Research and Development and as a member of the Company</b>

1. Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company, Mr. Akeel Master, Audit Partner of M/s. BSR & Co., LLP, Chartered Accountants, Statutory Auditors of the Company and Mr. S. N. Ananthasubramanian, Practicing Company Secretaries, Secretarial Auditors of the Company were present by invitation.
2. In aggregate, 514 Members were present in person and proxies and 7 Members were represented by their authorised representatives. In addition, 190 Members joined the webcast facility provided by the Company for the Annual General Meeting.
3. In accordance with Article 112 of the Articles of Association of the Company, Mr. Sanjiv Mehta, Chairman and Managing Director of the Board took the Chair.
4. The following documents and Registers were placed on the table:
  - (i) Notice convening the 86th Annual General Meeting.
  - (ii) Report of Board of Directors along with Annexures thereto for the financial year ended 31st March, 2019.
  - (iii) The Audited Financial Statements and Auditors' Report thereon for the financial year ended 31st March, 2019.
  - (iv) The Proxy Register with 8 valid proxies lodged with the Company in connection with the 86th Annual General Meeting (remained open for inspection during the meeting).
  - (v) The Register of Directors' and Key Managerial Personnel and their shareholdings (remained open for inspection during the meeting).
  - (vi) The Register of Contracts or arrangements in which the Directors were interested (remained open for inspection during the meeting).
  - (vii) Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).
  - (viii) Resolutions passed by the shareholders in General Meetings.

5. Ms. Jyotika Shanbhag, Manager informed the Members about the safety arrangements inside the meeting hall, in case of any emergency. Thereafter, a short film demonstrating the safety arrangements was played for the shareholders.
6. At 2.30 p.m., the Chairman informed the members that it was his first Annual General Meeting as Chairman and then commenced the meeting by welcoming the Members to the 86th Annual General Meeting. The Chairman announced that the requisite quorum being present, the meeting was called to order.
7. The Chairman informed the Members that Company had, provided the facility of one way Live Webcast of proceedings of the Annual General Meeting. The Annual General Meeting can therefore be viewed live by the members from remote locations by logging on the e-voting website of the Registrar, M/s. Karvy Fintech Private Limited.
8. The Chairman also informed that the Company had further enhanced the Annual Report to conform to the principles of Integrated Reporting to provide the members a comprehensive view on both financial and non-financial parameters and value creation and have captured the performance highlights for the year on an interactive platform and encouraged the members to access the same by visiting the website of the Company or using the QR Code which was displayed at the Registration area at the Annual General Meeting.
9. The Chairman introduced the Members of the Board of Directors, Members of the Management Committee and other Invitees present on the dais. The Chairman introduced and welcomed Mr. Leo Puri, Independent Director who was appointed w.e.f. 12th October, 2019 and Mr. Vibhav Sanzgiri, Executive Director, Research and Development and a member of the Management Committee appointed w.e.f. 1st June, 2019. The Chairman also introduced and welcomed Ms. Anuradha Razdan, Executive Director, Human Resource and a member of the Management Committee who was appointed w.e.f. 1st June, 2019 succeeding Mr. B. P. Biddappa. The Chairman placed on record and thanked Mr. B. P. Biddappa for his invaluable contribution as an Executive Director, Human Resources and as a member of the Management Committee of the Company and wished him success for his new role in Unilever.
10. The Chairman informed the members that Mr. S. Ramadorai, Independent Director and Chairman of Nomination and Remuneration Committee and Mr. Sandeep Kohli, Executive Director, Beauty and Personal Care and member of the Management Committee of the Company had expressed their inability to attend the Annual General Meeting due to their pre-commitments and personal reasons respectively. Leave of absence was granted to Mr. S. Ramadorai and Mr. Sandeep Kohli.
11. The Chairman further informed the members that Mr. Ramadorai, Independent Director and Chairman of the Nomination and Remuneration Committee had decided not to offer himself for re-appointment at the Annual General Meeting, after serving for about 17 years in the Company and consequently he shall retire from the position of Independent Director post conclusion of the Annual General Meeting. The Board placed on record its deep sense of gratitude and appreciation for Mr. Ramadorai's immense contribution, strategic guidance

provided during his tenure as an Independent Director and as the Chairperson of the Nomination and Remuneration Committee of the Company.

12. The Chairman further, welcomed Mr. S. N. Ananthasubramanian from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, the Secretarial Auditors of the Company, who was present at the meeting.
13. Thereafter the Chairman commenced the formal agenda of the Annual General Meeting and with the consent of the Members present, the Notice convening the meeting, the Report of Board of Directors along with annexures thereto and the Financial Statements for the financial year ended 31st March, 2019 were taken as read.
14. The Chairman then announced that until 48 hours before the time of the commencement of the Annual General Meeting, 8 (Eight) valid proxies covering a total of 1,370 (One Thousand Three Hundred and Seventy) equity shares of Re.1/- each and 7 (Seven) representations under Section 113 of the Companies Act, 2013 from Unilever PLC and its Affiliates, covering a total of 145,44,12,858 (One Hundred Forty Five Crores Forty Four Lakhs Twelve Thousand Eight Hundred and Fifty Eight) equity shares of Re.1/- each, had been received and the same were placed on the table.
15. The Chairman informed the shareholders that the Auditor's Report on the Annual Financial Statements of the Company for the financial year ended 31st March, 2019 did not contain any qualifications, observations or comments on financial transactions or matters, which had adverse effect on the functioning of the Company. He stated that in the terms of Section 145 of the Companies Act, 2013, only the qualifications, observations or comments, mentioned in the Auditor's Report, which had any adverse effect on the functioning of the Company, were required to be read at the General Meeting. Since there were no such qualifications, observations or comments, the Auditors Report was not required to be read.
16. The Chairman informed that the Company had provided the facility of e-voting to its Shareholders to exercise their right to vote on the Resolutions proposed to be passed at the Annual General Meeting. The Chairman then requested Mr. Dev Bajpai to brief the Members about the e-voting procedure at the Annual General Meeting.
17. Mr. Dev Bajpai informed the members that as per the provisions of the Companies Act, 2013 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, ('Listing Regulations') the Company had provided the facility of remote e-voting to the members to enable them to cast their vote electronically. The remote e-voting was open from Wednesday, 26th June, 2019 to Friday, 28th June, 2019. The members were also informed that the arrangements had been made for e-voting at the venue of the meeting for those members who had not cast their vote by remote e-voting.
18. Mr. Dev Bajpai further stated that the members, who had not casted their vote through remote e-voting process, were provided with e-vote key at the registration counter, which was a One Time Password (i.e. OTP) to cast their

vote. He stated that volunteers were present inside and outside the Annual General Meeting hall to assist the members to cast their vote. He further informed that Mr. S. N. Ananthasubramanian, Practicing Company Secretary was appointed as the Scrutiniser for the e-voting process.

19. Mr. Dev Bajpai further stated that the Company had provided the facility of Online Query Module to enable the Members to seek information / clarification pertaining to the Annual Report using their secure login credentials on the e-voting website of the Registrar, Karvy Fintech Private Limited. Thereafter, a short film demonstrating the manner and procedure for e-voting was played for the members.
20. Mr. Bajpai further informed the members that Mr. Sanjiv Mehta, Chairman and Managing Director of the Company was elevated as President South Asia and member of the Unilever Leadership Executive (ULE) effective 1st May, 2019. The members expressed their good wishes to Mr. Sanjiv Mehta.
21. The Chairman then took over the proceedings and informed the members about the flow of events at the Annual General Meeting and stated that after his speech, he would move all the resolutions as set out in the Notice of Annual General Meeting and then will move to discussion and Questions & Answers (Q&A) session. On the conclusion of the discussion and Q&A session, the members could cast their vote on the resolutions through e-voting. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on the website of M/s. Karvy Fintech Private Limited, the Registrar and Share Transfer Agent of the Company and also on the website of the Stock Exchanges.
22. The members gave their consent to the said flow of Annual General Meeting proceedings and the Chairman then shared his views on a subject that was relevant in the current environment for the Company and read excerpts from his speech titled 'Reimagining FMCG in a changing India'. A copy of excerpts from the speech is attached as Annexure 1.
23. The Chairman then took up the official business of the meeting.

#### **Item No. 1**

#### **ANNUAL FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

24. The Chairman took up the first item of the agenda and with the consent of the Members present, the Ordinary Resolution for Item No. 1 of the Notice pertaining to adoption of the Audited Statement of Profit and Loss, Balance Sheet, Report of Board of Directors, Auditor's Report and the Consolidated Financial Statements for the financial year ended 31st March, 2019 was taken as read. The Resolution for Item No. 1 of the Notice read as follows:

“RESOLVED THAT the Audited Statement of Profit and Loss for the financial year ended 31st March, 2019, the Balance Sheet as on that date, the Audited Consolidated Financial Statements, the Report of Board of Directors and the Auditors' Report, as circulated to the Members and laid before the meeting, be received, considered and adopted.”

25. The Chairman then put the resolution to vote. Mr. Harshad Kantilal Kesharuwala proposed and Ms. Ashalata Maheshwari seconded the resolution.

**Item No. 2**

**CONFIRMATION OF INTERIM DIVIDEND AND DECLARATION OF FINAL DIVIDEND**

26. The Chairman informed the members that the Board of Directors at their meeting held on 12th October, 2018 had declared an Interim Dividend of Rs. 9/- per equity share of Re. 1/- each. Further, the Board at their meeting held on 3rd May, 2018 had proposed Final Dividend of Rs. 13/- for every equity share of Re. 1/- each for the financial year ended 31st March, 2019. With the consent of the Members present, the Ordinary Resolution for Item No. 2 of the Notice pertaining to the declaration of dividend was taken as read. The Resolution for Item No. 2 of the Notice read as follows:

“RESOLVED THAT the interim dividend of Rs. 9/- for every Equity Share of face value of Re. 1/- each, paid to the Shareholders for the financial year ended 31st March, 2019, as per the Resolution passed by the Board of Directors at their meeting held on 12th October, 2018, be and is hereby noted and confirmed.

RESOLVED FURTHER THAT the final dividend of Rs.13/- for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2019 as recommended by the Board of Directors at their meeting held on 3rd May, 2019 be and is hereby declared.”

27. The Chairman then put the resolution to vote. Mr. Sudhir Shantaram Vartak proposed and Mr. Yusuf Yunus Rangwala seconded the resolution.

**Item No. 3**

**RE-APPOINTMENT OF MR. PRADEEP BANERJEE AS DIRECTOR**

28. The Chairman requested Mr. Bajpai to read the Ordinary Resolution, set at Item No. 3 of the Notice pertaining to re-appointment of Mr. Pradeep Banerjee, as follows:

“RESOLVED THAT Mr. Pradeep Banerjee (DIN: 02985965), be and is hereby re-appointed as Director of the Company.”

29. The Chairman then put the resolution to vote. Mr. H. S. Patel proposed and Mr. Manish Shah seconded the resolution.

**Item No. 4****RE-APPOINTMENT OF MR. DEV BAJPAI AS DIRECTOR**

30. The Chairman read the Ordinary Resolution, set at Item No. 4 of the Notice pertaining to re-appointment of Mr. Dev Bajpai, as follows:

“RESOLVED THAT Mr. Dev Bajpai (DIN: 00050516), be and is hereby re-appointed as Director of the Company.”

31. The Chairman then put the resolution to vote. Mr. Harshad Kantilal Kesharuwala proposed and Ms. Lekha Satish Shah seconded the resolution.

**Item No. 5****RE-APPOINTMENT OF MR. SRINIVAS PHATAK AS DIRECTOR**

32. The Chairman requested Mr. Dev Bajpai to read the Ordinary Resolution, set at Item No. 5 of the Notice pertaining to re-appointment of Mr. Srinivas Phatak, as follows:

“RESOLVED THAT Mr. Srinivas Phatak (DIN: 02743340), be and is hereby re-appointed as Director of the Company.”

33. The Chairman then put the resolution to vote. Mr. Pramod Kumar Agnihotri proposed and Ms. Lekha Satish Shah seconded the resolution.

**Item No. 6****RE-APPOINTMENT OF M/S. B S R & CO. LLP, CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS FOR A FURTHER PERIOD OF FIVE YEARS**

34. The Chairman informed that Item No.6 was with respect to re-appointment of M/s. B S R & CO. LLP, Chartered Accountants, as Statutory Auditors for a further period of five years. He informed that M/s. B S R & CO. LLP were appointed as Statutory Auditors at the Eighty-First Annual General Meeting of the Company which was valid till conclusion of the Eighty-Sixth Annual General Meeting. In accordance with the Companies Act, 2013 and on the recommendation of the Audit Committee and in the best interest of the Company, the Board of Directors had considered and recommended the proposed re-appointment of M/s. BSR & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for an another term of five (5) years i.e. from the conclusion of Eighty-Sixth Annual General Meeting till the conclusion of Ninety-First Annual General Meeting.



35. With the consent of the members present, the Resolution set at item No. 6 of the notice pertaining to the re-appointment of Auditors and their remuneration was taken as read. The Resolution set at Item No. 6 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. B S R & Co. LLP, Chartered Accountants, Mumbai (Firm’s Registration No. 101248W/W-100022) be and are hereby re-appointed as Statutory Auditors of the Company, for a further period of five (5) years, to hold office from the conclusion of this Annual General meeting until the conclusion of ninety-first Annual General Meeting on such remuneration, inclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

36. The Chairman then put the resolution to vote. Mr. Mahesh Bhagwan Makhija proposed and Ms. Usha Ratnakar Karnad seconded the resolution.

#### **Item No. 7**

#### **INCREASE IN OVERALL LIMITS OF REMUNERATION FOR MANAGING / WHOLE-TIME DIRECTOR(S)**

37. The Chairman informed that the Item No. 7 was with respect to the increase in overall limits of remuneration for Managing / Whole-Time Director(s) of the Company.
38. The Chairman further informed that the members of the Company in the Annual General Meeting held on 30th June, 2014 had approved the overall limits of the Managerial Remuneration for Managing Director(s) / Whole-Time Director(s) of the Company. Considering the changes in the remuneration of the Directors, it was proposed to modify the maximum limits of remuneration of Managerial Personnel including Managing Director and Whole-time Director(s) of the Company. He also informed that the proposed revised limits were enabling in nature and shall remain valid for some years in the future.
39. With the consent of the Members present, the Special Resolution set at Item No. 7 of the Notice pertaining to increase in overall limits of remuneration for Managing / Whole-time Director(s) was taken as read. The Resolution set at Item No. 7 of the Notice read as follows:

“RESOLVED THAT in supersession of the resolution passed by the Members of the Company at the Annual General Meeting held on 30th June, 2017 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act and Article 173 of the Articles of Association of the Company, the Company be and is hereby authorised to pay to its managerial personnel (including Managing Director and Whole-time

Director(s)), such sum by way of remuneration comprising of salary, performance linked bonus, commission, perquisites and allowances as may be determined by the Board of Directors of the Company or a duly constituted Committee thereof including but not limited to Nomination and Remuneration Committee, within the maximum limits as mentioned in the Explanatory Statement annexed to this Notice and computed in the manner as provided under Section 198 of the Act.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

40. The Chairman then put the resolution to vote. Mr. Manish Shah proposed and Mr. Hemant Raghuvir Kombrabail seconded the resolution.

### **Item No. 8**

#### **APPOINTMENT OF MR. LEO PURI AS AN INDEPENDENT DIRECTOR FOR A TERM UPTO FIVE YEARS**

41. The Chairman informed the members that Item No. 8 was respect to the appointment of Mr. Leo Puri as an Independent Director of the Company for a period of five consecutive years. Mr. Leo Puri was appointed as an Additional Director on 12th October, 2018 and shall hold office upto the date of Eighty-Sixth Annual General Meeting. The Chairman requested approval from the members for appointment for five consecutive years.
42. With the consent of the Members present, the Ordinary Resolution as at Item No. 8 of the Notice for appointment of Mr. Leo Puri as an Independent Director of the Company was taken as read.
43. The Resolution set at Item No. 8 of the Notice was as follows:

“RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Leo Puri (DIN : 01764813), who was appointed as an Additional Director of the Company with effect from 12th October, 2018, pursuant to Section 161 of the Act and Article 145 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from 12th October, 2018 to 11th October, 2023.”

44. The Chairman then put the resolution to vote. Ms. Smita Shah proposed and Mr. Lokesh Gandhi seconded the resolution.

**Item No. 9 to 14****RE-APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY FOR A SECOND TERM AND CONTINUATION OF TERM OF MR. SANJIV MISRA AND MS. KALPANA MORPARIA ON ATTAINING AN AGE OF 75 YEARS DURING THEIR SECOND TERM.**

45. The Chairman informed the members that Item No. 9 to 14 were related with the re-appointment of Independent Directors. It was informed that, Mr. Aditya Narayan, Mr. O. P. Bhatt, Dr. Sanjiv Misra were appointed as Independent Directors of the Company on 30th June, 2014 for a period of five years which shall come to an end on 29th June, 2019. Ms. Kalpana Morparia was appointed as an Independent Director of the Company on 9th October, 2014 for a period of five years which was valid till 8th October, 2019. Based on the recommendation of Nomination and Remuneration Committee, it was proposed to re-appoint the Independent Directors for a second term. Further, it was also proposed to seek approval of the members for continuation of term of Dr. Sanjiv Misra and Ms. Kalpana Morparia, as Independent Directors, on attaining the age of seventy-five years during their tenure of second term. With the consent of the Members present, the Special Resolution from Item No. 9 to Item No. 14 of the Notice were taken as read.

46. The Resolution set at Item No. 9 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Mr. Aditya Narayan (DIN : 00012084), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 1 (One) year, commencing from 30th June, 2019 to 29th June, 2020.”

47. The Chairman then put the resolution to vote. Mr. Chandrakant N. Desai proposed and Mr. Dinesh Kotecha seconded the resolution.

48. The Resolution set at Item No. 10 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Mr. O. P. Bhatt (DIN : 00548091), Independent Director of the Company, who has submitted a declaration that he meets the

criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his reappointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from 30th June, 2019 to 29th June, 2024.”

49. The Chairman then put the resolution to vote. Mr. Rajesh Kewalram Chainani proposed and Mr. A. K. Pathak seconded the resolution.

50. The Resolution set at Item No. 11 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Dr. Sanjiv Misra (DIN : 03075797), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and who is eligible for re-appointment and in respect of whom based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from 30th June, 2019 to 29th June, 2024 including the period from 16th December, 2022 when he shall attain 75 years of age.”

51. The Chairman then put the resolution to vote. Mr. Jitendra Prakash Maheshwari proposed and Mr. Michael Martins seconded the resolution.

52. The Resolution set at Item No. 12 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions if any, consent of members of the Company be and is hereby accorded to the continuation of Dr. Sanjiv Misra (DIN : 03075797), as an Independent Director of the Company, who shall attain the age of 75 years on 16th December, 2022 , during his second term as an Independent Director of the Company.”

53. The Chairman then put the resolution to vote. Mr. Mr. Seshan Krishnamoorthy proposed and Mr. Pramod Kumar Agnihotri seconded the resolution.

54. The Resolution set at Item No. 13 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder, read with Schedule IV of the said Act and Regulation

16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 147 of Articles of Association of the Company, Ms. Kalpana Morparia (DIN : 00046081), Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations and who is eligible for re-appointment and in respect of whom based on her evaluation of performance, the Nomination and Remuneration Committee has recommended her re-appointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of 5 (five) consecutive years, commencing from 9th October, 2019 to 8th October, 2024 including the period from 30th May, 2024 when she attains 75 years of age.”

55. The Chairman then put the resolution to vote. Mr. Yusuf Abbas Shaikh proposed and Mr. Seshan Krishnamoorthy seconded the resolution.

56. The Resolution set at Item No. 14 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions if any, consent of members of the Company be and is hereby accorded to the continuation of Ms. Kalpana Morparia (DIN : 00046081), as an Independent Director of the Company, who shall attain the age of 75 years on 30th May, 2024 , during her second term as an Independent Director of the Company.”

57. The Chairman then put the resolution to vote. Ms. Smita Shah proposed and Mr. Rajesh Kewalram Chainani seconded the resolution.

#### **Item No. 15**

#### **RATIFICATION OF THE REMUNERATION OF M/S. RA & CO., COST ACCOUNTANTS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2020.**

58. The Chairman then took up Item No. 15 relating to ratification of the remuneration payable to M/s. RA & Co., Cost Accountants, who were appointed to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

59. With the consent of the Members present, the Ordinary Resolution set at Item No. 15 of the Notice pertaining to ratification of remuneration to Cost Auditor was taken as read. The Resolution set at Item No. 15 of the Notice read as follows:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), appointed by the Board of

Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, amounting to ₹12 lakh (Rupees Twelve Lakhs only) as also the payment of taxes, as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”

60. The Chairman then put the resolution to vote. Mr. Rajendra Joshi proposed and Mr. Hemant Raghuvir Kombrabail seconded the resolution.
61. After the above resolutions were moved and seconded, the Chairman mentioned that the members who did not wish to seek any clarifications or ask questions could vote outside the Annual General Meeting hall with the help of volunteers. On conclusion of the discussion and Q&A session, the members could also cast vote in the Annual General Meeting Hall through Tabs, which would be facilitated by volunteers. The Chairman then invited members who would like to make comments, make observations and seek clarifications. The Chairman mentioned that the proxies were not permitted to speak or offer their comments.
62. The following Members spoke on various Items of the Reports and Financial Statements for the year and sought clarifications.
  - Mr. Adil Polad Irani, Ms. H. S. Patel, Ms. Ashalata Maheshwari, Mr. Tamal Kumar Majumder, Mr. Suresh Anant Khanolkar, Ms. Lekha Shah, Mr. Anjan Maneklal Makim, Mr. Seshan Krishnamoorthy, Ms. Usha Ratnakar Karnad, Mr. Nagji Dayalji Luca, Mr. Dinesh Bhatia, Mr. Michael Martins, Mr. Yusuf Yunus Rangwala, Mr. Sharadkumar Jivraj Shah, Ms. Surekha Shah, Mr. Ashish Bansal, Mr. Harshad Kantilal Kesharuwala, Mr. Manish Shah, Ms. Smita Shah, Mr. Bharat Shah, Mr. Jaydip Bakshi, Mr. Ashit Kumar Pathak, Mr. Pramod Kumar Agnihotri, Mr. Bhupendrakumar R Parikh, Mr. Arjun S. Assudaney, Mr. Dinanath Samant, Mr. Dinesh Kotecha, Mr. Hoshedar Sorabji Alamshaw, Mr. Bakul Joshi, Mr. S. K. Joshi, Mr. Pervin Dumasia, Mr. Jhaveri, Mr. Suresh Shyamlal Asudani, Mr. Ronald Fernandes, Mr. Nitin Shah, Mr. Praful Dharia.
  - (i) The following were some of the comments from the Members:
    - Appreciated the changes made in the structure of Annual Report and that the Annual Report was very informative;
    - Appreciated the financial results achieved by the Company;
    - Appreciated the speech delivered by the Chairman;
    - Appreciated various awards and recognitions received by the Company;
    - Appreciated the amount of dividend payout;
  - (ii) The feedback/suggestion from members were also heard at the meeting. Several suggestions were made by more than one member and they related to:
    - Issue bonus shares;
    - Gave suggestions related to product promotions;

(iii) Some of the queries from Members were as follows:

- Any change expected in the Board of Directors consequent to merger with GSK CH?
- Current Status of CSR initiatives of the Company such as Fair & Lovely (FAL) Career Foundation and Rin Career Academy, etc.;
- What were the initiatives for Naturals Portfolio?

63. The Chairman thanked the Members for the kind words and appreciation and stated that their suggestions and feedback would be evaluated. The Chairman responded to the queries raised by Members present at the Meeting.
64. The Chairman stated that there shall be no change in the Board of Directors of the Company post the proposed merger with GSK CH.
65. The Chairman updated the members that the Company through FAL Career Foundation had enrolled 6 lakh women to undergo different kind of courses which also includes courses from foreign universities. Through Rin Career Academy, the Company had trained more than 5 lakh girls on employability skills.
66. The Chairman informed the members that in the Naturals portfolio of the Company has a three-pronged strategy. The master brand LEVER ayush was launched across multiple categories like oral care, haircare, skin care, skin cleansing and it continued to perform well in south India. The second leg of the strategy was building specialist brands like Indulekha. The third leg of the 'naturals' strategy involves supporting various natural variants within the Company's existing portfolio of products like Lakmé aloe vera range, Lifebouy neem and turmeric, Fair & Lovely, Ayurveda etc.
67. After responding to all the queries of Members, the Chairman handed over the e-voting process to the Scrutinisers and requested the volunteers to assist the members to cast their vote.
68. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and displayed on the website of the Company, on the website of M/s. Karvy Fintech Private Limited and also on the website of the Stock Exchanges.
69. The meeting concluded at 6.45 p.m. when the last vote was casted. The Chairman thanked the members for smooth conduct of the meeting.
70. The results of the e-voting (attached as Annexure II) was declared on 29th June, 2019 based on the report of the scrutinisers dated 29th June, 2019.

Entered in the Minutes Book and Signed on 25th day of July, 2019 at Mumbai

Sd/-  
(Sanjiv Mehta)  
**CHAIRMAN**

## **Reimagining FMCG in a changing India**

### **SECTION I: INTRODUCTION**

The story of growth is in many ways also the story of change. From the humble telegraph, to the intelligent smartphone, human ingenuity has offered the opportunity to improve lives, foster prosperity and push us all forward.

In India, we followed socialist-inspired economic policies for many decades post-independence and during this period, the per capita income increased at just about 1-2% annual rate. Around 30 years ago, India embarked upon a journey of economic liberalisation, opening its doors to globalisation and market forces. With fundamental reforms since 1991, India started progressing towards a free market economy. This augured well for the economy and for businesses such as ours. From 1991, India's GDP has grown ten-fold to reach US\$2.7 trillion in 2017. During this period, the turnover of Hindustan Unilever has increased over 20 times from Rs 1775 crores to Rs 37,660 crores.

### **SECTION II: INDIA RISING - PROSPECTS AND POTENTIAL**

#### **II. i: A Growing Economy**

A momentum growth rate of 7% will take India to a US \$7 trillion economy by 2032. If we can bend the growth curve and deliver a consistent growth rate of 9% and above, then India could transform itself to a US \$10 trillion economy during this period and catapult itself into the upper echelons of middle-income countries.

However, to realise our US \$10 trillion vision, substantive changes will have to take place especially in a few key areas like:

- a) **Transformation of rural India:** The equation of over 60% of India living in rural areas, with majority of them being dependent on farm-based livelihoods, but agriculture and allied sectors contributing a meagre 16% to the GDP of the country, is clearly unsustainable. Harnessing of technology, dis-intermediation of value chain and better water management to reduce the over-dependence on rainfall, have huge potential to increase agricultural productivity, boost exports of high value agricultural products and increase farmers' income. If a small country like Netherlands could be one of the top three exporters of farming produce in the world, India has the potential to become the granary to the world.
- b) **Acceleration in growth of Micro, Small and Medium Enterprises (MSMEs):** Large companies alone will no longer be able to contribute to the economic development of the country. Key to inclusive development will have to be the growth of MSMEs. This will be vital for creating jobs and accelerating the economy. India needs both good managers and a large pool of successful entrepreneurs.
- c) **Strengthening of infrastructure:** Infrastructure is the catalyst for a booming economy. This is also vital if we have to create space for migration of rural workers to urban areas. While the state will have to play a leading role in the development of infrastructure, we should not shy away from facilitating private



investments or public-private partnerships despite the challenges and experiences of the recent past.

- d) **Prospecting of natural resources:** India is rich in natural resources be it coal, iron ore, manganese ore, bauxite, chromite etc., of which only a small part has been tapped so far. We will have to harness natural resources for growth, but in a sustainable fashion and with minimal adverse impact on the ecology.
- e) **Creation of competitive edge in manufacturing:** Manufacturing plays a pivotal role in creating livelihoods. To accelerate the growth of manufacturing in the country, India will have to identify sectors where we can create competitive edge in terms of best-in-class quality, cost, productivity and innovation.
- f) **Culture of real innovations:** As a nation, we have to move away from a culture of quick fixes and move to fundamental innovations. We have to move away from 'less from less' and move to 'more from less' mindset. Academia, research institutes and corporates have to come together to create an environment, culture and eco-system of real innovations in the country.
- g) **Next generation of reforms:** Reforms like the Goods and Services Tax and Insolvency and Bankruptcy Code have been game changers. Backed by a decisive mandate and with a reformist outlook, the government should press the pedal on next generation reforms especially those involving the factors of production like land, labour and capital.
- h) **Removal of trust deficit:** It is important that the trust deficit that exists with business is removed. It is incumbent on the part of business to practice the highest standards of ethics and governance, and on the other hand, we must recognise that private enterprises will be the engines of growth and creators of livelihoods in the country. All impediments to their growth should be removed. The Government should promote self-regulation, but at the same time have strong punitive action against non-compliance.
- i) **Women's participation in workforce:** The economic potential of the country will not be achieved unless the gender gaps in society are addressed. A McKinsey study estimates that India has the highest relative potential for additional GDP growth from advancing women's equality. They estimate that India could add an incremental 1.4 percentage points each year to its GDP growth rate, if we match the momentum of the fastest gender gap improving country in our region.
- j) **Deft management of environment:** India will have to decouple its growth from the environmental impact. We cannot live with a tag that 22 out of the 30 most polluted cities in the world are in India. We also have to put a cohesive strategy to resolve our exacerbating water problem, which if left untouched, could significantly stem our growth and create serious societal problems.

## **II.ii: Harnessing Technology for a Frontier Economy:**

Central to India's next growth trajectory is the surge in the digital ecosystem. Today the country has 1.2 billion mobile phone subscribers, over 560 million internet subscribers and is one of the fastest digital adopters globally. A mammoth 8.3 GB monthly average data consumption per user is making it one of the highest data consuming markets. Today around 40% of Indians are online, a number that is estimated to grow to nearly 60% in the next five years.

As a nation, we are increasingly deploying technology to cater to the diverse segments of society. Public digital platforms like Aadhaar is a simple solution to the colossal challenge of delivering benefits and services in an equitable and fair manner. The Jan Dhan Bank accounts ensure an inclusive financial solution for services such as subsidies, overdrafts and insurance.

Adoption of technology has already started paying dividends. Since 2015, India has been rising steadily on the Global Innovation Index rankings, moving up five places to rank 57 out of 126 countries last year. In the Global Competitiveness Report rankings on technological readiness, India moved up to rank 40 out of 137.

While technology is opening up growth opportunities for the country, there are also challenges that need to be addressed. While 60% of the connected population use internet for content and communication, only 25% use it for product transactions. A big barrier to this is the lack of trust.

Unlike most natural resources, which deplete with use, data is a non-exhaustible asset and is the bedrock of Artificial Intelligence (AI). With increasing connectivity and a large population, India has a fabulous opportunity to use data as a national asset for growth and development from agriculture to industry and from healthcare to education. This would require laws, regulations and framework, which facilitate their use, prevent monopolies and protect privacy.

### **SECTION III: THE FMCG OPPORTUNITY**

The economic growth and the technological changes provide an exciting future for the Fast Moving Consumer Goods (FMCG) sector in the country.

Despite being one of the fastest growing markets globally for FMCG products in recent times, the per capita FMCG consumption spend in India is amongst the lowest in the world, giving the industry a long runway for growth. Matching up to Indonesian levels would grow the market by 2X and to China levels by 4X.

Several factors will positively impact the growth of FMCG industry.

- a) **Rising affluence:** The vision for the future of consumption in India is anchored in moving people from the bottom of the pyramid to the middle class and the growth of the upper middle income and above segments, which will grow from being one in four households today, to one in two households by 2030. Critical for realising the potential of FMCG in the country is inclusive growth.
- b) **Changing family structures:** The extended Indian joint family has given way to nuclear households. The proportion of nuclear households, which has been on the rise, is projected to reach 78% by 2025. This ongoing shift is significant because nuclear families spend 20% to 30% more per capita than joint families.
- c) **Growth of emerging cities:** India is expected to have 100+ cities with one million population by 2030 as compared to 46 cities in 2011. It is estimated that by 2025, about 40% of India's population will be living in urban areas, and these city dwellers will account for more than 60% of FMCG consumption.
- d) **A young working population:** India will have the largest working-class population (15-59 years) of over 700 million people. Gainful employment of working class population who have access to quality education & vocational

training coupled with skilling & re-skilling opportunities would boost the consumption of FMCG products.

### **III.i: The Evolving FMCG Landscape**

By 2030, India will have a large cohort of 'Generation Z' consumers who would have grown up in an India with ubiquitous internet, smartphones, digital media and digital consumption platforms. As they start earning and consuming, they will actively use technology-enabled consumption models, and have a big influence on the consumption behaviour of their households.

- a) **Evolving consumer trends:** Technology is creating a more connected and aware consumer ecosystem. The new-age consumers are looking beyond simple product benefits to complete experiences with the brand. They are increasingly demanding products and brands that are good for their health and wellbeing, good for the environment as well as good for the society. In fact, sustainability has become one of the key drivers for growth in businesses today. In a global survey conducted last year, India topped the list of countries where consumers demanded corporate sustainability.

Indian consumers are also exhibiting increased curiosity and excitement over exploring local roots. They are interested, for example, in natural products in personal care and local flavours in packaged foods.

- b) **Shopper & channel evolution:** Shoppers continue to seek convenience, value for money and experience. The shopper journeys and path to purchase are no longer linear. Modern Trade and e-commerce will accelerate to address the shopping needs of the evolving consumers offering greater choice and assortment, and we will also see the convergence of brick & mortar and online retail into omnichannel.

General Trade with over nine million stores contributes to about 90% of the FMCG industry. It serves over 95% of the shoppers during 95% shopping occasions. From a social perspective, the survival of these outlets is critical for the country. Technology provides an opportunity to wire up and connect these stores, as well as bring the science of retailing to these stores. While the share of this channel will drop, it will continue to be the largest channel even in 2030.

- c) **Brand interactions:** With rapid digitisation, consumers are increasingly engaging with brands on a range of media platforms, notably digital media that is consumed on the go and mostly on mobile phones.

In India there are difficult-to-reach consumers and easy-to-reach consumers. The paradox of difficult-to-reach is the top 31% households that have tremendous media choices and the bottom 24% households that have almost none. Add to this, the vast socio-economic differences between classes, different consumption trends within groups in society, as many as 22 official languages and many more spoken across the country, there is no one-size-fits-all solution when it comes to media.

While TV and print media account for two-thirds of advertising spends today, digital advertising is the fastest growing channel and will double to 24% in the next few years. The top 31% of the households contribute to 56% of all consumption in the country and almost 100% of nascent categories. While

televisions are getting bigger, flatter, smarter in these 31% homes, the content consumed is changing drastically. The only way to reach these affluent consumers will be through authentic, relevant and talk-able brand stories told through sponsored content, native content, branded content, user-generated content and social media feeds.

The middle 45% of India, being sensitive to subscription costs, will continue to interact with brands through advertisements supported across both TV and digital platforms thereby fuelling growth of OTT platforms. Relentless data disruption and cheaper handheld semi-smart devices will mean that the bottom 24% of India will be increasingly reachable through addressable media on mobile devices and free-to-air channels on TV. In India, it will be seriously premature for brands with national ambition to write the obituary of TV as an important channel for communication.

### **III.ii: Reshaping Human Capital**

The World Economic Forum noted that a majority of the jobs our children will do in the future don't exist today. This will be a result of the new division of labour between humans, machines and algorithms. McKinsey Global Institute estimates that 60 to 65 million jobs could be created in India by the productivity surge by 2025, although redeployment will be essential to help the 40 to 45 million workers whose jobs will likely be displaced or transformed by technology. Re-skilling of workforce will become a national priority. The next few years will see the very nature of employment in the country transform - not only will the talent pool change, but the skill-set and the organisation culture will also undergo tectonic shifts.

What will characterise this new workforce?

- a) **Gig Economy:** The days of 'employees for life' will slowly fade. Organisations will have people coming in for an assignment and leaving for another equally exciting opportunity. This will result in a completely new set of people who will work on project-based assignments.
- b) **Reward Now:** The new-age workforce will also expect to be compensated real-time rather than holding it for the future, urging companies to re-look reward policies.
- c) **New Generation Skill-Set:** The new world will also require a completely new skill-set comprising not just IQ (Intelligence Quotient), DQ (Digital Quotient) and EQ (Emotional Quotient), but also CQ (Cultural Quotient) enabling easier adaptation to different cultures and environment. While machines will augment human cognition, it will be imperative for companies to optimally leverage humans + machines at the same time.

### **SECTION IV: HUL IN THE NEW WORLD**

What will the new India mean for Hindustan Unilever Limited (HUL), the nation's largest Fast Moving Consumer Goods company?

At HUL, we have a five-pronged strategy to continue to thrive in the new India – drive purpose into our brands and enhance the societal impact, innovate for the future, build a future-fit organisation, nurture talent in the new age, and reimagine the business across the value chain by leveraging data and technology.

#### **IV.i: Drive Purpose into our Brands and Enhance the Societal Impact**

HUL's deep reach into Indian households is a result of our intimate understanding of consumers, our investments in the Indian market and the trust we have built over the last eight decades. Since the very early years, HUL has responded to the stimulus of economic growth, growing in sync with the needs of the nation. This was very well captured in one sentence that has been the hallmark of our growth journey: What is good for India is good for HUL.

With more than nine out of 10 Indian households, using one or more of our products, the biggest impact we can have on society is through our purpose-driven brands. For example, we have cumulatively reached over 150 million people through our WASH (water, sanitation and hygiene) initiatives led by our brands Lifebuoy, Domex and Pureit.

Brand Purpose has twin objectives – that of doing good for society but in the process, doing well for the organisation. Brand purpose builds brand salience particularly amongst occasional users, drives brand penetration and growth.

In today's world, where there is a plethora of brands, purpose is what makes a brand stand out. In fact, with growing awareness and concern for the planet as well as societal issues, consumers are increasingly demanding brands that deliver more than just the functional benefit. They look for brands that have a higher purpose that resonates with them.

Sample this: Surf excel was HUL's fifth largest brand in 2005 and the fourth in the laundry market. Then came the first 'Dirt is Good' campaign based on the premise 'If by getting dirty, you do something good, then dirt is good'. Today, it is the biggest in both HUL and the laundry category, and is a splendid example of purpose-led marketing leading to sustained results.

We have Brooke Bond Red Label that stands for making the world a more welcoming place by removing social barriers of caste, religion etc. Through its purpose-driven advertising based on its belief of 'bringing people together over a cup of tea,' our brand has been driving inclusion in society. Dove is on a mission to ensure young girls have a positive attitude towards their body image. The brand supports young girls by helping them raise their self-esteem and realise their full potential.

Together with embedding purpose into our brands, as an organisation, we are working on enhancing livelihoods of communities as well as improving the health of our planet.

- Project Shakti provides livelihood opportunities to women micro-entrepreneurs in rural India. Shakti entrepreneurs are trained by us on sales and distribution. Today, Project Shakti has nearly one lakh ten thousand women micro-entrepreneurs across 18 states and in the process, we get unparalleled distribution reach for our brands.
- Our work with smallholder farmers as a part of our sustainable sourcing agenda, focuses on training them on good agricultural practices such as drip irrigation, nutrient management and pest & disease management. Thousands of smallholder gherkin farmers in southern India and farmers growing tomatoes for HUL have benefitted from these training initiatives.

- Through the Hindustan Unilever Foundation, we are creating solutions to water scarcity and enhancing water-dependent livelihoods. Till the end of 2018, working in over 4300 villages we have created a water conservation potential of over 700 billion litres.
- We are creating greener factories and have already reduced our CO<sub>2</sub> emissions, water consumption and waste generation by over 50% in the last decade. The share of renewable energy in our manufacturing stands at 43% in 2018 and is set to grow further.
- We are systematically reducing our plastic footprint through the 4R framework – reduce, reuse, recycle and recover. We are committed to ensure that 100% of our plastic packaging is reusable, recyclable or compostable by 2025. Also, 25% of plastics we use will be sourced from post-consumer recycled plastic content.

#### **IV.ii: Innovate for the Future**

We leverage Unilever's global knowledge and HUL's deep local understanding to serve Indian consumers better – be it through path-breaking innovations or expertise in new channels. Unilever's world-class Research and Development facilities are making breakthroughs that keep us at the forefront of product development for evolving needs of Indian consumers across the socio-economic pyramid. For example:

- Rising incomes and aspirations are resulting in consumers seeking products with higher order benefits. Global brands like Surf excel, Dove, TRESemmé, Magnum etc. are responding to the needs of these consumers and leading premiumisation in their respective categories.
- A trend that's shaping innovations across the world is 'naturals'. At HUL, we have a three-pronged strategy to build our naturals portfolio. We have our master brand LEVER ayush across multiple categories, which makes ancient ayurvedic wisdom accessible to solve modern day beauty problems. We also have specialist naturals brands like Hamam, Simple and Indulekha. The third leg of the naturals strategy involves natural variants within our existing portfolio of brands.
- There is an increasing awareness of health and well-being in our consumers. Red Label Natural Care, Lipton Green Tea are examples of products that address the evolving consumer trend. The proposed merger of Glaxo SmithKline Consumer Healthcare with HUL and the addition of brands like Horlicks and Boost to our portfolio will significantly strengthen our presence in the 'Health and Wellness' segment.
- To address the challenges of scarcity of water in parts of the country, the Rin smart foam technology detergent bar helps save up to two buckets of water per wash.

#### **IV.iii: Creating a Future-Fit Organisation**

The companies of the future will need to build an organisation that fosters agility, empowerment and connectivity. Culture is the 'personality' of a company that's reflected in its people and in turn, in its beliefs and outlook. At HUL, we are creating a culture that embraces diversity, inclusiveness, founder's mindset and experimentation.

a) Driving speed and nimbleness

We have empowered our people by deaveraging the country through our WiMI framework and by setting up Country Category Business teams.

– **Winning in Many Indias (WiMI):**

To look at a country as diverse as India, as one homogeneous entity is a gross under-service to the vast cultural and business opportunity it presents. WiMI, is not just a geographical classification, it is also a change in mindset that has enabled our people to look at India through different lenses, enabling them to act on local opportunities and drive significant competitive edge. It has helped the business win consistently and decisively by leveraging scale at the centre, while focusing on the many Indias with minimal incremental cost.

– **Country Category Business Teams:**

The Country Category Business Teams are small empowered decision-making micro-organisations within the business that focus on delivering in-year results. Today, 15 such micro-organisations are embedded within HUL. These empowered teams bring in a founder's mindset and promote a culture of collaboration and experimentation, enabling faster decision-making with speed and agility.

b) Building an inclusive culture

We are also looking beyond changing structures and processes, to change the mindset of our people that will help us continuously adapt. At HUL, we are encouraging our people to fearlessly experiment and own end-to-end processes so as to deliver superior solutions for the consumer and customer journey.

We believe that while technology will play an important role in the future, it is equally important that we have a 'High Tech & High Touch' culture where we do not lose the human element and find ways to augment our people performance through machines. At HUL, we are also building a diverse and inclusive culture and respect every employee for who they are – regardless of gender, age, race, disability or sexual orientation. We believe that our employees' contributions are richer because of their diversity, and we want to help them feel free to bring their authentic self to work every day. Today, 40% of our managerial workforce are women and by 2022, we will be a gender parity organisation.

#### **IV.iv: Nurturing talent**

Often termed the 'leadership factory', HUL has a proud people legacy. We are one of the most sought-after employers across business schools and our talent management practices are considered benchmarks across the industry.

To equip our people with future-skills, we have developed a culture of 'always-on learning' – shifting focus from classroom training to creative forms of learning like immersions, mentoring, peer to peer and e-learning.

All our employees are undergoing mandatory learning on digital fundamentals. In the last 18 months, we have invested hundreds of hours in digital immersion and e-learning. This has had a record adoption with over 56,000 courses completed by over 5000 employees in 2018 alone. To accelerate our journey on digital transformation, we have set up the Digital Council – comprising of a cross functional team of leaders, working in an agile manner, who are designing and

landing the agenda of 'Reimagining HUL' consisting of over 80 experiments currently underway in the business.

#### **IV.v: Reimagining HUL**

To adapt and address the surge in the digital ecosystem, businesses need to sharpen their competitive edge, and ensure delivery of enhanced digital solutions to consumers and customers. Powered by data and AI, the new digital ecosystem is helping us understand potential trends, customise solutions, augment decision-making and build a feedback loop.

In fact, we now have a full-fledged end-to-end digital transformation programme for the business that will redefine the way we work in the future. We start with what our consumers and customers want and need. All our experiments and innovations are based on key insights acquired by seeking to understand the unmet needs.

- a) **Picking up consumer signals with speed:** Our People Data Centre picks up real-time consumer signals and identifies business opportunities that go as inputs to craft brilliant mixes.
- b) **Generating demand:** We are increasingly using consumer and shopper data captured through our digital platforms to drive precision and performance marketing across channels. At HUL, we are working to understand consumption patterns of new media as well as 'on-shelf' impact. We work with a sophisticated suite of precision marketing capabilities, driving sharper communication and call to action. Through data-driven marketing, we endeavour to reach our consumers at the right time and in the right space. For instance, our consumers based on their preferences, would now see different advertisements for the same product online that would highlight the very specific product benefit they are looking for. On the other hand, our digital Content Hubs like 'BeBeautiful' and 'Cleanipedia' work as a source of addressing consumer issues and passion points.
- c) **Demand capture:** A significant aspect of modern-day consumption is understanding random demand variation. Machine learning helps us monitor demand in real-time and respond quickly to market changes with high levels of accuracy. At HUL, we are continuously working towards strengthening our machine-learning models. Through our connected store programme, we are creating a fully integrated customer and shopper experience. We have created a platform that augments general trade through technology and helps in generating, as well as capturing, shopper demand. On the other hand, we are leveraging technology to create an easy order and payment interface for the trade. Together, these initiatives are creating a frictionless experience for our customers and shoppers.
- d) **Demand fulfilment:** We are enhancing customer experience by significantly reducing service lead time through integrated Sales and Operation Planning, creating a customer-focused factory network and agile and faster customer servicing logistics and distribution network. Our Internet of Things (IoT) powered digital factories are helping us leverage installed capacities. Automated warehouses, robotics and guided vehicles are helping with stock accuracy, reducing truck loading time and raising the level of customer service. For example, we have successfully piloted a fully automated 'dark fulfillment centre' – a robotic-enabled distribution centre that also contributes significantly to energy savings.



**Conclusion:**

The world around us is transforming at lightning speed. HUL is adapting to these changes to remain future-fit. This is being enabled by:

- Brands with purpose: Our brands based on cutting-edge innovations, are combining superior functional benefits with a strong sustainable living purpose.
- Consumers and customers at the heart of the business: We remain acutely conscious of our true north and all the changes we are making are to serve our consumers and customers even better.
- Silos to seamless processes: We are breaking down the functional barriers and increasingly working as a seamless interface to deliver superior consumer and customer experience.
- Data at centerstage: Data is joining our brands and people to become a critical enterprise asset that provides competitive edge.
- Augmenting humans with machine: We are developing capabilities on harnessing AI to augment human cognition.

There has never been a time like today, when we could scribe our future. At HUL, we are reimagining ourselves from the lens of portfolio, organisation, capabilities and culture. We are clear that we do not want to simply follow, we will lead the change. Destiny beckons India and Hindustan Unilever!

**86TH ANNUAL GENERAL MEETING HELD ON 29TH JUNE, 2019****Declaration of Results of Remote e-voting and e-voting at the Meeting**

As per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided the facility of remote e-voting and e-voting at the meeting of the Shareholders to enable them to cast their vote electronically on the resolutions proposed in the Notice of the 86th Annual General Meeting (AGM). The remote e-voting was open from 26th June, 2019 to 28th June, 2019.

The Board of Directors had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary as the Scrutiniser for remote e-voting and e-voting at the meeting. The Scrutiniser has carried out the scrutiny of all the electronic votes received up to the close of remote e-voting period on 28th June, 2019 and votes cast through e-voting facility at the Annual General Meeting and had submitted his Report on 29th June, 2019.

The Consolidated Results as per the Scrutinisers' Report dated 29th June, 2019 are as follows:

<b>Resolution No.</b>	<b>Particulars</b>	<b>% Votes in Favour</b>	<b>% Votes Against</b>
1	Adoption of Financial Statements together with the Reports of Board of Directors' and Auditors' thereon for the financial year ended 31st March, 2019.	99.99	0.01
2	Confirmation of interim dividend and declaration of final dividend.	99.99	0.01
3	Re-appointment of Mr. Pradeep Banerjee as Director.	99.55	0.45
4	Re-appointment of Mr. Dev Bajpai as Director.	99.55	0.45
5	Re-appointment of Mr. Srinivas Phatak as Director.	99.54	0.46
6	Re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors for a further period of five years.	99.55	0.45
7	Increase in overall limits of Remuneration for Managing / Whole-time Director(s).	99.99	0.01
8	Appointment of Mr. Leo Puri as an Independent Director for a term upto five years.	99.67	0.33
9	Re-appointment of Mr. Aditya Narayan as an Independent Director for a second term.	96.73	3.27
10	Re-appointment of Mr. O. P. Bhatt as an Independent Director for a second term.	99.63	0.37

<b>Resolution No.</b>	<b>Particulars</b>	<b>% Votes in Favour</b>	<b>% Votes Against</b>
11	Re-appointment of Dr. Sanjiv Misra as an Independent Director for a second term.	99.64	0.36
12	Continuation of term of Dr. Sanjiv Misra on attaining age of 75 years.	99.89	0.11
13	Re-appointment of Ms. Kalpana Morparia as an Independent Director for a second term.	99.81	0.19
14	Continuation of term of Ms. Kalpana Morparia on attaining age of 75 years.	99.93	0.07
15	Ratification of the Remuneration of M/s. RA & Co., Cost Accountants for the financial year ending 31st March, 2020.	99.99	0.01

Based on the Report of the Scrutiniser, all Resolutions as set out in the Notice of 86th Annual General Meeting have been duly approved by the Shareholders with requisite majority.

Date : 29th June, 2019