



Hindustan Unilever Limited

Environmental, Social and Governance Policy

1. INTRODUCTION

Hindustan Unilever Limited (HUL) is India's largest fast-moving consumer goods Company with our products touching the lives of nine out of ten households in the country. At HUL, we have always strived to grow our business while protecting our planet and doing good for the people. We firmly believe that to generate superior long-term value, we need to care for all our stakeholders – our consumers, customers, employees, investors and above all, the planet and society. We believe in doing well by doing good and are driven by our purpose i.e. to make sustainable living commonplace.

We understand that Environmental, Social & Governance (ESG) performance and management of ESG risks is a key consideration for all our stakeholders. ESG investing continues to gain momentum as - customers and market demands necessitate corporations to engage in more sustainable business practices and a growing number of institutional investors look to align financial returns with ethical and other non-financial considerations.

Therefore, we consider adoption of ESG principles as imperative and not just a reporting requirement. ESG is increasingly becoming an integral part of our functioning, going beyond the realms of reporting to becoming part of the Company's culture.

2. ESG FRAMEWORK

Our ESG Policy is driven by our vision to be a leader in sustainable business. We envision integration of ESG aspects into our business operations which will help in generating superior long-term value, and reducing risks faced by the business.

Through our ESG Policy, we aim to:

- Define our position on ESG matters; and
- Guide employees on the manner to integrate ESG aspects in their decision making processes relating to activities of the Company.

3. REGULATORY FRAMEWORK ON ESG REPORTING

The Ministry of Corporate Affairs (MCA), released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs) in order to provide guidance to businesses on what constitutes responsible business conduct. In order to align the NVGs with the Sustainable Development Goals and the 'Respect' pillar of the United Nations Guiding Principles the process of revision of NVGs was started in 2015. In March 2019, the NVGs were revised and released as the National Guidelines on Responsible Business Conduct (NGRBCs).

The Companies Act, 2013 (CA 2013) read with the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are the two important legislations that have covered the various aspects of ESG reporting in a fragmented manner.

Disclosure Framework under the CA 2013:

- The Director's Report shall include information related to steps taken by the Company towards conservation of energy, technology absorption, etc.
- The Director's Report of all companies that are required to constitute a CSR Committee is required to include Annual Report on Corporate Social Responsibility (CSR), which among other things sets out in detail the CSR initiatives of the Company.

Disclosure Framework under the Listing Regulations:

- From F.Y. 2022-23, filing of Business Responsibility and Sustainability Report (BRSR) shall be mandatory for the top 1000 listed companies (by market capitalization). The BRSR seeks disclosures from listed entities on their performance against the nine principles of the NGRBCs.

4. FOCUS AREAS

We work with the firm belief that sustainable business and financial performance go hand-in-hand. This belief coupled with a robust governance mechanism, ensures that we are continually working towards our ESG commitments to lead change and make a positive difference to people and the planet.

Environmental Commitments

Through our time bound commitments and initiatives in the environmental realm, and in line with our sustainability initiatives, we aim to grow the business while decoupling the environmental footprint from growth and increasing the positive social impact. We are committed to improving the health of our planet. Our key focus areas under Environmental Commitments are:

- Climate Action
- Protect and regenerate nature
- Waste-free world

Social Commitments

Through our brands and operations across India, we strive to address social inequalities and improve people's health, confidence, and wellbeing. Our key focus areas under Social Commitments are:

- Positive nutrition
- Health & wellbeing
- Equity, diversity & inclusion
- Raise living standards
- Future of work

Governance Commitments

Conducting our operations with integrity and respect for people and the planet has always been core to our corporate behaviour and governance. Our Corporate Governance

framework has evolved over the years - however, our values & principles continue to be our guiding force and have always held us in good stead. Our key focus areas in Governance are:

- Integrity
- Responsibility
- Respect
- Pioneering

Our detailed ESG commitments are available on our website at <https://www.hul.co.in/> under the Planet & Society section.

5. POLICIES THAT GUIDE OUR ESG COMMITMENTS

We have diverse policies in place to provide necessary guidance to our employees, suppliers, distributors and other third parties who work with us, and thereby enabling the fulfillment of our ESG Commitments. The list of policies is enclosed herewith as ***Appendix 1***.

6. ADMINISTRATION OF THE POLICY

The ESG Committee of the Board shall review the ESG Policy of the Company and oversee its implementation.

7. DATE OF APPROVAL & AMENDMENT, IF ANY:

The Policy is approved and adopted by the Board of Directors of the Company on 17th February, 2023, and is effective from same date.

APPENDIX 1

Policies that guide the fulfillment of our ESG Commitments

Sr. No.	Name of the Policy/Code	Brief Description of Policy	Link
1.	Environment Policy	The aim of the Policy is to do all that is reasonably practicable to prevent or minimise, encompassing all available knowledge and information, the risk of an adverse environmental impact arising from processing of the product, its use or foreseeable misuse.	The Environment Policy of the Company can be accessed here - https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/environment-policy/
2.	Responsible Sourcing & Business Partnering Policy	As a purpose-led company, HUL is committed to doing business in a manner that improves the lives of workers across our value chain, their communities and the environment. HUL expects its suppliers and business partners to adhere to values and principles consistent with our own. This Policy sets out responsibilities of employees who engage with third parties.	The Responsible Sourcing & Business Partnering Policy can be accessed here - https://www.hul.co.in/planet-and-society/business-integrity/
3.	Quality Policy	Our Quality Policy describes the principles that everyone in the Company follows, wherever they are in the world, to ensure that we are recognised and trusted for our integrity, the quality of our brands and products, and the high standards we set.	The Quality Policy of the Company can be accessed here - https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/quality-policy/
4.	Safety & Health Policy	While we strive to supply high quality goods and services to meet the daily needs of consumers and customers, we recognise our responsibility to ensure safety and protection of health of our employees, contractors, visitors, etc.	The Safety & Health Policy of the Company can be accessed here - https://www.hul.co.in/files/78c2b988-7466-40a0-9d12-6d26f66a4797/safety---health-policy.pdf
5.	Code of Business Principles	Our Code of Business Principles (COBP) codifies our values, making clear what is expected from our people. We expect everyone at HUL to be an ambassador of our high ethical standards.	The COBP of the Company can be accessed here - https://www.hul.co.in/files/92ui5egz/production/db2d2fdb318d8603c25ebe4e018a3b87e904a3b8.pdf

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		<p>The Policies within the COBP define the ethical behaviour that all employees need to demonstrate when working for HUL. The Code Policies lay down the framework for:</p> <ul style="list-style-type: none"> • Safeguarding Information • Countering Corruption • Engaging Externally • Respecting People 	
6.	Affirmative Action Policy	<p>Being a signatory to the Confederation of Indian Industry's Code of Conduct on Affirmative Action, we firmly believe that equal opportunity in employment for all sections of the society is a component of our growth and competitiveness. We recognize that diversity to reflect socially disadvantaged sections of the society in the workplace has a positive impact on business and therefore we ensure that we do not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.</p>	<p>The Affirmative Action Policy of the Company can be accessed here - https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/affirmative-action-policy/</p> <p>The other Policies of the Company that help further its objective of building an inclusive and equitable workplace can be accessed here - https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/hr-policies/</p>
7.	Corporate Governance Code	<p>The Corporate Governance Code adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors and Statutory Board Committees may effectively operate for the benefit of its varied stakeholders.</p>	<p>The Corporate Governance Code of the Company can be accessed here - https://www.hul.co.in/investor-relations/corporate-governance/</p>