Purpose-led, future-fit

Hindustan Unilever Limited

Integrated Annual Report 2022-23

About the report

The terms 'HUL', 'the Company', 'your Company', 'we', 'our', and 'us' refer to Hindustan Unilever Limited. Our Integrated Annual Report encompassing the Statutory Reports contains information about us, how we create value for our stakeholders, and how we run our business. It includes our strategy, business model, market outlook, and key performance indicators. The Report of Board of Directors and the Management Discussion and Analysis include details of our performance as well as our approach to sustainability and risk management. Our Corporate Governance Report that forms a part of the Report of Board of Directors contains an analysis of steps taken in the area of Corporate Governance, including information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Integrated Annual Report, Statutory Reports, and Financial Statements have been approved by the Board of Directors.

Reporting Standards and Frameworks

This Integrated Annual Report is aligned to:

a. Integrated Reporting Framework recommended by the International Integrated Reporting Council (IIRC);
b. the Companies Act, 2013 (and the Rules made thereunder);
c. Listing Regulations;
d. Indian Accounting Standards (IND AS);
e. Secretarial Standards issued by the Institute of Company Secretaries of India;
f. National Guidelines on Responsible Business Conduct (NGRBC);
g. United Nations Sustainable Development Goals (UN SDGs)

Reporting Boundary and Period

This Integrated Annual Report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value. All the information presented in this report pertains to standalone operations of Hindustan Unilever Limited (unless specifically mentioned otherwise).

The Integrated Annual Report including the Statutory Reports and Audited Financial Statements covers financial and non-financial performance of the Company's operations for the period from 1st April, 2022 to 31st March, 2023 (unless specifically mentioned otherwise).

Accountability Statement

To ensure the integrity of facts and information, the Board of Directors and Management of the Company have reviewed the Integrated Annual Report. Further, the Board of Directors confirms that the Integrated Annual Report, taken as a whole, is fair, balanced and provides necessary information to stakeholders on the Company's performance, business model, and strategy, together with a description of the material risks and opportunities.

Forward-looking Statement

Statements in this Integrated Annual Report, particularly those that relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, generally identified by words such as 'may', 'believe', 'outlook', 'plan', 'anticipate', 'continue', 'estimate', and 'expect', may constitute forward-looking statements within the meaning of applicable laws and regulations. Such statements are necessarily dependent on projection and trends and constitute our current expectations based on reasonable assumptions. However, the actual results might differ from those expressed or implied in such forward-looking statements due to risks, uncertainties, and other external factors.

Reporting Element	Status of Assurance
Financial Information - Standalone and Consolidated Financial Statements	Audited by Independent Auditors M/s. B S R & Co. LLP, Chartered Accountants
Non-Financial Performance	
(a) Business Responsibility and Sustainability Report (BRSR)	Our key non-financial indicators have been assured by Price Waterhouse Chartered Accountants LLP in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements, issued by the International Auditing and Assurance Standards Board (IAASB). The scope and basis of assurance have been described in the Assurance Statement issued by Price Waterhouse Chartered Accountants LLP which forms a part of the BRSR.
(b) HUL Compass ESG Goals	Our Compass sustainability performance is a subset of Unilever PLC's reported Compass sustainability performance, in respect of which independent limited assurance on certain metrics has been provided by PricewaterhouseCoopers LLP, in accordance with ISAE 3000 (Revised), ISAE 3410 and Institute of Chartered Accountants in England & Wales Code of Ethics as applicable. Details are available at https://www.unilever.com/planet-and-society/sustainability-reporting-centre/independent-assurance/
(c) Compliance with conditions of Corporate Governance as stipulated under the Listing Regulations	Certificate from M/s. B S R & Co., LLP, Chartered Accountants, Statutory Auditors
(d) Compliance with the Companies Act, 2013 applicable Rules made under the Act and Listing Regulations	Certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors
Other non-financial performance information	Internally reviewed and assured by the Management of the Company.

Materiality Determination

This Integrated Annual Report provides fair and balanced information about the relevant matters that substantively affect the Company's ability to create value both positively and negatively, including risks and opportunities and favourable and unfavourable performance or prospects. To identify material information or matters, we have taken a holistic perspective by regularly engaging with the various key stakeholders.

Note:

You can find more information about Hindustan Unilever Limited at www.hul.co.in.

Find more information about HUL Compass ESG Goals: https://www.hul.co.in/planet-and-society/

Integrated Annual Report along with other related documents can be downloaded: https://www.hul.co.in/investor-relations/annual-reports/

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Our stakeholders

Consumers

9/10
Households in India use one or more of our brands

>75%
Business winning market shares[1]

19
Brands with turnover exceeding ₹ 1,000 crores per annum

Customers

~9 Mn
Retailers reached

1.2 Mn
Retailers use our e-B2B app - Shikhar

30%
Digitised demand capture

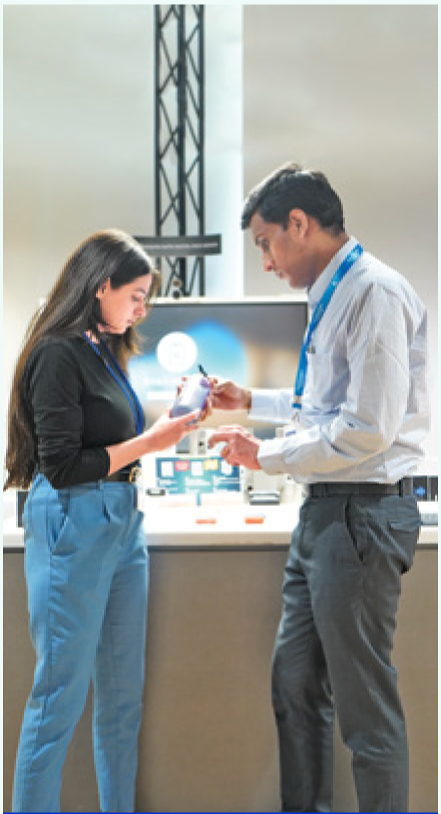
Suppliers and business partners

>1,300
Key suppliers

>₹31,000 Cr
Material spends

>65 Bn
Units manufactured[2]

1) March'23 MAT Business winning report based on Nielsen market data (HUL relevant categories)
2) HUL including subsidiaries



Our people

#1

Employer of choice[1]

40%

Gender balance[2]

One of the Best

Organisations for women in 2022 and 2023[3]

Planet and society

>2.6 Tn litres

Water potential created[4]

97% ↓

Reduction in CO_2 emissions per tonne of production[5]

~9 Mn

People reached through our community development initiative – Prabhat

Shareholders

₹58,154 Cr

Turnover

16% YoY Growth

₹9,962 Cr

Profit after tax

13% YoY Growth

₹39

Dividend per share

15% YoY Growth

1) *Based on brand perception study by InsideIIM at target B-schools in Aug-Sep 2022*
2) *HUL including subsidiaries*
3) *Recognised by the Economic Times as one of the Best Organisations for Women*
4) *Cumulative and collective water potential created by Hindustan Unilever Foundation along with its partners*
5) *Compared to 2008 baseline*

Corporate Overview

About Us

Hindustan Unilever Limited is India's largest Fast Moving Consumer Goods (FMCG) Company with a 90-year heritage in the country. We are a Company of brands and people driven by our purpose of making sustainable living commonplace. Nine out of ten Indian households use one or more of our brands to look good, feel good and get more out of life.

We have a wide and resilient portfolio of 50+ brands, spanning 16 FMCG categories, which are a part of everyday life of millions of consumers across India. We manufacture over 65 billion units annually, that are made available to our consumers through nine million retail outlets and many digital commerce platforms.

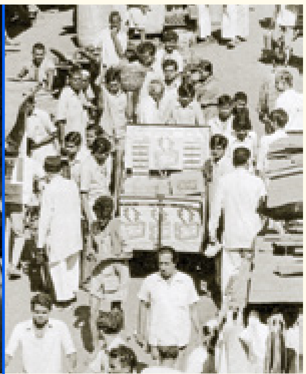
Our Compass business strategy integrates sustainability across business operations, enabling us to deliver 4G growth, growth that is consistent, competitive, profitable and responsible. In a rapidly evolving world, where digitisation and sustainability have taken centre stage, we are steadfastly progressing on our purpose-led and future-fit journey.

Our history

90 years of doing well by doing good

It was **1888** when Calcutta harbour received a consignment of crates of 'Sunlight', which marked the beginning of India's largest FMCG company's journey.

On 17th October, **1933**, the Company was incorporated in India and has travelled the past nine decades alongside the country, working towards creating a better future every day, helping people look good, feel good, and get more out of life.



1930s

Lever Brothers India Limited incorporated in India — established its first soap factory in Sewri, Bombay.

1940s

Company acquired own sales force and agencies in Bombay, Calcutta, and Madras.

Mr. Morarji Desai, who was then Deputy Prime Minister, inscribes his name on the concrete plaque at the inauguration of the Hindustan Lever Research Center in 1967.

1950s

Lever Brothers India Limited, Hindustan Vanaspati Manufacturing Company Limited, and United Traders Limited merged in 1956 to form Hindustan Lever Limited (HLL), with 10% Indian equity participation. The issue was oversubscribed nearly six times, and 21,623 Indians came to own a part of the then Hindustan Lever Limited.

1960s

India's first research centre in FMCG industry opened in Mumbai in 1967.

1970s

The Integrated Rural Development programme began in Etah, Uttar Pradesh, with five villages. It grew to cover over 200 villages within 10 years.

A home for the destitute inaugurated in Byculla, Mumbai along with the Missionaries of Charity, aptly named Asha Daan, a Gift of Hope.

1990s

Tata Oil Mills Limited merged with HLL, in the largest M&A in Indian corporate history at the time in 1994.

Brooke Bond Lipton India Limited merged with HLL in 1996.

Lakme Lever Private Limited was formed in 1996.

2000s

With the goal of improving hygiene, fighting disease, and generating income for rural women, Project Shakti launched as a pilot in Andhra Pradesh.

The Company's name was changed to Hindustan Unilever Limited (HUL) retaining continued commitment towards its local roots while leveraging the global scale and reputation of Unilever.

2010s

HUL embraced the Unilever Sustainable Living Plan (USLP) — committing towards sustainable growth and time-bound targets aimed at positively impacting society and environment.

Hindustan Unilever Foundation (HUF) set-up to support national priorities for socio-economic development by addressing water challenges.

Project 'Prabhat' launched to engage with and contribute to the development of local communities around our manufacturing sites.

The 'Winning in Many Indias' (WiMI) operating framework launched. Three new sales offices setup in Lucknow, Indore, and Bengaluru in addition to the existing sales offices in Delhi, Kolkata, Mumbai, and Chennai.

Re-Imagine HUL launched with an aim to leverage data, harness latest technologies, and emerging business models in order to redefine how HUL engages with consumers, customers, and the way the business operates.

2020s

GSK Consumer Healthcare merged with HUL marking the largest M&A deal in Indian FMCG industry. Iconic health food drink brands — Horlicks and Boost became part of HUL's portfolio.

New Compass strategy was announced that fully integrated sustainability across our business operations. At the heart of Compass is our purpose to make sustainable living commonplace.

Purpose and Vision

Our Vision

Our vision is to deliver winning performance by being the leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance delivering consistent, competitive, profitable, and responsible growth.

Our strategic priorities

Developing our portfolio

Growing the Core	Accelerating Market Development	Driving Premiumisation

Win with our brands as a force for good, powered by purpose and innovation

Improve the health of the planet	Improve people's health, confidence and wellbeing	Contribute to a fairer, more socially inclusive world	Win with differentiated science and technology

Lead in the channels of the future

Accelerate pure-play and omni-channel e-Commerce	Strengthen e-B2B presence	Drive category leadership through shopper insight

Build differentiated structures and capabilities

Empowered Business Units	Winning in Many Indias (WiMI)	Digital transformation (Re-Imagine HUL)

Our enablers

Operational excellence through the 5 growth fundamentals	Leader in sustainable business	A growth-focused and purpose-led organisation and culture
Purposeful Brands	Drive climate action to reach net zero	Unlock speed and agility of a digitally enabled organisation
Improved Penetration	Reduce plastic as part of waste-free world	Be a beacon for equity, diversity, and inclusion
Impactful Innovation	Regenerate nature and agriculture	Leverage power of Unilever-wide capabilities
Design for Channel	Contribute to creating water potential at scale in India	
Fuel for Growth	Raise living standards in our value chain	

Underpinned by our values

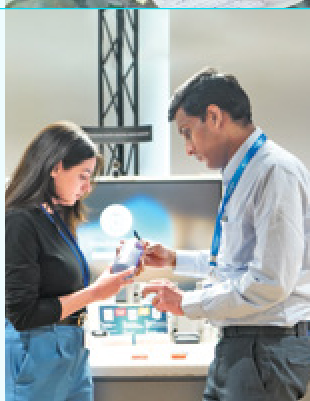
Integrity	Responsibility	Respect	Pioneering
We do the right thing in every decision we make, supporting our long term success	We take care of the people we serve and the world in which we operate	We treat people with dignity, honesty and fairness, and celebrate the diversity of people	We have a passion for leading our industry, winning in the market, and intelligent risk-taking

For the benefit of our stakeholders

Consumers

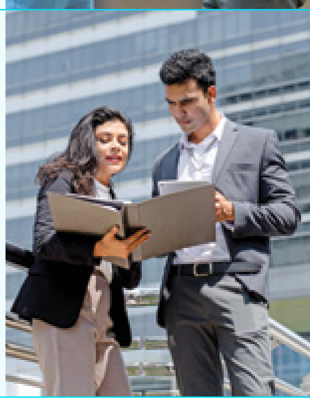
Customers

Suppliers and business partners



Our people

Planet and society



Shareholders

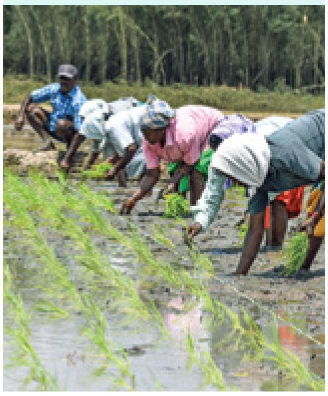
HUL Compass ESG Goals

Win with our brands as a force for good, powered by purpose and innovation.

Improve the health of the planet

Climate action

- Net zero emissions for all our products from sourcing to point of sale by 2039
- Halve greenhouse gas impact of our products across the lifecycle by 2030
- Zero emissions in our operations by 2030
- Replace fossil-fuel derived carbon with renewable or recycled carbon in all our cleaning and laundry product formulations by 2030
- Communicate a carbon footprint for every product we sell



Protect and regenerate nature

- Deforestation-free supply chain in palm oil, paper and board, tea, soy, and cocoa by 2023
- Help protect and regenerate land, forests, and oceans by 2030
- 100% sustainable sourcing of our key agricultural crops
- Empower farmers and smallholders to protect and regenerate farm environments
- Contribute to 3 trillion litres of water potential in India through HUF by 2025
- Implement water stewardship programmes in 12 locations in water stressed areas by 2030
- 100% of our ingredients will be biodegradable by 2030

Waste-free world

- Collect and process more plastic than we sell
- 100% reusable, recyclable or compostable plastic packaging by 2025
- 15% recycled plastic by 2025
- Halve food waste in our operations by 2025
- Maintain zero non-hazardous waste to landfill in our factories

Improve people's health, confidence and wellbeing

Positive nutrition

- Double the number of products sold that deliver positive nutrition by 2025
- 70% of our portfolio to meet WHO-aligned nutritional standards by 2022*
- 95% of packaged ice cream to contain no more than 22g total sugar per serving by 2025
- 95% of packaged ice cream to contain no more than 250 kcal per serving by 2025
- 85% of our Foods portfolio to help consumers reduce their salt intake to no more than 5g per day by 2022*

**From 2023, these commitments will be replaced with a new target to ensure that 85% of our servings meet new Unilever Science-based Nutrition Criteria (USNC) by 2028.*

Respect human rights

Respect and promote human rights and the effective implementation of the UN Guiding Principles, and ensure compliance with our Responsible Partner Policy.

Improve people's health, confidence and wellbeing

Health and wellbeing

Take action through our brands to improve health and wellbeing and advance equity and inclusion

We will focus on:

- Gender equity
- Body confidence and self-esteem
- Mental wellbeing
- Hand hygiene
- Sanitation
- Oral health
- Skin health and healing

Contribute to a fairer, more socially inclusive world

Equity, diversity and inclusion

Achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies

Accelerate diverse representation at all levels of leadership

5% of our workforce to be made up of people with disabilities by 2025

Spend ₹2,000 crores annually with diverse businesses by 2025

Increase representation of diverse groups in our advertising

Raise living standards

Ensure that everyone who directly provides goods and services to HUL will earn at least a living wage or income by 2030

Help 2 million small and medium-sized enterprises grow their business by 2025

Future of work

Help equip 1.5 million young people with essential skills by 2030

Pioneer new employment models and provide access to flexible working practices to our employees by 2030

Reskill or upskill our employees with future-fit skills by 2025

Our responsible business fundamentals

Business integrity	Safeguarding data
Safety at work	Responsible advertising and marketing
Employee wellbeing	Engaging with stakeholders
Product safety and quality	Responsible taxpayer
Responsible innovation	Committed to transparency

Our value creation model

A belief that sustainable business drives superior performance lies at the heart of our Compass.

What we depend on...

Relationships

Purposeful people

Our talented and purpose-driven people invest their skills and time in our offices, factories, and R&D Centres. We are increasingly working in more flexible and agile ways.

Trusted suppliers

Over 1,300 key supplier partners source materials and provide critical services for us.

Committed partners

Our relationships with governments, customers, NGOs, and other organisations help us to increase our impact beyond what we could achieve on our own.

Resources

Input materials

We use thousands of tonnes of agricultural raw materials, packaging materials, and chemicals for our products.

Financial resources

Capital from our shareholders allows us to invest for the long-term.

Intangible assets

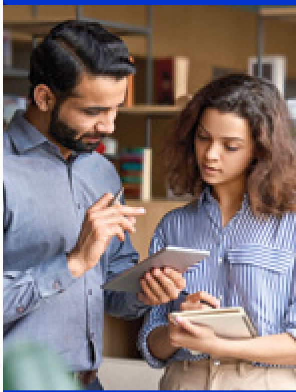
50+ brands, R&D capabilities, and intellectual property, such as patents and trademark, manufacturing excellence, technological capabilities, and organisational design, set us apart.

Owned and leased assets[1]

29 owned factories, 10 offices, and 32 logistics warehouses spread across the country.

1 HUL Including subsidiaries

What we do...



1

Consumer insights

We track changing consumer sentiment through our People Data Centre, combining social listening with traditional consumer research.

2

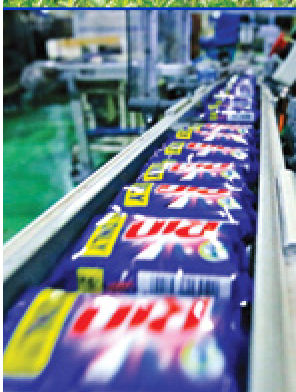
Innovation

Our marketing and R&D teams use these insights, plus, the best ideas and thinking from specialists outside the Company to develop our brands and products.

3

Sourcing

Each year, we buy large quantities of raw materials and packaging materials to make our products and services to run our business.



4

Manufacturing

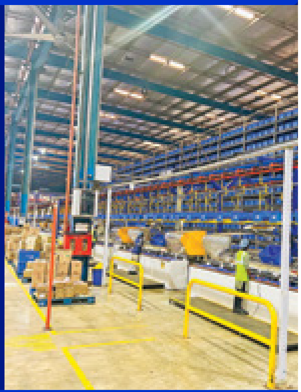
Our factories and third-party manufacturers convert materials into the products we sell.

All underpinned by the management of our principal risks **pg 78-83**

What we do...

5 Logistics

A countrywide network of logistics warehouses ultimately deliver our products to millions of retail outlets.



6 Marketing

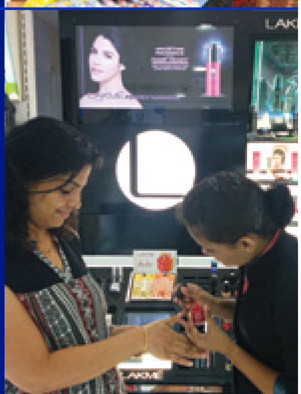
We are one of the largest advertisers in the country based on media spends. We create an increasing amount of tailored digital content ourselves to connect with consumers and make it easy for them to choose our brand.

7 Sales

We use many channels to make our brands available to consumers wherever and whenever they shop. Our products are available in c.9 million retail outlets.

8 Consumer use

9 out of 10 households in India use our products to look good, feel good and get more out of life.



All underpinned by the management of our principal risks pg 78-83

The value we create for...

Consumers pg 56-57

We aim to provide superior-quality products and purposeful brands that take action on the issues that matter to people and planet.

Customers pg 58-59

We partner with traditional trade distributors, retailers and digital commerce marketplaces to grow our business and theirs.

Suppliers and business partners pg 60-63

We partner with suppliers to help innovate our products and support mutual and sustainable growth.

Our people pg 64-67

We aim to reward people fairly for the work they do while helping them find their purpose so they become the best they can be with the Company.

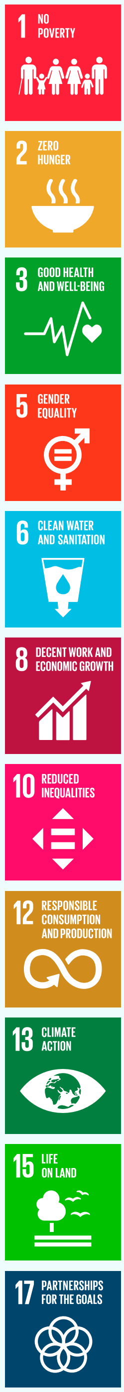
Planet and society pg 68-73

We aim to improve the health of the planet while contributing to a fairer and more socially inclusive world.

Shareholders pg 74-77

We aim to deliver consistent, competitive, profitable, and responsible growth.

Contributing to the SDGs



Our wide and resilient portfolio

Beauty and Personal Care

Skin Cleansing

Lifebuoy | LUX | Pears | Dove
Hamam | Rexona | Liril | VWash

Hair Care

CLINIC PLUS+ | Dove | sunsilk | TRESemmé
indulekha | LOVE beauty AND planet

Skin Care & Colour Cosmetics

Glow & Lovely | POND'S | Vaseline | LAKMĒ | NOVOLOGY
Simple | FIND YOUR HAPPY PLACE | ACNESQUAD | ELLE 18

Oral

closeup | Pepsodent | āyush

Deodorant and Male Toiletries

Dove | AXE | Rexona

Health and Wellbeing

OZiva | Wellbeing Nutrition

Home Care

Fabric Care

Household Care

Water Purifier

Foods and Refreshment

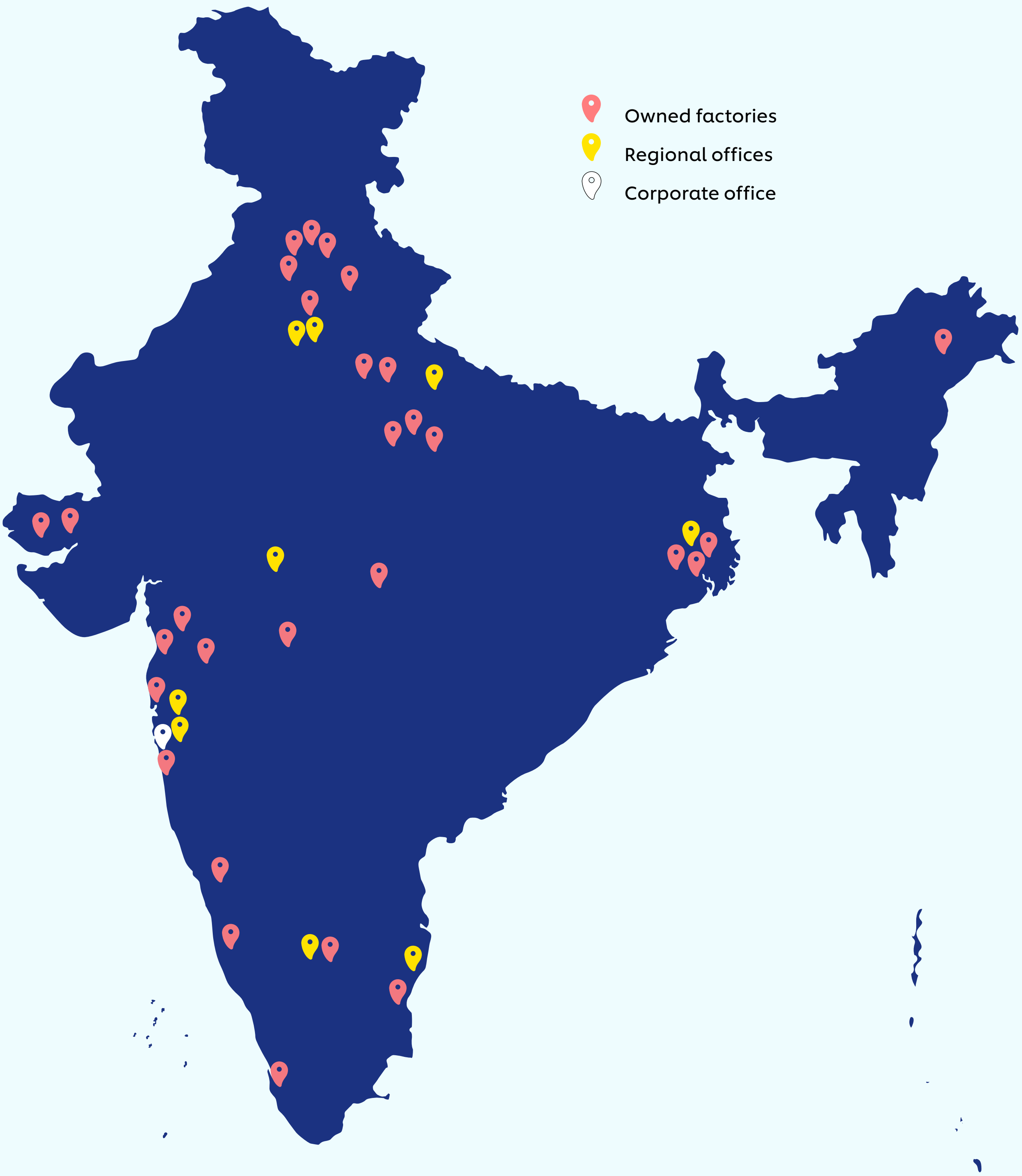
Beverages

Health Food Drinks

Ice Cream

Foods

Our geographic footprint



9/10 households
in India use one or more of our brands

c.9 million
Retail outlets reached

>3,500
Distributors

30%
Digitised demand capture

29
Owned factories

32
Depots

HUL including subsidiaries

Map not to scale. For illustrative purposes only.

Performance Overview

Chairman's Statement

Dear Shareholders,

In the Financial Year 2022-23, your Company Hindustan Unilever Limited demonstrated a strong and resilient performance. We completed the ninth consecutive quarter of double-digit Underlying Sales Growth and in the Financial Year, added nearly ₹8,000 crores to our turnover, despite a volatile and high-inflationary external environment. Our performance has been especially impressive considering the challenges the world faces today. Economic growth the world over remains low as financial risks rise.

Against this backdrop, India comes out as a bright spot in the global economy. Having completed 75 years of independence, India is marching ahead at a fast pace to take its place as one of the leading economies in the world. The nation is undergoing a social and economic transformation that is unmatched in history. It recently became the 5th largest economy in the world with sights now set on achieving the US$5 trillion GDP mark.

As the leading Fast Moving Consumer Goods company, with brands that reach 9 out of 10 Indian households, HUL is well placed to partner the India growth story and is committed to play its role in creating a sustainable and equitable future.

Being Agile, Responsive and Future-Fit

At HUL, we have always kept consumers at the heart of everything we do. The last few years of the pandemic coupled with the nation's rapid digitisation journey have had a significant impact on consumers. With increased connectivity and access to information, consumers have become more discerning, looking for superior products that deliver value and demanding brands with a purpose.

At HUL, we have been on a journey to strengthen our digital backbone over the last few years. This journey towards becoming an intelligent enterprise will enable us to create a tech-powered and human-centric solution that fits the complexity of the business and emerging consumer needs – from sourcing to manufacturing; from innovation to marketing and reaching our consumers through channels of the future. For instance, through digital tools, we are now picking up consumer signals faster. We have setup an Agile Innovation hub that helps in early trend spotting, digital prototyping and deployment. This significantly reduces the time from ideation to launch of a new product. Leveraging our global repertoire of knowledge in consumer insights and Research & Development, we are devising solutions to address evolving local needs with speed and agility.

We continue to contemporise and strengthen our iconic core brands. Last year, Surf excel crossed the milestone of being a US$1 billion brand. Lux was relaunched with unique regional mixes and since then the brand has been delivering stellar results. Our Skin Care brand Pond's has been leading the premiumisation agenda with on-trend innovations and future formats. With a very strong performance, both these brands crossed ₹2,000 crores turnover.

People and Planet Positive

We realise the importance of ensuring that the future growth is inclusive and does not come at the cost of the environment. We believe that to generate superior long-term value, we need to look beyond just profits and care for all our stakeholders – our consumers, customers, suppliers & business partners, people, shareholders and above all, the planet and society.

We have in fact integrated sustainability into our business strategy and together with our robust governance mechanism we are working towards ESG (Environmental, Social and Governance) goals to lead change. Our efforts in ESG have been acknowledged and appreciated, making us one of the top ESG rated FMCG companies in India. This Annual Report has annexed to it a Business Responsibility and Sustainability Report that covers our ESG vision, policy, agenda and progress against elements of each of the nine principles under the National Guidelines on Responsible Business Conduct.

Our mantra of 'doing well by doing good' is ingrained across our business and we have continued to make strong progress on our sustainability agenda across the pillars of Climate, Nature and Social. We are decarbonising our operations and have achieved 97% reduction in CO_2 emissions per tonne of production across our manufacturing operations, when compared to 2008 baseline. We continued to collect more plastic waste from across India than the plastic we use in the packaging of our products in 2022. Through the Hindustan Unilever Foundation, a not-for-profit company that was set up in 2010, we support and amplify scalable solutions that can help address India's water challenges. Till date, the Foundation has delivered a cumulative and collective water potential of over 2.6 trillion litres, which is more than the quantity required to meet the drinking water needs of India's population for nearly two years. We are committed to a deforestation free supply chain; in this fiscal, 95% of our paper and board in packaging, 82% of our tomatoes and 69% of tea came from sustainable sources.

Another key commitment that we have made is to build more resilient and equitable communities by raising living standards, advancing equity, diversity and inclusion, and preparing people for the future of work. We have committed to ensure that every single person who provides goods and services to us, earns at least a living wage required to sustain a decent standard of living, and that is significantly higher than the legally mandated minimum wage. We truly believe that when people earn a living wage or income, there is a direct benefit to the economy, as it stimulates consumer spending, aids job creation, helps small businesses, decreases employee turnover and improves job productivity and quality – overall creating a virtuous cycle of economic growth.

In our workplaces, we continue to foster equity, diversity & inclusion, and the overall engagement on gender diversity across the organisation has been strengthened. In fact, we strive to be a workplace where everyone feels they belong and are able to thrive. This means creating an inclusive culture free from the barriers that limit people in reaching their true potential. By 2022, the women representation in managerial positions was at 40%. We have also

We are one of the
top ESG rated
FMCG companies in India

taken decisive steps to improve gender balance in our frontline sales force through Project Ahilya and have till date onboarded more than 1000 women to our sales teams. Equally, we are making progress to improve representation of women on the factory shopfloor, with the addition of over 850 women across our factories.

We strive to enhance livelihoods through our Shakti programme. Till date, we have empowered over 1.9 lakhs women in rural India to become Shakti entrepreneurs, thereby promoting financial independence. Through Prabhat, our community development programme, we have reached nearly nine million people in the last nine years, with an aim to improve livelihoods, health, nutrition and environment of communities near our factories.

Embedding Purpose and Values

Hindustan Unilever, over its 90 years of corporate existence in the country, has always believed 'what is good for India, is good for HUL.' This belief has shaped our governance framework over the years. Values of Respect, Integrity, Responsibility & Pioneering lie at the core of our business. We have been conducting our operations with integrity and respect for the many people, organisations and environment the business touches.

At the same time, we believe that businesses must have a purpose beyond profits, and that brands with purpose grow, companies with purpose last and people with purpose thrive. Driven by purpose and with values embedded deeply into the business, we are well-placed to continue to deliver growth that is consistent, competitive, profitable and responsible.

I would like to thank you, our shareholders, for your support and continued trust in Hindustan Unilever Limited.

Regards,

Nitin Paranjpe
Chairman

Chief Executive Officer and Managing Director's Statement

Dear Shareholders,

Your Company Hindustan Unilever Limited delivered an impressive performance in the Financial Year 2022-23. In a challenging macroeconomic environment, marked by geopolitical uncertainties, high commodity inflation and tepid market growth, we delivered yet another year of strong results. We kept our focus laser sharp on meeting the evolving needs of our consumers and at the same time, protecting our business model.

Our turnover at ₹58,154 crores grew 16% with underlying volume growth of 5%. Growth was significantly ahead of the market, leading to handsome market share gains. EBITDA margin remained healthy at 23.4% despite the unprecedented inflation during the year. PAT at ₹9,962 crores and EPS at ₹42.4 per share was up 13%. The Board of Directors proposed a final dividend of ₹22 per share, subject to approval of shareholders at the AGM. Together with interim dividend of ₹17 per share, the total dividend for the year amounts to ₹39 per share, an increase of 15% vs FY'22.

As economic activities normalised after a couple years of the pandemic, in a high inflationary environment, we witnessed consumers prioritising essentials over discretionary spends. At the same time, macro trends such as digitisation and sustainability continued to play a major role in purchase decisions. To meet the needs of the new age consumers, we leveraged Unilever's world class Research & Development capabilities which has eight global centres including two in India, to create innovative products for Indian consumers that are superior and sustainable while being cost effective.

In Beauty and Personal Care, we continued to contemporise our Core brands to keep them relevant and aspirational for our consumers. We leveraged our Winning in Many Indias (WiMI) strategy to deaverage India and get closer to our consumers. Bringing WiMI alive, Lux created winning products and tailored propositions addressing local consumer needs that helped the brand gain penetration and win competitively. In Skin Cleansing, we drove premiumisation from soap bars to bodywash through our relentless focus on market development. At the same time, Lifebuoy our #1 soap brand in India built relevance of hygiene with its on-ground initiative 'H for Handwashing'. With our portfolio of beauty masterbrands like Dove, Lakmé and Pond's, we tapped into emerging demand spaces through on-trend innovations such as Dove Hair Fall Therapy, Lakmé Vitamin C, Pond's Light Hydration and more. In Hair Care, TRESemmé launched its Pro Pure range in the clean beauty space. Clinic Plus spread its magic of purposeful marketing with the inspiring 'Meri Beti Strong' campaign. Taking its strong ayurvedic credentials to newer formats, Indulekha launched hair serum and mask. Expanding our offerings in the premium beauty space, we launched two new brands Acne Squad and Find Your Happy Place. With this, we now have five brands in our digital-first Premium Beauty Business Unit. In line with our strategic intent, we forayed into the fast-growing demand spaces of 'Health and Wellbeing' through strategic partnerships with two young science- backed brands 'OZiva' and 'Wellbeing Nutrition'.

Urbanisation, increasing nuclear family structures and rising affluence continued to bolster the growth of new demand spaces and the premium segment. In our Home Care business, for instance, our liquids portfolio doubled in the last three years. Our biggest Fabric Care brand Surf excel continued to lead premiumisation and drive purpose, and crossed the US$1 billion turnover milestone this year. On the other hand, our dishwash brand Vim was recognised by Kantar for its fastest growing consumer reach in the last decade across FMCG brands globally. Vim's campaign, 'Nazariya Badlo, Dekho Bartano Se Aage', won the 'Un-stereotype' award at Kantar's Creative Effectiveness Awards 2022. The brand took a step further in this direction with a one-of-its-kind Vim Black campaign to address gender stereotypes around cleaning. Our surface cleaning brand Domex continued to scale up with its superior product backed by patented Fresh Guard Technology. In our Water Purifier business, Pureit expanded its portfolio with the launch of Pureit Vital Series, a new range of RO+UV+ Minerals based water purifiers that remove toxic substances like industrial chemicals, pesticides, pathogens to provide safe drinking water.

Our Foods and Refreshment business growth was led by a strong performance in Ice Cream, Foods and Coffee. Our Ice Cream business had a stellar year led by innovations and brilliant execution. In order to de-seasonalise Ice Cream, we expanded consumption occasions through innovative campaigns and exclusive products such as Nolen Gur cup and Gulab Jamun Ice Cream that centred around Indian festivals. We continued to leverage technology to cater to our digitally active consumers through the ICNow channel and witnessed strong consumer traction. The channel now contributes to about 10% of our Ice Cream sales. To cater to the rapidly evolving coffee culture in India, Bru introduced three new premium offerings of Beaten Coffee, Freeze Dried Coffee and Decoction. Hellmann's Mayonnaise and Kissan Peanut Butter continued to scale up and this year, we introduced a new variant of Kissan Peanut Butter in Hazelnut Choco flavour. Leveraging WiMI strategy, we continued to craft unique tea blends to meet the tastes and preferences of our varied consumer base. At the same time, our purposeful communication helped us drive brand salience. Consumer-centric innovation and excellent execution helped us maintain our position as the market leader in Tea in India. The Health Foods Drinks (HFD) portfolio gained handsome market share led by focused market development strategy. During the year, we reached millions of households via our sampling programme and educated consumers about the benefits of HFD. With the recent rise in milk prices, we piloted a new 3-in-1 Ready Mix variant of Horlicks that provides children with similar nutrition as available from a glass of milk and Horlicks, at a more affordable price.

In order to make our brands available to consumers wherever they shop, we continued to partner with a diverse set of customers including traditional distributors, modern trade partners, digital commerce platforms as well as thousands of neighbourhood retailers. In a rapidly evolving distribution landscape, digital transformation was one of our key enablers for growth. Our pioneering e-B2B app Shikhar is now used by 1.2 million retail outlets allowing them to place orders directly with our distributors anytime. We embedded technology to improve fulfilment service to our retailers. For example, in Chennai, we are able to fulfil 90% of the orders on the same or next day through our Samadhan initiative. Recognising the need to create equal opportunities for women in our frontline salesforce, we rolled out the Ahilya initiative. Named after the historical warrior queen, this initiative has helped us onboard over 1,000 women sales representatives so far.

Our supply chain continues to be a source of competitive advantage ensuring highest standards of quality in manufacturing, leading benchmarks in costs and driving our sustainability agenda. We are on a journey to make our supply chain even more agile and resilient by investing in capabilities, deploying the most advanced technologies, driving better efficiencies and improved utilisation of our assets. For instance, in order to cater to the need for niche premium products and on-trend innovations, we have setup seven Nano factories that enable us to manufacture small batch products in a much more agile manner.

We believe that a healthy planet and society are essential for the business to flourish. We took decisive actions to reduce the carbon emission by 97% over 2008 baseline, from our manufacturing. We installed solar plants and windmills, and today the total capacity of solar and wind energy in our factories is 20 megawatts. Through the Hindustan Unilever Foundation, we created a cumulative and collective water potential of over 2.6 trillion litres. We continued on our mission to tackle plastic waste and collected more plastic waste from across India than we use in packaging our products. Suvidha, our pioneering urban water, hygiene and sanitation community initiative that ensures access to safe sanitation in slums is now 12 centres strong and reaches over three lakhs people. We now have over 1.9 lakhs Shakti Ammas under Project Shakti, an initiative that provides livelihood opportunities to rural women. Through Prabhat, our community development initiative aimed at improving livelihoods, health, nutrition as well as protecting the environment, we have positively impacted nearly nine million people till date.

Going forward, in a rapidly changing and challenging business environment, I truly believe that our clear and compelling Compass strategy, underlined by our purpose to make sustainable living commonplace, will hold us in good stead, making us more resilient and agile.

I would like to thank our people who tirelessly work in our offices, our factories, our salesforce and the extended value chain for making us the number one FMCG business in India over the years. Finally, as I sign off as the CEO and MD of this great Company, I would like to thank you, our shareholders, for your continued trust, support, and confidence in Hindustan Unilever Limited.

Warm regards,

Sanjiv Mehta

Chief Executive Officer and Managing Director

Our Financial Highlights
(Standalone)

Turnover 16% ↑
₹58,154 cr

EBITDA 9% ↑
₹13,632 cr

PAT 13% ↑
₹9,962 cr

EPS 13% ↑
₹42.4

Cash from operations 9% ↑
₹12,694 cr

ROCE
102%

YoY Growth ↑

(₹ in crores)

Statement of Profit & Loss Account	2022-23	2021-22	2020-21
Turnover	58,154	50,336	45,311
Other Income (includes other operating income)	1,630	1,250	1,198
Earnings Before Interest and Taxes (EBIT)	12,602	11,478	10,312
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	13,632	12,503	11,324
Profit Before Taxation (PBT)	13,079	11,739	10,490
Profit After Taxation (PAT)	9,962	8,818	7,954
Earnings Per Share of ₹1 (EPS)	42.40	37.53	33.85
Dividend Per Share of ₹1	39.00	34.00	40.50+

+ includes Special Dividend

(₹ in crores)

Balance Sheet	2022-23	2021-22	2020-21
Property, Plant and Equipment	7,209	6,714	6,409
Intangible Assets	45,216	45,221	45,241
Other Assets	19,400	17,802	16,466
Total Assets	**71,825**	**69,737**	**68,116**
Share Capital	235	235	235
Other Equity	49,986	48,525	47,199
Other Liabilities	21,604	20,977	20,682
Total Equity and Liabilities	**71,825**	**69,737**	**68,116**

Key Ratios and EVA	2022-23	2021-22	2020-21
EBITDA (% of Turnover)	23.4	24.8	25.0
Fixed Asset Turnover (No. of Times)	1.1	1.0	0.9
PAT/Turnover (%)	17.1	17.5	17.6
Return on Capital Employed (ROCE) (%)	101.9	107.8	113.0
Return On Net Worth (RONW) (%)	20.1	18.6	17.0*
Economic Value Added (EVA) (₹ in crores)	4,435	4,435	3,810*

**Opening balances adjusted for GSK CH merger*

Others	2022-23	2021-22	2020-21
HUL Share Price on BSE (Per Share of ₹1)#	2,559	2,049	2,431
Market Capitalisation (₹ in crores)	6,01,202	4,81,396	5,71,133

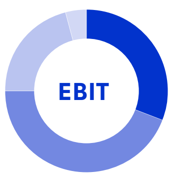
#Based on year-end closing prices quoted on BSE Limited

Segmental Performance in FY 2022-23

(₹ in crores)

Segmental Revenue

Home Care	21,230
Beauty and Personal Care	21,831
Foods and Refreshment	14,876
Others	1,207



Segmental Results (EBIT)

Home Care	3,875
Beauty and Personal Care	5,597
Foods and Refreshment	2,662
Others	468

Long-term track record
(Standalone)

(₹ in crores)

Statement of Profit & Loss	IGAAP				IND AS							
	2012-13^	2013-14^	2014-15^	2015-16^	2015-16##	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Turnover	26,680	28,947	32,086	33,856	32,929	33,895	34,619	37,660	38,273	45,311	50,336	58,154
Profit Before Taxation (PBT)	4,958	5,028	6,187	5,871	5,946	6,396	7,285	8,522	9,092	10,490	11,739	13,079
Profit After Taxation (PAT)	3,797	3,867	4,315	4,082	4,137	4,490	5,237	6,036	6,738	7,954	8,818	9,962
Earnings Per Share of ₹1 (EPS)	17.56	17.88	19.95	18.87	19.12	20.75	24.20	27.89	31.13	33.85	37.53	42.40
Dividend Per Share of ₹1	18.50$$	13.00	15.00	16.00	16.00	17.00	20.00	22.00	25.00	40.50$$	34.00	39.00

Balance Sheet	IGAAP				IND AS							
	2012-13^	2013-14^	2014-15^	2015-16^	2015-16##	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Property, Plant and Equipment	2,462	2,710	2,915	3,288	3,288	3,857	4,206	4,280	5,138	6,409	6,714	7,209
Intangible Assets	47	32	22	12	12	370	366	436	431	45,241	45,221	45,216
Other Assets	9,003	10,256	10,697	10,867	10,620	10,524	12,577	13,149	14,033	16,466	17,802	19,400
Total Assets	**11,512**	**12,998**	**13,634**	**14,167**	**13,920**	**14,751**	**17,149**	**17,865**	**19,602**	**68,116**	**69,737**	**71,825**
Share Capital	216	216	216	216	216	216	216	216	216	235	235	235
Other Equity	2,458	3,061	3,508	3,471	6,063	6,274	6,859	7,443	7,815	47,199	48,525	49,986
Other Liabilities	8,838	9,721	9,909	10,480	7,641	8,261	10,074	10,206	11,571	20,682	20,977	21,604
Total Equity and Liabilities	**11,512**	**12,998**	**13,634**	**14,167**	**13,920**	**14,751**	**17,149**	**17,865**	**19,602**	**68,116**	**69,737**	**71,825**

Key ratios and EVA	IGAAP				IND AS							
	2012-13^	2013-14^	2014-15^	2015-16^	2015-16##	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Fixed Asset Turnover (No. of Times)	10.6	10.6	10.9	10.3	10.0	8.0	7.6	8.0	6.9	0.9	1.0	1.1
PAT / Turnover (%)	12.4	12.3	12.0	12.0	12.5	12.5	14.8	16.1	17.6	17.6	17.5	17.1
Return On Capital Employed (ROCE) (%)#	143.4	129.9	133.0	147.2	86.6	92.3	101.3	112.3	103.4	113.0	107.8	101.9
Return On Net Worth (RONW) (%)#	122.7	130.0	123.3	110.2	82.5	70.0	77.0	81.9	84.8	17.0**	18.6	20.1
Economic Value Added (EVA) (₹ in crores)	2,926	3,147	3,380	3,526	3,438	3,498	4,258	5,291	6,085	3,810**	4,435	4,435

***RONW and EVA have dropped due to increase in shareholders' equity pursuant to opening balances restated on account of GSK CH merger*

#ROCE and RONW has been re-stated for all years in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

Return metrics (ROCE and RONW) are lower in Ind AS compared to IGAAP since under IND AS final dividend including taxes are accounted after approval in AGM only; whereas in IGAAP such dividends were recognised in the same year to which they relate to.

Others	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
HUL Share Price on BSE (Per Share of ₹1)*	466	604	873	870	910	1,336	1,708	2,298	2,431	2,049	2,559
Market Capitalisation (₹ in crores)	1,00,793	1,30,551	1,88,849	1,88,154	1,96,902	2,89,159	3,69,688	4,97,514	5,71,133	4,81,396	6,01,202

**Based on year-end closing prices quoted on BSE Limited*

$$Includes special dividend ^Based on Revised Schedule VI/Schedule III ##Figures are restated as per IND AS

Home Care

Making people's homes a better world, and our world a better home

We are a business of leading Fabric and Household Care brands such as Surf excel, Wheel, Rin, Comfort, Vim, and Domex. Our aim is to offer products that are superior, sustainable, and provide great value.

Home Care represents:

36% of HUL's Revenues

31% of Earnings Before Interest and Tax

Fabric Care and Household Care **delivered high double-digit competitive growth** driven by market development

Handsome market share gains across the portfolio, both in value and volume terms

Home Care liquids **doubled in last 3 years** exceeding ₹3,000 crores in annual turnover

Surf excel crossed **US$1 Bn Annual Turnover** becoming the first home and personal care brand in India to reach this milestone

At the heart of our Home Care growth strategy is a commitment to meet our consumers' needs with superior products. Through a relentless focus on science, technology, and innovation, we are driving consistent and competitive growth by delivering exceptional consumer experiences.

Performance Snapshots

Revenue	Revenue Growth	EBIT
₹21,230 Cr	28%	₹3,875 Cr

Home Care (HC): Review of the year

Our Home Care business grew 28% in FY'23, significantly ahead of the market, leading to handsome value and volume market share gains. Both Fabric Care and Household Care delivered stellar performance growing in high double digits led by robust performance across all brands and formats. Our Water Purifier business grew in double digits.

During the year, the business witnessed unprecedented inflation in input cost led by sharp rise in prices of key raw materials such as Crude, Soda Ash, Caustic Soda, and packaging materials. We responded swiftly by driving savings harder, focused on providing the right price-value equation to our consumers. This enabled us to grow competitively while maintaining healthy margins.

Brands with purpose

Our Home Care brands recognise the role that purpose combined with product superiority play in competitiveness. In Fabric Care, our biggest brand Surf excel continues to lead the premiumisation agenda while spreading its philosophy of 'Daag achhe hain' or 'Dirt is good', inspiring people to take action on environmental and social causes. The brand crossed US$1 billion in turnover this year, becoming the first Home and Personal Care brand in India to reach the milestone. Wheel continued to expand its consumer franchise and delivered strong competitive growth in the mass detergents segment. Rin's latest campaign celebrates women who shine, and it does so through the inspiring story of Isaivani, who overcame many obstacles to fulfil her childhood dream of becoming a pop singer.

Surf excel crossed
US$1 Bn Annual Turnover
becoming the first HPC brand in India to reach this milestone

Home Care

Our dishwash brand Vim was recognised by Kantar for fastest growing consumer reach in the last decade across FMCG brands globally. Vim's campaign, 'Nazariya Badlo, Dekho Bartano Se Aage', won the 'Un-stereotype' award at Kantar's Creative Effectiveness Awards 2022.

The brand took a step further in this direction with one-of-its-kind Vim Black campaign to address gender stereotypes around cleaning. Our Surface Cleaning brand Domex continues to scale up with its superior product, backed by patented Fresh Guard Technology.

Pureit expanded its portfolio with the launch of Pureit Vital Series. It's a new range of RO+UV+ Minerals-based water purifiers with FiltraPower Technology, which is proven to remove toxic substances like industrial chemicals, pesticides, and pathogens to provide safe drinking water.

Creating value through market development

With rising affluence, changing demographics, urbanisation, and increase in nuclear families, there is a growing need for more convenient ways to do household chores. Through our market development efforts and our portfolio that straddles the price benefit pyramid, we have been able to partner consumers in this upgradation journey. For instance, in Fabric Care, we have very successfully upgraded consumers from mass detergent bars and powders to the premium ones and from premium machine wash powders to liquid detergents. Further, we are widening our consumers' repertoire by getting them into adjacencies such as Fabric Conditioners with our brand Comfort.

We are also leveraging our 'Winning in Many Indias' strategy to tailor our products and marketing strategy to address the specific consumer needs arising from factors including water quality, geographical variations, weather patterns, and washing methods.

Put together, our Home Care liquids portfolio that includes fabric conditioners, liquid detergents, and dishwash, doubled in last 3 years, exceeding ₹3,000 crores in annual turnover.

Premiumisation remains core part of our growth strategy and we continue to invest in creating categories of the future. We have expanded our Fabric Conditioner portfolio, with 'Comfort Delicates', specifically designed for delicate fabrics, and 'Comfort Sweet Dreams' for bed linens. Surf excel Matic introduced 'Power Concentrate', a revolutionary concentrated liquid formulated to give 2x cleaning power with an intense long-lasting fragrance.

Advancing towards a Cleaner Future

We recognise that consumers are increasingly seeking sustainable and affordable products that meet their needs. We continue on our Clean Future journey, making notable progress towards a more environment - friendly product line.

For instance, Surf excel liquids are formulated with biodegradable actives and packaged in bottles that are made of 70% recycled plastic and are 100% recyclable.

Additionally, our latest product launch, Surf excel Matic Power Concentrate, provides powerful cleaning with half the usual dosage, thus reducing overall plastic consumption.

We are working towards the goal of net zero emissions from our products. To achieve this goal, we continue to partner with 'Tuticorin Alkali Chemicals and Fertilisers Limited' and explore opportunities for Soda Ash, which is a key raw material for our laundry products using Carbon-Capture technology. This partnership has been a major step in the right direction, and we will continue to build on this success to achieve our sustainability goals.

Beauty and Personal Care

Building brands that deliver positive beauty and healthy lifestyles while caring for people and the planet.

We are India's largest Beauty and Personal Care business. Our portfolio consists of many iconic brands including Lifebuoy, Lux, Sunsilk, Clinic Plus, Dove, Lakmé, Pond's, and Closeup.

Beauty and Personal Care represents:

37% of HUL's Revenues

44% of Earnings Before Interest and Tax

Double-digit competitive growth, broad-based across the portfolio

Hair Care reached **its highest - ever market share**

Forayed into the fast-evolving **'Health and Wellbeing' category**

Lux and Pond's crossed **₹2,000 crores turnover in FY'23,** taking the total tally to 5 BPC brands in this club

We contemporised our purposeful and sustainable brands, and invested in portfolio transformation to drive premiumisation and win in channels of the future

Performance Snapshots

Revenue	Revenue Growth	EBIT
₹21,831 Cr	12%	₹5,597 Cr

Beauty and Personal Care (BPC): Review of the year

Our business in BPC is organised across seven key categories viz. Skin Cleansing, Hair Care, Skin Care, Colour Cosmetics, Oral Care, Deodorants, and Health and Wellbeing. In FY'23, BPC accelerated its growth momentum and grew competitively at 12% led by strong broad-based performance across the categories.

In the wake of significant inflation, we dynamically managed our business with two clear imperatives—grow our consumer franchise and protect our business model. We focused on driving savings harder, enhancing pricing agility and product superiority and investing competitively behind our brands. At the same time, we continued to make strong progress in creating a future-fit portfolio by bringing more premium innovations and future formats across our Skin Care, Hair Care, and Colour Cosmetics business.

Contemporising the core

As our consumers' needs are evolving, we continue to contemporise our core brands to keep them relevant and aspirational while investing in strong fundamentals to drive growth. Leveraging our 'Winning in Many Indias' (WiMI) strategy, we deaverage the country basis consumer preferences, skin and hair types, and climate conditions to curate a sharply targeted portfolio. This gives us the opportunity to design products specifically for local preferences, enabling us to better address the needs of diverse consumer cohorts.

Bringing this alive, Lux has curated winning products and tailored propositions by region, addressing local consumer needs, helping the brand gain market share and penetration. Similarly in Oral Care, Closeup has introduced winning regional formulations basis our WiMI approach and that has helped us grow competitively while also increasing penetration. In Hair Care, Dove has launched a culturally nuanced communication with a winning product, designed for the needs of the consumers in South India.

We continue to strengthen brand equity and build awareness with consistent and purposeful communications.

Clinic Plus continued to spread its magic of purposeful marketing with the inspiring 'Meri Beti Strong' campaign.

Beauty and Personal Care

Clinic Plus launched a new film encouraging mothers to raise strong daughters, push them to achieve their goals and not be confined by societal expectations. Similarly, Dove launched its second year of the 'Stop the Beauty Test' campaign that features girls who narrate real stories of how they have been subjected to varied beauty tests. It urges society to place emphasis on education instead of seeing young girls from the eyes of a prospective groom. Lifebuoy continues to be the No.1 soap brand in India and is building relevance of hygiene with its on-ground initiative 'H for Handwashing'.

Our iconic beauty brand Lakmé has been re-defining beauty and fashion for over 25 years through the Lakmé Fashion Week (LFW).

With over 100 renowned designers, brands, and industry stakeholders interfacing every season, LFW has established itself as the hub for confluence of beauty and fashion in the country. This year, at LFW, our brand Lakmé also embarked upon a new journey of 'Unapologetically Me'—to partner the modern Indian woman to own her beauty and embrace it.

Drive market development and premiumisation

As market leaders we are energised by the huge opportunity to accelerate market development and lead premiumisation across categories such as face wash, hair post-wash, body lotions, bodywashes as well as future formats like masks and serums.

With our portfolio of beauty masterbrands like Lakmé, Dove, Pond's, and TRESemmé, we are tapping into emerging demand spaces through on-trend innovations such as Dove Hair Fall Therapy, Lakmé Vitamin C, Pond's Light Hydration, Lakmé Sunscreen, and TRESemmé Pro Pure. We are turbocharging our portfolio transformation by expanding our range in future formats like serums and masks. Lakmé is also bringing make-up benefits to skin care with new launches such as Lumi Cream—a combination of moisturiser and highlighter—and Skin Dew, serum in a foundation.

In Skin Cleansing, we are driving premiumisation from soap bars to bodywash through our relentless focus on market development. In the intimate hygiene segment, VWash continues to drive competitive growth enabled by our medical marketing and multi-media deployment of the winning proposition.

Expanding our offerings in the premium beauty space, we launched two new brands — 'Acne Squad' and 'Find Your Happy Place'.

We now have 5 brands in our digital-first Premium Beauty Business Unit. Acne Squad provides specialised and active solutions for acne, which is one of the topmost concerns faced by the hyper-connected consumers today. Find Your Happy Place is a premium brand that provides experiential mood transforming Bath and Body ranges that are crafted for digital consumers in an era where the trend and need for self-care is at an all-time high.

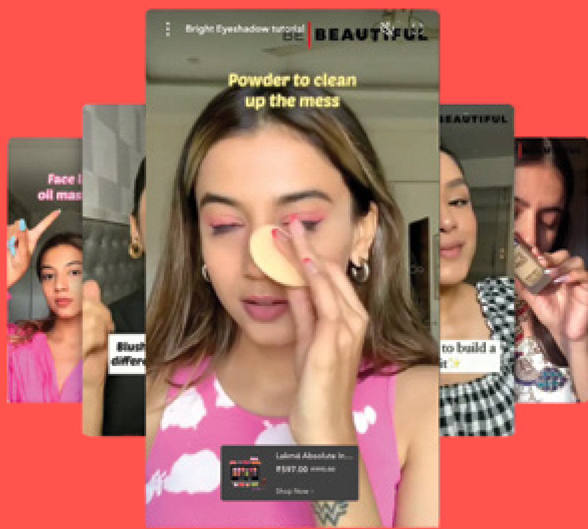
We have also launched a masstige beauty brand Novology in the growing segment of Derma-therapeutic Care. It's a first-to-market, clinically proven range of solutions for the toughest skin concerns of our consumers.

In line with our strategic intent, we have forayed into the fast-growing demand spaces of 'Health and Wellbeing' through strategic partnerships with two young science-backed brands 'OZiva' and 'Wellbeing Nutrition'. These brands align strongly with our mission to improve the health and wellbeing of consumers and empower people to take charge of their health through solutions that they can trust. We look forward to scaling these businesses, further leveraging our complementary expertise and capabilities.

Win in channels of the future

We are actively participating in the evolving journey of beauty retail and are driving transformation to win in the channels of the future, especially e-Commerce, Modern Trade, Pharma, and Beauty that are accelerating growth.

With our Design-for-Channel approach, we are rapidly building a portfolio spanning price and benefit tiers, with focus on stepping up distribution for sharp, channel-specific offerings. We are expanding our play with large packs / multi-packs / regime building packs to tap into the growing opportunity in Modern Trade and e-Commerce channels with the right assortment.



We continue to strengthen our content platform 'BeBeautiful', which educates consumers on their Beauty and Personal Care needs. We are also creating new ecosystems that can help us scale-up influencer marketing, continue to drive premiumisation through salons as well as online and medical marketing, and lead the curve on upcoming opportunities like social commerce, to give us a competitive edge.

Foods and Refreshment

Taste good, feel good, force for good

We are one of India's largest Foods and Refreshment businesses with brands such as Brooke Bond, Lipton, Horlicks, Boost, Bru, Kissan, Knorr, Hellmann's, Kwality Wall's, and Magnum. Our ambition is to win competitively in the marketplace while 'Winning Smiles' and being a 'Force for Good'.

Foods and Refreshment represents:

25% of HUL's Revenues

21% of Earnings Before Interest and Tax

We have widened our market leadership in Tea against nearest competitor, in both value and volume

Handsome market share and penetration gains in Health Food Drinks (HFD)

Ice Cream delivered stellar performance **with high double-digit growth**

Foods Solutions business **grew in high double-digits and continues to scale up**

Our Foods and Refreshment business is on a journey to offer holistically superior products which are delicious and nutritious for our consumers as well as better for our planet. We remain steadfast on our ambition to be a 'World-class Force for Good in Nutrition' as we strengthen our purpose-led brands to win competitively in the marketplace.

Performance Snapshots

Revenue	Revenue Growth	EBIT
₹14,876 Cr	5%	₹2,662 Cr

Foods and Refreshment (F&R): Review of the year

Our Foods and Refreshment business grew 5% led by strong performance in Ice Cream, Foods, and Coffee. Health Food Drinks gained handsome market shares and penetration led by our focused market development actions. We continue to be the value and volume market leader in Tea.

As mobility improved, we saw an increase in the trend of eating out while the tailwinds on in-home consumption faded away. At the same time consumers witnessed high food inflation. We focused on adapting our portfolio to drive better value for consumers, making our brands more relevant while also reshaping the portfolio for the future.

Growing our core with purposeful brands

We keep our brands contemporary through a combination of purposeful communications, superior products, and impactful innovations. For instance, leveraging our 'Winning in Many Indias' strategy, we continue to craft unique tea blends to meet the tastes and preferences of our consumer base. Our purposeful communications help us drive relevance of our brands with consumers. Bringing alive its purpose 'to bring people together', Brooke Bond Red Label launched a new heartwarming TV campaign about two strangers bonding over a cup of tea. Our portfolio of powerhouse brands that straddle the price-benefit pyramid, supported by excellent execution, has helped us to be the market leader in Tea and continue to widen the gap versus nearest competitor.

Foods and Refreshment

Our Jams and Ketchup brand 'Kissan' was relaunched with new packaging that highlights our deep connection with the farmers of India and gives our consumers interesting insights into the life of a farmer.

Owning seasons through consumer-centric innovations and activations

Our Ice Cream business had a stellar year with strong performance led by innovations and brilliant execution.

In order to de-seasonalise Ice Cream, we are expanding consumption occasions through innovative campaigns and launching exclusive products such as 'Nolen Gur' and 'Gulab Jamun' Ice Cream, centred around Indian festivals.

We have introduced 'Chuski' - an exciting range of Ice Candies in 3 popular flavours - 'Aam Panna', 'Masala Cola', and 'Shikanji'. We are leveraging technology to cater to our digitally active consumers through the ICNow channel—a fast delivery-at-home service. We are seeing strong consumer traction with ICNow, which now contributes to about 10% of our Ice Cream sales. At the same time, we are further expanding our physical reach by adding more stores.

~10%

ICNow contribution to Ice Cream sales

Nourishing a billion lives

Our Health Food Drinks (HFD) business strengthened its consumer franchise gaining market shares and penetration handsomely on the back of sustained market development efforts. We have reinforced efforts to increase HFD relevance for consumers by highlighting the core brand proposition 'Horlicks makes kids Taller, Stronger, Sharper'.

During the year, we reached over 40 million households via our sampling programme to educate consumers about the benefits of HFD and build relevance for the category.

With the recent rise in milk prices, we are piloting a new 3-in-1 Ready Mix variant of Horlicks that provides children with similar nutrition as available from a glass of milk and Horlicks, at more affordable prices.

Creating categories of the future

To address the rising consumer need for healthier nutrition choices, we are reshaping our portfolio and investing in categories of the future. We offer functional tea such as Lipton Green tea, an all-natural zero-calorie drink rich in catechins to help improve body metabolism. This year we also introduced the Lipton SipNDigest, a soothing blend of green tea, with power-packed natural ingredients like Ginger, Tulsi, and Rock salt, traditionally known to improve metabolism and aid digestion, helping consumers feel light after meals.

Our Red Label Natural Care offers the goodness of immunity boosting natural ingredients like Ginger, Cardamom, Tulsi, Mulethi, and Ashwagandha. We have also launched Red Label Maa Care—a new premium tea, especially designed for pregnant and lactating women. It has 80% less caffeine content and its ayurvedic ingredients not only ensure a great taste but are also known to nourish and energise the body.

The coffee culture in India is evolving rapidly, with a growing number of consumers experimenting with different brewing methods and flavours. Bru introduced three new premium offerings of Beaten Coffee, Freeze Dried Coffee, and Decoction to capitalise on the growing popularity of coffee.

Hellmann's Mayonnaise and Kissan Peanut Butter continue to gain consumer traction and scale up rapidly. This year, we introduced a new variant of Kissan Peanut Butter in Hazelnut Choco flavour.

Our high science 'Plus' range in Horlicks, has product offerings for diabetes, women's bone health, pregnant and lactating mothers, and adult wellbeing. We continued to drive our Plus range by creating awareness for consumers through activation in home and in-store as well as by tying up with leading healthcare diagnostics chains.

Being boldly healthier for people and planet

Our agenda on offering positive nutrition aims at making our products healthier by reducing sugar and calories. 100% of our ice creams have less than 250 kcal and no more than 22g total sugar on a per serve basis. We are also committed to regenerative agriculture and are currently sustainably sourcing bulk of our Tea, Tomatoes, and Chicory.

The year 2023 has been declared as the International Year of Millets.

The high nutrition value, low carbon footprint, and ability to endure extreme weather conditions make millets a better food choice.

We have introduced Millet Chocolate Horlicks which is made with multi-millets like Finger Millet (Ragi), Sorghum (Jowar), Foxtail Millet (Kanngani), and Pearl Millet (Bajra)—natural sources of Calcium, Iron, Protein, and Dietary Fiber—which are critical for children.

ESG Highlights

HUL Compass integrates sustainability into our business strategy with a belief that sustainable business and financial performance go hand-in-hand. With a robust governance mechanism, we are continually working towards our ESG goals to lead change and make a positive difference to people and the planet.

Key ESG Focus Areas

Improving Health and Wellbeing

Enhancing Livelihoods

Responsible Business Practices

Reducing Environmental Impact

Wider Sustainability Topics

ESG Governance Structure

Board of Directors

The Board is responsible for formulating the Company's strategy relating to ESG and sustainability matters

ESG Committee

We have constituted an ESG Committee for overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters

ESG Functional Leads

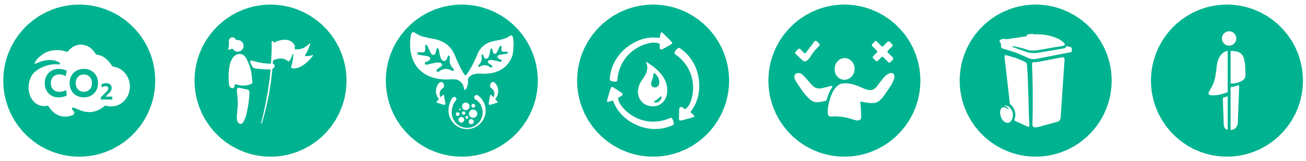
Our ESG Functional Leads are responsible for on-ground implementation and execution of HUL Compass ESG Goals

ESG Materiality Matrix

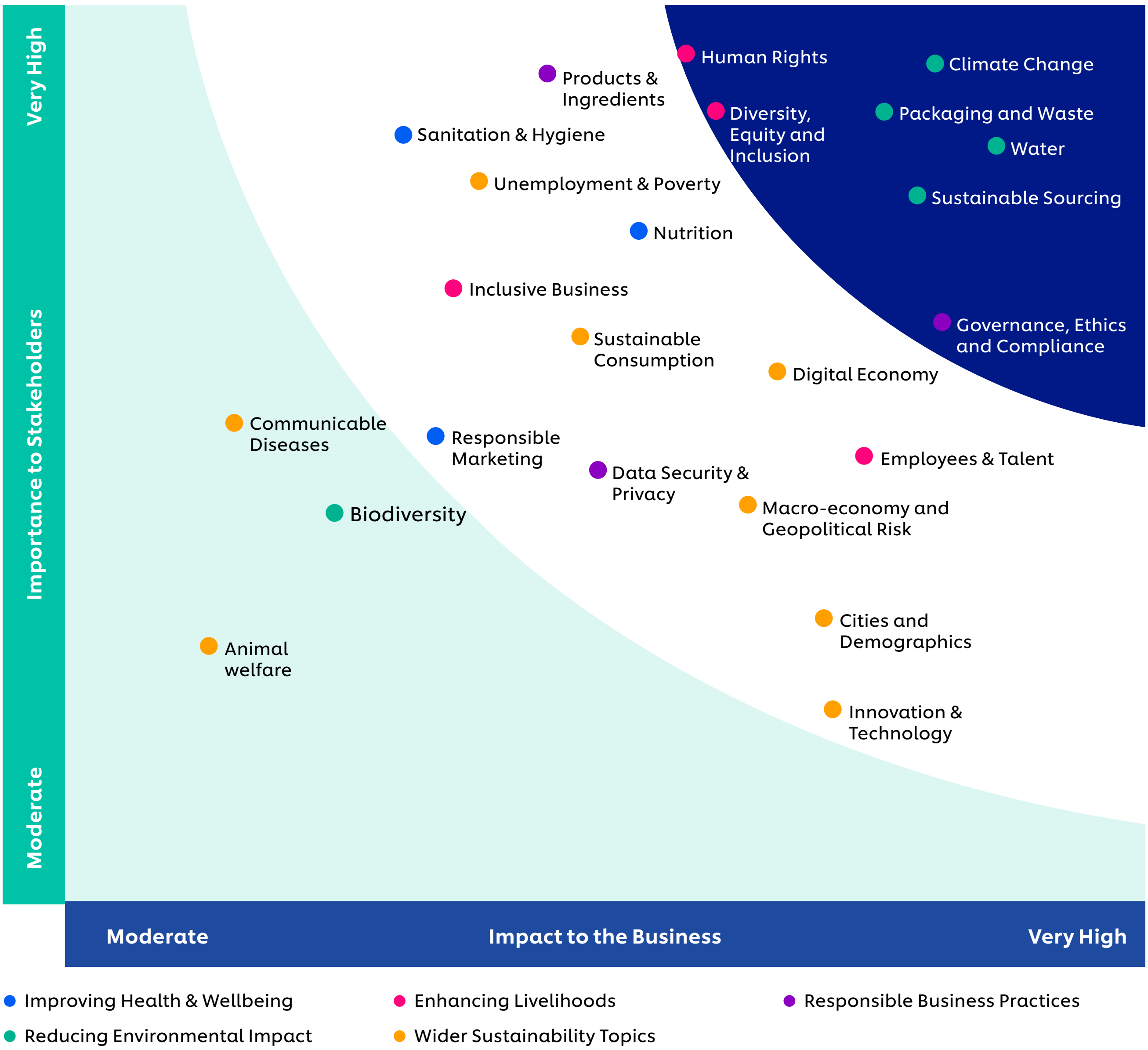
We live in an uncertain and constantly changing world. Having a formal process to identify our material sustainability issues helps us report on those that matter most to our business and stakeholders.

We use our sustainability materiality assessment to identify priority sustainability issues across our value chain so that we are able to report on the issues of most interest to our stakeholders.

Material Topics



Climate Change | Human Rights | Sustainable Sourcing | Water | Governance Ethics & Compliance | Packaging and Waste | Diversity, Equity & Inclusion

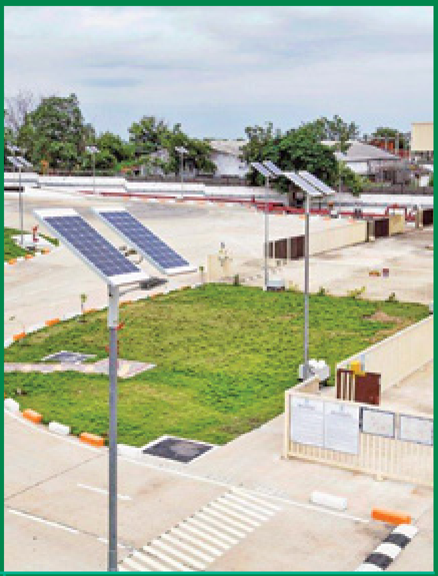


For more details please refer the 'Planet & Society' section on our website https://www.hul.co.in/planet-and-society/sustainability-reporting-centre/

ESG Highlights

Environment

HUL has collected and processed more plastic than it uses in packaging its products[1]



>1,00,000

tonnes of plastic waste collected and processed in 2022

97%

Reduction in CO_2 emissions (kg/tonne of production) in HUL's manufacturing operations[3]

44%

Reduction in total energy consumption (per tonne of production) from HUL's factories[3]

>2.6 Tn

litres of water potential created by HUF along with its partners, cumulatively and collectively through improved supply and demand water management since 2010[2]

48%

Reduction in water consumption (in m^3/tonne of production) in HUL's manufacturing operations[3]

55%

Reduction in the total waste generated (kg/tonne of production) from HUL's factories[3]

82%

of our tomatoes used were from sustainable sources

69%

of Tea procured was sourced sustainably

1 In calendar year 2021 and 2022
2 Assured by an external independent firm
3 Compared to 2008 baseline
All figures for HUL including subsidiaries

Social

Over 3 lakh people have access to safe sanitation through Project Suvidha

>1,90,000

Shakti entrepreneurs empowered through the Shakti programme

c.9 million

People reached through Prabhat initiatives across our factory locations that focus on economic empowerment, environment, health, and nutrition

Top ESG-rated FMCG Company in India

Dow Jones Sustainability Indexes	Sustainalytics	CRISIL An S&P Global Company	CDP
76	23.4 medium risk	68	A/A-
#1 in personal products sector in India and among the top 10% companies globally in our sector*	#16 globally in Household (medium risk) category	#2 highest ESG-rated FMCG Company in India	Leadership across all 3 categories, i.e., Climate, Water, and Forest

*as per DJSI Yearbook 2023

Awards and recognitions

Brands with Purpose Grow

DOVE – 'Stop the beauty test' won Brand Campaign of the Year at the CNBC TV-18 Indian Business Leaders Awards

Lakmé and HUL's Premium Beauty Business Unit won at the FE FutureTech Awards 2022

Eight of our brands featured in the Kantar BrandZ 2022 India's Most Valuable Brands list

Recognised as the Best Client Insight Team of the year by the Market Research Society of India, won six more awards across different categories

Vim's 'Nazariya Badlo, Dekho Bartano Se Aage' campaign won the 'Un-stereotype' award at Kantar's Creative Effectiveness Awards 2022

Companies with Purpose Last

Recognised by Economic Times as one of the Best organisations for Women in 2023

Top Performer in FMCG category in Dun & Bradstreet's India's Top 500 Companies list 2022

No. 1 Employer of Choice across sectors, based on brand perception study by InsideIIM at target B-Schools in 2022

THE INSTITUTE OF Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान

Received the Certificate of Recognition at the 22nd ICSI National Awards for Excellence in Corporate Governance, for adopting and promoting exemplary corporate governance practices

Overall winner across Asia in the 'Best Supply Chain Solution' category at the Adam Smith Treasury Award

Won the Masters of Risk Management award in Supply Chain category at India Risk Management Awards

Received the Best Company award in ESG practices in the Consumer Products sector on all three facets of E, S, & G at the KPMG India ESG Excellence Awards 2023

Named Supply Chain Company of the Year by Governing Council of the Institute of Supply Chain and Management Pvt. Ltd

CII
Confederation of Indian Industry

Doom Dooma and Sonepat factory won at the CII - National Energy Efficiency Circle Awards

Doom Dooma manufacturing won under the 'Employment Enhancing Skills' category at the Annual Greentech CSR Award 2022

People with Purpose Thrive

Sanjiv Mehta named CEO of the Year by Business Standard

Sanjiv Mehta received the ICAI Hall of Fame award

Sanjiv Mehta received the SKOCH Lifetime Achievement award

Ritesh Tiwari named CA CFO-For Large Corporates - Manufacturing & Infrastructure at ICAI Awards 2023

Ritesh Tiwari awarded CFO of the Year at CII CFO Excellence Awards

Deepak Subramanian won Marketer of the Year under 'Home Care' categories at the IAA Leadership Awards 2022

Madhusudhan Rao won Marketer of the Year under 'Personal Care' categories at the IAA Leadership Awards 2022

Anuradha Razdan recognised as Distinguished Alumnus of the Year 2022, by XLRI Jamshedpur and awarded HR Director of the Year by Margadarshak Awards, 2022

Governance Overview

Governance Overview

Conducting our business with integrity and highest level of governance has been core to our corporate behaviour. Our Corporate Governance framework has evolved over the years underpinned by our core values of Integrity, Responsibility, Respect, and Pioneering. We continue to set high standards of governance which not only meet the applicable legislation but go beyond in many areas of our functioning.

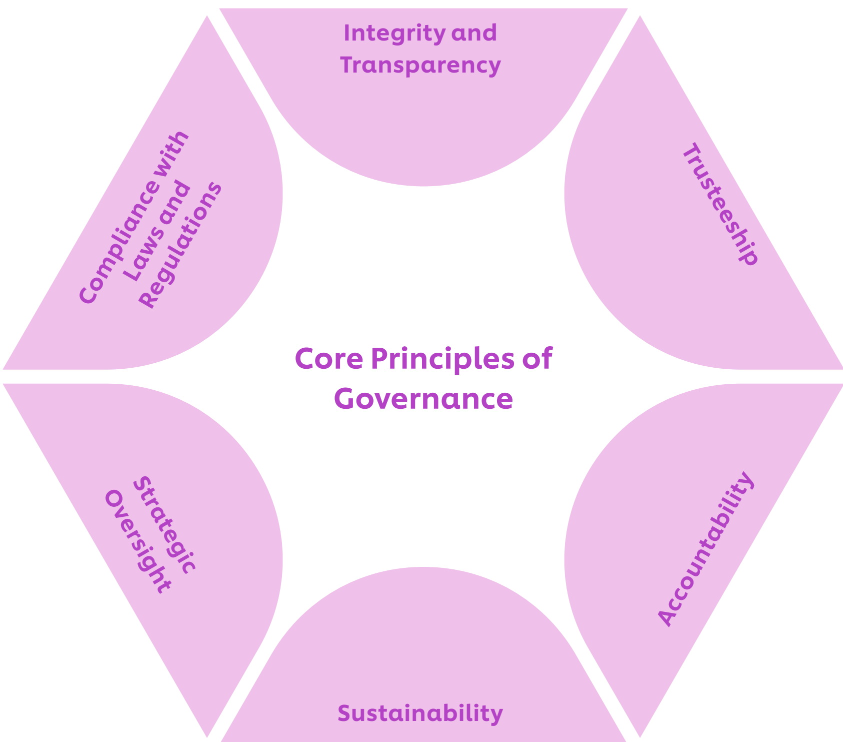
HUL Governance Framework

Governance Philosophy

With 90 years of heritage in India, the Corporate Governance framework of the Company has evolved over the decades and is inspired by our core values of:

Integrity **Responsibility** **Respect** **Pioneering**

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. Our Core Principles of Governance have been the guiding force for our corporate behaviour and will continue to be so in years to come.



Governance Overview

Corporate Governance Structure

Our Governance Structure is multi-tiered, comprising the Board of Directors, Board Committees, the Chief Executive Officer & Managing Director (CEO & MD), and the Management Committee.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short- and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed, and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe. The Board is overall responsible for the management, general affairs, strategic direction, and performance of the Company and is ably supported by the Board Committees, the CEO & MD, and the Management Committee.

Board of Directors

The Board's primary role is to ensure the long-term sustainable success of the Company for the mutual benefit of all stakeholders

Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review

Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Environmental, Social and Governance Committee	Stakeholders Relationship Committee	Risk Management Committee

CEO & MD and Management Committee

The CEO & MD, supported by the Management Committee, is responsible for ensuring delivery of the Company's strategy, business plans and financial performance

Key Responsibilities of the Committees

Audit Committee

Primarily responsible for overseeing:

- The integrity of the Company's financial statements;
- The internal control arrangements;
- The compliance of financial statements with legal and regulatory requirements;
- The performance, qualifications, and independence of the Statutory Auditors and the performance of the internal audit function.

Corporate Social Responsibility Committee

- Formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy, which shall indicate the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the activities referred;
- Monitoring the CSR Policy of the Company from time to time.

Stakeholders Relationship Committee

Assist the Board in fulfilling its responsibilities towards:

- Review of Investor Service Standards of the Company;
- Redressal of Shareholders' Grievances.

Nomination & Remuneration Committee

- Recommending candidates for appointment as Directors on the Board or on the Management Committee, or as Key Managerial Personnel in accordance with the criteria laid down;
- Recommending the level and structure of remuneration for members of the Board and the Management Committee and Key Managerial Personnel*;
- Performance evaluation of each of the Directors and the Board and the Key Managerial Personnel;
- Ensuring orderly succession planning at the Board level.

Environmental, Social and Governance Committee

Primarily responsible for overseeing:

- The vision and focus on the Company's strategy relating to ESG and sustainability matters;
- Key decisions, monitoring the progress against the stated vision, and in reviewing the practices, initiatives, and goals of the Company relating to ESG and ensuring that they remain effective.

Risk Management Committee

Assist the Board in:

- Monitoring and reviewing the Risk Management Policy;
- Implementation of the risk management framework.

*For details on our Reward Policy and the Remuneration paid to the Directors please refer pages 164 to 166

Governance Overview

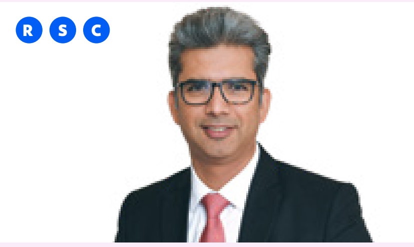
Board of Directors

For detailed profile of directors refer pages 366 to 371

Mr. Nitin Paranjpe
Chairman and
Non-Executive Director

Mr. Sanjiv Mehta
Chief Executive Officer and
Managing Director

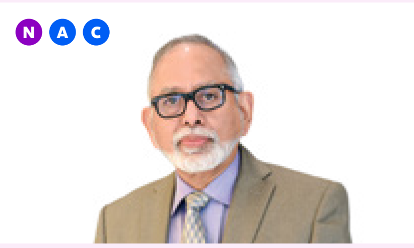
Mr. Rohit Jawa
Whole-time Director
and CEO-designate



Mr. Ritesh Tiwari
Executive Director, Finance & IT
and Chief Financial Officer

Mr. Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary

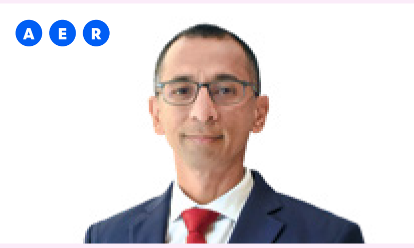
Mr. O. P. Bhatt
Independent
Director



Dr. Sanjiv Misra
Independent
Director

Ms. Kalpana Morparia
Independent
Director

Mr. Leo Puri
Independent
Director



Dr. Ashish Gupta
Independent
Director

Ms. Ashu Suyash
Independent
Director

Mr. Ranjay Gulati
Independent
Director

Note:

Mr. Rohit Jawa was appointed as the Additional Director – Whole-time Director of the Company w.e.f. 1st April, 2023. Mr. Rohit Jawa will succeed Mr. Sanjiv Mehta as the Managing Director and Chief Executive Officer (MD & CEO) of the Company w.e.f. 27th June, 2023.

Mr. Ranjay Gulati was appointed as the Additional Director - Independent Director of the Company w.e.f. 1st April, 2023.

Mr. Dev Bajpai acts as the Secretary to all the Committees of the Board.

Mr. Ravishankar A, Group Controller is a member of Risk Management Committee.

The composition of the Board referred to above is as on the date of this Integrated Annual Report.

- A Audit Committee
- R Risk Management Committee
- S Stakeholders' Relationship Committee
- C Corporate Social Responsibility Committee
- E Environmental, Social & Governance Committee
- N Nomination and Remuneration Committee

Chairperson Member

Management Committee

Mr. Sanjiv Mehta
Chief Executive Officer and Managing Director

Mr. Rohit Jawa
Whole-time Director and CEO-designate

Mr. Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer

Mr. Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary

Mr. Yogesh Mishra
Executive Director, Supply Chain

Mr. Madhusudhan Rao
Executive Director, Beauty and Personal Care

Mr. Srinandan Sundaram
Executive Director, Foods and Refreshment

Ms. Anuradha Razdan
Executive Director, Human Resources

Dr. Vibhav Sanzgiri
Executive Director, Research and Development

Mr. Deepak Subramanian
Executive Director, Home Care

Mr. Kedar Lele
Executive Director, Customer Development

Note:

Mr. Madhusudhan Rao was appointed as Executive Director, Beauty and Personal Care w.e.f. 1st April, 2022.

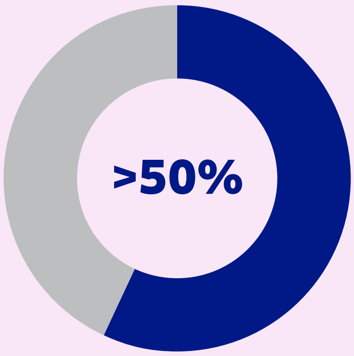
Mr. Deepak Subramanian was appointed as the Executive Director, Home Care w.e.f. 1st July, 2022.

Mr. Yogesh Mishra was appointed as the Executive Director, Supply Chain w.e.f. 1st September, 2022 in succession to Mr. Wilhelmus Uijen.

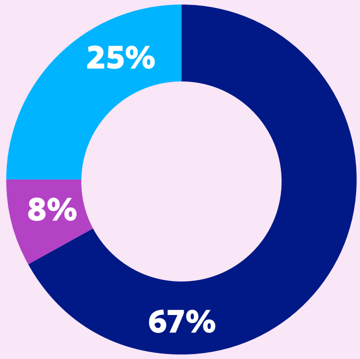
The composition of the Management Committee referred to above is as on the date of this Integrated Annual Report.

Governance Overview

Governance Highlights

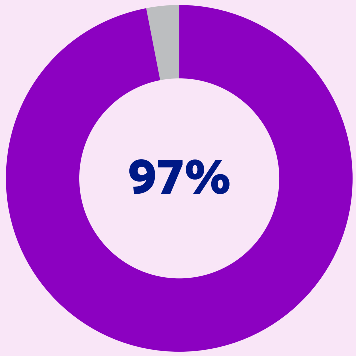


Independent Directors



Board Age Diversity

50-69 years | 40-49 years | 70-79 years



Average attendance in Board Meetings

100%

Independent Audit Committee and Nomination & Remuneration Committee

5 out of 6 Committees led by Independent Directors

100%

Directors covered by familiarisation training

Highly Skilled and Competent Board

The Board comprises Directors with appropriate balance of skills, experience, diversity, independence, and knowledge about the Company that enables it to discharge its duties and responsibilities effectively.

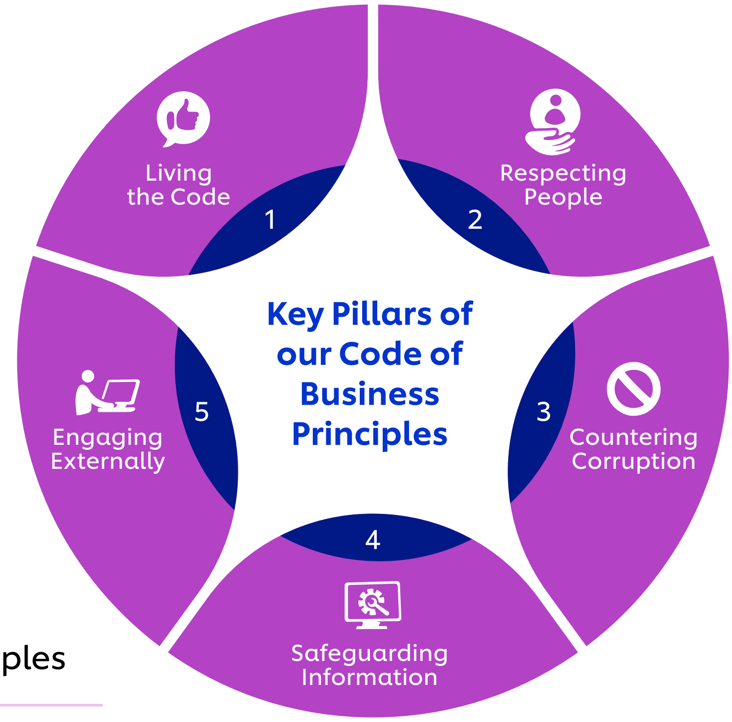
- Leadership experience of running large enterprise
- Experience of crafting business strategy
- Finance and accounting experience
- Understanding of consumer and customer insights in diverse environments and conditions
- Experience in overseeing large and complex supply chain
- Understanding use of digital/information technology across the FMCG value chain
- Experience of large companies and understanding of the changing regulatory landscape

Business Integrity & Compliance at HUL

BUSINESS INTEGRITY
IT'S HOW WE WORK

We expect everyone at HUL to be an ambassador of our high ethical standards – what we call 'Business Integrity.' We believe in growing our business responsibly and sustainably. Our Code of Business Principles (CoBP) codifies our values, making clear what is expected from our people.

100%
Employees trained on Code of Business Principles



Key Policies that guide our ethical behaviour

Corporate Governance Code
Our Corporate Governance Code adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors, and Board Committees may effectively operate for the benefit of its varied stakeholders.

Gender-Neutral POSH Policy
We are committed to provide an environment that ensures every person at the workplace is treated with dignity, respect, and equality.

Affirmative Action Policy
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.

Whistle Blower Policy
Our Whistle Blower Policy acts a mechanism to help alert the Management and bring to its attention promptly and directly, any unethical behaviour, suspected fraud, abrasion or irregularity in the Company practices, which is not in line with our CoBP or the law of the land, without any fear or threat of being victimised by responsible individuals.

Responsible Partner Policy
Our Responsible Partner Policy and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business.

Share Dealing Code
Our Share Dealing Code helps develop a basic understanding of the law relating to prohibition of insider trading and to reiterate the Company's policy and code for dealing in its securities.

Policy on Related Party Transactions
Our Policy on Related Party Transactions is intended to ensure that proper reporting, approval, and disclosure processes are in place for all transactions between the Company and its Related Parties. It ensures that all related-party transactions are carried out as per arm's length parameters and adequate information is provided to shareholders bringing transparency.

Policy for Supporting Survivors of Abuse
We are the first employer in India to formally launch a holistic, gender-neutral policy on domestic abuse.

Safety and 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.

Environment Policy
With our Environment Policy we, encompassing all available knowledge and information, aim to do all that is reasonably practicable to prevent or minimise the risk of an adverse environmental impact arising from processing of the product, its use, or foreseeable misuse.

Report of Board of Directors and Management Discussion and Analysis

Your Board of Directors is pleased to share with you the Business Performance along with the Audited Financial Statements for the financial year ended 31st March, 2023

Our fast changing world

We operate in a complex and volatile world. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our stakeholders

The FMCG opportunity

Hindustan Unilever Limited is part of the Fast-Moving Consumer Goods (FMCG) industry, which continues to be one of the biggest long-term sustainable business opportunities that our country offers. Despite being one of the fastest growing markets globally for FMCG products, India's per capita FMCG consumption is still amongst the lowest in the world, offering a huge runway for growth.

We operate in 16 FMCG categories and are a market leader in more than 85% of our turnover. A strong talent base, large portfolio of brands that straddle the price-benefit pyramid, unparalleled distribution that reaches around 9 million retail stores, and an agile supply chain, which manufactures over 65 billion units annually—giving us a significant competitive advantage.

We continue to make significant investment towards building future-fit capabilities such as 'Winning in Many Indias' and digital transformation through 'Re-Imagine HUL'—creating strong moats around our business. All these strengths and a clear and compelling strategy place us very well to tap the growth potential that Indian FMCG industry offers.

Given below are some of the key changes that are taking place in the world around us and how we are preparing ourselves to turn them into opportunities.

Rapid digital transformation

India continues to undergo rapid digitisation with new-age technologies transforming the FMCG market, bringing opportunities for brands, consumers, and customers alike. Digital commerce is gaining more relevance as consumers seamlessly move between

online and offline channels of trade. Traditional trade players are reinventing their business models to play a key role in the new digital India.

We are at the forefront of the digitisation journey. Back in 2016, we embarked on 'Re-Imagine HUL', our journey aimed at creating distinctive data and technology led capabilities that help us meet the complexities of the business and the evolving needs of consumers and customers. We are moving from traditional linear value chain to a web of ecosystems viz. Consumer, Customer, and Operations with data and technology at the centre.

Report of Board of Directors and Management Discussion and Analysis

We are one of the first FMCG companies participating in the Open Network for Digital Commerce (ONDC), a pathbreaking initiative by the Government of India to democratise digital commerce in the country. We believe this gives us a unique opportunity to reach out to many more consumers and customers.

Evolving demographics

Evolving demographics such as rising affluence, large young working population, growing nuclear-family structures, urbanisation, and increasing adoption of technology is rapidly changing consumer preferences and their path to purchase. Consumers are increasingly becoming more discerning—looking for superior products, making informed choices, and demanding brands with purpose and a point of view.

We understand the changing needs of the consumers and believe that businesses that help the people and the planet thrive, will continue to succeed in the future. We are continuously developing our purpose-driven brands that associate meaningfully with consumers.

Through technology, we are addressing the needs of the new-age consumer—be it through on-trend innovations, digital marketing, digital commerce, or manufacturing niche products in our nano factories.

We are building capabilities towards mass customisation and precision-marketing to appeal to the consumers. As a business, we are constantly keeping an eye on the future, adapting, and evolving to stay one step ahead.

Sustainable living

The business case for sustainability is being increasingly accepted by consumers, government bodies, and investors looking for businesses to take actions to protect people and the planet. India is charting a path towards sustainable and inclusive growth, and it is expected from all companies to do business responsibly.

We are a Company of brands and people with a clear purpose to make sustainable living commonplace. Our strategy is to deliver 4G growth — growth that is Consistent, Competitive, Profitable, and Responsible.

We have outlined our Environmental, Social and Governance (ESG) Goals (refer page 10 and 11) which are in sync with the challenges that we face as a society. Refer pages 106 to 155 to find more about our ESG reporting.

Operating environment

The operating environment this year continued to remain challenging. Geopolitical conflict in Europe and the global supply chain disruptions led to an unprecedented inflation in food, energy, and commodity prices. Aggressive monetary tightening measures from central banks worldwide led to further pressure on emerging economies. The widespread inflation posed major challenges for the country and for the FMCG industry specifically with prices of several commodities inflating to their decadal highs.

This had a significant impact on FMCG consumption as consumers tried to manage their household budgets by adjusting volumes and prioritising essentials over discretionary categories. FMCG market for the categories in which we operate grew c.8% while volumes declined c.4% year on year. The impact of slowdown was more pronounced in rural markets. Urban markets led growth for FMCG—supported by normalisation in economic activities after a couple of years of COVID-induced disruptions.

The Company's performance for the FY 2022-23 has to be viewed in the context of the aforesaid economic and market environment.

Stakeholder engagement and review

Stakeholders are at the heart of our strategy and business model. Understanding their evolving needs helps us make informed strategic decisions.

Our multi-stakeholder model

We have identified six stakeholder groups that are critical to our success:

Consumers | Customers | Suppliers and business partners

Our people | Planet and society | Shareholders

The stakeholder review explains how we have worked to create value for each of our stakeholders as well as how our business benefits from these vital relationships. We have provided a high-level summary of how we engaged with stakeholders and considered their interests whilst setting our strategy and taking decisions concerning the business during the year under review.

Stakeholder	Interests and concerns	How we engaged in FY 2022-23
Consumers 9 out of 10 households in India use one or more of our brands. Meeting their evolving needs, delivering superior products, and expanding our consumer franchise are key to our success	• Superior and sustainable products, offering great value at the right price • Responsible and inclusive marketing	• We listen extensively to consumer reviews and queries addressed to us through our consumer care helpline – LeverCare as well as through reviews received on digital platforms and content hubs. • We directly engage with our consumers through in-person and virtual consumer surveys. We also use consumer research from partners such as Kantar, Nielsen, etc., who we engage through their regular surveys and panels. • We undertake market development at scale and engage with millions of households. • Our Board and Management Committee members are regularly informed of evolving consumer needs, preferences, and concerns in order to consider these dynamics while making business decisions.
Customers We partner with traditional trade distributors, retailers and digital commerce marketplaces to grow our business and theirs	• Fair return on investment • Leading digital transformation • Reliable service and differentiated portfolio	• Our distributors have direct channels to us via our Customer Development teams, meeting regularly to discuss a range of topics. They also interact with us through our LeverCare helpline to discuss their concerns. Through these relationships, we work towards maximising mutual benefit. • Our joint business plans with customers coupled with customer reviews and dialogues accumulated by our customer development team help us lead category development and our 'Design for Channel' strategy. • Shikhar, our e-B2B platform helps us connect with 1.2 million retail partners. Through our Samadhan warehouse project and other digital initiatives, we are working with our customers towards maximising next-day delivery. We have tied up with banking partners to enable affordable credit for our retailers.

Report of Board of Directors and Management Discussion and Analysis

Stakeholder	Interests and concerns	How we engaged in FY 2022-23
Suppliers and business partners We work with suppliers in India and worldwide to source materials and provide critical services for us, while supporting mutual and sustainable growth	• Fair and ethical business practices • Developing mutually beneficial partnerships • Swift internal processes to minimise lead times • Synergising efficiencies	• Regular communications through our Supply Chain and Procurement teams and our regular supplier reviews, audits, awards, etc., help us understand how our suppliers feel about working with us and areas for improvement. Supplier and Service Level Agreements are evaluated at regular intervals basis feedback. • Our annual 'Partner with Purpose' survey helps us engage with our suppliers and business partners over a wide range of topics to better our ways of working. • We partner with suppliers to identify and realise efficiencies in the end-to-end value chain.
Our people Our purpose-driven and talented people work in our offices, R&D centres and factories to help us achieve our purpose and vision	• Learning and development • Purpose at work • Health and wellbeing • Sense of belonging • Fair compensation	• Through our UniVoice survey we engaged with our employees across offices, R&D centres and factories in FY'23 on a number of topics, from employee wellbeing to leadership performance. We also continued our UniPulse questionnaires, asking employees to rate certain aspects of the Company such as culture, work-life balance and development opportunities. • The results of our surveys are deeply analysed and the emerging themes are acted upon to improve our processes, maintain the right culture, and make the organisation more agile and inclusive. • Regular learning, development and wellbeing initiatives are undertaken across all-work levels to ensure a fulfilling career trajectory. • We communicate directly with our employees through virtual and in-person townhalls as well as quarterly results communication by Management Committee.
Planet and society As a responsible business, we strongly believe in creating a positive impact on our communities and our planet	• Improve the health of the planet • Improve people's health, confidence, and wellbeing • Contribute to a fairer and more socially inclusive world	• Our Compass strategy integrates sustainability within the business. We have an ESG Committee chaired by an Independent Director. With a robust governance process, we are continually working towards our ESG goals to lead change and make a positive difference. • As part of our ESG materiality process, we analyse insights to make sure we are focussing on the most important ESG issues. • Each factory location maintains a separate register for receiving any grievances raised by members of the local community. These grievances are reviewed jointly by the HR Manager, Safety, Health and Environment Manager, and the Factory Manager. • Prabhat, our Sustainable Community Development programme, works across our manufacturing locations to uplift and empower the communities. The factory leadership team forms the local governing body of these programmes and works closely with the implementing partners and communities. The programs run on the thematic pillars of economic empowerment, health and nutrition, and environmental sustainability. • We engage with communities through need assessment surveys for key social and environmental projects. This helps us tailor relevant interventions in focused geographies and understand the present ground-level needs in order to generate maximum impact.

Stakeholder	Interests and concerns	How we engaged in FY 2022-23
		• Since inception, HUF has delivered a cumulative and collective water potential of over 2.6 trillion litres; over 1.7 million tonnes of additional agricultural and biomass production; and over 110 million person-days of employment across 14,000 villages, in 13 States and two Union Territories, with the help of its partners. • Suvidha is a first-of-its-kind urban water, hygiene and sanitation community centre, in Mumbai. We have established 12 Suvidha centres. More than 3 lakhs people have access to safe sanitation through the project. • Project Shakti is our initiative that aims to financially empower and provide livelihood opportunities to women in rural India. Over 1,90,000 Shakti entrepreneurs have been empowered through the programme.
Shareholders Continuous access to capital, progress on our strategic priorities, and achievement of our purpose and vision are all dependent on the crucial support of our shareholders	• Long-term value creation • Strong Corporate Governance • Sustainable business	• We speak directly to investors through quarterly results broadcasts and conference presentations, as well as through meetings and calls about aspects of business performance, operating environment, consumer trends and sustainability issues. • We hosted Annual General Meeting (AGM) via live webcast for our shareholders. At the AGM, the Chairman shared his thoughts on business performance and strategy and addressed shareholders' questions. • We hosted our 'Capital Markets Day' in November 2022 and engaged with over 100 investors/analysts on our strategy and business performance. • We engage with our shareholders via email through our investor relations email IDs - levercare.shareholder@unilever.com and Investor.Relations-hul@unilever.com. • The Board receives regular briefings regarding investor views on our results, our performance and on any issues raised by shareholders that are relevant to their responsibilities. • Our CEO, CFO and Management bring shareholder feedback to Board and Management Committee deliberations. • The Stakeholder Relationship Committee of the Company invites shareholders for an interaction during its meeting(s) to get direct feedback on investor service.

Consumers

9 out of 10 households in India use one or more of our 50+ brands that span 16 categories. This gives us a unique opportunity to help our consumers look good, feel good, and get more out of life.

Trading up and down for value

Inflation was one of the key drivers that impacted consumer demand and behaviour this year. Consumers adjusted volumes and prioritised essentials over discretionary to manage their household budgets. While they continued to choose the brands they love, they were seeking value, and in doing so, they traded up and down among brands and across pack sizes. We continued to focus sharply on delivering superior products at the right price-value equation making our products a clear choice for consumers. In consumer blind tests, our product superiority today stands at twice of what it was three years ago.

2x

Product superiority compared to 3 years ago

Through our 'Winning in Many Indias' strategy we deaverage India into 16 consumer clusters, bringing us closer to the consumers and helping us get granular insights.

We use these insights to curate our marketing strategy and product mixes to cater to specific consumer preferences. For instance, Lux has tailored winning products and propositions by region, helping the brand offer consumer delight.

Force for good

Our consumers continue to be discerning, seeking authentic products that not only deliver superior performance but are also good for people and the planet. We addressed the evolving consumer needs with on-trend innovations.

Our premium Hair Care brand TRESemmé launched its Pro Pure range in the clean beauty space. Love Beauty and Planet expanded its portfolio with new offerings in Vegan and Cruelty-free beauty. Taking its strong ayurvedic credentials to newer formats, Indulekha launched hair serum and mask. Surf excel's latest innovation Matic Power Concentrate helps reduce plastic consumption by halving the per-wash laundry dosage. Expanding our offerings in the positive nutrition space, we introduced Millet Chocolate Horlicks and Kissan Hazelnut Choco Peanut spread.

Over the years, our brands have stood with a social purpose and created an emotional connect with our consumers. Be it the 'Swad apnepan ka' campaign through which Brooke Bond Red Label aims to break down social barriers or Surf excel's 'Dirt is Good' that urges parents to inculcate values in children or the 'Meri Beti Strong' campaign by Clinic Plus that inspires mothers to raise strong daughters – our brands strive to create a social movement and build brand equity with our consumers. Our dishwash brand Vim's 'Nazariya Badlo, Dekho Bartano Se Aage' campaign won the 'Un-stereotype' award at Kantar's Creative Effectiveness Awards 2022.

8

of our brands featured in the Kantar BrandZ 2022 India's Most Valuable Brands list

Creating categories of the future

Urbanisation, increasing nuclear-family structures, and rising affluence is leading to the growth of new demand spaces and the premium segment. Leveraging our proven model of market development, we strive to address real and unmet consumer needs and, at the same time, build our portfolio across several categories. We undertake extensive sampling and consumer education. We reached millions of households to drive awareness, educate consumer about our products, and generate trials. Our efforts in market development, over the last decade, have helped us create new segments. For instance, in Home Care, our liquids portfolio doubled in the last 3 years and crossed ₹3,000 crores turnover. We are de-seasonalising Ice Cream through targeted innovations and activations around festivals. Through Lakmé Fashion Week we continue to build brand salience and drive latest beauty and fashion trends with consumers. As a result, our market development initiatives contributed over ₹10,000 crores to our turnover in FY'23.

Indian consumers are becoming increasingly conscious of holistic health and nutrition. We entered into the fast-growing Health and Wellbeing category through strategic partnerships with two young science-backed brands: 'OZiva', and 'Wellbeing Nutrition'.

Hyperconnected consumers

Today's hyperconnected consumers are increasingly mining information before making a purchase decision. We're facilitating consumers' journey from consideration to purchase by creating an end-to-end experience.

For instance, our content hub 'BeBeautiful' is helping consumers understand the latest trends; platforms such as Lakmé's 'Virtual Try-ons' and 'SmartPick' are helping consumers experience our products; and our Direct-to-Consumer (D2C) websites allow consumers to understand our brand propositions and make the final purchase decision.

To cater to the rapidly evolving needs of these digital natives, we have setup our Agile Innovation Hub that helps in early trend spotting, digital prototyping and deployment, significantly reducing the time from ideation to launch of a new product.

Our new digital-first brand Acne Squad was launched using the Agile Innovation platform to specifically address acne which emerged as one of the top concerns amongst consumers. It includes a range of 11 skincare products and curated regime kits proven to offer best-in-class acne treatment at each stage of acne lifecycle.

We added another brand to our digital Premium Beauty Business Unit using the Agile Innovation Hub platform. The brand 'Find Your Happy Place' offers four mood-transforming experiential bath and body ranges that include moisturising shower gel, bath scrub, bath salts, candles, body lotions, and body butter. Each of the four fragrance families has been specially designed to appeal to Indian sensibilities—all of them rekindling a memory of one's favourite place, person or feeling.

At the same time, we are extensively using digital marketing and influencer campaigns to reach out to our hyperconnected consumers.

>25%

Digital media contribution to total media spends

Customers

This year has been a time of revival post Covid. While our lives adjusted to the 'new normal', our business and customers experienced a paradigm shift. Each element of our customer development value chain embraced technology, becoming data and digital driven. Today, we are more customer and shopper-centric than ever and help our partners deliver 4G growth—Consistent, Competitive, Profitable and Responsible.

To get our products to consumers across the country, we partner with a diverse set of customers, including traditional distributors, modern trade partners, digital commerce platforms as well as thousands of neighbourhood retailers. Our relationship with our customers is built on strong pillars of trust and mutual interest. In traditional distribution channels, today we foster relationships with even third and fourth generation of families, some of whom have been our customers for 50+ years.

Of the 11 million retail outlets present in the country, we sell our brands through around 9 million outlets. We reach over 2 million outlets directly through our network of 3,500+ traditional distributors.

We have always been at the forefront in understanding emerging channels of future and engaging early with customers to partner and win competitively.

Evolving distribution landscape

Over the last few years, the distribution landscape has undergone significant disruption-led by technology and process changes.

Traditional trade has seen a resurgence with the neighborhood *kirana* stores back at the forefront of growth.

However, the traditional trade distribution landscape is being altered by e-B2B players and solution providers. At the other end, e-Commerce has seen heightened growth on the back of convenience and wider choice offered to the shoppers. Modern trade players are also expanding into other sectors (pharma, fashion, etc.) while parallely building a seamless omni-channel experience. As consumers increasingly become more discerning, there is an explosion in offerings across categories, addressing niche opportunities. With this changing landscape, it is imperative that we build a growth-focused, future-fit Customer Development organisation while keeping shoppers and customers at the core of our strategy.

Partnering for growth

Distributor-inclusive digital transformation is one of our key enablers to win in this rapidly evolving distribution landscape. We are strengthening our distribution advantage and fostering a connected and future-fit ecosystem by building competitive moats across the three pillars of demand capture, demand fulfilment and demand generation, enabled by digitalisation of operations and data driven analytics.

1.2 Mn

Retail outlets use our e-B2B app Shikhar

Shikhar is used by 1.2 million retail outlets allowing them to place orders directly with our distributors anytime. We have partnered with banking and financial institutions to unlock low-cost, no-hassle credit for our retailers. By providing convenience of ordering anytime, choice of assortment, and capital unlock for retailers, Shikhar promotes repeat-orders with assured, reliable, and quick service. This enables our distributors to win in the disruptive e-B2B environment. Leveraging Shikhar's reach in general trade, we are using intelligent models to analyse retailer order history and associated external trends to plan for customised retailer centric activations. Further, Shikhar complements our distributor sales representatives (DSR) ecosystem by unlocking time from routine order capturing activities and enabling them to focus more on market development and innovation agenda.

With the aim to provide best-in-class fulfilment service to the retailers, we are partnering extensively with our customers to enable next day order servicing. Our next generation fulfilment solutions are customised to handle varying complexities of operating environment.

We are adopting the approach of decoupling order capturing and fulfilment actions at distributor points and utilising our technology solutions to drive customer efficiencies and profitable growth. Samadhan and Shikhar together provide end to end seamless purchase journey for our retailers. Further, in medium and small cities, we are using our logistics expertise and excellence to enable our customers to run operations efficiently.

We continue to collaborate with our organised retail and digital commerce customers to create growth plans based on shopper centric innovations and activations. The joint-business planning process enables creation of Design-for-Channel packs, customised activations and shopper-soulmate led market development activities across Modern Trade channel. Our e-Commerce business continued to grow rapidly led out of customised innovation and strong partnerships with customers. We also focused on creating capability in performance marketing to build and grow our brands digitally.

Our D2C business has grown to 16 brand.com websites and we are serving consumers across more than 19,000 pin codes in the country. Leveraging our multi-brand D2C platform, UShop, we are also actively collaborating as a participant in Indian Government's initiative Open Network for Digital Commerce (ONDC) to democratise digital commerce.

The pharma and beauty channels offer a strategic growth opportunity for operating in the more premium and specialised Health and Beauty segment. We plan to invest in route-to-market and in-store execution interventions in these channels. We continue to engage with medical professionals and build advocacy for our brands through Expert channel. The capabilities we are building in Expert channel will also be utilised to drive synergies in our latest M&A actions in health and wellbeing space.

Selling with purpose

We now empower over 1.9 lakhs women entrepreneurs through our Shakti programme. We not only continue to enhance the livelihoods and promote financial independence of these rural women, but also upskill them on various social and digital outlines to remain future-fit. Our self-ordering retailer app, Shikhar, being used by 50% of Shakti Ammas currently, is a testimonial of the digital advancement made through the upskilling efforts of our Rural Sales Promoters (RSP). Shakti Ammas also act as agents of social change influencing nutrition, waste recycling and hygiene aspects through dedicated trainings on health and nutrition.

Through our Ahilya initiative, we aim to create equal opportunities for women to join our frontline General Trade salesforce. Under this programme, women sales representatives are trained on various sales and promotion aspects to succeed in their jobs. In 2022, we crossed 1,000+ Ahilyas in our Distributor Sales Representatives (DSR) network, uplifting the livelihoods and promoting financial independence of women and their families across the country.

Suppliers and business partners

Our focus remains on 'Delivering Today and Transforming for Tomorrow' by accelerating digital transformation in end-to-end supply chain to drive Superior Availability, Superior Value, Superior Product, and Superior care for people and planet while ensuring safe operations.

Agile and resilient supply chain

We have an extensive supply chain network of 29 owned factories and 50+ manufacturing partners that manufacture our products using materials and services of over 1,300 key suppliers. In a year, we manufacture over 65 billion units, which are distributed through our 32 distribution centres to over 3,500 redistributors who in turn take our products to around 9 million retail outlets. Over the years, our supply chain has been a source of significant competitive advantage for us be it in terms of ensuring highest standards of quality, providing reliable customer service, leading benchmarks in costs or driving our sustainability agenda forward.

As we continue to navigate through the challenging external environment marked by global supply chain disruptions from two years of pandemic and the geopolitical conflict in Europe, we are also rewiring our supply chain to remain future-fit. Our supply chain is becoming further agile, resilient, and sharply focused on sustainability.

We are investing in capabilities and deploying the most advanced technologies with a vision to make our supply chain 'deliver growth today and transform for tomorrow'.

Our focus is on:

Superior Availability
with end-to-end agile and resilient value chain

Superior Value
to drive competitive and profitable growth

Superior Quality
products for the consumers

Superior Care
for people and planet by making sustainable living commonplace

The end-to-end digital transformation of supply chain and purpose led partnerships will enable us to create a future-fit supply chain.

All figures for HUL including subsidiaries

Superior availability

We continue to strengthen our resilience programme with our suppliers to ensure business continuity and respond faster to rapidly changing consumer needs. While creating strong resilience for high-risk materials, we are also localising sourcing of many of our raw material and packaging materials.

On manufacturing side, we have further increased our production frequency for a quicker response to the changing market demand.

In order to cater to the need for niche premium products, we have setup seven Nano factories—these are fully functioning, mini production lines that house everything we need to produce a batch of final products.

These nano factories enable us to manufacture niche products in a much more agile manner without impacting our cost efficiency. With our latest demand planning and forecasting tools, we now operate in a dynamic manner, significantly shortening planning cycles to respond real time to market demand fluctuations.

Superior value

In this fiscal, FMCG industry witnessed unprecedented and widespread inflation, with prices of many commodities hitting their decadal highs all around the same time. During this period of high inflation and uncertainty, we leveraged Unilever's global scale and expertise, to secure availability whilst driving cost competitiveness.

Further, we drove continuous improvement projects across the width of supply chain by driving better efficiencies and improved utilisation of our assets.

With Nakshatra—our supply chain transformation project—we are creating a more efficient, future-fit manufacturing and distribution network.

Suppliers and business partners

Superior product

Product superiority has been one of the cornerstones of our strategy to win in the competitive environment.

We have significantly invested in our products, using the best of science and technology to drive product superiority and are getting a good response from our consumers. Our blind tests indicate that we now have 2X more superior products compared to 3 years back.

To remain best-in-class on quality indicators, we have set a holistic quality strategy and are driving robust processes for manufacturing in-house as well as through our co-manufacturers.

We continue to drive insights with our business teams to move further on product superiority, alongside building digital capabilities, end-of-line interventions and predictive quality in manufacturing.

Superior care for people and planet

In 2021, we announced our renewed goals towards improving the health of our planet. We are working towards delivering the transformation needed on Plastics, CO_2 emissions, Water, and Nature. We have collected and processed more plastic than we use in packaging our products in calendar year 2021 and 2022. Further, our aim is to use 100% reusable, recyclable, or compostable plastic packaging by 2025. We are on track to create deforestation-free supply chain for our agriculture inputs. In 2022, 82% of Tomatoes and 69% of tea procured were sustainably sourced. With our Prabhat programme, we reached nearly 9 million people in the last 9 years across our factory locations to improve livelihood, health, nutrition, and environment of communities near our factories.

In our ambition to be a gender-balanced organisation, our factories have embarked on a journey to employ more women on the factory shopfloor.

We have employed over 850 women on the shopfloor and are working towards building a more inclusive culture and infrastructure for women employees working on shopfloor.

All figures for HUL including subsidiaries

Partnering with purpose

Our supply partners are key to us achieving our ambitious goals on protecting nature, reducing carbon emissions, improving diversity and inclusion while staying competitive. Through our Partner with Purpose programme, we are working with thousands of enterprises on a path of mutual growth while doing good for people and planet. For instance, we have partnered with 'Tuticorin Alkali Chemicals and Fertilisers Limited' to source Soda Ash using carbon-capture technology. In case of agricultural products like Tea, Coffee, Tomatoes, Dairy, and Cereals, we are working with thousands of farmers in improving yields, introducing regenerative agriculture practices and improving transparency, that not only would help us in creating capacity for future growth but also have a positive social impact on the farmers. We are also improving our supplier diversity by inviting more women-led and diverse businesses to work with HUL.

Our Responsible Partner Policy (RPP) and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business. Launched at end of 2022, the RPP replaces both our 2017 Responsible Sourcing Policy (RSP) and our 2017 Responsible Business Partner Policy (RBPP). It is designed to build more resilient businesses by moving beyond a compliance model to a continuous improvement process. We verify alignment to and achievement of our RPP's Mandatory Requirements and Mandatory Management Systems through the use of self-declaration, due diligence scanning, online assessments, and independent verification by third-party audits in high-risk sites. For suppliers of key agricultural materials, our requirements are defined in Unilever's Sustainable Agriculture Code (SAC) and accompanying Rules. We are fully compliant with minimum wage across our network. As a part of RPP, we are working with our partners to progressively transition towards living wages by 2030.

Enabled by digital transformation

Rapid digital transformation in the consumer and customer landscape requires our supply chains to be at the forefront to be able to serve their changing needs. Our supply chain is moving forward on a holistic digitisation journey across plan, source, make, and deliver leveraging the power of data, technology, and analytics.

Our digital planning strategy aims to provide predictability, enable optimisation, and drive agility of our planning decisions in the face of emerging demand fluctuations. In sourcing, we are using digitisation to enable right price discovery, competition analytics for value unlocks, better traceability, and compliance tracking.

We are deploying end-to-end digitisation in our factories. One such example is our factory in Dapada, which became the first manufacturing site in Indian FMCG industry to join the World Economic Forum's (WEF) Global Lighthouse Network as one of the world's most digitally advanced factories. The factory also joined World Economic Forum's (WEF) Sustainability Lighthouse network, becoming the first in India across industries to get this coveted recognition.

We have moved forward significantly on our warehousing digitisation journey. At our Samadhan warehouse in Chennai, the operation is executed in a paperless manner with real time decisions enabled by Internet of Things (IoT) devices and intelligent Warehouse Management Systems.

Our people

Our people are our biggest asset, and as our business transforms, we will accelerate growth and value-creation by creating a future-ready workforce. Building end-to-end skills will be our biggest differentiator, and we are committed to upskilling 100% of our workforce on capabilities of the future.

Our people are fundamental to our success as an organisation. We believe that building a culture that fosters high performance and engagement, while empowering employees to be the best version of themselves, is key to achieving sustainable and inclusive growth.

Health, wellbeing and safety of our employees, their families and the people in our extended value chain continue to be our topmost priorities. Equally, as an employer, HUL takes the responsibility to proactively invest in capabilities to upskill our people and make them future-fit.

Safety at work

We remain strongly committed to the safety of our people and contractors who work with us at our sites. Our safety and health-management system is based on the principle of plan, do, check, and act. Credible risks are evaluated at every stage of the process, and adequate actions are taken to mitigate the risks. Safety incidents are reported, investigated and lessons learnt are communicated widely within the organisation. This is underpinned by continual improvement objectives and periodic reviews through our safety and health sub-committees, each headed by a Management Committee member.

A robust safety - audit mechanism is in place to verify compliance to internal standards as well as statutory requirements. A safety culture is promoted by undertaking behavioural interventions at all levels and disseminating the importance of safety as a personal value. A comprehensive emergency response plan and related facilities are maintained at all sites, and employees are trained to respond accordingly.

Our Total Recordable Frequency Rate (TRFR)[1] was 0.27 accidents per million hours worked in FY'22-23 as compared to 0.38 in last fiscal year.

1 *Our Lost Time Injury Frequency Rate (LTIFR), that is injuries per million hours worked. It counts all 'lost-time' safety injuries, which means injuries that keep people away from work even for one day. The LTIFR for office-based employees is 0.0 and 0.13 for factory-based employees*

Wellbeing for all

Alongside safety at work, supporting our people's physical, mental, and emotional wellbeing has been an organisational priority. We aspire to add healthy years to the lives of our people through targeted interventions.

'Healthier U' is our programme that empowers employees to develop and sustain healthy lifestyle choices.

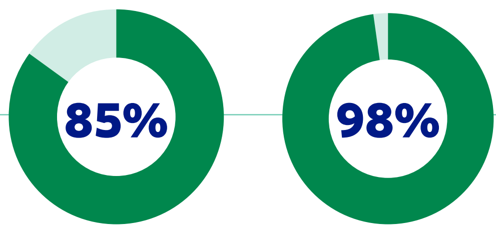
The programme helps employees look after their physical and emotional health by enabling them to understand their motivations towards a healthier lifestyle, evaluating their health profiles, and planning effective interventions.

In 2022, we trained 433 employees to act as first responders to their colleagues suffering from mental health issues. We now have over 900 Mental Health Champions to guide our employees to appropriate resources on any mental health-related issue. Our group of experienced and well-trained medical professionals are committed to maintaining a safe and healthy working environment. For instance, all employees can benefit from periodic health evaluations for health issues, access to market-leading medical care, and a host of other support facilities. Company's Employee Assistance Programme (EAP) delivers support 24X7 in local languages and is accessible via telephone, text, or webchat.

Our sustained and focused efforts were reflected in our annual employee survey UniVoice, with 85% office-based employees and 98% factory employees sharing their belief that the Company cares for their wellbeing.

>900

Mental Health Champions trained to act as first responders to their colleagues suffering from mental health issues



Office-based employees | **Factory employees**

Employees believe that the Company cares for their wellbeing

Report of Board of Directors and Management Discussion and Analysis

Our people

Employer of choice

We continued to strengthen our employer brand and were once again ranked #1 employer of choice[1] across sectors. We have constantly been rated as the preferred employer for women in 2022 and 2023[2]. We have revamped our employer brand strategy to be more diverse, more digital and more data-led in our selection. We are making conscious shifts in the talent we attract by actively seeking entrepreneurial, digital and STEM (science, technology, engineering, and mathematics) skills.

Our flagship Unilever Future Leaders Programme (UFLP) has been the training ground for many inspiring leaders across HUL and Unilever. It provides extensive cross-functional experience through live projects and assignments.

Driven by the 'leaders build leaders' philosophy; we have sustained an environment where people are empowered with big responsibilities early in their career and are able to constantly experiment with the right guidance and support.

Along with attracting the best talent, we have continued to invest on retaining and ring-fencing our top talent with differentiated careers and rewards. In a resurgent talent market, our voluntary attrition continued to be well below the FMCG industry benchmarks.[3]

#1

Employer of choice across sectors[1]

One of the Best Organisations for women in 2022 and 2023[2]

1) *Based on brand perception study by InsideIIM at target B-schools in Aug-Sep 2022*
2) *Recognised by the Economic Times as one of the Best Organisations for Women*
3) *Based on Aon India's 28th Annual Salary Increase Survey 2022-23 Phase*

The values indicated above pertain to HUL and its subsidiaries

Future-fit capabilities and leadership edge

We have created a culture of continuous learning and building future fit capabilities for our people. We are making systemic shifts in our skill mix by upskilling our shopfloor employees and moved closer to our ambition of having more than 50% of our shopfloor employees technically skilled. In 2022, we launched SkillUp as the first ever digital future-fit capability and talent development platform for our frontline sales employees. Our 2,000+ frontline workforce completed a holistic skill-assessment on 8 future-fit sales skills through a rigorous online diagnostic.

In addition to raising the bar on digital skills of our own employees, we have initiated industry first practices for creating a wider ecosystem of digital talent with over 300 candidates (including 120 women). For instance, Digi Pivot – an exclusive venture between HUL, Google and ISB is targeted towards upskilling over 100 women on digital marketing. Through our pathbreaking partnership with UpGrad and IIIT Bangalore, we have built a pipeline of expert talent on data science roles. We have also launched an exclusive and aspirational DigiCommerce stream within the UFLP, through differentiated selection process and investments in masterclass simulations. We are also accelerating external immersions and conducted 'Inspire Learning Week' with 10,000+ hours of digital learning.

We have stepped up investments to further strengthen our leadership edge through our 'Leading the Unilever Way' programme. It encourages leaders to live our Standards of Leadership so that we can create a culture that is human, purposeful and accountable. To support our people to unlock their personal purpose, and contribute to work they find meaningful, we launched 'Discover Your Purpose' movement. Over the past 3 years, 16,000+ employees across our offices, factories and salesforce have been part of these workshops which helped them find their purpose.

2,000+

Frontline workforce completed a holistic skill-assessment on 8 future-fit sales skills through a rigorous online diagnostic

16,000+

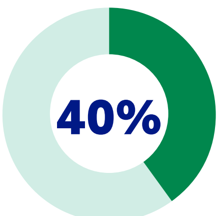
Employees across our offices, factories, and sales have been part of 'Discover Your Purpose' workshops

Equity, diversity and inclusion

We continue to progress on our Equity, Diversity, and Inclusion journey. In 2022, we strengthened our overall engagement in gender diversity. We have been investing in the capabilities of our business leaders and HR practitioners to support equity advocacy, diversity awareness, and psychological safety in their teams. We want to be a workplace where everyone feels they belong and are able to thrive. This means creating an inclusive culture free from the barriers that limit people in reaching their true potential.

Our women representation in the managerial population stands at 40% as on March 2023. Currently, many of our functions such as Marketing, R&D, Legal, and Human Resources are gender-balanced. We have also taken decisive steps to improve gender balance in our frontline sales force and outer-core (3rd party and distributor-led workforce). Through project Ahilya, our focus is to create equal opportunities for women to join frontline sales roles, which have traditionally been a male bastion. Today, the Ahilya community consists of over 1,000 women and is gaining momentum across the country, with the aim to build a truly diverse and inclusive sales frontline.

Equally, we are making progress to improve representation of women on the factory shopfloor with the addition of over 850 women across our factories. We are building our first gender-balanced site in Sumerpur and have made significant progress to build 40% women representation by FY'23. We have built a conducive work culture and made systemic investments on infrastructure such as unlocking 3-shift working, gender-sensitisation workshops, hostels, creche, safe, and hygienic washrooms, to build a truly inclusive frontline in our factories. By 2026, our ambition is to have 10,000 women in our sales outer core and by 2025, we aim to have 1,500 women on shopfloor. In 2022, through the levers of attraction, accessibility, and awareness, we built a base of 70+ People with Disabilities (PWD) talent with the right job mapping, and our ambition is to have 5% of our workforce comprising PWDs by 2025.



Women in managerial population

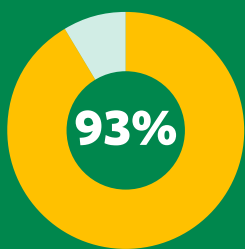
>1,000
Ahilyas

>850
Women on Shopfloor

Future of work

We are transforming how we work at HUL by introducing more flexible and agile ways of working that unlock capacity and help individuals find a meaningful and balanced way of working. Our hybrid ways of working are anchored around the employee context and have flexibility at the heart. We have further strengthened our high engagement levels[1] – 86% in offices and 97% in factories – which places us in the top quartile for employee engagement compared to industry benchmarks.

To have access to diverse skills and talent pools with speed, we are experimenting with new employment models viz. Open2U—for ready access to differentiated skills through a network of 1,000+ expert gig-workers—and U-Work — to enable our employees to flexibly work on assignments through a dip-in-dip-out approach.



Engagement levels across our offices and factories

1) *Data from our Annual Employee Survey - UniVoice*

Planet and society

As a purpose-driven Company, we recognise that a healthy business can only prosper in a healthy planet and society. Sustainability is key to us and the Compass business strategy outlines goals across key pillars of environment, health, and wellbeing and social inclusion.

Climate action

We are committed to taking steps to collectively and positively impact climate change.

To reduce our carbon footprint, we are investing in new technologies, switching to renewable sources, and innovating to transform factory operations. As a result, the total energy consumption per tonne of production from our factories has reduced by 44% over 2008 baseline. At the same time, we increased our renewable energy footprint by installing additional solar plants at Chhindwara, Orai, and Haridwar, and we are adding four windmills in Nashik manufacturing units. The total capacity of solar and wind energy in our factories is now 20MW (megawatts).

Through various decarbonisation initiatives and the introduction of biodiesel in operations, our CO_2 emissions have now reduced by 97% per tonne of production over 2008 baseline. To know more visit https://www.hul.co.in/planet-and-society/climate-action/

44%

Reduction in total energy consumption per tonne of production from our factories over 2008 baseline

20 MW

Total solar and wind energy capacity in our factories

97%

Reduction of CO_2 emissions per tonne of production over 2008 baseline

We are committed to achieve net-zero emissions from sourcing to point of sale for all our products and have been taking steps to help reduce greenhouse gas emissions across our value chain.

All figures for HUL including subsidiaries

Structural changes across manufacturing and distribution network ensure higher operational efficiency and fuel-efficient technology usage. We are leveraging the work done by Unilever R&D to provide consumers with sustainable products that reduce carbon footprint.

We have been making efforts towards reducing freshwater abstraction, implementing captive rainwater harvesting, and maximising the use of RO plants. As a result, there has been significant reduction in the use of water in our manufacturing processes.

48%

Reduction in water usage (cubic meter per tonne of production) over 2008 baseline

Protect and regenerate nature

Nature is vital to our business, and we have devised a focused strategy to protect and regenerate the land, forests, and water systems that we rely upon.

Unilever has been at the forefront of driving industry-wide change to ensure a sustainable future for palm oil. It is one of the major raw materials, and we are committed to procuring a sustainable supply of palm oil for our products.

We have a plan to ensure that the palm oil we buy is not only sustainably sourced but deforestation-free. We've committed to achieving a deforestation-free supply chain by 2023.

In 2022, 82% of tomatoes and over 69% of tea were sourced sustainably. By the end of 2022, 100% of the chicory was sourced sustainably, and all the chicory farmers supplying to us were covered under the Unilever Sustainable Agriculture Code. We are working with more than 1,20,000 smallholder farmers in our tea, tomato, and chicory supply chain to impart knowledge and expertise on sustainable agriculture practices.

We realise that businesses need to play an important role not only through their operations but also through strategic interventions for a greater positive impact on the planet. Through Hindustan Unilever Foundation (HUF), our not-for-profit subsidiary that was set up in 2010, we aim to support and amplify scalable solutions that can help address India's water challenges — specifically for rural communities that intersect with agriculture. Till date, HUF, along with its partners, has delivered a cumulative and collective water potential of over 2.6 trillion litres through improved supply and demand water management.

CSR To know more about HUF's initiatives, please refer page 98

Our efforts to protect and regenerate nature will increase our capacity to reduce Greenhouse Gas (GHG) emissions, increase biodiversity, and protect water systems, within and beyond our own value chain.

All figures for HUL including subsidiaries

Planet and society

Waste-free world

We are committed to create a waste-free future and are already taking preventive measures by implementing the reduce-reuse-recycle model. Significant progress has been made across all our ambitious goals, including reducing use of virgin plastic by rethinking packaging designs, materials, and business models. For more information on how we are creating a waste-free world, visit https://www.hul.co.in/planet-and-society/waste-free-world/.

In calendar year 2022, we collected and processed over 1,00,000 tonnes of plastic waste, that is more plastic than we use in packaging our products.

In order to create a plastic waste circular economy, we recognise the imperative need for behaviour change. To advocate and create awareness in the area of waste management, we have partnered with Xynteo India Private Limited and United Nations Development Programme (UNDP). For instance, a curriculum called 'Waste No More' developed by us in partnership with Xynteo, aims to create awareness and drive behaviour change on waste segregation and recycling among school children.

The programme 'Waste No More' has reached out to more than 92 lakhs students through direct school interventions and 27 lakhs children digitally.

Along with UNDP, we have set up end-to-end waste management projects in Mumbai, right from collection to segregation and recycling, including behaviour change. The plastic waste management programme at Swachhta Kendras currently active in four wards in Mumbai, reaches out to more than 1,00,000 households for collecting and segregating dry waste and has onboarded more than 1,000 Safai Saathis.

CSR For more information on our plastic waste management initiatives, refer page 101

We recognise that there is still a lot more work to do as the challenges faced are industry-wide primarily driven by lack of collection, segregation and recycling infrastructure, and the need for behaviour change.

>1,00,000 Tonnes

plastic waste processed in 2022

All figures for HUL including subsidiaries

As the leading FMCG Company in India, we remain committed to creating a waste free world and are actively working with our partners

Positive nutrition

We believe that everyone, everywhere should have access to nutritious food that is also affordable. We are continuously working to improve our products to help people transition towards healthier diets through foods that deliver positive nutrition. We have doubled the number of products sold that deliver positive nutrition. By the end of 2022, 67%[1] of our portfolio met WHO-aligned nutritional standards and 50% of our Foods portfolio helped consumers reduce their salt intake to no more than 5g per day.

Additionally, 100% of our Ice Cream products have less than 250 kcal and no more than 22g total sugar on a per serve basis.

We have launched products that further bolster our commitment to positive nutrition such as Kissan Hazelnut Choco Peanut spread that is an excellent source of Protein, and Millet Chocolate Horlicks with a unique blend of four millets that are natural sources of Calcium, Iron, Protein, and Fiber.

Health and wellbeing

We recognise the importance of good hygiene and sanitation for people's health and wellbeing. Through our brands, we have been addressing the challenges people face in maintaining health and hygiene.

For instance, our Lifebuoy handwashing behaviour - change initiative helps in promoting the benefits of handwashing with soap at key times during the day and encouraging people to adopt and sustain good handwashing behaviour.

In 2020, Lifebuoy, launched the award-winning 'H for Handwashing' campaign, and this year, children became the torchbearers of this movement. Children were nominated as H for Handwashing Chief Education Officers who would help create a real impact by teaching handwashing habits to thousands of other school children.

We have been continuously taking steps to improve people's health and wellbeing through strategic initiatives. For instance, our Swasthya Curriculum teaches children in classes 1-5 the importance of adopting four key habits of having a nutrition-rich meal, washing hands with soap, drinking safe water, and using clean toilets, over a 24-day period.

To address the challenges of accessibility to proper sanitation in urban areas, we pioneered the 'Suvidha' centre a first-of-its-kind urban water, hygiene and sanitation community centre. It was first set up at Ghatkopar, one of the largest slums in Mumbai.

Till date, we have established 12 Suvidha centres in Mumbai along with our partners, that provide access to safe sanitation to over 3 lakhs people.

To ensure sustainable impact, we have also been implementing an extensive behaviour change programme around the Suvidha Centres to encourage people to adopt safe hygiene and sanitation habits, and nutritional practices to reduce the scope of illness and create good health outcomes for the families.

CSR Learn more about Suvidha initiative on page 99

1 Excluding salt business

Report of Board of Directors and Management Discussion and Analysis

Planet and society

Equity, diversity and inclusion

We believe that driving equity, diversity, and inclusion makes the business stronger and helps in building a fairer, more inclusive world. We have made significant progress in improving gender balance in our managerial workforce and are now looking at inclusion across all levels including in the frontline.

Project Shakti that aims to financially empower and provide livelihood opportunities to women in rural India is now over 1.9 lakhs women strong.

We have been imparting continuous training to these Shakti Ammas to become future-fit. In fact, more than half of these women entrepreneurs in deep rural India are now using our e-B2B app, Shikhar to place their orders with us.

CSR Know more about HUL's Shakti initiative on pages 99 and 100

We are also focused on driving equity in communities in which we operate. For instance, this year, we have partnered the renowned cricket-coaching academy, Coaching Beyond to help reduce barriers that come in the way of budding women cricketers and support them to excel in the sport. Through the Kwality Wall's mobile-vending initiative 'I am Wall's', we have provided entrepreneurship opportunities to ~12,600 people including 250 persons with disabilities across India. Know more about our initiatives on inclusion here https://www.hul.co.in/planet-and-society/equity-diversity-and-inclusion/.

~12,600

people were provided with entrepreneurship opportunities

Raise living standards

We strive to ensure fairer wages and access to opportunities to all across our value chain and are focused on providing the right opportunities for talent across the country.

Prabhat, our community-development initiative, since the last nine years has been contributing to a fairer, more socially and environmentally inclusive world through its initiatives. Through Prabhat's 18 livelihood centres, women and youth are trained on vocational skills and entrepreneurship development, making them future-fit. Nearly 1,10,000 people have been imparted skill development and training through Prabhat's livelihood centres and almost 65,000 people have secured employment.

To ensure that rural India has proper access to nutrition education, pre-school activities, and more through anganwadis, we, through Prabhat, support the renovation of infrastructure in anganwadis across locations. To know more about how we are working towards raising living standards, visit https://www.hul.co.in/planet-and-society/raise-living-standards/.

~1,10,000

People have been imparted skill development and training through Prabhat's livelihood centres

~65,000

People have secured employment

Human rights

Respecting Human Rights is a non-negotiable for your Company. Our Respect, Dignity, and Fair Treatment Code Policy sets the base for what our employees deserve and what we must do to uphold our culture. Our Code of Business Principles (CoBP) seeks to uphold and promote human rights in its operations, in relationships with business and partners, and by working through external initiatives such as the United Nations Global Compact. From providing fair wages to eliminating discrimination and harassment to building safe workplaces to reducing excessive working hours, we aim to build the right foundation of a socially inclusive world where everyone matters - right from the smallholder farmers who help source ingredients, to distributors and everyone who works with us. We adhere to Unilever's approach to human rights, and our CoBP upholds the principles of human rights and fair treatment. The Code also conforms to the International Labour Organisation (ILO) principles.

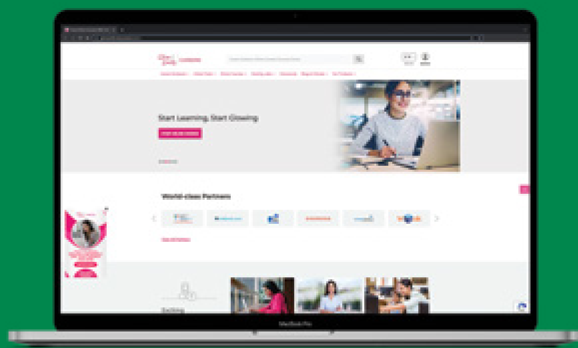
The principles of human rights are followed in the same spirit within and outside the organisation when engaging with business partners.

To know more about our policies, visit https://www.hul.co.in/planet-and-society/respect-human-rights/.

Future of work

We are taking several actions to ensure a future-ready work space and are committed to reshaping the employment landscape.

For example, the Glow & Lovely Careers online initiative is designed to help women create an identity for themselves by providing them with career guidance, skill-based courses, and information about job opportunities.



Through the Trustea programme, we provide access to small holder farmers on formal training opportunities in sustainable practices focused on the environment, safety, and livelihoods.

Our People | To know how we are reshaping the future of work, refer pages 66 to 67

You can also visit https://www.hul.co.in/planet-and-society/future-of-work/ to know more.

Report of Board of Directors and Management Discussion and Analysis

Shareholders

Our clear and compelling strategy enables us to deliver consistent, competitive, profitable, and responsible growth, driving long term value creation for our shareholders

Strong outperformance in a challenging environment

We delivered another year of solid all-round performance. Our turnover at ₹58,154 crores grew 16% with an underlying volume growth of 5%. Growth was significantly ahead of the market with more than 75% of the business winning both value - and volume-market shares. On the bottom-line, net profits increased by 13% to ₹9,962 crores. Our Earnings per Share (EPS) at ₹42.4 grew 13%.

In a challenging environment, marked by unprecedented inflation and significant slowdown in market growth, we dynamically managed our business to grow the consumer franchise and protect our business model. We focused sharply on driving savings harder across all lines of the P&L, ensuring right price-value equation for our consumers and investing competitively in our brands and in building future-fit capabilities.

Keeping in view the strong performance, your Directors are pleased to recommend a final dividend of ₹22/- per equity share of face value of ₹1/- for the year ended 31st March, 2023. Together with interim dividend of ₹17/- per share, the total dividend for the financial year ended 31st March, 2023, amounts to ₹39/- per share of face value ₹1/- each, an increase of 15% versus FY'22.

Our strategic priorities for 4G growth

Our consistent, strong all-round performance is a testament to our strategic clarity, strength of our brands and capabilities, our execution prowess, and most importantly, the determination of our talented purpose-driven people.

We continue to make great progress on our strategic priorities – to develop our portfolio, win with our brands, lead in the channels of future, build differentiated structure, and capabilities. This, along with a strong focus on delivering our five Growth Fundamentals, will continue playing a pivotal role in achieving 4G growth, growth which is consistent, competitive, profitable, and responsible.

Developing our portfolio

We have a wide and resilient portfolio that spans across 16 FMCG categories. In more than 85% of our business, we are the market leaders.

We continue to invest in building a future-fit portfolio by strengthening our core, driving premiumisation, and creating categories of the future through market development. In the core part of our portfolio, we are contemporising our brands through superior products and purposeful communications to grow our consumer franchise. We continue to increase our corporate market share.

We are driving premiumisation and creating categories of the future through our proven model of market development. This year, we reached millions of households through our consumer-connect programme to drive awareness, educate them about our products, and generate trials. Over the years, these efforts have helped us create a significant portfolio, which did not exist a decade ago, and now, contributes over
₹10,000 crores to our turnover in FY'23.

In line with our strategic intent to enter the fast-growing demand spaces, we forayed into the 'Health and Wellbeing' category through strategic investments in two young science-backed brands 'OZiva' and 'Wellbeing Nutrition'. We see immense potential in these brands and are excited to partner them to scale the business further.

During the year, we sold our non-core businesses of atta and salt carried out under the brands 'Annapurna' and 'Captain Cook' to focus on driving our growth agenda in packaged foods business.

Winning with our brands as a force for good, powered by purpose and innovation

Consumers are increasingly preferring trusted brands that not only deliver great products but also positively impact planet and society. Through focused initiatives, our brands are taking actions to improve people's health and wellbeing. Lifebuoy continues to build relevance of hygiene through its on-ground activation 'H for Handwashing'. In its second year of 'Stop the Beauty Test', Dove is urging society to look beyond beauty stereotypes and celebrate every girl's individuality and uniqueness. Clinic Plus is encouraging mothers to raise stronger daughters through its 'Meri Beti Strong' campaign.

We leverage world class R&D capabilities of our parent Company 'Unilever'. Over 5,000 R&D professionals work on breakthrough science and technology in our global R&D Centres. Our marketing teams work with Unilever's R&D team to create innovative brands and products for Indian consumers that are superior and sustainable while being cost effective.

During the year, we landed impactful innovations such as the expansion of our premium hair care with products such as hair serums and masks. Similarly, in Skin Care, we expanded our portfolio into hydration, sun-care, anti-ageing, and holistic glow. We have also launched Novology - a masstige beauty brand in the Derma Therapeutic space. The brand includes clinically proven range of solutions created with experienced dermatologists to solve persistent skin concerns.

Driving our positive-nutrition agenda, we launched Kissan Hazelnut Choco Peanut spread that is an excellent source of Protein, and Millet Chocolate Horlicks with a unique blend of four millets that are natural sources of Calcium, Iron, Protein, and Fiber.

In Home Care, we are making good progress on our ambitious 'Clean Future' journey. We have launched Surf excel Matic concentrate liquid that provides powerful cleaning with half the usual dosage. We are working towards the goal of net-zero emissions from our products, and are exploring opportunities for soda ash, which is a key raw material for our laundry products using carbon capture technology.

We have setup an Agile Innovation Hub that helps us spot consumer trends, translate ideas into prototypes with digital simulations and enables real time consumer feedback. Through this, we have been able to significantly reduce time of our innovation cycles. Our new digital-first brands Acne Squad and Find Your Happy Place were launched using this cutting edge platform.

Leading in the channels of the future

India's retail ecosystem is undergoing a rapid transformation. While traditional *kirana* stores continue to be the largest ecosystem for consumers to access their brands, new-age digital platforms such as e-Commerce, D2C, quick commerce, omni channel and e-B2B are scaling up at a fast pace. We are at the forefront of this retail evolution journey with a clear focus on ensuring that our brands are available wherever our shoppers are.

Leveraging our Design-for-Channel approach we are designing products and organising our business for organised retail by collaborating with our customers and partners.

Our e-B2B app Shikhar, is now used by 1.2 million retailers allowing them to place orders online at their convenience. Shikhar is also making strides in Project Shakti where we tap into rural demand through designated women entrepreneurs in every village called Shakti Ammas. Till date, we have onboarded over 1,00,000 Shakti women on the app who are now able to place orders at their convenience and get HUL products in an easy and reliable way.

Report of Board of Directors and Management Discussion and Analysis

Shareholders

To augment faster demand fulfilment, we are automating our warehouses. Our Samadhan warehouse is a fully automated warehouse, which enables us to maximise next-day delivery.

We continue to partner with our e-Commerce and omni -channel players to expand our digital presence. We have 16 D2C websites for our premium brands giving consumers a unique shopping experience. Through our multi-brand D2C platform USHOP, we are also actively participating in government's Open Network for Digital Commerce (ONDC) initiative.

Building differentiated structure and capabilities

FMCG industry is undergoing rapid transformation led by digitisation in the country. Digital and technology has led to fragmentation of consumer choice, new channel shifts and the creation of service ecosystems. To be at the forefront of this digital transformation journey, we continue to put a big thrust on leveraging technology and data-led decision-making.

A few years back, we embarked on our 'Re-Imagine HUL' journey to create an intelligent enterprise. Our 'Re-Imagine HUL' programme is accelerating our shift from traditional linear value chain to a web of ecosystems across consumer, customer, and operations powered by data, technology, and analytics at the core.

This enables the development of modular inter-connected capabilities that allow us to create a friction-less solution for superior experience while improving agility and responsiveness across the business.

Consumer Ecosystem

Our connected consumer ecosystem is designed to cater to every stage of the consumer journey, from insights to innovation, to deployment, to awareness and to final purchase decision. We are using Agile Innovation Hub to land faster, better innovations, leveraging data-driven tools to optimise our media strategy. Our content hubs (BeBeautiful), consumer trial (Smartpick), and D2C websites partner consumers in their journey from consideration to purchase.

Customer Ecosystem

In our connected customer ecosystem, we have built competitive moats across demand capture, demand fulfilment, and demand generation enabled by digitisation. We now capture 30% of our demand digitally through our future-ready platforms of Shikhar app, e-Commerce, and D2C websites. This also enables us to do demand generation in a disruptive way. Along with the front end, we are wiring up our distribution backend to maximise next day delivery.

Operations Ecosystem

Our supply chain is undergoing end-to-end integration enabled through a Nerve Center approach. Our digital-planning strategy aims to provide predictability, enable optimisation, and drive agility of our planning decisions. We are using digitisation in sourcing to create value unlocks. Our digital factories will enable us to further improve speed, cost efficiencies, and become more sustainable. We have setup 7 nano factories that enable us to manufacture niche products in an agile manner. Collectively, this will result in improved customer service, better efficiencies, and reduced costs.

Data, Tech and Analytics

At HUL, we treat data as an enterprise asset. To democratise data, we have built capabilities such as Chanakya, which combines disparate sets of data from trade, consumers, media, and financial data and helps analyse across multiple business levers. We have also built diagnostic and prescriptive capabilities like Jarvis which combine multiple levers to decode the performance and augment decision-making capabilities. Digital is no longer restricted to each function nor is it an experiment; it has become the way of working in HUL.

'Winning in Many Indias' has been the cornerstone of our strategy. Looking at the diverse nature of our country, we have deaveraged India into 16 consumer clusters. This brings us close to the consumers, allowing us to capture insights at a granular level. With the help of these rich insights, we are able to deploy sharp and tailored marketing strategies and product mixes to suit consumer preferences leading to new pockets of growth.

As we move ahead in our journey towards an intelligent enterprise, we continue to invest in building our future-fit talent and capabilities.

Access to world class Brands, Technology, and Services

HUL had a Royalty and Central Services arrangement with Unilever which was signed in January 2013 for a period of 10 years. This arrangement granted HUL the right to use Unilever-owned trademarks, technology, and corporate logo and gave access to central services provided by Unilever. The effective pay-out for this arrangement for FY'22 was c. 2.65% of HUL's turnover, comprising of (i) Trademark and Technology royalty of c. 1.65% and (ii) Fees for central services of c. 1%.

Over the course of the last decade, we received an increasing stream of benefits which have equipped us to meet emerging consumer needs with agility and win in the marketplace. This is clearly reflected in our strong performance where we have more than doubled our turnover and improved EBITDA margins by around 850 bps.

In view of the current agreement expiring with efflux of time, Unilever had requested for a review of the current arrangement. A detailed evaluation and due diligence led by senior HUL Management was undertaken. The Audit Committee was updated from time to time on the progress of the evaluation and due diligence exercise. The recommendations/suggestions of the Audit Committee were duly noted and acted upon by the senior HUL Management during the course of the exercise. The Non-Executive Chairman and the CEO & Managing Director of the Company recused themselves from all discussions relating to these transactions as they are members of the Unilever Leadership Executive and deemed to be interested in this matter.

Given the related party nature of the transactions, it is important to establish that these transactions are entered into on an arms' length basis. Based on the advice of the Audit Committee, the Company engaged the services of M/s. Deloitte Haskins and Sells LLP for conducting an independent benchmarking exercise of the contract rate of trademark, technology, corporate logo royalty and fees for central services in our industry between unrelated parties. The benchmarking was conducted at an element level i.e., individually for trademark royalty, corporate logo royalty, technology royalty and central service fees by comparing like to like contract rates for each element. The benchmarking exercise showed that the current and proposed rates are competitive (at or below median) within the range of comparable benchmarks. Further, there was a study done to compare the proposed rates against that of listed Indian FMCG peers, which again demonstrated that HUL's royalty and central services rates are lower than the peer set as well.

After taking into account (i) business requirements of the Company, benefits received by the Company, detailed evaluation and due diligence led by senior HUL Management, (ii) the royalty and central service fee rates paid by similar FMCG peers, (iii) the external consultant's report showing HUL rates are competitive within the benchmark range and (iv) approval and recommendation of the Audit Committee, the new royalty and central services arrangement effective from 1st February, 2023, was duly approved by the Board at its meeting held on 19th January, 2023 and will be in force for a period of 5 years. Overall, the contracts propose a staggered increase over a period of 3 years from c. 2.65% to c.3.45% of Turnover to enable HUL to absorb the increase without affecting investment:

- 45 bps increase in effective cost for February to December 2023
- 25 bps further increase in effective cost for January to December 2024
- 10 bps further increase in effective cost from January 2025

Given that this was a related-party transaction, we ensured that the highest norms of governance were followed in addition to compliance with applicable regulations. In line with the provisions of the Listing Regulations, approval is sought from shareholders with respect to the services-related transactions. For more details, please refer pages 360 to 365.

We remain confident of continuing to deliver Consistent, Competitive, Profitable and Responsible (4G) growth and stay committed to our mid to long term guidance of double-digit EPS growth despite the increase in rates without any impact on our ability to invest in growing our business. The new contracts ensure continued benefits that HUL has been receiving from Unilever in terms of a steady stream faster innovations, superior products and technology, greater expertise, and enhanced services which will equip HUL to continue to win in the marketplace.

Risks and Opportunities

Our risk appetite and approach to risk management

Risk management is integral to our strategy and to the achievement of our long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities generated by our business and the markets we operate in. In doing this, we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's Agenda, which is where we believe it should be.

HUL's appetite for risk is driven by the following:

Our growth should be consistent, competitive, profitable, and responsible;

Our actions on issues such as plastic and climate change must reflect their urgency, and not be constrained by the uncertainty of potential impacts;

Our behaviours must be in line with our Code of Business Principles (CoBP) and Code Policies;

Our ambition to continuously improve our operational efficiency and effectiveness.

Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to HUL's Senior Management and Board and Board Committees including, where appropriate, the Chief Executive Officer and Managing Director, Chief Financial Officer, Audit Committee, and Risk Management Committee.

For each of our principal risks, we have a risk management framework detailing the internal controls we have in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers short and long term as well as internal and external risks, including financial, operational, sectoral, sustainability (particularly Environmental, Social and Governance related risks), information, cyber security, legal and compliance, and any other risks as may be determined by the Company Leadership teams. How the identified risks are changing as well as emerging risk areas are reviewed on an ongoing basis, and formally by Risk Management Committee and the Board at least twice a year.

Processes

We engage in a wide range of processes and activities across our operations covering strategy, planning, execution, and performance management. Risk management is integrated into every stage of the business cycle. These procedures are formalised and documented and are increasingly being centralised and automated into transactional and other information technology systems.

Risk and Internal Adequacy

The Board advised by the Risk Management Committee, where appropriate, regularly reviews the significant risks and decisions that could have a material impact on HUL. These reviews consider the level of risk that the Company is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal controls environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

Principal risks

In the following pages, we have identified the risks that we currently regard as the most relevant to our business. These are the risks that we see as most material to HUL's business and performance at this time. There may be other risks that could emerge in the future.

Our principal risks have not changed this year. However geopolitical and macro-economic uncertainties, climate change, rapidly evolving business models, and increased vulnerability of systems have accentuated the risks in these areas. Much of our risk mitigation focus during the year has been on managing these risks.

We regularly review our risk areas and the Company's leadership retains the responsibility for determining the nature and extent of significant risks and drawing out commensurate mitigation plans. We identify the most relevant risks for our business and reflect on whether the level of risk associated with each of our principal risks is increasing or decreasing.

We set out below our principal risks, certain mitigating actions that we believe help us to manage our risks, and the increase/decrease corresponding to each of the these.

Risk Description	Management of Risk
Brand Preference	**No Change** ↔
Our success depends on the value and relevance of our brands and products to our consumers and on our ability to innovate and remain competitive. Consumer tastes, preferences, and behaviours are changing more rapidly than ever before. The increased competitive intensity due to entry of new players may fuel it further. We see a growing trend for consumers preferring brands which meet both their functional needs and have an explicit social or environmental purpose. Under indexation of product portfolio in segments, where substantial market is moving to, may lead to loss of market share and long-term competitive disadvantage. Our ability to create innovative products that continue meeting the needs of consumers and deploy the right communication, both in terms of messaging content and medium, are critical to the continued strength of our brands.	The Company monitors external market trends and collates consumer, customer, and shopper insights in order to develop category and brand strategies. We invest in markets and segments where we have built, or are confident that we can build, competitive advantage. Our R&D function actively identifies ways to translate trends in consumer preferences into new technologies for incorporation in future products. Our innovation management process converts category strategies into projects which deliver new products to market. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed. Our brand communication strategies are designed to optimise digital communication opportunities. We develop and customise brand messaging content, specifically for each of our chosen communication channels (both traditional and digital) to ensure that our brand messages reach our target consumers. Our brand teams are driving social purpose into their brand's proposition and communications.
Legal and Regulatory	**No Change** ↔
Compliance with laws and regulations is an essential part of HUL's business operations. Proliferation or changes in regulations related to levy of direct/indirect taxes, data privacy, corporate governance, listing and disclosure, food standards compliance, labour laws, consumer communications and advertising, imports, among others, may lead to adverse impact on growth and profitability and increased exposure to civil and/or criminal actions leading to damages, fines, and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business.	We are committed to complying with the laws and regulations of the country. In specialist areas, the relevant teams are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles. Our legal and regulatory teams are involved in monitoring and reviewing our regulatory practices to provide reasonable assurance that we remain aware of and are in line with all relevant laws and legal obligations. The teams also work with the Industry and Trade Associations in making recommendations on newer and evolving regulations keeping the multi-stakeholder model in mind.

Report of Board of Directors and Management Discussion and Analysis

Risks

Supply chain	No Change ↔
Our business depends on purchasing materials, efficient manufacturing and the timely distribution of products to our customers. Our supply chain network is exposed to potentially adverse events, such as physical disruptions, environmental and industrial accidents, labour unrest, trade restrictions, or disruptions at a key supplier, which could impact our ability to deliver orders to our customers. The cost of our products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs may negatively impact business, especially if such movements are not effectively managed. Covid-19 and geopolitical uncertainty around the world has challenged and continues to challenge the resilience and continuity of our supply chain. Maintaining manufacturing and logistics operations will continue to require ongoing focus and flexibility.	We have contingency plans designed to enable us to secure alternative key material supplies at short notice, to transfer or share production between manufacturing sites and to use substitute materials in our product formulations and recipes. Commodity price risk is actively managed through forward buying of traded commodities, other hedging mechanisms and product pricing. Trends are monitored and modelled regularly and integrated into our forecasting process. We have policies and procedures designed to ensure the health and safety of our employees and the products in our facilities, and to deal with major incidents including business continuity and disaster recovery.

Business transformation	No Change ↔
Successful execution of business transformation projects is key to delivering intended business benefits and avoiding disruption to other business activities. We are continually engaged in major change projects, including acquisitions, disposals, and organisational transformation, to drive continuous improvement in our business and to strengthen our portfolio and capabilities. We have an extensive programme of transformation projects. Ineffective execution of strategic business transformation projects could result in under-delivery of the expected benefits/synergies, inability to unlock growth opportunities, and a significant negative impact on the value of the business. Continued digitisation of our business models and processes, together with enhancing data management capabilities, is a critical part of our transformation.	All acquisitions, disposals, and transformation projects have steering groups in place led by senior leadership teams. Sound project discipline is followed in all transformation projects and these projects are resourced by dedicated and appropriately qualified personnel. All such projects are monitored through strong governance and reviewed by the Board of the Company for delivery of maximum synergies. The digitisation of our business is led by a dedicated specialist team together with representatives from all parts of the business to ensure an integrated and holistic approach. New ways of working and business models are constantly being explored to manage our business optimally in changing times.

Macro-economic volatility	No Change ↔
Uncertain macro-economic outlook coupled with geopolitical uncertainties may impact consumer demand for our products, disrupt sales operations, and/or impact the profitability of our operations. Prolonged and accentuated inflationary pressure; rise in unemployment, fall in disposable incomes could lead to a demand shock.	Our flexible business model allows us to adapt our portfolio and respond quickly to develop new offerings that suit consumers' and customers' changing needs during economic downturns. We regularly update our forecast of business results and cash flows, and, where necessary, rebalance investment priorities. We believe that many years of exposure to challenging market conditions have given us experience of operating and developing our business successfully during periods of economic and political instability.

Plastic packaging	No Change ↔
We use a significant amount of plastic to package our products. A reduction in the amount of virgin plastic we use, the use of recycled plastic, and an increase in the recyclability of our packaging are critical to our future success. Consumer and customer responses to environmental impact of plastic waste and emerging regulations by Government to tax or ban the use of certain plastics, require us to find solutions to reduce the amount of plastic we use; increase recycling post-consumer use; and to source recycled plastic for use in our packaging. Not only is there a risk around finding appropriate replacement materials, due to high demand, but the cost of recycled plastic or other alternative packaging materials could significantly increase in the foreseeable future and this could impact our profitability. We could also be exposed to higher costs as a result of taxes or fines if we are unable to comply with plastic regulations which would again impact our profitability and reputation.	We are working on three different streams to address the risk: **Advocacy:** We are working with Government and Industry bodies on packing substitutes, central regulation for all States, improving recycling infrastructure for plastics, framing of Extended Producer Responsibility (EPR) regulation framework. **Collection and Recovery:** We are driving waste management pilots through tie-ups with various companies/NGOs deploying mass collection, processing and disposal models. We are also helping consumers to understand waste segregation and disposal methods. Through our partners, we collect and safely dispose more plastic than we use in packaging of our products. **Design and development of alternative packaging:** We are committed to make 100% of our plastic packaging reusable, recyclable, or compostable by 2025 and are working on innovative solutions for accelerated development of alternative packaging and associated Supply Chain capability in order to reduce usage of virgin plastic.

Systems and information	No Change ↔
The Company's operations are increasingly dependent on IT systems and the management of information. The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase. Such an attack could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results. Increasing digital interactions with customers, suppliers, and consumers place greater emphasis on the need for secure and reliable IT infrastructure and careful management of the information that is in our possession to ensure data privacy. Given the changes in ways of working of all our employees as well as our customers and suppliers, with increased activities online, there has been a greater reliance on certain elements of our IT infrastructure. We are particularly reliant on third party experts in this space and thus the impact of any disruptions on their operations also pose a risk for us. Accelerated pace of digitisation of our operations also gives rise to the need to detect and mitigate risks arising from technological advancements such as deployment of AI, Robotics Process Automation, Machine Learning.	To reduce the impact of external cyber-attacks impacting our business we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. We also maintain a robust system for the control and reporting of access to our critical IT systems. This is supported by an annual programme of testing of access controls. We have policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. Our employees are trained to understand these requirements. We also have a set of IT security standards and closely monitor their operation to protect our systems and information. We have moved all systems and data to cloud this year. Robust and scalable system architecture with multi-level redundancy, is built on the cloud that allows real time data replication capability. This ensures system resilience including minimum downtime of the systems and minimum to zero data loss in case of any disaster. We have standardised ways of hosting information on our public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with our own policies. We are increasingly putting in place review and monitoring frameworks for new age automations to assess inherent open risks and mitigate the same.

Report of Board of Directors and Management Discussion and Analysis

Risks

Quality and safety	No Change ↔
The quality and safety of our products are of paramount importance for our brands and our reputation. The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure, or other factors cannot be excluded. Labelling errors can have potentially serious consequences for both consumer safety and brand reputation. Therefore, on-pack labelling needs to provide clear and accurate ingredient information so that consumers can make informed decisions regarding the products they buy.	Our product quality processes and controls are comprehensive, from product design to customer shelf. Our internal safety and quality norms are constantly reviewed to ensure that our products meet the most stringent norms. We have a robust quality inspection process in all manufacturing and warehousing locations to avoid and detect quality and safety issues. Also, we have a well-defined and periodic sampling and inspection process both at the distributor floor and on the market shelf ensuring quality of delivered product. Our key suppliers are externally certified, and the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products require. We have processes in place to ensure that the data used to generate on-pack labelling is compliant with applicable regulations and HUL labelling policies in order to provide the clarity and transparency needed for consumers.
Talent	**No Change ↔**
Ensuring employee safety and wellbeing is a key priority for us. A skilled workforce and agile ways of working are essential for the continued success of our business. With the rapidly changing nature of work and skills, there is a risk that our workforce is not equipped with the skills required for the new environment. Our ability to attract, develop, and retain a diverse range of skilled people is critical if we are to compete and grow effectively. The loss of management or other key personnel or the inability to identify, attract, and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results. We now work in an interweaving ecosystem of physical and virtual work spaces and our ability to manage hybrid ways of working will be the key to operational effectiveness.	We have always ensured safe working conditions for our employees and are providing the necessary infrastructure and equipment across all operations to strictly adhere to the highest safety measures. We constantly invest in upskilling, reskilling, redeployment, and dynamic allocation of our talent. We regularly review our ways of working to drive speed and simplicity through our business in order to remain agile and responsive to marketplace trends. We are adopting flexible ways of working to unlock internal capacity and optimise talent deployment. Over the years we have developed a good equity to attract top talent. We have an integrated management development process which includes regular performance reviews, underpinned by a common set of leadership behaviours, skills, and competencies. We have development plans to upskill and reskill employees for future roles and will bring in flexible talent to access new skills. We have targeted programmes to attract and retain top and niche talent, and we actively monitor our performance in retaining a diverse talent pool.

Ethics	No Change ↔
Our brands and reputation are valuable assets, and the way in which we operate, contribute to society, and engage with the world around us is always under scrutiny. Acting in an ethical manner, consistent with the expectations of customers, consumers, and other stakeholders, is essential for the protection of the reputation of HUL and its brands. Any significant breach to our Code by employees or extended enterprises would lead to damage to HUL's corporate reputation and business results.	Our Code and our Code Policies govern the behaviour of our employees, suppliers, distributors, and other third parties who work with us. Our processes for identifying and resolving breaches of our Code and our Code Policies are clearly defined and regularly communicated throughout HUL. Data relating to such breaches is reviewed by Management Committee and by relevant Board Committees that help to determine the allocation of resources for future policy development, process improvement, training, and awareness initiatives. Our Responsible Partner Policy helps us improve the lives of the people in our supply chains by ensuring human rights are protected and makes a healthy and safe workplace a mandatory requirement for our suppliers. We have detailed safety standards and monitor safety incidents at the highest level. Through our Brands with Purpose agenda, a number of our brands are taking action on societal issues such as fairness and equality.

Climate change	Increase ↑
Climate change and governmental actions to reduce such changes may disrupt our operations and/or reduce consumer demand for our products. Climate change may impact our business in various ways through increased costs or reduced growth and profitability. Physical environment risks such as water scarcity could impact our operations, reduce demand for our products that require water during consumer use or decrease sales on account of reduced product efficacy due to water shortage. Uncertainty in timing and severity of summer, winter, and monsoon may impact the seasonal swings that we get on our mixes. Increased frequency of extreme weather events such as high temperatures, hurricanes, or floods could cause increased incidence of disruption to our supply chain, manufacturing, and distribution network. Market risks associated with the energy transition and rising energy prices could disrupt our operations and increase costs. Our inability to reduce our carbon footprint and meet conscious consumption agenda across consumer segments may be detrimental to our reputation and growth in the long term.	As part of our sustainability goals, we monitor climate change and are responding by ensuring that we reduce the environmental impact of our operations to the extent possible. • Remove as much carbon from our operations and supply chain as we can • Sustainably source all our key commodities • Ensure deforestation-free supply chain In order to deal with the water scarcity and quality problems in the country, we are making water-saving formulations available for seasonal deployment across portfolios. We also have ongoing plans to de-seasonalise our product portfolios to deal with extreme unfavourable seasonal swings. We monitor governmental developments around actions to combat climate change and take proactive action to minimise the impact on our operations.

Report of Board of Directors and Management Discussion and Analysis

Opportunities

Opportunities	What we are doing to respond
Growing in channels of future	
With the advent of technology-enabled distribution models, there has been a hyper-fragmentation of channels. Accelerated growth of e-Commerce and Modern Trade has brought about a huge opportunity to tap into these channels and drive business growth. The rapid digitisation of purchase behaviours require us to accelerate development of our e-Commerce and e-RTM (Route-to-market) capabilities. Strategically designed and flawlessly executed e-RTM, B2B solutions, and E2E Supply Chain transformation would open up a huge opportunity to tap into the new age channels and drive business growth.	While we continue to drive growth in the traditional trade and route to market, it is also critical to increase our footprint in emerging channels. We are working on rapid proliferation of technology-enabled distribution models to engage key customers and consumers strategically. Several new initiatives have been piloted which include digitisation of general trade through our e-B2B app Shikhar, smart demand capture, leveraging opportunities in omni channel, B2B2C, and e-Commerce.
Future-fit portfolio	
Our strategic investment choices in keeping with changing consumer demographics, aspirations, and spending power will bring about an opportunity for growth and improved margins. There is a huge headroom to grow through building our product portfolio in high-growth spaces such as masstige, health and hygiene, digital-first brands, naturals, and therapeutics.	Our strategy and our business plans are designed to ensure that resources are prioritised towards high growth segments. We have a strong pipeline of relevant innovations and are staying close to consumers by proactively spotting consumer insights and capturing potential trends to adapt to the emerging demand patterns in the short term and prepare for any structural changes in the medium term. We are also focused on making brands aspirational and driving premiumisation across the breadth of the product portfolio. We have significantly enhanced brand propositions and marketing investments to increase adoption in underpenetrated categories.
Digital transformation	
Digital Transformation Opportunities arising from rapidly emerging digital technologies, analytics, and big data present a chance to make meaningful interventions and develop capabilities across the value chain redefining the way we do business. The ability to keep our operations future-fit through building digital capabilities in systems, workforce, and business models will help us stay agile and respond in time to evolving stakeholder requirements.	We have been a leader in using big data and analytics as a tool to drive sustainable growth. We continue to drive organisation-wide digital transformation agenda under the umbrella of 'Re-Imagine HUL' to capture the digital opportunities. Pre-empting the imminent disruption, we have established a sharp digitalisation agenda in each function. These include those around our core Enterprise Resource Planning (ERP) platform using Cloud, Artificial Intelligence, and other digital technologies. Each day, we build new capabilities in Systems, Workforce, and Business Models with strong focus on external orientation and partnerships across large IT Companies/Industry Bodies. We are also invested to make sure that our talent is digitally enabled and future-fit to ride the digital transformation wave.
ESG focus	
The effects of climate change, nature loss, and social inequality are becoming ever more apparent and increasingly urgent. Our stakeholders recognise that responsible business practices are critical to generating long-term value. We are committed to operate and grow the business in a responsible way.	We are a frontrunner in sustainable business practices. Through the Compass we have integrated sustainability into business strategies. We aim to demonstrate that robust financial results are not contrary to sustainable business; in fact, they are complementary. We have a strong governance mechanism in place consisting of cross-functional steering committees to action our ESG goals. We are constantly driving advocacy around sustainability and getting broader industry participation to lead the change.

Financial Review

Results

(₹ in crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Turnover	58,154	50,336
EBITDA	13,632	12,503
Profit before exceptional items and tax	13,141	11,773
Profit for the year	9,962	8,818

Division Wise Turnover

(₹ in crores)

	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Sales	Others*	Sales	Others*
Home Care	21,103	127	16,470	108
Beauty & Personal Care	21,498	333	19,157	303
Foods and Refreshments	14,744	132	14,020	85
Others (including Exports and consignment sales)	810	397	689	361
Total	**58,154**	**990**	**50,336**	**857**

* Others include service income from operations, relevant to the respective businesses.

Summarised Profit and Loss Account

(₹ in crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Turnover	58,154	50,336
Other operational income	990	857
Total Revenue from operations	**59,144**	**51,193**
Operating Costs	45,512	38,690
Profit Before Depreciation, Interest, Tax (PBDIT)	13,632	12,503
Depreciation	1,030	1,025
Profit Before Interest & Tax (PBIT)	12,602	11,478
Other Income (net)	539	295
Profit before exceptional items	13,141	11,773
Exceptional items	(62)	(34)
Profit Before Tax (PBT)	13,079	11,739
Taxation	3,117	2,921
Profit for the year	9,962	8,818
Basic EPS (₹)	42.40	37.53

Key Financial Ratios

	2022-23	2021-22
Return on Net Worth (%)	20.1	18.6
Return on Capital Employed (%)	101.9	107.8
Basic Earnings Per Share (EPS) (₹)	42.40	37.53
Debtors Turnover (no. of times)	24.9	28.1
Inventory Turnover (no. of times)	14.7	13.8
Interest Coverage Ratio	143.9	129.2
Debt Service Coverage Ratio	21.8	21.4
Current Ratio	1.4	1.3
Debt Equity Ratio	0.0	0.0
Operating Profit Margin (%)	21.7	22.8
Net Profit Margin (%)	17.1	17.5

Increase in Return on Net Worth is led by PAT growth
There is no significant change (i.e. change of 25% or more as compared to the FY 2021-22) in the other key financial ratios.

Explanation to Key Financial Ratios

(i) Return on Net Worth (%)

Return on Net Worth is a measure of profitability of a company expressed in percentage. It is calculated by dividing total comprehensive income by average shareholder's equity.

(ii) Return on Capital Employed (%)

Return on Capital Employed indicates the ability of a company's management to generate returns for both the debt holders and the equity holders. It measures a Company's profitability and the efficiency with which its capital is used. It is calculated by dividing profit before exceptional items, interest and tax by capital employed. Capital Employed = tangible net worth + total debt + deferred tax liability.

(iii) Basic EPS

EPS is the portion of a company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing profit for the year by weighted average number of shares outstanding during the year.

(iv) Debtors Turnover

Debtors Turnover measures the efficiency at which the firm is managing the receivables. The ratio shows how well a company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

(v) Inventory Turnover

Inventory Turnover measures the efficiency with which a company utilises or manages its inventory. It establishes the relationship between sales and average inventory held during the period. It is calculated by dividing turnover by average inventory.

(vi) Interest Coverage Ratio

Interest Coverage Ratio measures how many times a company can cover its current interest payment with its available earnings. It is calculated by dividing earnings available for debt service by interest payments.

(vii) Debt Service Coverage Ratio

Debt Service Coverage Ratio is used to analyse the firm's ability to pay-off current interest and instalments. It is calculated by dividing earnings available for debt service by debt service.

(viii) Current Ratio

The Current Ratio indicates a company's overall liquidity position. It measures a company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(ix) Debt Equity Ratio

Debt Equity ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. It is calculated by dividing total debt by shareholder's equity.

(x) Operating Profit Margin (%)

Operating Profit Margin is used to calculate the percentage of profit a company produces from its operations. It is calculated by dividing earnings before interest and tax by turnover.

(xi) Net Profit Margin (%)

The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit by turnover.

Economic Value Added (EVA)

What is EVA ?

Traditional approaches to measuring Shareholder's Value Creation have used parameters such as earnings capitalisation, market capitalisation and present value of estimated future cash flows. Extensive equity research has established that it is not earnings per se, but VALUE that is important. A measure called 'Economic Value Added' (EVA) is increasingly being applied to understand and evaluate financial performance.

EVA = Net Operating Profit after Taxes (NOPAT) - Cost of Capital Employed (COCE), where

NOPAT = Profits after depreciation and taxes but before interest costs. NOPAT thus represents the total pool of profits available on an ungeared basis to provide a return to lenders and shareholders

COCE = Weighted Average Cost of Capital (WACC) x Average Capital Employed.

Cost of Debt is taken at the effective rate of interest applicable to an 'AAA' rated Company like HUL for a short-term debt, net of taxes. We have considered a pre tax rate of 7.85%.

Cost of Equity is the return expected by the investors to compensate them for the variability in returns caused by fluctuating earnings and share prices.

Cost of Equity = Risk free return equivalent to yield on long term Government Bonds + Market risk premium (x) Beta variant for the Company, where Beta is a relative measure of risk associated with the Company's shares as against the market as a whole. Thus HUL's cost of equity = 10.90%.

What does EVA show?

EVA is residual income after charging the company for the cost of capital provided by lenders and Shareholders. It represents the value added to the Shareholders by generating operating profits in excess of the cost of capital employed in the business.

When will EVA increase?

EVA will increase if:

a. Operating profits can be made to grow without employing more capital, i.e. greater efficiency.

b. Additional capital's invested in projects that return more than the cost of obtaining new capital, i.e. profitable growth.

c. Capital is curtailed in activities that do not cover the cost of capital, i.e liquidate unproductive capital.

EVA in practice at Hindustan Unilever Limited (HUL)

In Hindustan Unilever Limited, the goal of sustainable long term value creation for our shareholders is well understood by all the business groups. Measures to evaluate business performance and to set targets take into account this concept of value creation.

(₹ in crores)

		IGAAP		IND AS							
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Cost of Capital Employed (COCE)											
1.	Average Debt	0	0	0	0	0	0	0	0	0	0
2.	Average Equity	3,715	4,338	5,664	5,831	6,181	6,668	7,227	46,890	47,156	48,486
3.	Average Capital Employed : (1) + (2)	**3,715**	**4,338**	**5,664**	**5,831**	**6,181**	**6,668**	**7,227**	**46,890**	**47,156**	**48,486**
4.	Cost of Debt, post-tax %	6.36	5.56	5.43	4.90	5.21	5.77	5.25	4.70	4.81	5.87
5.	Cost of Equity %	11.62	10.91	11.98	12.25	14.19	11.84	9.11	8.86	9.09	10.90
6.	Weighted Average Cost of Capital % (WACC)	11.62	10.91	11.98	12.25	14.19	11.84	9.11	8.86	9.09	10.90
7.	COCE : (3) x (6)	**432**	**474**	**679**	**714**	**877**	**789**	**658**	**4,153**	**4,289**	**5,285**
Economic Value Added (EVA)											
8.	Profit after tax, before exceptional items	3,555	3,843	4,116	4,247	5,135	6,080	6,743	7,963	8,724	9,720
9.	Add : Interest, after taxes	24	11	0	0	0	0	0	0	0	0
10.	Net Operating Profits After Taxes (NOPAT)	3,579	3,854	4,117	4,247	5,135	6,080	6,743	7,963	8,724	9,720
11.	COCE, as per (7) above	432	474	679	714	877	789	658	4,153	4,289	5,285
12.	EVA : (10) - (11)	**3,147**	**3,380**	**3,438**	**3,533**	**4,258**	**5,291**	**6,085**	**3,810**	**4,435**	**4,435**

Other Financial Disclosures

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year (FY) to which this financial statement relates on the date of this Integrated Annual Report.

During the Financial Year, there was no amount proposed to be transferred to the Reserves.

Capital Expenditure (including Intangible Assets) during the financial year was at ₹1,042 crores (₹919 crores in the previous financial year).

During the Financial Year, the Company did not accept any public deposits as defined under Chapter V of the Companies Act, 2013 (the Act).

The Company manages cash and cash flow processes assiduously, involving all parts of the business. There was cash and bank balance of ₹4,422 crores (FY 2021-22: ₹3,618 crores), as on 31st March, 2023. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Foreign Exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end, are in line with the requirements of Ind AS 21.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Foreign Exchange Earnings and Outgo as required under Section 134 of the Act and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

(₹ in crores)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Foreign Exchange Earnings	1,574	1,527
Foreign Exchange Outgo	3,695	3,131

Includes all Indian subsidiaries, excludes Unilever Nepal Limited.

PERFORMANCE OF SUBSIDIARIES

The summary of performance of subsidiaries is provided below:

Unilever India Exports Limited

Unilever India Exports Limited is a wholly owned subsidiary of the Company and is engaged in Fast Moving Consumer Goods (FMCG) exports business. The focus of the FMCG exports operation is two-fold: to expand global presence of brands, such as Vaseline, Dove, Pears, Bru, Red Label, Lakmé, Horlicks and Boost, and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The top line growth of the company was driven by growth in Skin Care, Health Food Drinks, Instant Tea and Personal Wash Brands like Dove, Horlicks, Vaseline, Pears, Sunsilk, Glow and Lovely, Ponds, Lipton Hot Instant Tea, Lakmé and Lifebuoy. These brands have registered healthy growth in the focused markets.

Lakme Lever Private Limited

Lakme Lever Private Limited is a wholly owned subsidiary of the Company and is engaged in Salon business and also operates a manufacturing unit at Gandhidham which carries out job work operations for the Company by manufacturing toilet soaps, bathing bars and detergent bars.

The company delivered robust top line and bottom line growth led by recovery in the salon business. With focus on safety, quality of operations, expert treatments and prudent cost optimisation, the salon business continues to perform well in the beauty services category. Job work business continued to do well.

The company has over 450 owned / managed and franchisee salons. At Lakmé Salon, safety and wellbeing of our consumers and experts have always been the topmost priority. The company has emerged stronger post the pandemic by strengthening safety, quality and expertise across all touch points in our customer journey. The extended team comprising the housekeeping staff, experts, salon managers and business partners have been trained and audited continuously to ensure complete adherence to protocols. The company also dialed up expertise by continued investment in training. This has helped maintain the company's Net Promoter Score at 90% plus by ensuring safety and keeping customer satisfaction as focus.

Innovations like Quintessential bridal looks, Luxury body treatments, Cappuccino pedicure/manicure spa and our signature Beautysutra range added excitement to our comprehensive Runway secrets portfolio. Thematic campaigns – Good Hair Day, Happy New You and Skin Investment Plan helped gain new clients and sustain existing ones. Lakmé Salon continues to be a highly preferred option for franchisees in the beauty and wellness category attracting several professionals and entrepreneurs to own their Lakmé Salon.

Hindustan Unilever Foundation

Hindustan Unilever Foundation (HUF) is a not-for-profit company that anchors water management related community development and sustainability initiatives of the Company.

The company operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. It aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, communities, experts and mission-based organisations.

The company partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation and regenerative agricultural practices amongst farmers. The initiative has delivered a cumulative and collective water potential of over 2.6 trillion litres through improved supply and demand water management, over 1.7 million tonnes of additional agricultural and biomass production, and over 110 million person-days of employment due to project interventions.* Till now, HUF's programmes have reached more than 14,000 villages in 13 States and 2 Union Territories.

Unilever Nepal Limited

Unilever Nepal Limited is a subsidiary of the Company and is engaged in marketing and manufacturing detergents, toilet soaps, personal products and laundry soaps in Nepal.

The company delivered strong double-digit growth with high single digit volume growth. Growth was competitive, supported by localisation and a step up in brand and marketing investments. Recovering from the impact caused by the pandemic, the Nepal economy condition remained challenging with acute liquidity, rising inflation and pressure on foreign reserves. Despite a challenging environment, the company has demonstrated resilience and agility to deliver a strong all-round performance. The company continue to manage our business dynamically by driving savings harder across all lines of P&L, ensuring right

* Assured by an external Independent firm

price-value equation and investing competitively behind our brands leading to a healthy growth in profit margins.

Unilever India Limited

Unilever India Limited is a wholly owned subsidiary of the Company that was incorporated to leverage the growth opportunities in a fast-changing business environment. In July 2022, Unilever India Limited's new Home Care factory was inaugurated in Sumerpur, Uttar Pradesh.

The new unit, a state-of-the-art spray dried detergent factory manufactures Home Care products for the Company. It is designed to make the best use of digital 4th industrial revolution has to offer, guaranteeing world class performance in people safety, product quality, innovation lead times and environmental performance. The site's integrated design allows for an ecosystem of material suppliers, logistic operators, and manufacturing partners to be located at the site for optimal integration of the supply chain.

This unit is firmly on its path to be Unilever's first gender-balanced factory in South Asia and currently has 170 female employees. It is an inspiring example of the path breaking work being done to increase female representation in our shop floors through Project Samavesh.

Zywie Ventures Private Limited

Zywie Ventures Private Limited (ZVPL) is a subsidiary of the Company engaged in the business of Health and Wellbeing products under the brand name of 'OZiva'. The Company acquired 53.34% stake (51.00% on a fully diluted basis) in ZVPL on 10th January, 2023.

OZiva is a plant-based and clean label consumer wellness brand focused on the need spaces such as Lifestyle Protein, Hair & Beauty Supplements and Women's Health. OZiva is a digital-first brand with an omnichannel approach, available on its D2C website, digital marketplaces and a growing offline presence. The company has a strong in-house R&D team comprising Ph.D.s, Phyto-chemists and Biotechnologists.

The investment is in line with the Company's strategy to enter fast evolving growth space of Health and Wellbeing.

Other Subsidiaries

Pond's Exports Limited is a subsidiary of the Company which was engaged in leather business and has currently discontinued operations.

Bhavishya Alliance Child Nutrition Initiatives is a not-for-profit subsidiary of the Company and is under voluntary liquidation.

Daverashola Estates Private Limited is a subsidiary of the Company which currently has no business activity. There is an ongoing litigation on the property owned by the company in Tamil Nadu.

Jamnagar Properties Private Limited is a subsidiary of the Company and currently has no business activity.

Levers Associated Trust Limited, Levindra Trust Limited and **Hindlever Trust Limited,** subsidiaries of the Company, act as trustees of the employee benefits trusts of the Company.

The Scheme for Merger of Pond's Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited was filed with the Hon'ble National Company Law Tribunal, Mumbai on 1st July, 2021. As on date, the final order on the company petition for merger is awaited.

During the year, the Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in Zywie Ventures Private Limited and Nutritionalab Private Limited.

OTHER STATUTORY INFORMATION

Audit & Auditors

Statutory Auditors

In terms of provisions of Section 139 of the Act, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of the Company at the 86th Annual General Meeting (AGM) held on 29th June, 2019, to hold office till the conclusion of 91st AGM of the Company.

The Report given by the Statutory Auditors on the financial statements of the Company is part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act.

Secretarial Auditors

In terms of provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its Meeting held on 27th April, 2022 had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (COP No. 1774) to conduct Secretarial Audit for the FY 2022-23.

The Secretarial Audit Report forms part of this Integrated Annual Report and does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act.

Cost Records and Cost Audit

In terms of provisions of Section 148 of the Act read with the Companies (Accounts) Rules, 2014, Cost Audit is applicable for following businesses such as Coffee, Drugs and Pharmaceuticals, Insecticides, Milk Powder, Organic Chemicals, Other Machinery, Petroleum Products and Tea, etc. The accounts and records for the above applicable businesses are made and maintained by the Company as specified by the Central Government under Section 148(1) of the Act.

Report of Board of Directors and Management Discussion and Analysis

M/s. RA & Co., Cost Accountants (Firm Registration No. 000242) have carried out the Cost Audit for applicable businesses during the year. During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Act.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. RA & Co., Cost Accountants as Cost Auditors for the FY 2023-24. M/s. RA & Co., being eligible, have consented to act as the Cost Auditors of the Company for the FY 2023-24. The remuneration of ₹14 lakhs (Rupees Fourteen lakhs only) exclusive of taxes and out-of-pocket expenses incurred in connection with the aforesaid audit, is proposed to be paid to the Cost Auditors, subject to ratification by the Members of the Company at the ensuing AGM.

Internal Financial Controls

The Company has a robust Internal Financial Control framework which is established in accordance with the Committee of Sponsoring Organisation (COSO) framework. The details of Internal Financial Control framework, form a part of the Corporate Governance Report of this Integrated Annual Report.

Employee Stock Option Plan (ESOP)

Pursuant to the approval of the Members at the AGM held on 23rd July, 2012, the Company adopted the '2012 HUL Performance Share Scheme'. In accordance with the terms of the Performance Share Scheme, employees are eligible for award of conditional rights to receive equity shares of the Company at the face value of ₹1/- each. These awards will vest only on the achievement of certain performance criteria measured over a period of three years. The Company confirms that the 2012 HUL Performance Share Scheme complies with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014.

No shares were awarded to employees under the '2012 HUL Performance Share Scheme' during the FY 2022-23.*

The employees of the Company are eligible for Unilever share award plans, namely Performance Share Plan (PSP) and the SHARES plan. Through PSP, all managers are eligible to receive a conditional grant of Unilever shares on an annual basis. The Target PSP share award is equivalent to 50% of the Target Bonus for Managers and 100% of the Target Bonus for Senior Leaders. The actual share grant is determined by the line manager basis the employees' sustained impact, leadership and future-fit talent profile. These shares vest after a 3 year period with vesting being determined by Company performance against metrics.

Under the SHARES Plan, eligible employees can invest in the shares of Unilever PLC (Holding Company) up to a specified amount and after three years, one share is granted to the employees for every three shares invested, subject to the fulfilment of conditions of the plan. The Holding Company charges the Company for the grant of shares to the Company's employees based on the market value of the shares on the exercise date.

Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as an Annexure to this Integrated Annual Report.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules are available on the Company's website at https://www.hul.co.in/investor-relations/annual-reports/.

Dividend

The Directors are pleased to recommend a Final Dividend of ₹22/- per equity share of face value of ₹1/- each for the FY ended 31st March, 2023. The Interim Dividend of ₹17/- per equity share was paid on Thursday, 17th November, 2022.

The Final Dividend, subject to the approval of Members at the AGM on Monday, 26th June, 2023, will be paid on or after Thursday, 29th June, 2023, to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e. from Tuesday, 20th June, 2023, to Monday, 26th June, 2023, (both days inclusive). The Total Dividend for the financial year, including the proposed Final Dividend, amounts to ₹39/- per equity share and will absorb ₹9,163 crores. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹13.64 crores of unpaid/unclaimed dividends were transferred during the year to the Investor Education and Protection Fund.

Mergers, Acquisitions & Divestment

Strategic investments in Zywie Ventures Private Limited and Nutritionalab Private Limited

During the year, the Company entered the 'Health & Wellbeing' category with strategic investments completed in Zywie Ventures Private Limited and Nutritionalab Private Limited. These investments strongly align with our mission to improve the health and wellbeing of consumers and empower people to take charge of their health through solutions that they can trust.

Sale of atta and salt business carried out under the brands of 'Annapurna' and 'Captain Cook'

Given the strategic priorities and portfolio choices, during the year, the Company sold the non-core businesses of atta

* As on the date of adoption of the Report by the Board there are no stock options that are either outstanding or exercisable.

and salt carried out under the brands of 'Annapurna' and 'Captain Cook' to Uma Global Foods Pte Limited and Uma Consumer Products Private Limited, affiliates/nominees of CSAW Aqbator Pte Limited.

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013, during FY 2022-23 are appended as an Annexure to this Integrated Annual Report.

GOVERNANCE, COMPLIANCE AND BUSINESS INTEGRITY

The Legal function of the Company continues to be a valued business partner that provides solutions to protect the Company and enable it to win in the brittle, anxious, non-linear and incomprehensible environment. Through its focus on creating 'value with values', the function provides strategic business partnership in the areas including product claims, mergers and acquisitions, legislative changes, combatting unfair competition, business integrity and governance. The function works with the growth enabler mindset.

As the markets continue to be disrupted with newer technologies and ever-evolving consumer preferences, the need to have a framework around data security and privacy is paramount. The Company continues to ensure it has an appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards. The legal function of the Company continues to embrace newer technologies to make the function future ready to support the growth agenda of the business.

We are of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow. The Company continued to engage with various stakeholders including e-Commerce Channel Partners, Industry Bodies and Regulators to curb the menace of counterfeiting across channels and markets, including through the import route to the country.

The Legal function of the Company works with leading industry associations, national and regional regulators and key opinion formers to develop a progressive regulatory environment in the best interest of all stakeholders.

Business Integrity

Our principles and values apply to all our employees through our Code of Business Principles (CoBP) and Code Policies. Our employees undertake mandatory annual training on these Policies via online learning modules and sign an annual Business Integrity Pledge. Our Business Integrity governance framework includes clear processes for dealing with CoBP breaches.

During the financial year, 79 incidents were reported across all areas of our CoBP and Code Policies, with 36 confirmed breaches. During the year, we terminated employment of 16 employees and issued 16 warning letters as a consequence of such breaches.

The CoBP and Code Policies reflect our desire to fight corruption in all its forms. We are committed to eradicating any practices or behaviours though our zero-tolerance approach to such practices. The CoBP is periodically refreshed and updated so that it provides a current reflection of the way we do business at Unilever. Our CoBP and Code Policies have been reviewed to align them with the changes in the internal and the external environment.

Our Responsible Partner Policy help to give us visibility of our third parties to ensure their business principles are consistent with our own.

Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of our Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). A Certificate of the Chief Executive Officer and Chief Financial Officer of the Company in terms of Listing Regulations, *inter-alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed to this Integrated Annual Report.

Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and Rules made thereunder, the Company has constituted Internal Committees (IC). Our POSH Policy is now inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

While maintaining the highest governance norms, the Company has appointed external independent persons who have prior experience in the areas of women empowerment and prevention of sexual harassment, as Chairpersons of each of the Internal Committees. During the year, 7 complaints with allegations of sexual harassment were received by the Company and of which 5 complaints were investigated and resolved as per the provisions of the POSH Act*. To build awareness in this area, the Company has been conducting induction/ refresher programmes in the organisation on a continuous basis. During the year, your Company organised offline training sessions on the topics of Gender Sensitisation and Code Policies including POSH for all office and factory-based employees.

* The Complaints which were pending as on 31st March, 2023 were received on 15th March, 2023 and 29th March, 2023 respectively. One of the Complaints was disposed off at the time of adoption of this Report by Board. The Company endeavours to complete the inquiry process within the stipulated period of 90 days.

Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transaction (RPT) & Dealing with RPT which is also available on the Company's website at https://www.hul.co.in/investor-relations/corporate-governance/. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for RPTs on a quarterly basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All RPTs are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of RPTs under the Act, and Listing Regulations.

All RPTs entered during the year were in ordinary course of the business and at arm's length basis. No Material RPTs, as per the materiality threshold adopted by the Board of Directors, were entered during the year by the Company. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2022-23, is available on the Company's website at https://www.hul.co.in/investor-relations/annual-reports/.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Change in Directorate

During the year, Mr. Wilhelmus Uijen (DIN: 08614686) stepped down as the Whole-time Director and Member of Management Committee of the Company with effect from 31st August, 2022, consequent to his elevation as the Chief Procurement Officer for Unilever, globally.

The Board places on record its appreciation for the leadership and invaluable contribution made by Mr. Wilhelmus Uijen during his tenure as a Whole-time Director and Member of Management Committee of the Company.

Further, the Board of Directors at its meeting held on 10th March, 2023, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved the following appointments to the Board:

(a) the appointment of Mr. Rohit Jawa (DIN: 10063590) as an Additional Director - Whole-time Director of the Company with effect from 1st April, 2023 upto 26th June, 2023 and as the Managing Director & Chief Executive Officer (CEO & MD) of the Company for a term of five consecutive years with effect from 27th June, 2023.

(b) the appointment of Mr. Ranjay Gulati (DIN: 10053369) as an Additional Director - Independent Director of the Company for a term of five consecutive years with effect from 1st April, 2023.

The above-mentioned appointments are subject to approval of the Members at the ensuing AGM of the Company.

Mr. Rohit Jawa will succeed Mr. Sanjiv Mehta (DIN: 06699923) as the CEO & MD and as the head of the Management Committee of the Company with effect from 27th June, 2023. Since, Mr. Rohit Jawa is a Singapore National and has a non-residential status, his appointment as the Whole-time Director and as a CEO & MD of the Company shall also be subject to Central Government approval.

Mr. Sanjiv Mehta will step down as the CEO & MD of the Company with effect from the close of business hours on 26th June, 2023 after a transformational tenure of 10 years at the helm of the Company. During his tenure, the business more than doubled its turnover, significantly improved its profitability and the market capitalisation of the Company increased more than four times from US$17 billion to US$75 billion.

The Board places on record its deep sense of appreciation and gratitude to Mr. Sanjiv Mehta for his immense and sustainable contribution to the business as the CEO & MD of the Company, that led in reinforcing HUL as one of India's most valuable businesses.

Retirement by rotation and subsequent re-appointment

Mr. Nitin Paranjpe (DIN: 00045204), Mr. Ritesh Tiwari (DIN: 05349994) and Mr. Dev Bajpai (DIN: 00050516), are liable to retire by rotation at the ensuing AGM and being eligible have offered their candidature for re-appointment.

As per the provisions of the Act, the Independent Directors are not liable to retire by rotation.

Brief resume, nature of expertise, disclosure of relationship between directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed/re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard-2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

Key Managerial Personnel

Mr. Sanjiv Mehta, CEO & MD, Mr. Ritesh Tiwari, Chief Financial Officer and Mr. Dev Bajpai, Company Secretary are the Key Managerial Personnel of the Company as on 31st March, 2023. During the FY 2022-23, there were no changes to the Key Managerial Personnel of the Company.

Management Committee

The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall superintendence and control of the Board. The Management Committee is headed by the CEO & MD and has Functional/Business Heads as its members.

During the year, the Board of Directors approved the appointment of Mr. Yogesh Mishra as Executive Director, Supply Chain and a Member of the Management Committee in succession to Mr. Wilhelmus Uijen.

Declaration from Independent Directors

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Rules made thereunder and Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. List of key skills, expertise and core competencies of the Board, including the Independent Directors, forms a part of the Corporate Governance Report of this Integrated Annual Report.

Meetings of the Board, Board Evaluation, Training and Familiarisation Programme & Vigil Mechanism

During the year, eight meetings of the Board of Directors were held.

The details of meetings held and Director's attendance, training and familiarisation programme and Annual Board Evaluation process for Directors, policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for Key Managerial Personnel and other employees, composition of Audit Committee, establishment of Vigil Mechanism for Directors and employees, form a part of the Corporate Governance Report of this Integrated Annual Report.

TECHNOLOGY ABSORPTION

The Company continues to derive sustainable benefit from the strong foundation and long tradition of Research & Development (R&D) at Unilever. New products, technologies, and processes flow to the Company from R&D work done across Unilever's 8 Global R&D Centres of excellence and 10 multi-market R&D hubs, including three in India located at Mumbai, Bengaluru (both Global R&D Centres), and Gurugram. The Unilever R&D labs in India work closely with the HUL business to create exciting innovations that help us win with our consumers every day. We have access to over 20,000 active patents that Unilever holds. With world-class facilities, and a superior science and technology culture, Unilever attracts the best of R&D talent globally to develop breakthrough and proprietary technologies with innovative consumer propositions. The global R&D team comprises of more than 5,000 highly qualified scientists and technologists working in the areas of Home Care, Beauty & Personal Care, Foods & Refreshment, along with critical R&D functional capability teams in the areas of Regulatory, Clinicals & Digital R&D. We also directly benefit from the Unilever's Safety and Environmental Assurance Centre (SEAC), which assess all our products from the lens of safety impact of our products on People and Environment. Our scientists at SEAC partnering with Unilever R&D Scientists and use internationally recognised safety approaches, and authoritative scientific evidence, to ensure that people are safe when using our products and environmental safety of the ingredients we use is assured. Further, we continue to develop new scientific methods and enhance our approaches, working closely with other external experts to ensure that our products are safe for people and environment. We also derive exceptional benefits and advantage of scale from Unilever R&D's extensive global ecosystem of academia, technology experts and long-term collaborations with large suppliers for material and technologies.

We have a Technical Collaboration Agreement (TCA) and a Trademark License Agreement (TMLA) with Unilever since 2013. We are enjoying the benefits of an increasing stream of new products and innovations, backed by technology and know-how from Unilever. The pace of innovations and the scope of services have expanded over the years. Unilever's global resources are providing greater expertise and superior innovations. This has helped in bringing to the Indian consumers, bigger, better, and faster innovations. The TCA provides for payment of royalty on net sales of specific products manufactured by the Company, with technical know-how provided by Unilever. The TMLA provides for the payment of trademark royalty as a percentage of net sales on specific brands where Unilever owns the trademark in India including use of 'Unilever Corporate logo'.

The Company maintains strong and healthy interactions with Unilever through a well-coordinated management exchange programme, which includes setting out governing guidelines pertaining to identifying areas of research, agreeing timelines, resource requirements, scientific research based on hypothesis testing and experimentation. This leads to new, improved, and alternative technologies, supporting the development of launch-ready product formulations based on research, and introducing them to markets. The Company continuously imports technology from Unilever under the TCA, which is fully absorbed. Some of the examples of cutting-edge science technologies that have been absorbed include Human Microbiome & Human Biology led technology platforms which cut across Beauty & Personal Care product ranges delivering multitude of consumer benefits, including hygiene, skin glow and protection against sun, pollution, odour among many others.

Similarly for Foods & Refreshment portfolio, set of technologies include fortification, novel processing routes, flavour modulation, plant-based protein delivery, sugar & salt reduction without compromise on taste etc. Lastly, in the space of Homecare, Beauty & Personal care a suite of technologies including sustainable palm and Eco-Boost technologies help reduce our environmental footprint while delivering superior product experience at an affordable price for our consumers.

The Company has also benefited from continued global R&D capital investments into critical R&D capabilities and infrastructure in India, including setting up of Agile Innovation Hub and Advanced Manufacturing Centre, product testing & validation capabilities to help unlock speed in innovation by deploying cutting edge data science, technology & automation. These capabilities allow us to identify and lead consumer trends, rapidly design, prototype and test new ideas, products as well as digitally scale up new technologies and products leading to more impactful innovations, faster speed to market as well as significant cost savings for the Company.

The Company also receives continuous support and guidance from Unilever to drive functional excellence in marketing, supply management, media buying and IT, among others, which helps us build capabilities, remain competitive and further step-up its overall business performance. Unilever is committed to ensuring that the support in terms of new products, innovations, technologies, and services is commensurate with the needs of the Company and enables us to win in the marketplace.

CONSERVATION OF ENERGY

For details on the steps taken by the Company on conservation of energy, water and reduction of waste, please refer to the Business Responsibility and Sustainability Report, which forms part of this Integrated Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by Institute of Company Secretaries of India.

STAKEHOLDER ENGAGEMENT

Our multi-stakeholder model aims to respect the interests of and be responsive towards all stakeholders. Stakeholder engagement and partnership are essential to grow our business and to reach the ambitious targets set out in the HUL Compass ESG goals. The Code of Business Principles (CoBP), which is the statement of values and represents the standard of conduct for everyone associated with the Company, and the Code Policies guide how we interact with our partners, suppliers, customers, employees, shareholders, Government, Non-Governmental Organisations (NGOs), trade associations and industry bodies. Through the underlying standards set in CoBP and Code Policies, we are committed to transparency, honesty, integrity and openness in all our engagements with the various stakeholders. Details on stakeholder engagement is provided in the Stakeholder engagement and review section on pages 53 to 77.

OUTLOOK

In the backdrop of a challenging operating environment, we delivered another strong all-round performance led by our focus on growing consumer franchise and protecting our business model.

In the near term, the operating environment is expected to remain volatile with global slowdown risks and weather-related uncertainty. While inflation has moderated, commodities remain elevated vis-à-vis longer-term averages. Looking forward, we expect that the price-volume growth will rebalance. Price growth will tail off due to lapping of higher prices in the base and sequential easing of inflation. Market volumes is expected to recover gradually as consumption habits readjust with a lag.

We remain focused on managing our business with agility and growing our consumer franchise whilst maintaining margins in a healthy range. We stay confident of the medium to long term potential of Indian FMCG sector and HUL's ability to deliver a Consistent, Competitive, Profitable and Responsible growth.

RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, the Board of Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs and of the profits of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts on a going concern basis;
- They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

OTHER DISCLOSURES

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and or it's operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;

- no shares with differential voting rights and sweat equity shares have been issued;
- no public deposits as defined under Chapter V of the Act have been accepted by the Company;
- there has been no change in the nature of business of the Company.

APPRECIATIONS AND ACKNOWLEDGMENTS

The Board places on record its deep appreciation to all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader.

The Board would also like to acknowledge the excellent contribution by Unilever to the Company in providing the latest innovations, technological improvements and marketing inputs across almost all categories in which it operates. This has enabled the Company to provide higher levels of consumer delight through continuous improvement in existing products and introduction of new products.

The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be our endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Board also take this opportunity to thank all Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2023

Annexure to the Report of Board of Directors

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the Financial Year 2022-23, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the Financial Year 2022-23.

Sr. No.	Name of Director(s)/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1.	Sanjiv Mehta	Chief Executive Officer and Managing Director	164.07	Refer note iv.
2.	Ritesh Tiwari	Executive Director, Finance & IT and Chief Financial Officer	54.99	
3.	Dev Bajpai	Executive Director, Legal & Corporate Affairs and Company Secretary	69.44	
4.	Wilhelmus Uijen*	Executive Director, Supply Chain	124.00	

ii. The percentage increase in the median remuneration of Employees for the Financial Year was 10.73%.

iii. The Company has 6,697** permanent Employees on the rolls of Company as on 31st March, 2023.

iv. Average increase made in the salaries of Employees other than the managerial personnel in the Financial Year was 8%. With respect to Management Committee members, the Company, will be placing the increment proposal before the Nomination and Remuneration Committee of the Board, in due course for its consideration.

v. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Note:

(a) The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the Members. The remuneration of Independent Directors, details of which are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said Report. The ratio of remuneration and percentage increase for Independent Directors Remuneration is therefore not considered for the purpose above.

(b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the Financial Year 2022-23.

(c) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2023

* Mr. Wilhelmus Uijen ceased to be the Whole-time Director w.e.f. 31st August, 2022.

** Includes employees working for Hindustan Unilever Limited only. Last year reported number included the employees working with subsidiaries and group companies as well.

Annexure to the Report of Board of Directors

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013, during the financial year 2022-23 are given below:

AMOUNT OUTSTANDING AS AT 31ST MARCH, 2023

(₹ in crores)

Particulars	Amount
Loans given	253
Guarantee given	-
Investments made	3,794

LOAN, GUARANTEE AND INVESTMENTS MADE DURING THE FINANCIAL YEAR 2022-23

Name of Entity	Relation	Amount in ₹ crores	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilised
Unilever India Exports Limited	Subsidiary	349	Loan	Business purpose
Unilever India Limited	Subsidiary	144	Loan	Business purpose
Rudraksh Detergent and Chemicals Private Limited	-	2	Loan	Business purpose
Zywie Ventures Private Limited*	Subsidiary	264	Investments	Business purpose
Nutritionalab Private Limited*	Joint Venture	70	Investments	Business purpose
Mutual Funds and T-bills#	-	(699)	Investments	Cash Management

* Investment in Equity Shares and Compulsorily Convertible Preference Shares

For details refer to Note 6 of Notes to the financial statements

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 27th April, 2023

Annexure to the Report of Board of Directors

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY, INCLUDING OVERVIEW OF PROJECTS/ PROGRAMMES UNDERTAKEN

A belief that sustainable business drives superior performance lies at the heart of Hindustan Unilever Limited. We seek to deliver long-term sustainable growth while driving change on important issues like climate and nature, social inequality and health and wellbeing. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

Our Company is guided by Compass, a sustainable growth strategy, that will help deliver growth that is consistent, competitive, profitable and responsible. It lays the pathway for the Company to realise its vision of being the leader in sustainable business. The Compass has time-bound multi-year priorities that cover the full spectrum of the Company's business and wider ecosystem.

Our Compass strategy has a comprehensive and ambitious set of commitments that will help us to:

- Improve the health of the planet;
- Improve people's health, confidence and wellbeing; and
- Contribute to a fairer, more socially inclusive world.

Our Company's sustainable business strategy is in line with India's development agenda and the United Nations Sustainable Development Goals (SDGs). For more details visit https://www.hul.co.in/planet-and-society/.

Our Company's CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. It aims to provide a dedicated approach to community development in the areas of water conservation, health and hygiene, skill development, education, social advancement, gender equality, women empowerment, and rural development, ensuring environmental sustainability.

The CSR Policy of the Company, as approved by the Board of Directors, is available on the Company's website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/.

A brief overview of the Company's CSR projects is given below:

This Report is divided into two parts – Section A provides details of the initiatives that are covered under the Schedule VII of the Companies Act, 2013 (the Act) and are considered for the purpose of computing prescribed CSR spends.

Section B of this Report deals with initiatives that are for societal good but are not included for the purpose of computing CSR spends.

SECTION A

i. Water Conservation Programme

Hindustan Unilever Foundation (HUF) is a not-for-profit company that was set up in 2010 to support and amplify scalable solutions that can help address India's water challenges. It focuses on helping rural communities that intersect with agriculture. HUF established its 'Water for Public Good' programme anchored in the belief that water is a common asset and must be governed by citizen communities. The Foundation aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, communities, experts, and mission-based organisations. Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities:

- **Know More:** Build water numeracy to help quantify availability, budget and allocate water use;
- **Save More:** Promote scientific citizen-led water conservation and governance efforts; and
- **Use Less:** Drive behaviour change for responsible water use in agriculture.

HUF partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation and encourage regenerative agricultural practices amongst farmers.

The initiative, along with its partners, has delivered a cumulative and collective water potential of over 2.6 trillion litres through improved supply and demand water management, over 1.7 million tonnes of additional agricultural and biomass production, and over 110 million person-days of employment due to project interventions[1]. To underscore the importance of the water potential created by HUF, 2.6 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years.

Till now, HUF's programmes have reached more than 14,000 villages in 13 States and 2 Union Territories.

The key highlights under HUF's three strategic pillars in 2022-23 are:

- **Know More:** In two districts of northern Gujarat, Banaskantha and Sabarkantha, farmers worked with the local government. They created village - level water scorecards and plans and used technology to identify water infrastructure locations. These scorecards are also encouraging small farmers to take collective action on water-efficient crops and practices.
- **Save More:** In Marathwada, Maharashtra, HUF supported the creation of 100 farm ponds as an alternative to deep well irrigation. The location of these ponds was predicted using satellite-based technology and the natural coagulation properties of black cotton soil created a non-permeable

[1] Assured by an external Independent firm

surface to store rainwater. These ponds are region and climate appropriate and can serve more than 27,000 farmers in Osmanabad.

- **Use Less:** In Punjab, HUF's partner, CIPT (Centres for International Projects Trust), promoted a comprehensive approach towards addressing the state's groundwater crisis. Paddy farmers in the state were encouraged to adopt practices such as Direct Seeding of Rice (DSR), Alternate Wetting and Drying (AWD), varietal shifts from long-duration to short-duration varieties and the use of an IoT-enabled (Internet of Things) soil moisture sensor that tells farmers when to start and stop their pumps. The programme covers 12,000 farmers and 80,000 hectares of land in the state.

In 2022, HUF launched a research study in partnership with Development Support Centre. The study includes a research-driven approach to building informed and scalable water security solutions for Gujarat, based on distinct regional water typologies. The study was conducted with the help of knowledge institutions, ACWADAM (Advanced Center for Water Resources Development and Management) and INREM (India Natural Resource Economics and Management) Foundation.

ii. 'Swachh Aadat, Swachh Bharat' (SASB)

Suvidha – Community Hygiene Centres

Suvidha is a first-of-its-kind urban water, hygiene and sanitation community centre, that was first set up in Ghatkopar, Mumbai. The biggest Suvidha centre is in Dharavi, Mumbai and is one of the largest community toilets in India. In 2023, the Company built five new Suvidha centres.

The Company has established 12 Suvidha centres in Mumbai in partnership with the Brihanmumbai Municipal Corporation, out of which 11 are in partnership with HSBC India. The centres give many people access to clean water, sanitation and laundry facilities.

- Over 3 lakhs people have access to safe sanitation through this public-private partnership
- The centres will cumulatively save over 50 million[1] litres of water every year through rainwater harvesting and wastewater treatment
- 90% users[2] find Suvidha easy to access and inclusive
- 95% users[2] report that the toilets are clean and hygienic on all days
- There has been a reduction of 1.4 times[2] in the incidence of diarrhoea amongst Suvidha users
- Suvidha centres have also had a significantly positive psychological impact, with 7 in 10 Suvidha users[2] reporting that using Suvidha has improved their self-esteem.

Swasthya Basti

The Company is implementing an extensive behaviour change programme around its Suvidha centres to encourage people to adopt four simple yet important habits: washing hands with soap; eating nutrition-rich meals; drinking safe water; and using clean toilets to reduce the scope of illness and create good health outcomes for families.

This behaviour change programme is being implemented amongst populous and low-income communities in Dharavi, Kurla, Govandi, Ghatkopar and Malad areas in Mumbai. The programme follows a home-to-home module based on Unilever's five levers of behaviour change principles to nudge people towards the adoption of good health and hygiene habits. The programme reached over 5.3 lakhs people across Mumbai.

Swasthya Curriculum

In line with the Government's Poshan Abhiyaan and Swachh Bharat Abhiyaan missions, the Company created the Swasthya Curriculum that teaches children in classes 1-5 the importance of adopting four key habits: washing hands with soap; eating nutrition-rich meals; drinking safe water; and using clean toilets, over a 24-day period.

Over the years, the textbook version of the curriculum has been rolled out in Government schools in Bihar, Gujarat, Maharashtra, Uttarakhand, Haryana and Uttar Pradesh. In the absence of in-school learning during the COVID-19 pandemic, the Company launched a digital curriculum that was piloted in Chhattisgarh, Maharashtra and Delhi teaching primary school students the importance of hygiene in a fun and interesting manner. Since 2018, 4.2 million children have been educated through the curriculum.

iii. Project Shakti

Project Shakti is the Company's initiative that aims to financially empower and provide livelihood opportunities to women in rural India.

The Company has always believed that:

(1) For the country to grow, people living in its villages must be empowered with livelihood skills and opportunities

(2) Women in villages must be empowered if households in villages have to progress

Keeping this in mind, the Company had launched the Shakti programme. The Shakti Entrepreneurs are given training for familiarisation with your Company's products and basic tenets of distribution management. In addition, the Company has a team of Rural Sales Promoters (RSPs) who coach and help Shakti Entrepreneurs in managing their

[1] Based on estimations for all 12 Suvidha centres.

[2] Impact Assessment of Suvidha centre by Research Triangle Institute (RTI) & Ipsos Kantar, 2021.

business. Across 18 States, Project Shakti has over 1.9 lakhs Shakti Entrepreneurs whom we call 'Shakti Ammas'. This programme has helped 'Shakti Ammas' become self-confident, improve their self-esteem and learn communication skills. Most importantly, our interventions have helped in building and fostering an entrepreneurial mindset amongst Shakti Entrepreneurs.

The RSPs train Shakti Entrepreneurs in sales and administrative skills, including order taking, book-keeping and digital order placement and payments. With the imparted training, Shakti Entrepreneurs are using the Company's eB2B app Shikhar, to place orders regularly. The training imparted to the Shakti Ammas results in the promotion of education and employment, enhancing livelihoods and vocational skills and women empowerment. These training activities are permitted under Schedule VII of the Act and are treated as part of CSR spends by the Company.

The Company is working towards equipping the Shakti Entrepreneurs with future-fit skills through 'Mera Poshan Mera Gaon' project. In this programme, RSPs conduct sessions on nutrition awareness and enable Shaktis to take the message further to beneficiaries in the village. The Company believes that these training sessions will help Shakti Entrepreneurs drive social change in their communities and continue to make a positive impact on the health and nutrition of their communities.

iv. Prabhat

Prabhat is the community development initiative of the Company that aims to create sustainable and inclusive communities. It contributes to a fairer, more socially and environmentally inclusive world while using HUL's scale for good. In the last 9 years, Prabhat has positively benefitted nearly 9 million lives across 1,100 villages in 21 States and 2 Union Territories. A third-party impact evaluation ranked the overall impact of all programmes combined as 'high' and rated Social Return On Investment (SROI) as 5X[1].

The key pillars of Prabhat include:

Economic Empowerment

Through Prabhat's 18 livelihood centres, women and youth are trained on vocational skills and entrepreneurship development, making them future-fit. Training is provided in areas like graphic designing, cloud computing, para-pharmacist, para-vet, Information Technology, electrical, plumbing, tailoring, beauty and more. Inclusivity is built by involving Persons With Disabilities (PWDs), transgenders and other vulnerable communities. Nearly 1,10,000 people have been imparted skill development and training through Prabhat's livelihood centres and almost 65,000 people have secured employment.

Through farm-based value chain initiatives, Prabhat works with rural women and small and marginal farmers to help improve their income. By organising farmers into Self Help Groups (SHGs), Farmer Interest Groups (FIGs) or Farmer Producer Organisations (FPOs), their produce is linked to markets. It also helps them build entrepreneurship capabilities. Prabhat's 'Project Mooo' is helping dairy farmers improve milk yield and productivity through both a mobile application and an on-ground network of Village Level Entrepreneurs and Veterinarians. Through farm-based initiatives, Prabhat has benefitted over 16,000 farmers.

Health and Nutrition

Aligning with the National Nutrition Mission, Prabhat's 'Poshan Saathi' (nutrition buddy) programme focuses on improving the health and nutritional status of women of reproductive age, pregnant and lactating women and adolescent girls as well as children under the age of 5 years. The programme is live in 13 locations, benefitting more than 15 lakhs women and children.

To provide affordable primary healthcare, Prabhat's Telemedicine Centres are being run at 10 locations, reaching out to over 51,000 people. Prabhat Swasthya Seva (mobile medical units) travels from village to village with a doctor, nurse and pharmacist to bring healthcare to the doorstep of communities. The units are live in two locations. Specialised health camps are also conducted based on community needs to provide general, gynaecological, paediatric and orthopaedic health services. Nearly 40,000 people have been treated under this programme.

Environmental Sustainability

Through Prabhat, the Company is making a positive impact on the environment and building resilience in communities. Through a holistic waste management programme, Prabhat aims to create a circular economy wherein household waste will be processed and brought back as value-added products. Village-level door-to-door waste collection mechanisms are implemented to help households segregate wet and dry waste. Collected plastic waste is processed and compressed to make plastic sheets which are then used to manufacture handwashing stations and benches. The programme also works with the community to influence behaviour change in waste management practices. Till now 1,40,000 kilograms of waste have been collected under Prabhat's waste management programme in Haridwar and Pondicherry.

An integrated watershed management approach helps farmers and communities work on water sufficiency and efficiency with a focus on the demand and supply of water. Prabhat is working towards becoming Alliance for Water Stewardship (AWS)-

[1] An evaluation by CSRbox that showed a social return on investment (SROI) of ₹5.20 (for every ₹1 invested).

compliant. Through a partnership with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), model eco-villages have been built around factory sites in Uttar Pradesh and Punjab. They provide sustainable solutions to water use, waste collection and carbon-intensive behaviour.

v. Asha Daan

Asha Daan is a home in Mumbai for abandoned and differently-abled children, HIV-positive patients and destitute people. Since the inception of Asha Daan in 1976, the Company has been looking after the maintenance and upkeep of the premises. At any time, there are nearly 350 - 400 inmates at Asha Daan. The re-development of Asha Daan is progressing as planned and all the necessary statutory approvals have been obtained. The home's foundational structure has been partially completed. The redevelopment is expected to be completed within 18 months. The Company has proposed to set up proper drainage and ventilation systems, create additional leisure space for inmates to walk and develop a play area for children.

vi. Nutrition

The Company and the Power of Nutrition, an independent charitable foundation and innovative platform, have initiated a behaviour change programme for hygiene and nutrition using mobile technology to reach women in Gujarat. The partnership features a unique mix of a voice-based mobile service and an on-ground arm that delivers critical nutrition and hygiene information to mothers with children aged 0-5 years living in rural parts of India. In alignment with the Government of India's Poshan Abhiyaan initiative, the programme is addressing undernutrition in the country.

vii. Behaviour Change and Upliftment of Safai Saathis

To advocate and create awareness in the area of waste management, the Company has partnered with international organisation Xynteo. The Company developed a curriculum called 'Waste No More' to create awareness and drive behaviour change on waste segregation and recycling among school children in partnership with Xynteo. The programme has reached out to more than 92 lakhs students through direct school interventions and 27 lakhs children digitally. The Company in partnership with the State Bank of India (SBI), Brihanmumbai Municipal Corporation and Aurangabad Municipal Corporation (AMC) has set up Material Recovery Facilities in Mumbai and Aurangabad with the aim to recycle 5,000 metric tonnes of plastic waste annually and transform behaviour in communities through education and awareness modules to over 5 lakhs individuals.

Our Company has also partnered with the United Nations Development Programme (UNDP) for end-to-end waste management projects in Mumbai, including collection, segregation, recycling and driving behaviour change. The Plastic Waste Management Programme at Swachhta Kendras has been implemented in Mumbai's K-East (Andheri East), H-West (Bandra West), and R-North (Dahisar). It has successfully reached out to more than 100,000 households for collecting and segregating dry waste.

The Company aims to improve the lives of waste pickers (Safai Saathis) by enabling their access to government social protection schemes covering food, health, safety, security and financial inclusion. Through the partnerships, the Company has successfully linked 3,300 Safai Saathis and their families to Government schemes, including Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, E-SHRAM card, and Jan Dhan account.

To know more about the above initiatives, please visit https://www.hul.co.in/planet-and-society/.

viii. Ankur

Ankur was set up in 1993 as a centre for special education for children with disabilities at Doom Dooma in Assam. Ankur has provided free special educational, vocational and rehabilitative training to over 350 physically and mentally challenged children from underprivileged backgrounds.

ix. Sanjeevani

The Company runs a free mobile medical service camp 'Sanjeevani' for the local community near its Doom Dooma factory in Assam. There are two mobile vans dedicated to the project. Each vehicle has one male and one female doctor, one nurse, a medical attendant and a driver. The vans are equipped with basic kits such as a diagnostic kit, blood pressure measuring unit, medicines and a mobile stretcher. Nearly 7,000 camps have been organised in villages so far. More than 3.6 lakhs patients have been treated through these service camps since its inception.

x. Empowering women cricketers

The Company has partnered with leading Cricket academy, Coaching Beyond to help reduce barriers that come in the way of budding women cricketers and support them to excel in the game.

In the pilot phase, following a robust selection process, women cricketers across 20 districts in Andhra Pradesh, Tamil Nadu and Telangana will be chosen and inducted into Coaching Beyond's Junior Athlete Development Program. They will be given access to world-class infrastructure and multi-year holistic cricket coaching to unleash their full potential under the guidance of renowned cricket professionals. The selected young women cricketers will be hosted to play a tournament in Chennai and Hyderabad respectively. After the tournament, 50 young women cricketers will be shortlisted for the HUL scholarship program. In the last phase, training will begin as part of the HUL scholarship, spanning three years.

xi. Future of Work

Guided by the Company's Compass ESG Goals on Future of Work (FoW) which aims to equip 1.5 million young people with essential skills by 2030, the Company has initiated pilots on skilling and entrepreneurship. The pilots also focus on empowering Persons with Disabilities (PWDs). To help upskill the youth, the Company is partnering with the National Institute of Entrepreneurship and Small Business Development (NIESBUD), UNICEF's YuWaah's Passport 2 Earning (P2E) programme, LabourNet, Sarthak Educational Trust and Cheshire Disability Trust.

SECTION B

Improve people's health, confidence and wellbeing

i. Handwashing Behaviour Change Programme

The Company's Lifebuoy handwashing behaviour change initiative helps in promoting the benefits of handwashing with soap at key times during the day and encouraging people to adopt and sustain good handwashing behaviour.

In 2020, Lifebuoy launched the award-winning 'H for Handwashing' campaign with the Delhi Government. In 2021, the Ministry of Education endorsed the campaign and issued a letter to departments of education across states. In 2022, children became the torchbearers of this movement. Children were nominated as H for Handwashing Chief Education Officers (CEOs) to help create a real impact by teaching thousands of other school children handwashing habits. India's youngest patent holder NC Vishalini became the face of the campaign and made a public plea to the Ministry of Education to include H for Handwashing in school curriculums.

From 2010 to 2022, the Company has reached out to over 75 million people in India through its handwashing behaviour change initiatives. The Company has been driving handwashing behaviour change programmes in partnership with Global Alliance for Vaccine Initiative (GAVI) and NGO partners. Through the programmes, the practice of using soap at critical occasions and awareness and knowledge of 'how visibly clean is not clean' is spread across communities, thereby protecting people from infections.

ii. Wellbeing and Nutrition Initiatives

The Company's 'Future Foods' ambition demonstrates our commitment to being a force for good. Our Company is continuously working to improve its products to help people transition towards healthier diets. The Company aims to help people make the transition to healthier eating by providing positive nutrition. Foods that deliver positive nutrition are defined as products containing impactful amounts of vegetables, fruits, proteins, fiber, unsaturated fatty acids or micronutrients such as vitamins, zinc, iron and iodine.

The Company doubled the number of products sold that deliver positive nutrition[1]. In line with the Compass ESG Goals, the Company launched Kissan Hazelnut Choco Peanut spread which is packed with flavour and is an excellent source of protein. Additionally, Chocolate Horlicks was relaunched with a unique blend of four millets that are natural sources of calcium, iron, protein and fiber, critical for child growth.

In 2022, the Company partnered with the Zilla Parishad of Pune to participate in the district Government's mid-day meal programme. Our iconic Health Food Drinks (HFD) product, Horlicks will be added to existing take-home rations. These will be provided to children across 4,600 anganwadi centres across the district, covering nearly 1.45 lakhs children (aged 3 to 6).

Improve the health of the planet

The Company has taken several actions in the areas of energy consumption, Greenhouse Gas (GHG) emissions, reduction in waste and water from manufacturing, as well as in sustainable sourcing. The details of these initiatives are covered under Business Responsibility Sustainable Reporting, that forms a part of this Integrated Annual Report.

Contribute to a fairer, more socially inclusive world

i. Dove Self-Esteem programme

Globally 8 out of 10 girls[2] opt out of key life activities when they do not feel good about the way they look. In India, 6 out of 10 girls[2] say they do not have high body esteem. Dove's mission is to ensure the next generation grows up to enjoy a positive relationship with the way they look to reach their full potential. We are helping young people to build positive body confidence and self-esteem. Being the largest provider of self-esteem education, this project strives to create a world where young people grow up feeling

[1] Compared to 2019 baseline.

[2] Claims are based on research conducted by Edelman Intelligence (2017). n = 5,165 girls aged 10-17 across 14 countries.

confident and empowered to love themselves no matter what. For more than 15 years, Dove has been helping young people with self-esteem education, reaching over 69 million lives globally in 150 countries.

Dove and UNICEF** have partnered to provide self-esteem education to young people globally. In India, the body confidence education material is committed to empowering 6.25 million young people across 8 States by 2024. In 2022, the Dove and UNICEF** partnership in India reached 2.4 million students, of which over 60% were female. Dove's curriculum on self-esteem and body confidence has also been adapted, contextualised, translated and included in the accompanying teacher modules and student comic books.

The partnership funding is being directed to UNICEF India's Life Skills Education programming and their contributions to the Government of India's Samagrha Shiksha Abhiyan (SMSA) programme. Under the SMSA programme, the Ministry of Education has a clear mandate to deliver a comprehensive life skills education curriculum. Our partnership is supporting teachers with specific training on self-esteem and body confidence through educational materials, under the agreement with the Government of India.

In addition to ongoing efforts, Dove's #StopTheBeautyTest 2.0 campaign drove awareness about the biggest test Indian girls face in their school years – the beauty test. Almost 80% of school-going girls have been subjected to beauty biases***. Their campaign video urges society to look beyond beauty stereotypes and celebrate every girl's individuality. It received over 46 million views on YouTube since its launch.

ii. Glow & Lovely Careers

Glow & Lovely Careers is a programme designed to help women create an identity for themselves by providing them with career guidance, skill-based courses and information on job opportunities. The platform addresses multiple skilling barriers that girls and women in India face including limited access to transportation, lack of parental permission, high cost of courses and very few quality local institutes. The Glow & Lovely Careers website offers skill-based courses in partnership with well-known EdTech companies like edX, English Edge, Hello English, start-ups such as www.testbook.com and www.idreamcareer.com and internship opportunities through online training partner Internshala. The Glow & Lovely Careers community on the 'Sheroes' application provides the opportunity to share and learn from like-minded women, interact with experts and discover career growth opportunities. Over 1.7 million users have registered under the programme till the end of 2022. Till now, the programme has facilitated over 5 lakhs course enrolments and supported over 4 lakhs users in accessing relevant Career Guidance.

iii. Kwality Wall's Vending Operations

The Company's Kwality Wall's mobile vending initiative, 'I am Wall's', has provided entrepreneurship opportunities to nearly 12,600 people and 250 differently-abled persons across India (based on internal records). This programme has helped vendors become self-sufficient micro-entrepreneurs selling ice cream on the move, helping the Company reach more consumers on the street. It equips people with skills such as sales, customer service and problem-solving and provides many young people with work experience as they step into the job market.

The Company's work over the last several years has touched a large number of people in India. To scale up the Company's initiatives, partnerships are crucial. The Company is working in partnership with Government(s), NGOs, suppliers and others to help forge alliances and address big societal challenges.

2. COMPOSITION OF CSR COMMITTEE

Name of the Members	Category of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
O. P. Bhatt – Chairperson	Independent Director	2	2
Sanjiv Misra	Independent Director	2	2
Kalpana Morparia	Independent Director	2	2
Leo Puri	Independent Director	2	2
Sanjiv Mehta	Executive Director	2	2
Ritesh Tiwari	Executive Director	2	2

3. THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

The web-link is as follows: https://www.hul.co.in/investor-relations/corporate-social-responsibility/

** UNICEF does not endorse any company, brand, product or service.

*** Claims are based on research conducted by Hansa Research during December 2020. n=1,057 females across 17 urban cities in India.

4. THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

Reports pertaining to Impact Assessment carried out for Water Conservation Projects, Project Shakti, Project Prabhat and Waste Free World are available on the website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/.

A brief outline of the aforesaid Impact Assessments carried during the financial year 2022-23 for the period 1st April, 2021 to 31st March, 2022 is given herein below:-

Water Conservation Projects

Hindustan Unilever Foundation (HUF's) programmes work at the intersection of water and agriculture. The programmes implemented in partnerships with credible NGOs impact rural communities across 8 states and 2 union territories that represent India's varied ground water and rainfall conditions. The Impact Assessment covered the variables resulting in the outcomes generated on key programme indicators. The review of impact indicators for the period of 1st April 2021 to 31st March 2022 substantiated the following outcomes from HUF programmes through its. Programme Implementation Agencies:

- 10,944 - water conservation structures created
- ~16,000 - hectares area covered under plantations
- ~10,700 - villages benefited from programmes
- 3,05,681 - farmers benefited from programmes

Project Shakti

Launched in 2001, Project Shakti is an initiative by the Company which aims to empower underprivileged rural women by creating livelihood opportunities. The Company has trained thousands of Shakti Entrepreneurs (SE) across villages in a bid to develop an entrepreneurial mindset and make them financially independent and more empowered. The Impact Assessment was carried out for the period 1st April, 2021 till 31st March, 2022 and the key outcomes are as follows:

- Over 80% SE reported increased income
- Improvements in social empowerment indicators were observed for 9 out of 10 SE
- 87% can take independent financial decisions
- 89% are able to purchase items they could not afford earlier
- 91% are able to contribute to the decisions related to their children's education
- 90% feel confident in dealing with people as Shakti

Project Prabhat

Prabhat is the community development initiative of the Company that aims to create sustainable and inclusive communities. It contributes to a fairer, more socially and environmentally inclusive world, while using HUL's scale for good. In the last 9 years, the initiative has positively benefited nearly 9 million lives across 21 States and 2 Union Territories. The Impact Assessment was conducted for the period of 1st April, 2021 to 31st March, 2022 for the pillars, Health & Nutrition; Environmental Sustainability and Economic Empowerment. The Impact are as below:

- 71.6% of women are aware about diet diversity
- 3,430 kg of plastic upcycled into hand washing sanitations
- 2,149 kg of plastic waste collected in Ghat cleaning sessions in Haridwar
- 73% addition in individual annual income through Prabhat
- 71% of the Women have the opportunity to avail credit through formal source
- 81% Women initiated savings through formal sources
- 71% Beneficiaries experienced an increase in the dairy income

Waste-free World

In accordance with the Company's Compass ESG Goals and in line with the vision of a Waste-free World, the Company has spearheaded 3 CSR interventions focusing on plastic circularity. The initiatives are being implemented in partnership with State Governments and reputed organisations such as United Nations Development Programme (UNDP) and Xynteo. They include setting up end-to-end waste management models; driving behaviour change on source segregation by citizens; improving livelihoods of sanitation workers. The Impact Assessment was carried out for the period 1st April, 2021 till 31st March, 2022 and the themes of the assessment are as below:

- 3,300 Safai Saathis (out of which 75% are women) have got access to social protection documents and schemes covering food, health, safety, security and financial inclusion
- 72% of the citizens felt waste segregation is a 'very urgent' issue to act upon after watching 'BinBoy' campaign
- 4 out of 5 believed the 'BinBoy' campaign would inspire friends and family to sort waste
- 'Waste No More' curriculum educates children on importance of source segregation and recycling which has been reached out to 3,00,000 students till date

5.

Sr. No.	Particulars	(₹ in crores)
5a.	Average net profit of the Company as per Section 135(5)	10,263.04
5b.	Two percent of average net profit of the Company as per Section 135(5)	205.26
5c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
5d.	Amount required to be set off for the financial year, if any	Nil
5e.	Total CSR obligation for the financial year (5b+5c-5d)	205.26

6.

Sr. No.	Particulars	(₹ in crores)
6a.	Amount Spent on CSR Projects – including actual spent (₹199.15 crores) and amount transferred to unspent account for ongoing projects (₹7 crores) (both Ongoing Project and other than Ongoing Project):	206.15
6b.	Amount spent in Administrative Overheads	1.62
6c.	Amount spent on Impact Assessment, if applicable	0.55
6d.	Total amount spent for the financial year (6a + 6b + 6c)	208.32

Note: Amount of ₹201.32 crores was spent during the FY 2022-23 and amount of ₹7 crores was transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6). The total CSR spend during the FY 2022-23 amounts to ₹208.32 crores which includes the amount transferred to unspent CSR account for the ongoing projects.

6e. CSR amount spent or unspent for the financial year:

(₹ in crores)

Total Amount Spent for the financial year	Amount Unspent				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
201.32	7.00	18th April, 2023	-	NIL	-

6f. Excess amount for set-off, if any :

(₹ in crores)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	205.26
(ii)	Total amount spent for the financial year	208.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

Note: Amount of ₹201.32 crores was spent during the FY 2022-23 and amount of ₹7 crores was transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6). The total CSR spend during the FY 2022-23 amounts to ₹208.32 crores against an obligation of ₹205.26 crores. Hence, there is an excess spend of ₹3.06 crores for which set-off is not being claimed by the Company.

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
					Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any			
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the Financial Year	Amount	Date of Transfer	Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
1.	FY 2021-22	28,14,87,646	10,286	28,14,77,360	NA		10,286	-
2.	FY 2020-21	-	-	-	-		-	-
3.	FY 2019-20	-	-	-	-		-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN THE FINANCIAL YEAR

No

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

Not applicable

On behalf of the CSR Committee

O. P. Bhatt
Chairman, CSR Committee
(DIN: 00548091)

Sanjiv Mehta
Chief Executive Officer and
Managing Director
(DIN: 06699923)

Mumbai, 27th April, 2023

Business Responsibility and Sustainability Report

Dear Stakeholders,

I am pleased to share our first Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2022-23. The report aims to enable our stakeholders to know more about our sustainability performance.

Sustainability is ingrained in our purpose: 'to make sustainable living commonplace'. We are committed to sustainable growth by delivering products that meet the evolving needs of our consumers, while minimising their impact on the environment. We firmly believe that sustainability and profitability go hand-in-hand.

Our Compass strategy charts a clear pathway for us to embed sustainability into our multi-stakeholder model and achieve our vision of becoming a leader in sustainable business. To transform this vision into reality, we have set forth a series of multi-year, time-bound goals focused on vital areas, such as climate action, protecting and regenerating nature, waste-free world, positive nutrition, equity, diversity, and inclusion, raising living standards, and the future of work. These goals are anchored on three fundamental pillars: improve the health of the planet, improve people's health, confidence, and wellbeing, and contribute to a fairer, more socially inclusive world.

We have made significant progress against 'HUL Compass ESG Goals'. In our own manufacturing operations, we have reduced our CO_2 emissions by 97% (per tonne of production), water usage by 48% (cubic meter per tonne of production) and total waste generated from our factories by 55% (per tonne of production) in FY 2022-23 compared to 2008 baseline. Hindustan Unilever Foundation (HUF) along with its partners has created a cumulative and collective water potential of over 2.6 trillion litres. In Calendar Year 2021 and 2022, we have collected and processed more plastic packaging than we used as packaging materials for our products by maintaining industry-leading standards for balanced pan-India collection. We continue our food reformulation

strategy to become a force for good and are committed to doubling the number of products sold that deliver positive nutrition by 2025.

In 2022, we formed an Environmental, Social, and Governance (ESG) Committee at the Board level comprising four Independent Directors and one Executive Director. The ESG Committee is responsible for overseeing and guiding our ESG strategy, performance and implementation. This includes monitoring and reporting on our progress towards 'HUL Compass ESG goals', as well as ensuring that our operations align with our purpose.

The Board acknowledges that sustainability is a perpetual voyage and is steadfast in its resolve to enhance our sustainability performance continuously. We will persist in striving to attain 'HUL Compass ESG Goals' by promoting innovation and collaboration throughout our value chain and spearheading progress towards a more sustainable future.

Sanjiv Mehta
Chief Executive Officer and Managing Director

Assurance Report

Independent practitioner's limited assurance report on Identified Sustainability Indicators in Hindustan Unilever Limited (HUL)'s Business Responsibility and Sustainability Report

To the Members and Board of Directors of Hindustan Unilever Limited (HUL)

We have undertaken to perform limited assurance engagement for Hindustan Unilever Limited (HUL) (the 'Company') vide our Engagement Letter in respect of the agreed indicators/parameters listed below (the 'Identified Sustainability Indicators'). These indicators/parameters are as included in the Business Responsibility and Sustainability Report (BRSR) of the Company for the year ended March 31, 2023; the reporting boundary being as disclosed in Question 13 and Question 21 of Section A of the BRSR with exceptions if any been disclosed as a note under the respective questions under BRSR.

IDENTIFIED SUSTAINABILITY INDICATORS

The Identified Sustainability Indicators for the year ended 31 March 2023 (unless otherwise stated) are summarised in Appendix 1 to this report.

Our limited assurance engagement is with respect to the year ended March 31, 2023 information only. Further, in respect of comparative previous year information i.e., year ended March 31, 2022 reported in the Business Responsibility and Sustainability Report for year ended March 31, 2023 by the Company for indicators mentioned in Appendix 1 (except those marked as '#'), we had issued a separate limited assurance report dated 26 April 2023.

CRITERIA

The criteria used by the company is the 'Guidance note for BRSR format' (referred to as the 'Criteria').

MANAGEMENT'S RESPONSIBILITY

The Company's Management is responsible for identification of key aspects, engagement with stakeholders, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of Identified Sustainability Indicators, which are free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior

Our firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators, based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410 Assurance Engagements On Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the identified sustainability indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the identified sustainability indicators.
- Made enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) Team, etc., and those with responsibility for managing Company's BRSR.
- Performed understanding and evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting on the identified sustainability indicators including at the sites visited.
- Checked the consolidation for various sites and corporate offices under the reporting boundary for ensuring the completeness of data being reported.
- Performed limited substantive testing on a selective basis of the Identified sustainability indicators at corporate head office, and in relation to sample of sites visited (Haridwar, Rajpura, Kidderpore and Amli in India), to check that data had been appropriately measured with underlying documents recorded, collated and reported.
- Assessed the level of adherence to 'Guidance note for BRSR format' followed by the Company in preparing the BRSR.
- Assessed the BRSR for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to agreed Indicators/ parameters and relevant source data/information.
- Obtained representations from Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

EXCLUSIONS

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls;
- Performing any procedures over other information/ operations of the company/aspects of the report and data (qualitative or quantitative) included in the BRSR not agreed under this letter/ Scope of Assurance
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified sustainability indicators included in the Business Responsibility and Sustainability Report for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the criteria.

RESTRICTION ON USE

Our limited assurance report has been prepared and addressed to the Members and Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No: 012754N/500016
Chartered Accountants

Heman Sabharwal
Partner
Membership No.: 093263
UDIN: 23093263BGWPMZ2411

Gurgaon, 27th April, 2023

Appendix 1

IDENTIFIED SUSTAINABILITY INDICATORS

Sr. No.	BRSR indicator reference ('E' indicates Essential Indicator & 'L' indicates Leadership Indicator)	Description of indicator
1.	Section A – 18a	Employees and workers (including differently abled)
2.	Section A – 18b	Differently abled Employees and workers
3.	Section A – 19	Participation/Inclusion/Representation of women
4.	Section A – 20	Turnover rate for permanent employees and workers
5.	Section A – 23	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct
6.	Section C – Principle 1 – E1	Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year
7.	Section C – Principle 1 – E6	Details of complaints with regard to conflict of interest
8.	Section C – Principle 1 – L1	#Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year
9.	Section C - Principle 2 - E2 (b)	#What percentage of inputs were sourced sustainably? (For Calendar Year 2022)
10.	Section C – Principle 2 – L4	Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed
11.	Section C – Principle 2 – L5	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
12.	Section C – Principle 3 – E1	Details of measures for the well-being of employees and workers
13.	Section C – Principle 3 – E2	Details of retirement benefits, for Current Financial Year (excluding amounts deducted and deposited with the authority)
14.	Section C – Principle 3 – E5	Return to work and Retention rates of permanent employees and workers that took parental leave
15.	Section C – Principle 3 – E7	Membership of employees and worker in association(s) or Unions recognised by the listed entity
16.	Section C – Principle 3 – E8	#Details of training given to employees and workers
17.	Section C – Principle 3 – E9	Details of performance and career development reviews of employees and worker
18.	Section C – Principle 3 – E11	Details of safety related incidents
19.	Section C – Principle 3 – E13	Number of Complaints on working conditions & Health safety made by employees and workers
20.	Section C – Principle 3 – E14	Assessments for the year (Health and safety practices, Working Conditions)
21.	Section C – Principle 3 – L3	Number of employees and workers having suffered high consequence work related injury / ill-health / fatalities, who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
22.	Section C – Principle 5 – E1	#Number of Employees and workers who have been provided training on human rights issues and policies of the entity
23.	Section C – Principle 5 – E2	Details of minimum wages paid to employees and workers
24.	Section C – Principle 5 – E3	Details of remuneration/salary/wages
25.	Section C – Principle 5 – E6	Number of Complaints on (Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues) made by employees and workers
26.	Section C – Principle 5 – E9	#Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties) on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues.
27.	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples)
28.	Section C – Principle 6 – E3	Total volume of water withdrawal & water consumption in Kiloliters
29.	Section C – Principle 6 – E5	Details of air emissions (other than GHG emissions) by the entity
30.	Section C – Principle 6 – E6	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions)
31.	Section C – Principle 6 – E8	Details related to waste management by the entity
32.	Section C – Principle 6 – L1	Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources
33.	Section C – Principle 6 – L2	Water discharge by destination and level of treatment (in kiloliters)
34.	Section C – Principle 6 – L3	Water withdrawal, consumption and discharge in areas of water stress (in kiloliters)
35.	Section C – Principle 8 – E2	Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity
36.	Section C – Principle 9 – E3	Number of consumer complaints in respect of Data Privacy, Advertising, Cyber-Security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices
37.	Section C – Principle 9 – E4	Details of instances of product recalls on account of safety issues
38.	Section C – Principle 9 – L5	Number of instances of data breaches & Percentage of data breaches involving personally identifiable information of customer

Section A - General Disclosures

"Our vision is to deliver winning performance by being the leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, delivering growth that is consistent, competitive, profitable and responsible."

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer

I. DETAILS OF THE LISTED ENTITY

S. No.	Particulars	Response
1.	Corporate Identity Number (CIN) of the listed entity	L15140MH1933PLC002030
2.	Name of the listed entity	Hindustan Unilever Limited
3.	Year of incorporation	1933
4.	Registered office address	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099
5.	Corporate address	
6.	E-mail	levercare.shareholder@unilever.com; comsec.hul@unilever.com
7.	Telephone	+ 91 (0) 022 – 5043 2790/32516/32754
8.	Website	www.hul.co.in
9.	Financial Year for which reporting is being done	1st April, 2022 to 31st March, 2023
10.	Name of the stock exchange(s) where shares are listed	BSE Limited; National Stock Exchange of India Limited
11.	Paid-up capital	₹235 crores
12.	Name and contact details (telephone and email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Dev Bajpai – Executive Director, Legal & Corporate Affairs, and Company Secretary. Contact: + 91 (0) 022 – 5043 2790/32754 Email: levercare.shareholder@unilever.com
13.	Reporting boundary–Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities that form part of its consolidated financial statements taken together)?	Disclosures under this report are made on a consolidated basis covering wholly owned subsidiaries (Refer table V-21. (a) for list of wholly-owned subsidiaries)

II. PRODUCTS/SERVICES

II-14. Details of business activities (accounting for 90% of turnover):

S. No.	Description of the main activity	Description of business activity	Entity turnover (%)
1.	Manufacturing - FMCG	Soaps, Detergents, Cosmetics & Toiletries, Packaged Foods	100.0%

II-15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/service	NIC code	Total turnover contributed (%)
1.	Beauty and personal care	20231 Soaps 20236 Shampoos 20235 Toothpastes 20234 Deodorants 20237 Cosmetics 96020 Hairdressing and other beauty treatment	36.7%
2.	Home care	20233 Detergents 27501 Water purifiers 28195 Air purifiers 20239 Surface and Bathroom Cleaners	35.4%
3.	Food and refreshments	10791 Tea 10792 Coffee 10750 Packaged foods (including frozen desserts) 10794 Malt-based foods	24.8%

III. OPERATIONS

III-16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	29	10	39
International	0	0	0

III-17. Markets served by the entity:

a. Number of locations

Locations	Number
National	28 States and 8 Union Territories
International	43 countries

We have a pan-India presence and serve all States and Union Territories in India.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.5%, The focus of the Fast Moving Consumer Goods (FMCG) exports operation is two-fold: to expand global presence of brands, such as Vaseline, Dove, Pears, BRU, Red Label, Lakme, Horlicks, and Boost, and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

c. A brief on the types of customers:

We have 90 years of presence in the country, and 9 out of 10 households in India use one or more of our brands. Our brands are present in around nine million retail outlets spread across the country through a network of 3,500+ distributors, who are the backbone of our retail reach. We work with many retail partners to help them grow sustainably alongside us. We have a long-standing relationship with our customers that is based on trust and mutuality of interest. We continue to work with all our partners including small family-owned stores to large, organised retail and e-Commerce to serve the evolving needs of our shoppers. Our endeavour is and has always been to ensure that our brands are easily available wherever shoppers choose to shop.

IV. EMPLOYEES

IV-18. Details as of the end of the Financial Year:

a. Employees and workers (including differently abled):

We are committed to drive equity, diversity, and inclusion across our value chain. As on March 2023, we have achieved 40% gender diversity across our managerial base and have a strong roadmap to be gender-balanced at managerial level by 2025. Through several programmes, such as 'Samavesh' and 'Ahilya', we are striving to enhance women representation in our factories and salesforce. We have over 850 women as shopfloor employees across our manufacturing locations and have onboarded over 1,000 women in sales.

We are committed to including differently abled persons in our employment ecosystem and workforce. We allow for voluntary self-disclosure and reasonable accommodation policy to enable employees to discreetly disclose their disability and avail support. We have set ourselves a clear objective i.e. 5% of our workforce will be made up of differently abled people by 2025. Refer our website for more details https://www.hul.co.in/planet-and-society/equity-diversity-and-inclusion/

			Male		Female	
No.	Particulars	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	7,719	5,700	73.8%	2,019	26.2%*
2.	Other than permanent (E)	311	190	61.1%	121	38.9%
3.	**Total employees (D+E)**	**8,030**	**5,890**	**73.4%**	**2,140**	**26.6%**
Workers						
4.	Permanent (F)	11,251	10,900	96.9%	351	3.1%
5.	Other than permanent (G)	8,856	8,306	93.8%	550	6.2%
6.	**Total workers (F+G)**	**20,107**	**19,206**	**95.5%**	**901**	**4.5%**

*As on March 2023, we have achieved a gender diversity of 40% across our managerial base.

IV-18. Details as of the end of the Financial Year:

b. Differently abled employees and workers:

			Male		Female	
No.	Particulars	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	60	55	91.7%	5	8.3%
2.	Other than permanent (E)	-	-	0.0%	-	0.0%
3.	**Total differently abled employees (D+E)**	**60**	**55**	**91.7%**	**5**	**8.3%**
Differently Abled Workers						
1.	Permanent (F)	13	13	100.0%	-	0.0%
2.	Other than permanent (G)	5	4	80.0%	1	20.0%
3.	**Total differently abled workers (F+G)**	**18**	**17**	**94.4%**	**1**	**5.6%**

IV-19. Participation/Inclusion/Representation of women

		No. and percentage of females	
	Total (A)	No. (B)	% (B/A)
Board of Directors (BoD)	10	2	20.0%
Key Management Personnel (KMP)*	3	-	0.0%

Above table represents HUL's Board of Directors and Key Management Personnel

* All KMPs i.e. Managing Director & Chief Executive Officer, Executive Director – Finance, IT & Chief Financial Officer and Executive Director – Legal & Corporate Affairs and Company Secretary are part of Board of Directors

IV-20. Turnover rate for permanent employees and workers

We are known for attracting and developing the best talent in the industry and HUL is often referred to as the leadership factory. Recognised as one of the best companies to work for, we continue to be the 'No. 1 Employer of Choice across sectors, based on brand perception study by InsideIIM at target B-Schools in 2022' and 'One of the Best Organisations for Women in 2022 and 2023' by Economic Times.

	FY 2022-23 (Turnover rate %)			FY 2021-22 (Turnover rate %)			FY 2020-21 (Turnover rate %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	17.7%	25.3%	**19.6%***	17.3%	21.9%	**18.3%**	8.0%	16.5%	**9.9%**
Permanent workers	7.9%	11.1%	**8.0%****	3.7%	2.0%	**3.7%**	3.4%	2.3%	**3.4%**

Turnover rate includes voluntary and involuntary attrition

* Voluntary: 16.7%; Involuntary: 2.9%

** Voluntary: 0.5%; Involuntary: 7.5%

V. HOLDING, SUBSIDIARY, AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

V-21. (a) Names of Holding, Subsidiary, Associate Companies, and Joint Ventures

S. No.	Name (A)	Type of holding/subsidiary/ associate/joint venture	% of shares held by the listed entity	Does the entity in column A, participate in the business responsibility initiatives of the listed entity?
1.	Unilever PLC	Holding	-	No
2.	Unilever Group Limited	Holding	-	No
3.	Unilever Overseas Holdings AG	Holding	-	No
4.	Unilever UK & CN Holdings Limited	Holding	-	No
5.	Unilever South India Estates Limited	Holding	-	No
6.	Unilever Assam Estates Limited	Holding	-	No
7.	Unilever Overseas Holdings B V	Holding	-	No
8.	Unilever India Exports Limited	Wholly-owned subsidiary	100.0%	Yes
9.	Pond's Exports Limited	Wholly-owned subsidiary	90.0%	Yes
10.	Lakme Lever Private Limited	Wholly-owned subsidiary	100.0%	Yes
11.	Unilever Nepal Limited	Subsidiary	80.0%	Yes
12.	Daverashola Estates Private Limited	Wholly-owned subsidiary	100.0%	Yes
13.	Jamnagar Properties Private Limited	Wholly-owned subsidiary	100.0%	Yes
14.	Levers Associated Trust Limited	Wholly-owned subsidiary	100.0%	Yes
15.	Levindra Trust Limited	Wholly-owned subsidiary	100.0%	Yes
16.	Hindlever Trust Limited	Wholly-owned subsidiary	100.0%	Yes
17.	Hindustan Unilever Foundation	Wholly-owned subsidiary	76.0%	Yes
18.	Bhavishya Alliance Child Nutrition Initiatives	Wholly-owned subsidiary	100.0%	Yes
19.	Unilever India Limited	Wholly-owned subsidiary	100.0%	Yes
20.	Zywie Ventures Private Limited	Subsidiary	51.0%*	No
21.	Nutritionalab Private Limited	Joint Venture	19.8%*	No

* On a fully diluted basis

VI. CSR DETAILS

VI-22. (i). Is CSR applicable as per Section 135 of the Companies Act, 2013 (Yes/No)?

Yes, CSR provisions are applicable as per Section 135 of the Companies Act, 2013. A belief that sustainable business drives superior performance lies at the heart of our business strategy. We have been undertaking CSR activities long before it was introduced by regulations. We have a dedicated CSR Policy focussed on People and Planet, which lays down the approach towards community development in the areas of water conservation, health and hygiene, skill development, education, social advancement, gender equality, empowerment of women, ensuring environmental sustainability and rural development projects. The CSR Policy, as approved by the Board of Directors, is available on our website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/

VI-22. (ii) Turnover (in crores): ₹59,144 crores

VI-22. (iii) Net worth (in crores): ₹50,221 crores

VII. TRANSPARENCY AND DISCLOSURE COMPLIANCE

VII-23. Complaints/grievances on any of the principles (one to nine) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint was received	Grievance redressal mechanism in place? (If yes, provide web-link for the grievance redressal policy)	FY 2022-23 No. of complaints filed during the year	FY 2022-23 No. of complaints pending resolution at the close of the year	FY 2022-23 Remarks	FY 2021-22 No. of complaints filed during the year	FY 2021-22 No. of complaints pending resolution at the close of the year	FY 2021-22 Remarks
Communities	Yes. https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e and manual registers at factories	-	-	-	-	-	-
Investors (other than shareholders)	Not applicable, as we don't have any investors other than the shareholders (e.g., preference shareholders or debenture holders)						
Shareholders	Yes https://www.hul.co.in/investor-relations/investor-contacts/	186	6	Refer note below**	166	1	An interim reply was filed
Employees and workers	Yes https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e and manual registers at factories	79	12	-	53	13	-
Customers*	Yes https://www.hul.co.in/contact/	3,411	100	-	1,971	185	-
Value chain partners*	Yes https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e	2	1	-	-	-	-

* Customers include distributors; Value chain partners include vendors/suppliers.

** 4 Complaints were resolved by 5th April 2023 and for the remaining 2 complaints, interim responses were submitted before 31st March 2023.

VII-24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to the business, the rationale for identifying the same, and the approach to adapting or mitigating the risk along-with its financial implications, as per the following format.

We live in an uncertain and constantly changing world. Having a formal process to identify material sustainability issues helps us report on those, that matter most to our business and stakeholders. A sustainability issue is material to us if it meets two conditions. Firstly, if it is considered a principal risk or an element of a principal risk, which could impact our business or performance. And secondly, if it is deemed to be important to our key stakeholders, including: consumers, our people, customers, suppliers & business partners, shareholders and planet & society. We use our sustainability materiality assessment to identify priority sustainability issues across our value chain so that we are able to report on the issues of most interest to our stakeholders. Table below captures the key material issues identified by us.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate change	Risk	Climate change is a principal risk to us, which has the potential to impact our business in the short, medium and long term. We face potential physical environment risks from the effects of climate change on our business, including extreme weather and water scarcity. Potential regulatory and transition market risks associated with the shift to a low-carbon economy include changing consumer preferences, increase in product cost, future Government policy and regulation. Responsible business practices are critical to generating long-term value.	We have set out a clear pathway to tackle climate change, as listed below: • Zero emissions in our operations by 2030; • Halve Green House Gas (GHG) impact of our products across the lifecycle by 2030; • Net Zero emissions for all our products from sourcing to point of sale by 2039; • Replace fossil-fuel derived carbon with renewable or recycled carbon in all our cleaning and laundry product formulations by 2030. Across the portfolio, our brands are working towards reducing the environmental impact, including at the consumer use stage.	Programmes to mitigate risk emanating from climate change can lead to incremental costs in the short-to-medium-term, which can be partly compensated by increased efficiency in the long term. Importantly, these programmes would strengthen business resilience and protect long term value.
2.	Packaging and waste	Risk	We use a significant amount of plastic to package our products. A reduction in the amount of virgin plastic that we use, the use of recycled plastic and an increase in the recyclability of our packaging are critical to our future success.	We want to change the way we use plastic by treating waste as a valuable resource. We're transforming our packaging and pushing hard to create a circular economy for waste. Across the portfolio, our brands are working towards reducing the environmental impact, including at the consumer use stage. • **Collection and Recovery:** We are driving waste management programmes through tie-ups with various companies/NGOs deploying mass collection, processing, and disposal models. We are also helping consumers to understand waste segregation and disposal methods. We have been collecting and processing more plastic packaging waste from across India than the plastic used in the packaging of our finished products in Calendar Year 2021 and 2022. Over 1,00,000 tonnes of plastic waste have been collected and safely disposed in 2022. We will continue to collect more plastic than we sell going forward as well. • **Design and development of alternative packaging:** We are working on innovative solutions for accelerated development of alternative packaging and associated Supply Chain capability in order to reduce usage of virgin plastic. We will continue to maximise the usage of recyclable plastic in packaging and aim to use 15% recycled plastics in our packaging by 2025.	Increased cost of developing sustainable packaging alternatives and risk of fines and penalties associated with non-compliance with statutory EPR regulations. In the long run, initiatives and innovation have the potential to yield positive financial outcomes in the form of reduction in the amount of plastic used, use of recycled plastic and alternative packaging.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				• **Advocacy:** Our advocacy efforts in the area of plastic waste management have been ongoing for the last several years. We believe that plastic is suitable medium for packaging of FMCG products as it's often the lowest carbon footprint option compared to other materials, however, the problem is with respect to plastic waste ending up in the environment. We had advocated amendments to the Plastic Waste Management Rules around the areas of including energy recovery as part of recycling, putting in place a National Framework on Extended Producers Responsibility (EPR) and harmonisation of regulations on plastic waste management between the Central & State Regulations. We are an active member of industry forums that engage with Government on advocacy in this area.	
3.	Water	Risk	The 2030 Water Resources Group has estimated that India will have only half the water it needs by 2030 for farming, household, and industrial use. Rising water scarcity could impact our operations by reducing demand for products that require excessive water during consumer use or decreasing sales because of reduced product efficacy due to water shortages. Uncertainty in the timing and severity of summer, winter, and monsoon may impact the business adversely.	We have taken steps to reduce and conserve water across our manufacturing operations. We have delivered a 48% reduction in water usage (cubic meter per tonne of production) in our own manufacturing operations in Financial Year (FY) 2022-23 as compared to the 2008 baseline. We could achieve this by focussing on reducing freshwater abstraction, implementing captive rainwater harvesting, and maximising the use of RO plants. Considering the urgency and importance of water conservation in the communities, we set up Hindustan Unilever Foundation (HUF) in 2010, a wholly owned subsidiary, to create capacity to conserve water. HUF focusses on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. So far, HUF along with its partners, has created a cumulative and collective water potential of over 2.6 trillion litres* since its inception over the last decade. To underscore the importance of the water potential created by HUF; 2.6 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years. We have taken the following goals around water: • Contribute to 3 trillion litres of water potential in India through HUF by 2025; • Implement water stewardship programmes in 12 locations in water-stressed areas by 2030.	Water scarcity can have an adverse impact on our operations, agricultural sourcing and can potentially reduce demand for our products that require water during use. Measures to reduce and conserve water would optimise resource requirement, not just in our operations, but also in the wider communities. This would secure water needs and create enabling environment for future demand of our products.
4.	Sustainable sourcing	Risk	We use many different raw materials to make our products and these are subjected to various sustainability risks. Sustainable sourcing of these materials is fundamental to secure continuous supply and the future growth of the business.	Our Responsible Partner Policy (RPP) (https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/) and Unilever Sustainable Agriculture Code (https://www.hul.co.in/planet-and-society/protect-and-regenerate-nature/) are instrumental in ensuring we deliver on business objectives, while making a positive social impact on the lives of millions of people in the supply chains around the world and reducing our environmental impact. We have taken time-bound goals on sustainable sourcing, which are: • 100% sustainable sourcing of our key agricultural crops; • Deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023.	Unfavourable conditions can impact our operations and increase the cost of our products. In the longer term, sustainable sourcing of materials can de-risk the supply chain and secure continuous supply, thus enabling opportunities for growth and fulfilling future increase in demand of our products.

*Assured by external independent firm

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Governance, ethics, and compliance	Opportunity	Our brands and reputation are invaluable assets, and how we operate, contribute to society, and engage with the world around is always under scrutiny. Acting ethically is essential to protect our reputation and brands.	We have strong values, clear policies, guidelines and related learning materials, as well as robust procedures and controls to prevent, detect and respond to any inappropriate behaviour. Our Business Integrity framework ensures that how we do business is fully aligned with our values and applicable laws and regulations of the country. Our Code of Business Principles (CoBP) and Code Policies govern the behaviour of employees, suppliers, and distributors and other third parties, who work with us. Processes for identifying and resolving breaches of Code and Code Policies are clearly defined and regularly communicated throughout the Company. We, from the very inception, are known to conduct our business with integrity and highest level of governance, which form the bedrock of our business.	We are committed to doing business with integrity and play a positive role in building relationships with customers, suppliers and other third parties. Good governance and ethics not only help increase trust among consumers, investors, and other stakeholders, but also help avoid fines, penalties, and other legal implications.
6.	Human rights	Risk	Potential instances of human rights violations or non-compliance with statutory norms can lead to adverse financial and reputational implications	The respect for human rights is one of the key priorities for us. The aim is to advance and promote respect for human rights in everything we do – the workplace, through its supply chain, distribution chain and through the brands. With our suppliers, peers, industry bodies, trade unions and civil society, we are working to addressing human rights impact and ensuring that all those connected to our value chain are treated with respect, dignity and fairness. In addition to this, our Code of Business Principles (CoBP) upholds the principles of human rights and fair treatment. Our CoBP also conforms to the International Labour Organisation (ILO) principles. The principles of human rights are followed in the same spirit within and outside the organisation when engaging with business partners.	Potential human rights violations and non-compliance can cause damage to corporate reputation and have financial repercussions.
7.	Diversity, equity, and inclusion	Opportunity	We believe that driving equity, diversity, and inclusion strengthens our business. A diverse and inclusive workforce can boost performance, reputation, innovation, and motivation. This will help build a fairer world and strengthen the business.	Diversity equity and inclusion have been core elements of our culture and values. We have set out following goals to promote diversity, equity and inclusion across our business: • Achieve an equitable and inclusive culture by eliminating bias and discrimination in our practices and policies; • Accelerate diverse representation at all levels of leadership; • Ensure 5% of our workforce is made up of people with disabilities by 2025; • Procurement spends of ₹2,000 crores annually with diverse businesses by 2025; • Increase the representation of diverse groups in our advertising.	Diversity, equity and inclusion in our business can boost our performance, drive innovation, help us create balanced work culture and contribute to a fairer, more socially inclusive world. All of the above will help us attract and retain top quality talent.

The above table represents material topics with a very high priority. For a complete materiality matrix, please refer to our website https://www.hul.co.in/planet-and-society/sustainability-reporting-centre/materiality-assessment/. The HUL Compass ESG Goals form a part of the Integrated Annual Report at pages 10 and 11.

Section B- Management and Process

POLICY AND MANAGEMENT PROCESSES

Disclosure questions	P1 Ethics & integrity	P2 Sustainable products	P3 Employee wellbeing	P4 Stakeholders	P5 Human rights	P6 Environment	P7 Regulatory requirement	P8 Inclusive growth	P9 Consumer and IT
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, we have an ESG Policy, approved by our ESG Committee, which covers all NGRBC principles. In addition to the ESG Policy, we also have various other policies* relevant to NGRBC principles.								
1. b. Has the policy been approved by the Board? (Yes/No)	Yes								
1. c. Web Link of the Policies, if available	Policies can be accessed on the link https://www.hul.co.in/investor-relations/corporate-governance/ and some internal policies as applicable to employees are available on our intranet.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, our Code of Business Principles (CoBP) and Responsible Partner Policy (RPP) extend to value chain partners.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity	Our CoBP conforms to UNGC guidelines and ILO Principles	Rainforest Alliance, Trustea, Forest Stewardship Council, Roundtable on Sustainable Palm Oil (RSPO), Round Table for Responsible Soya, FSSC 22000	Unilever Occupational Health & Safety Framework based on the OHSAS Safety Management system	Unilever Environmental Care Framework based on ISO 14001 standards	Our CoBP conforms to UNGC guidelines and ILO principles	Unilever Environmental Care Framework standards based on ISO 14001 standards	Tax Transparency policy is based on OECD principles	CSR disclosures pursuant to Section 135 of the Companies Act, 2013	We fully align our internal cyber security standards and control framework to an industry-recognised framework (CIS top 20 Centre for Internet Security). Advertising Standards Council of India (ASCI) – Code on Fair Advertising to Consumers (we are a founder member of ASCI).
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	We have set specific Environmental, Social and Governance (ESG) goals i.e. 'HUL Compass ESG Goals', serving as our strategy to deliver consistent, competitive, profitable, and responsible growth. We have set an ambitious sustainability agenda to tackle the issues that our consumers and stakeholders care deeply about, such as climate change; protect and regenerate nature; waste-free world; positive nutrition; health and well-being; equity, diversity, and inclusion; raise living standards; and the future of work. The HUL Compass ESG Goals form a part of the Integrated Annual Report at pages 10 and 11.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We constantly monitor the performance towards 'HUL Compass ESG Goals' and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of our sustainability goals. The Compass leadership team reports the progress to the Chief Executive Officer & Managing Director and Management Committee on a quarterly basis. Our ESG Committee, chaired by an Independent Director & comprising a majority of Independent Directors, assists the Board in overseeing the vision and focus on our strategy relating to ESG as well as monitoring the progress against the stated vision and reviewing the policies and practices, initiatives and goals relating to ESG, ensuring that they remain effective. For details, refer to ESG highlights section of the Integrated Annual Report at pages 36 to 39.								

*P1: Code of Business Principles (CoBP), Policy on Conflict of Interest, Policy on Prevention of Insider Trading (Share Dealing Code), Anti-corruption and Anti-bribery Policy, Board Familiarisation Programme, Corporate Governance Code, Policy on Related Party Transactions, Whistle Blower Policy, Policy for Determination of Materiality of Events, Code of Conduct for Board and Members of Senior Management

P2: Responsible Partner Policy (RPP), Business Partner Code, Quality Policy

P3: CoBP, Safety & Health Policy, Equal Opportunity Policy, Disability Accommodation Policy, Parental Leave Policy, Prevention of Sexual Harassment Policy (POSH), Affirmative Action Policy, Education Assistance Policy, Reward Policy, Gender Transition Policy, Career Break Policy, Location flexibility and Split Family Arrangement, Travel Policy for New Parents

P4: CoBP, CSR Policy, Corporate Governance Code

P5: CoBP, Prevention of Sexual Harassment Policy (POSH), Policy to Support Survivors of Abuse, Whistle Blower Policy, Board Diversity Policy

P6: Environment, Health & Safety Policy, CoBP

P7: CoBP, Anti-trust and Fair Competition (as part of CoBP)

P8: Supplier Diversity & Inclusion Programme, CoBP, CSR Policy

P9: Cyber Security Policy, Data Privacy Policy, Quality Policy

GOVERNANCE, LEADERSHIP, AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	**Dear Stakeholders,** I am pleased to share our first Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2022-23. The report aims to enable our stakeholders to know more about our sustainability performance. Sustainability is ingrained in our purpose: 'to make sustainable living commonplace'. We are committed to sustainable growth by delivering products that meet the evolving needs of our consumers, while minimising their impact on the environment. We firmly believe that sustainability and profitability go hand-in-hand. Our Compass Strategy charts a clear pathway for us to embed sustainability into our multi-stakeholder model and achieve our vision of becoming a leader in sustainable business. To transform this vision into reality, we have set forth a series of multi-year, time-bound goals focused on vital areas, such as climate action, protecting and regenerating nature, waste-free world, positive nutrition, equity, diversity, and inclusion, raising living standards, and the future of work. These goals are anchored on three fundamental pillars: improve the health of the planet, improve people's health, confidence, and wellbeing, and contribute to a fairer, more socially inclusive world. We have made significant progress against 'HUL Compass ESG Goals'. In our own manufacturing operations, we have reduced our CO_2 emissions by 97% (per tonne of production), water usage by 48% (cubic meter per tonne of production) and total waste generated from its factories by 55% (per tonne of production) in FY 2022-23 compared to 2008 baseline. Hindustan Unilever Foundation (HUF) along with its partners, has created a cumulative and collective water potential of over 2.6 trillion litres* since its inception over the last decade. In Calendar Year 2021 and 2022, we have collected and processed more plastic packaging than we used as packaging materials for our products by maintaining industry-leading standards for balanced pan-India collection. We continue our food reformulation strategy to become a force for good and are committed to doubling the number of products sold that deliver positive nutrition by 2025. In 2022, we formed an Environmental, Social, and Governance (ESG) Committee at the Board level comprising four Independent Directors and one Executive Director. The ESG Committee is responsible for overseeing and guiding our ESG Strategy, performance and implementation. This includes monitoring and reporting on our progress towards 'HUL Compass ESG Goals', as well as ensuring that our operations align with our purpose. The Board acknowledges that sustainability is a perpetual voyage and is steadfast in its resolve to enhance our sustainability performance continuously. We will persist in striving to attain 'HUL Compass ESG Goals' by promoting innovation and collaboration throughout our value chain and spearheading progress towards a more sustainable future. **Sanjiv Mehta** Chief Executive Officer and Managing Director
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Our CEO & MD is responsible for implementation and oversight of the Business Responsibility & Sustainability policies.
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The ESG Committee of the Board is responsible for oversight on sustainability-related matters. The ESG Committee of the Board comprises five Directors (four Independent Directors and one Executive Director).

Sr. No.	Name of the Director	DIN	Designation	Role
1.	Ashu Suyash	00494515	Independent Director	Chairperson
2.	O. P. Bhatt	00548091	Independent Director	Member
3.	Kalpana Morparia	00046081	Independent Director	Member
4.	Ashish Gupta	00521511	Independent Director	Member
5.	Sanjiv Mehta	06699923	Executive Director	Member

*Assured by external independent firm

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee

Subject for review	Indicate whether the review was undertaken by the Director/committee of the Board/any other committee (P1 P2 P3 P4 P5 P6 P7 P8 P9)	Frequency (annually/half yearly/quarterly/ other – please specify) (P1 P2 P3 P4 P5 P6 P7 P8 P9)
Performance against above policies and follow up action	All NGRBC related Policies are reviewed by ESG Committee. Additionally, Audit Committee reviews the Code of Business Principles.	ESG Committee – Half yearly basis Audit Committee – Quarterly basis (for CoBP)
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances is done by the Audit Committee	Quarterly basis

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	We have a robust functional review mechanism complemented with a strong independent internal audit process that covers the working of all key policies. The internal audits are conducted by various external independent firms during the year. In addition to above, relevant third-party assessments are conducted across business units periodically.								

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next Financial Year (Yes/No)									
Any other reason									

Section C: Principle-wise Performance

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

"Each one of us at HUL are governed by our Code of Business Principles that upholds our fundamental value of business integrity across all our operations."

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary

Essential indicators:

EI-1. Percentage covered by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	6	'HUL Compass ESG Goals', National Guidelines on Responsible Business Conduct (NGRBC) principles, policy framework on human rights, building talent and capabilities, Customer Development, Consumer and Market Insights, Research & Development, Code of Business Principles (CoBP), and fundamental principles of responsible business.	100.0%
Key Managerial Personnel	6		100.0%
Employees other than BoD and KMPs**	1*	Introduction to ESG and Business Responsibility and Sustainability Report (BRSR), Code of Business Principles, Human Rights, Anti-Bribery and Corruption, Data Privacy, Health and Safety and Skill Upgradation	89.5%
Workers**	1*		96.1%

Above table represents HUL's Board of Directors and Key Managerial Personnel.

* During the year, we had rolled out a comprehensive training module to drive awareness amongst our employees and workers on the topics mentioned above and that is represented in the table. In addition to this, there are various thematic training programs undertaken across the organisation during the year.

** Employees and workers include both permanent and other than permanent/contractual (including part time).

EI-2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

During FY 2022-23, there were no material fines/penalties/punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs.

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

EI-4. Does the entity have an Anti-Corruption or Anti-Bribery Policy? If yes, provide details in brief and if available, provide a web link to the Policy.

Yes, we have a Policy on Anti-Bribery which can be referred on https://www.hul.co.in/planet-and-society/business-integrity/. Our commitment to doing business with integrity requires consistently high standards. We have built a strong reputation for being an ethical, trustworthy company. We have a responsibility to protect that reputation by conducting our business with integrity as we interact with business partners, consumers, and public authorities. Dealings with public officials are particularly high risk, even appearance of illegal conduct could cause significant damage to our reputation. Accordingly, our zero-tolerance approach towards bribery and corruption applies to all our operations and prohibits any kind of bribery.

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

During FY 2022-23, there were no charges of bribery/corruption against our Directors/KMPs/employees/workers.

Category	FY 2022-23	FY2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

EI-6. Details of complaints with regard to conflict of interest:

During FY 2022-23, there were no complaints concerning conflicts of interest against the Directors and KMPs.

Category	FY 2022-23	Remarks	FY 2021-22	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	-	-	-	-

EI-7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as we do not have any instances of corruption/conflicts of interest against Directors and KMPs.

Leadership indicators

LI-1. Awareness programmes conducted for value chain partners on any of the principles during the Financial Year:

Our Responsible Partner Policy (RPP) sets out the requirements that all our suppliers must comply to do business with us. Our RPP and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business.

Each fundamental principle of the RPP provides guidance on what HUL expects from its responsible and sustainable suppliers. We are committed to working with our suppliers on this journey of continuous improvement.

We have also verified alignment to and implementation of the RPP's mandatory requirements using supplier self-declarations, online assessments and for designated high-risk countries and supplier types – independent verification, including third-party audits.

No.	Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1.	1 programme (total of 5,456 vendors were trained through digital medium)	• Legal Compliance & Countering Corruption • Safeguarding Information & Property • Sourcing and Manufacturing Products • Freely Agreed Terms of Employment • Free from Discrimination • Free from Harassment • Work is Voluntary • Appropriate Age • Fair Wages • Reasonable Working Hours • Freedom of Association • Health & Safety • Access to Grievance Mechanisms & Remedies • Land Rights • Protect and Regenerate Nature • Climate Action • Waste-free World	89.4%

Price Waterhouse Chartered Accountants LLP has assured the topics / principles covered and number of vendors who have undergone awareness programme.

LI-2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have adopted Code of Conduct for the Board of Directors, which sets out clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. We receive an annual declaration and changes, if any, from time to time, from our Board of Directors and Senior Management, on the Code of Conduct Policy. The Policy is available on our website and can be viewed at https://www.hul.co.in/investor-relations/corporate-governance/.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

"Being pioneers and the largest player in Research & Development in the Indian FMCG industry, our global technologies' led innovations continue to break barriers to create next-generation products, processes, and packaging that address environmental challenges and delight our ever-evolving consumers."

Vibhav Sanzgiri
Executive Director, Research and Development

Essential indicators

EI-1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and CAPEX investments made by the entity, respectively.

Category	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	8.1%*	7.6%*	During the year, we have undertaken various sustainability projects to increase energy efficiency, water conservation, plastic reduction, social responsibility under PwD, reduction in salt and sugar in products and sustainable sourcing of raw materials.
Capex	13.0%	7.6%	During the year, we have undertaken capital expenditure on various sustainability projects to increase energy efficiency, eliminate coal usage in our operations, installation of solar plant & windmills, water conservation & harvesting, and occupational health & safety improvement programmes.

* In addition to this, we benefit from the extensive R&D work undertaken by Unilever Group through the technology licensing arrangement. Projects having positive environmental and social impact of R&D undertaken by the Parent Company will be over and above the reported numbers.

EI-2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, our Responsible Partner Policy (RPP) sets out the requirements that all our suppliers must meet to do business with us. RPP and its fundamental principles embody our commitment to responsible, transparent and sustainable business. This commitment is at the core of our sustainable business strategy, which sets out how we will deliver superior performance by being a purpose-led, future-fit business. In addition to RPP, our Sustainable Agriculture Code is a collection of good practices that aim to codify key sustainability aspects in sourcing. We are building on its long-term commitment to sustainable sourcing by focusing on the agricultural crops to create a positive impact on nature.

We believe that certification is one of the important ways to drive positive change in agricultural supply chains. We are India's largest tea business and a founding member of trustea (https://trustea.org/partners/), the Indian tea industry collaboration on sustainability. By 2023, we are committed to achieving a deforestation-free supply chain by ensuring our raw materials come from verified deforestation and conversion free places.

RPP and Sustainable Agriculture Code are hosted on our website at https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/ and https://www.hul.co.in/planet-and-society/protect-and-regenerate-nature/

EI-2. b. If yes, what percentage of inputs were sourced sustainably?

Around 43%* of our key crops are sourced sustainably under the Sustainable Agriculture Code. This includes tea, palm oil, paper and board, cereal, sugar, dairy, cocoa, coconut oil, soy, starches and vegetables & herbs, which make up more than two-third of our agricultural raw material volumes. We are working to reach 100% sustainable sourcing of our key crops. Through focused programs, we have achieved sustainable sourcing for 95% of our total paper and board, 82% of our total tomatoes and 69% of our total tea procured during the Calendar Year 2022.

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

There are mainly two categories of material that are reclaimed:

(a) **Damaged and expired finished goods:** There is comprehensive standard operating procedure (SOP) for safe handling and disposal of expired/damaged stocks returned from market and depots. These goods are either safely disposed off or recycled.

(b) **Plastic waste as part of Extended Producer Responsibility (EPR):** We collect plastic waste under EPR across India. The plastic waste is collected and safely disposed in an environment-friendly manner or recycled depending upon its category and quality, as per applicable rules and regulations.

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable and it aligns with the plan submitted to the Central Pollution Control Board. EPR plan is executed through tie-ups with waste management agencies. Our plastic waste collection is brand-agnostic. Collection network spans across 36 States and Union Territories of India, with a coverage across urban and rural locations in the country. We have been collecting and processing more plastic packaging waste from across India than the plastic used in the packaging of our finished products in Calendar Year 2021 and 2022. Over 1,00,000 tonnes of plastic waste have been collected and safely disposed across the country with the help of the collection partners in 2022.

Leadership indicators

LI-1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Our products are covered by Life Cycle Assessments (LCA) conducted by our Parent Company (Unilever PLC). Unilever conducts LCAs compliant with ISO 14040, either internally with in-house LCA experts or using external partners. LCA involves studying the environmental impacts of a product – from the sourcing of raw materials to product manufacture, distribution, consumer use and safe disposal. Unilever applies internationally accepted impact assessment methods, such as harmonised life cycle impact assessment method (ReCiPe) and the European International Reference Life Cycle Data System (ILCD 2011) midpoint methods. Unilever is currently co-funding a second LCA on sustainable palm oil and the World Foods Life Cycle Database Initiative. Unilever is sponsor of the United Nations Environment Programme (UNEP) Life Cycle Initiative (LCI) that aims to support the application of LCA for policymaking and decision-making.

Unilever also conducts an annual simplified LCA exercise on representative products across 14 countries, including India. The methodology is consistent with ISO 14040 and was recognised by the UNEP as one of the finest examples of an organisational LCA.

In 2022, we used a simplified LCA to map the carbon footprint of our products. The analysis was conducted to understand the key challenges in our ambition to achieve Net Zero emissions for all our products from sourcing to point of sale by 2039. A key area of focus was the raw material footprint (Scope 3 emissions – purchased goods), which are related to the emissions from our suppliers and their corresponding feedstocks. We have also included the impact of packaging, inbound and outbound logistics (including retail-related emissions) and disposal of the products (post-consumer use i.e., biodegradation of chemicals and incineration of plastic packaging).

* This indicator is assured for Calendar Year 2022 which consists of percentage of inputs sourced sustainably for 12 key crops identified by HUL.

Name of Product/Service	All major brands across Home Care, Beauty and Personal Care, Food and Refreshment
% of total Turnover contributed	Majority of HUL Turnover is covered
Boundary for which the Life Cycle Perspective/Assessment was conducted	Simplified LCA was conducted to map GHG emissions covering all raw material inputs up to the final disposal phase
Whether conducted by independent external agency (Yes/No)	Assessment was conducted by internal agency (Safety and Environment Assurance Centre)
Results communicated in public domain (Yes/No). If yes, provide the web-link	Results are currently not communicated in the public domain

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

We have undertaken a detailed exercise to identify ESG risks considering issues that impact our business and are also important to our stakeholders. Some of the key risks inter alia are climate change, water, packaging & waste, and sustainable sourcing.

LCA approaches have identified that Scope 3 emissions are a significant contributor to our emission footprint.

Raw material sourcing and production represents a significant contribution to the total life cycle impact of our products and therefore, we are committed to a deforestation-free supply chain in palm oil, paper & board, tea, soy, and cocoa by 2023. In addition, we will contribute to the Unilever ambition to help protect and regenerate 1.5 million hectares of land, forests, and oceans by 2030 and achieve 100% sustainable sourcing of our key agricultural crops.

We are asking our existing suppliers to adopt carbon reduction targets to cut their emissions and we're prioritising partnerships with new suppliers, who already have science-based emissions targets in place. One example of this is the work we are doing to support a subset of suppliers whose materials have been assessed as having the most significant impact on climate. Within this group of 300 suppliers, we have detected a range of climate capabilities and will offer hands-on guidance and access to tools and resources to support those that need it.

In our Home Care business, we are committed to reducing the use of virgin fossil carbon in the products by using renewable and recycled carbon sources. For example, we are partnering with Tuticorin Alkali Chemicals and Fertilisers Ltd (TFL) and Carbon Clean Solutions (CCSL) who have developed cutting-edge technologies, to capture the CO_2 from use of energy in their production processes and turn it into soda ash (Sodium Carbonate). The soda ash from this partnership is an important ingredient in our detergents products like Rin, Wheel, Surf and Vim (Unilever Partners with Purpose Awards 2020 winners - https://www.unilever.com/files/2f92f941-e4cb-417e-b481-dd2c04bb5722/UPWP%20Awards%202020%20winners.pdf).

Sustainable palm: Today, soap bar manufacturers mainly use palm oils as the source of fatty acids, and these are grown in Southeast Asia, Central & West Africa, and Central America. Palm oil plantations are under increasing scrutiny for their effects on the environment, including deforestation, leading to loss of carbon-sequestering, biodiverse forest land as well as use of peat land for cultivation releasing large quantities of GHG into the atmosphere. There is also concern over displacement and disruption of human & animal populations and exploitation of indigenous populations due to palm oil cultivation. Unilever has pioneered the sustainable sourcing and production of palm oil and is committed to moving to NDPE Palm [NDPE refers to No Deforestation, No Expansion on Peat, and No Exploitation] by the end of 2023, which is a significant commitment to sustainability.

Soaps: Soap bars comprising more than 80% soap molecules (>70% TFM – Total Fatty Matter) account for a large part of the palm footprint in non-edible usage. Ensuring availability and managing the environmental impacts of increased oil consumption are challenges faced by the soap industry today. Unilever R&D is committed to and is already developing novel technologies to manufacture soap bars that meet the desired functionality, while reducing the palm footprint significantly, and helping address climate change through lower greenhouse gas emissions/carbon footprint products. Further, from a consumer point of view, these products will potentially allow for better affordability and sensory properties, which are desired by consumers.

Water: With regard to use of water in life cycle of our products, consumer use phase represents majority of our product's water footprint for instance in the case of detergent products. One of our recent innovations involves the launch of detergent products (e.g, Surf excel Quick wash powder) that are designed to address the quantum of water requirement in the consumer use phase. The breakthrough product technology allows automatic foam reduction during the rinse stage of the hand washing process, thereby reducing amount of water required for rinsing.

Plastic circularity: Plastic packaging needs to be recycled in environmentally friendly ways to build a circular economy. Therefore, we have set ambitious targets to ramp up the use of recycled plastic and only use reusable, recyclable or compostable plastic packaging (https://www.hul.co.in/planet-and-society/waste-free-world/). We have achieved plastic neutrality in Calendar Year 2021 and 2022, i.e., collecting back more plastic packaging than we send to market by maintaining industry-leading standards for balanced pan-India collection. We currently use post-consumer recycled (PCR) plastic in the packaging for many of our brands (e.g., Surf excel, Comfort, Vim Dishwash Liquid, etc.), and have eliminated plastic from all the soap cartons. We have also installed 'Smart fill' stations in a few locations to enable consumers to refill their plastic bottles with our Home Care liquid products.

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Plastic packaging needs to be recycled in environmentally friendly ways to build a circular economy. We have set ambitious targets to ramp up the use of recycled plastic and only use reusable, recyclable or compostable plastic packaging (https://www.hul.co.in/planet-and-society/waste-free-world/). By 2025, we aim to reduce the amount of virgin plastic we use in our packaging and use 15% recycled plastic.

	Recycled or re-used input material to total material	
Indicate input material	**FY 2022-23**	**FY 2021-22**
Plastic packaging	2.9%*	2.7%*

* Basis the management approach of computing % of recycled plastic as post-consumer recycled plastic procured on a base of total plastic footprint in the finished goods sold during the Financial Year.

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
Product	**Re-used**	**Recycled**	**Safely disposed**	**Re-used**	**Recycled**	**Safely disposed**
Plastics (including packaging) (MT)*	-	-	1,12,802**	-	-	1,18,513**
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste – Expired and damaged products (MT)	-	207	9,288	-	43	11,309

* Collected under Extended Producer Responsibility based on information received from waste management agencies as on 31st March 2023.

** Part of safely disposed plastic is also recycled, however, due to practical difficulty in traceability of such recycled plastics, entire quantum is reported as safely disposed.

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1.	Expired and damaged products (Depot and Market Return)	0.2%
2.	Plastic waste	94.9% of total plastic packing packaging materials

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELLBEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

"We aim to create a work culture that brings out the best in our people and allows them to thrive. Alongside safety at work, supporting the holistic wellbeing of our teams covering physical, mental, and emotional health will always be our priority."

Anuradha Razdan
Executive Director, Human Resources

Essential indicators

EI-1. a. Provide details of measures for the wellbeing of employees

		% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
Category	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	5,700	5,700	100.0%	5,700	100.0%	NA	NA	5,438	95.4%	5,297	92.9%
Female	2,019	2,019	100.0%	2,019	100.0%	2,019	100.0%	NA	NA	1,537	76.1%
Total	**7,719**	**7,719**	**100.0%**	**7,719**	**100.0%**	**2,019**	**100.0%**	**5,438**	**95.4%**	**6,834**	**88.5%**
Other than permanent employees											
Male	190	189	99.5%	189	99.5%	NA	NA	185	97.4%	-	0.0%
Female	121	120	99.2%	120	99.2%	121	100.0%	NA	NA	-	0.0%
Total	**311**	**309**	**99.4%**	**309**	**99.4%**	**121**	**100.0%**	**185**	**97.4%**	**-**	**0.0%**

EI-1. b. Details of measures for the wellbeing of workers

		% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
Category	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	10,900	10,900	100.0%	10,900	100.0%	NA	NA	10,900	100.0%	10,829	99.3%
Female	351	351	100.0%	351	100.0%	351	100.0%	NA	NA	351	100.0%
Total	**11,251**	**11,251**	**100.0%**	**11,251**	**100.0%**	**351**	**100.0%**	**10,900**	**100.0%**	**11,180**	**99.4%****
Other than permanent workers											
Male	8,306	8,306	100.0%	8,306	100.0%	NA	NA	-	0.0%	8,288	99.8%
Female	550	550	100.0%	550	100.0%	550	100.0%	NA	NA	550	100.0%
Total	**8,856**	**8,856**	**100.0%***	**8,856**	**100.0%**	**550**	**100.0%**	**-**	**0.0%**	**8,838**	**99.8%****

* Health insurance coverage as per ESI for Other than Permanent Worker is 100% in all locations where ESIC is applicable as per statutory requirement. Out of the 29 operating factories under the scope of reporting, 9 factories are in locations where there is no Employees' State Insurance (ESI) coverage.

** Two of our sites i.e. Tatapuram and Mangalore have less than 50 workers which doesn't meets the minimum threshold for running a day care centre. This is also in line with the requirements of Section 11A of Maternity Benefit Acts.

EI-2. Details of retirement benefits, for current and previous Financial Years

Benefits	No. of employees covered as a % of total employees (FY 2022-23)	No. of workers covered as a % of total workers (FY 2022-23)	Deducted and deposited with the authority (Y/N/N.A.) (FY 2022-23)	No. of employees covered as a % of total employees (FY 2021-22)	No. of workers covered as a % of total workers (FY 2021-22)	Deducted and deposited with the authority (Y/N/N.A.). (FY 2021-22)
PF	100.0%	100.0%	Yes	100.0%	100.0%	Yes
Gratuity	100.0%	100.0%	Not applicable	100.0%	100.0%	Not applicable
ESI*	1.9%	0.9%	Yes	2.8%	2.0%	Yes

*As per the ESI Regulation, 100% of the eligible employees and workers have been covered under the benefits.

EI-3. Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We recognise the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking proactive steps to support the needs of individuals with disabilities. Our Company has implemented various measures to provide accessible infrastructure, including ramps, tactile flooring, induction loop system for hearing impaired, lowered reception desk for wheelchair access, elevator voice annunciator, evacuation chair, braille signages, all gender accessible toilets, accessible parking, fire alarm flasher, automated sliding doors, and accessible guest room in several factories and offices. Additionally, we are preparing the remaining factories and offices for accessibility infrastructure and aim to achieve certification for 100% of our sites with the Minimum Mandatory Standards required under the Persons with Disabilities Act. We believe that accessibility is an essential aspect of social responsibility and are persistent in our efforts to create an inclusive environment for everyone.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy.

Yes, we have an equal employment opportunity policy, which can be referred to on https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/hr-policies/. We continue to believe that our policies regarding equal employment opportunities are necessary not only to comply with state and local laws and obligations, but also because they are in line with our core values and represent an important contribution to the communities in which we live and work. We have set clear goals to eliminate any bias and discrimination in our policies and practices, accelerate diverse representation in our workforce, and remove barriers for people with disabilities. We have a clear goal to have 5% of our workforce represented by people with disabilities by 2025.

EI-5. Return to work and retention rates of permanent employees and workers that took parental leave

We understand the needs of our employees, who are planning to or have recently become parents, to take paid leave to experience this beautiful phase and nurture a bond with their young child. We also extend maternity and paternity leave with full pay and benefits to parents, who are legally adopting a child. This benefit is also extended to same sex partners, where the partner who is a primary care giver is eligible for paid leave and benefits as applicable for maternity, and who is a secondary care giver is eligible for paid leave and benefits as applicable for paternity.

	Permanent employees (FY 2022-23)		Permanent workers (FY 2022-23)	
Gender	**Return-to-work rate**	**Retention rate**	**Return-to-work rate**	**Retention rate**
Male	100.0%	100.0%	100.0%	100.0%
Female	96.4%	86.0%	100.0%	94.7%
Total	**99.2%**	**95.7%**	**100.0%**	**99.5%**

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/no (If Yes, then give details of the mechanism in brief)
Permanent workers Other than permanent workers	Yes. Grievances received at the factories are duly acknowledged and recorded in the grievance register and these are regularly monitored. Workers can raise grievances at https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e (an online portal for raising concerns and grievances), which also allows filing of anonymous complaints. We also have a Whistle Blower Policy https://www.hul.co.in/investor-relations/corporate-governance/, a dedicated hotline (000 800 100 7096), and an email ID (cobp.hul@unilever.com) for raising code* and non-code related breaches.
Permanent employees Other than permanent employees	Yes. We have grievance drop boxes at the office premises, where employees can share their grievances and these are regularly monitored. Employees can raise grievances at https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e (an online portal for raising concerns and grievances), which also allows filing of anonymous complaints. There is also a Whistle Blower Policy https://www.hul.co.in/investor-relations/corporate-governance/, a dedicated hotline (000 800 100 7096), and an email ID (cobp.hul@unilever.com) for raising code and non-code related breaches.

*Code of Business Principles (CoBP) can be referred to on (https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/hr-policies/)

EI-7. Membership of employees and workers in association(s) or union(s) recognised by the listed entity:

All the employees and workers are free to exercise their right to form and/or join trade unions, refrain from doing so, or bargain collectively. This also ensures that compensation is fair and that all the factories and offices are covered by long-term settlements.

	FY 2022-23			FY 2021-22		
Category	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total permanent employees	**7,719**	**-**	**0.0%**	**7,591**	**-**	**0.0%**
Male	5,700	-	0.0%	5,790	-	0.0%
Female	2,019	-	0.0%	1,801	-	0.0%
Total permanent workers	**11,251**	**9,546**	**84.8%**	**11,636**	**10,107**	**86.9%**
Male	10,900	9,330	85.5%	11,464	9,967	86.9%
Female	351	216	61.5%	172	140	81.4%

EI-8. Details of training given to employees and workers

We have a robust and diverse agenda to impart skills to employees and workers through various training programmes.

	FY 2022-23					FY 2021-22				
		On health and safety measures		On skill upgradation			On health and safety measures		On skill upgradation	
Category	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees						We have a robust and diverse agenda to impart skills to our employees and workers through various training programmes. Until FY 2021-22, every training was tracked separately on different platforms. We have now implemented a centralised tracking mechanism in FY 2022-23 to monitor training across the organisation.				
Male	5,890	5,410	91.9%	5,410	91.9%					
Female	2,140	1,779	83.1%	1,779	83.1%					
Total	**8,030**	**7,189**	**89.5%**	**7,189**	**89.5%**					
Workers										
Male	19,206	18,491	96.3%	18,491	96.3%					
Female	901	842	93.4%	842	93.4%					
Total	**20,107**	**19,333**	**96.1%**	**19,333**	**96.1%**					

EI-9. Details of performance and career development reviews of employees and workers

We are a performance-driven organisation with robust Performance Management System. At the start of every performance year, basis business priorities each unit/function crafts their flexible goals, which include business and development-related objectives. The achievements against these goals are assessed at the end of the year with regular feedback given throughout the year to ensure that people deliver their best. We provide our employees the best horizontal and vertical exposure to ensure we are developing leaders for the future. For the workers in the factories, performance is evaluated annually through our in-house Performance Appraisal System. Workers are assessed on their performance for their assigned jobs against set standards and the same is communicated.

	FY 2022-23			FY 2021-22		
Category	**Total (A)**	**No. (B)**	**% (B/A)**	**Total (C)**	**No. (D)**	**% (D/C)**
Employees						
Male	5,700	5,321	93.4%	5,790	5,527	95.5%
Female	2,019	1,721	85.2%	1,801	1,638	90.9%
Total	**7,719**	**7,042**	**91.2%**	**7,591**	**7,165**	**94.4%**
Workers						
Male	10,900	10,896	99.9%	11,464	9,486	82.7%
Female	351	351	100.0%	172	172	100.0%
Total	**11,251**	**11,247**	**99.9%**	**11,636**	**9,658**	**83.0%***

* As per the Company's policy, every employee / worker is eligible for an annual performance and career development review. At HUL, we follow a Calendar Year cycle i.e., January to December for performance and career development review. In the above table, % of employees / workers not covered are largely those who have joined the organisation in the period January 2023 to March 2023 and will be covered in next year's performance review.

EI-10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

A robust health and safety management system has been set up for all employees and workers. Our occupational health and safety is governed by our Occupational Health and Safety (OHS) Framework Standards. We are committed to providing a safe and healthy work environment for those working on, visiting, or living near our operations. Management at all levels is responsible and accountable for the occupational safety and health performance of the employees and workers.

During FY 2022-23, our factory in Haridwar was awarded the 'OHSSAI Gold Award', while our factories in Orai and Kolkata were awarded the 'OHSSAI Silver Award' for OHS excellence in the Manufacturing sector. Besides this, our R&D centres in Mumbai and Bangalore were also recognised by the National Safety Council for their exceptional safety performance and culture.

EI-10. b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We conduct risk assessments based on the HUL Occupational Health and Safety Risk Assessment Methodology. Occupational health and safety risk assessment is integral to the organisation's development and management of change processes. For routine tasks, a thorough risk assessment exercise is conducted, and adequate controls are put in place to mitigate the identified risks. Risks arising due to introduction of new plant, equipment, processes or methods of working are addressed through the management of change process.

For non-routine tasks, the risks are governed by the permit-to-work process. The process involves identifying the hazards associated with the facilities and the work involved and outlining the controls to eliminate or reduce hazards. A Job safety assessment is developed for each permitted work task and displayed with the permit.

EI-10. c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (yes/no)

Yes, workers are encouraged to report work related hazards through offline as well as online modes. Adequate measures are taken to mitigate these hazards and the measures are communicated to the workers.

EI-10. d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (yes/no)

Yes, the employees and workers have access to non-occupational medical and healthcare services. Employees and workers can avail cashless medical services from a chain of hospitals across the country through the insurance coverage extended by the organisation.

EI-11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	0.14
	Workers	0.13	0.14
Total recordable work-related injuries	Employees	2	5
	Workers	19	16
No. of fatalities	Employees	-	2
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

EI-12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We make every effort to integrate safety into all business processes. Our safety and health management system is based on the principle of plan, do, check and act. Credible risks are evaluated, and adequate actions are taken to mitigate this risk. Safety incidents are reported, investigated and lessons learnt are communicated widely within the organisation. This is underpinned by continuous improvement objectives and periodic reviews through the Safety and Health Sub-Committees, each headed by a Management Committee Member to ensure that we achieve our targets. A robust audit mechanism is in place to verify compliance to internal standards as well statutory requirements.

A safety culture is promoted by undertaking behavioural interventions at all levels and disseminating the importance of safety as a personal value. Positive safety behaviours are promoted, while unsafe behaviours are corrected through established procedures. A comprehensive emergency response plan and related facilities are maintained at all sites and employees are trained to respond accordingly.

Our team consisting of over 50 experienced and well-trained medical professionals (part time and full time) is committed to maintaining a safe and healthy working environment. For instance, all employees can benefit from periodic health evaluations for health issues, access to market-leading medical care, and a host of other support facilities.

EI-13. Number of complaints on the following made by employees and workers

At factories, there is a formal grievance redressal mechanism for workers along with defined escalation matrix to ensure timely closure of complaints. In addition to these, complaints can also be raised through our online portal i.e., 'Convercent Tool', which is available on our website (https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e)

	FY 2022-23			FY 2021-22		
Category	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	-	-	-	-	-	-
Health and safety	5	2	-	-	-	-

EI-14. Assessments for the year:

We have a robust mechanism in place to assess all our premises on health and safety and working conditions. All our sites undertake a Positive Assurance Review (PAR) to track the effectiveness of these parameters in the operations.

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.0%
Working conditions	100.0%

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and significant risks/concerns arising from assessments of health and safety practices and working conditions

We investigate all recordable incidents to identify the root causes and implement actions to avoid repeat incidents. We ensure closure of all gaps identified during internal and external audits/assessments in a timely manner. During FY 2022-23, we have strengthened the Safe Travel Policy and the safe travel campaign for all employees, introduced defensive driving techniques training for truck drivers enabling them to drive more responsibly. We have also launched focused programmes for electrical and conveyor safety involving thorough assessment against standards and prompt gap closure. We have worked on dissemination and implementation of learning from past incidents to eliminate similar incidents in the future and strengthened the medical emergency response plan to enable faster response time in case of emergencies.

Leadership indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, we extend requisite support in the form of ex-gratia to the legal heirs of all full-time employees and workers in the event of death during their service with us.

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Our Responsible Partner Policy (RPP) includes a set of mandatory requirements, which all our suppliers need to meet to do business with us. Under RPP, value chain partners are required to comply with all applicable laws and regulations of the country, where operations are undertaken.

LI-3. Provide the number of employees/workers having suffered high consequence work-related injury/ ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	2	-	2*
Workers	-	-	-	-

* In both the above cases, we offered suitable employment to the family member of the deceased employee. However, employment was taken up in one case only, given that in the other case, the family member did not wish to avail the offer as they were suitably employed in other organisation.

LI-4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, we conduct retirement workshops for retiring employees. Rewards team and Human Resources team conducts financial wellbeing sessions periodically and extend support in outplacements for redundancy cases. Further, with the 'Future Fit' model, we upskill our workforce to equip them with digital and non-digital skills, which further helps honing their existing set of skills.

LI-5. Details on assessment of value chain partners

Our Responsible Partner Policy (RPP) sets out the requirements that all our suppliers must meet to do business with us. Our RPP and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business.

Each fundamental principle of the RPP provides guidance on what we expect from our responsible and sustainable suppliers. We are committed to working with our suppliers on this journey of continuous improvement.

We also verify alignment to and implementation of the RPP's mandatory requirements using supplier self-declarations, online assessments and – for designated high-risk countries and supplier types – independent verification, including third-party audits.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We conduct periodic risk assessment of our suppliers using country risk and commodity risk data from external third-party risk data providers. As on 31st March 2023, 77.8% of the suppliers (by value of business done) have undergone risk assessment and are compliant.
Working conditions	

LI-6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We expect our partners and their employees or contractors to report actual or suspected breaches of our RPP. We will investigate any non-conformity reported in good faith and discuss findings with the partner. If remediation is needed, we work with the partner to identify the root causes of the issue and to develop a time-bound corrective action plan to resolve the failure effectively and promptly. By working together with partners to overcome any issues, we support the betterment of their business and, most importantly, promote respect for human rights.

We conduct regular audits and both audit companies and suppliers have responsibility to input and update the system to provide us with the outcome of the audit. Audit companies need to upload audit documentation and the outcome of the initial and follow-up audits, while suppliers are required to input corrective actions against each non-conformance identified; both within specified timeframes.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

"At Hindustan Unilever, we take pride in our business being a force for larger good. We believe in creating long-term value by caring for all our stakeholders comprising of our consumers, customers, employees, shareholders, business partners, and above all, the planet and society."

Madhusudan Rao
Executive Director, Beauty and Personal Care

Essential indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity

We have established a robust process for identifying stakeholders and engaging with them to strengthen the partnership. We have undertaken a 360-degree review of our business value chain to identify our key stakeholder groups and mapped stakeholder engagement mechanism. There are six key stakeholder groups critical to our success: Consumers, Customers, Suppliers and Business Partners, Our People, Planet & Society and Shareholders.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

S. No.	Stakeholder group	Whether identified as vulnerable and marginalised group (yes/ no)*	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half yearly/quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Consumers	No	Phone, email, social media channel, brands website, consumer surveys and Digital Voice of Consumers	Ongoing	Product quality and safety, information on products, fair and competitive pricing, complaints, queries, feedback, praise, and suggestions
2	Customers	No	Phone, email, website, sales-force engagements, eB2B app 'Shikhar' and customer conferences	Ongoing	Product quality and safety, information on products, timely delivery, service level, training on technology and process capabilities
3	Suppliers and Business Partners	No	Phone, email, Convercent helpline, supplier meeting, audit, survey and evaluation	Ongoing	New business opportunities, supplier transparency, adherence to our RPP and Business Partner Code, sustainability and ESG, value chain efficiency, payments, and purchase prices

S. No.	Stakeholder group	Whether identified as vulnerable and marginalised group (yes/ no)*	Channels of communication (email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half yearly/quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Our people	No	Surveys, townhalls, workshops, training, induction programmes, grievance handling process, and performance appraisal	Ongoing	Career development, diversity and equal opportunity, health and safety, skill upgradation, learning and development, organisational culture/ workplace, and grievances.
5	Planet and Society	No	Field visits, CSR projects and engagements, brand activations and campaign, community needs assessment, and website	Ongoing	Climate actions; environmental protection and regeneration; a waste-free world; positive nutrition; health and well-being; equity, diversity, and inclusion; the future of work; and water stewardship
6	Shareholders	No	Phone, email, annual report, results announcements, microsite on performance highlights, media releases, Capital Markets Day, Annual General Meeting (AGM) and website	Ongoing, Quarterly	AGMs allow shareholders to communicate directly with the Board of Directors and the Management Committee. Capital Markets Day and quarterly Earnings calls allow investors to engage with the management of company on business strategy and performance. We have dedicated email IDs through which our Investor Service Department engages with shareholders to resolve their queries and grievances.

*While we have marked 'no' above as these stakeholders are not vulnerable and marginalised in entirety, we are consciously involved in uplifting the vulnerable and marginalised segments for these stakeholders. For e.g. we work towards giving equal opportunities to 'Persons with disabilities', procurement from MSME / diverse suppliers, etc.

Leadership indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We strive to grow our business, while protecting the planet and doing good for the community. We believe that to generate superior long-term value, we need to care for all our stakeholders: consumers, customers, employees, shareholders, business partners, and above all, the planet and society. We call it the multi-stakeholder model of sustainable growth. The CoBP and Code Policies guide how we interact with our key stakeholders. All engagements are conducted transparently, with honesty, integrity, and openness.

Our engagement with our broader stakeholder community is undertaken by respective functions in consultation with the leadership team and overseen by the ESG Committee. Feedback from different stakeholder groups on environmental, social or economic topics is shared with the ESG Committee of the Board. We also have a CSR Committee to review, monitor, and provide strategic direction to our CSR practices and social initiatives.

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Stakeholder consultation is of utmost importance to us, as we live in an uncertain and constantly changing world. In order to create long-term value, we take steps to understand each stakeholder group's needs and priorities through several mediums, including direct engagement or via delegated committees and forums.

We conduct a sustainability materiality assessment to identify and prioritise sustainability issues across our value chain so that we can focus on the key issues affecting our stakeholders. A sustainability issue is material to us, if it is considered a principal risk or an element of a principal risk that could impact our business or performance or if our key stakeholders deem it important. In addition, we use stakeholder insights to gauge the relative importance of each issue.

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

We engage with vulnerable/marginalised stakeholder groups through the CSR outreach programmes. The programmes are not just limited to philanthropy, but also encompass holistic community development, institution-building, and sustainability-related initiatives, while focusing on vulnerable and marginalised groups. The CSR Policy aims to provide a dedicated approach to community development in water conservation, health and hygiene, skill development, providing livelihood opportunities, social advancement, gender equality, empowerment of women, environmental sustainability, and rural development.

Further, as a part of 'HUL Compass ESG Goals', we plan to spend ₹2,000 crores annually with diverse suppliers by 2025, focusing on (but not limited to) women, differently-abled people, and other marginalised sections of society.

Some of the key actions to address the concerns of vulnerable/marginalised groups through various initiatives are listed below:

Project Shakti: An initiative to financially empower and provide livelihood opportunities to women in rural India, launched by HUL in 2001. Project Shakti has positively impacted the livelihoods, confidence, and self-esteem of women with enhanced skills and entrepreneurial mindsets. We have over 1,90,000 Shakti entrepreneurs spread across 18 States.

Water conservation programme: Hindustan Unilever Foundation (HUF) is a not-for-profit company set up in 2010 to support and amplify scalable solutions to address India's water challenges, specifically in rural communities that intersect with agriculture. HUF along with its partners has delivered a cumulative and collective water potential of over 2.6 trillion litres* since its inception over the last decade through improved water supply and demand management, over 1.7 million tonnes of additional agricultural and biomass production, and over 110 million person-days of employment. To underscore the importance of the water potential created by HUF; 2.6 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years.

Asha Daan: Asha Daan is a home in Mumbai for abandoned and differently abled children, HIV positive people and destitute. Since the inception of Asha Daan in 1976, HUL has been looking after the maintenance and upkeep of the premises. Managed by the Missionaries of Charity (founded by Mother Teresa), Asha Daan provides shelter to over 350 - 400 inmates. The home is located in 50,000-square feet plot owned by HUL and under our CSR program, we have commenced work to set up proper drainage and ventilation systems, create additional leisure space for inmates to walk, and develop a play area for children.

Prabhat: Prabhat is our sustainable community development initiative that aims to create sustainable and inclusive communities. It builds on local community needs at a grassroot level, in line with India's development agenda and the UN Sustainable Development Goals (SDGs). The initiative has positively benefitted nearly 9 million people in the last nine years.

Ankur: Ankur was set up in 1993 as a centre for special education for differently abled children at Doom Dooma in Assam. Ankur has provided free special educational, vocational, and rehabilitative training to over 350 children with physical and cognitive impairments from underprivileged backgrounds.

Sanjeevani: A free mobile medical service camp called 'Sanjeevani' has been set up to cater to the local community near our manufacturing location in Doom Dooma in Assam.

Suvidha: The Community Hygiene Centre - 'Suvidha' is a first- of-its-kind urban water, hygiene and sanitation community centre, that was first set up at Ghatkopar, Mumbai. The biggest Suvidha centre is in Dharavi, Mumbai and is one of the largest community toilets in India. In 2023, we built five new Suvidha centres and as on March 2023, we have 12 Suvidha centres in Mumbai along with our partners, giving access to clean water, sanitation and laundry facilities to over 3 lakhs people.

'Samavesh' and 'Ahilya': 'Samavesh' is our project to improve women participation in our factory shop floors and with our 'Ahilya' initiative, we are empowering women to become sales professionals. We have over 850 women as shopfloor employees across our manufacturing locations and have onboarded over 1000 women in sales.

Inclusion of person with disabilities (PwDs): We are committed to including persons with disabilities in our employment ecosystem and workforce. Our ambition is to achieve 5% of our workforce to be made up of people with disabilities by 2025.

*Assured by external independent firm

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

"We strongly uphold the principle of human rights and fair treatment within our organisation as well as while engaging with our business partners and stakeholders outside our organisation. We stay committed to help build a more inclusive world where everyone matters"

Kedar Lele
Executive Director, Customer Development

Essential indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	7,719	6,981	90.4%	We have a robust and diverse agenda to impart knowledge and skills to employees and workers through various training programmes. Until FY 2021-22, every training was tracked separately on different platforms. We have now implemented a centralised tracking mechanism in FY 2022-23 to monitor training across the organisation.		
Other than permanent	311	208	66.9%			
Total employees	**8,030**	**7,189**	**89.5%**			
Workers						
Permanent	11,251	11,072	98.4%			
Other than permanent	8,856	8,261	93.3%			
Total workers	**20,107**	**19,333**	**96.1%**			

EI-2. Details of minimum wages paid to employees, in the following format:

We are committed to ensuring that everyone who directly provides goods and services to us, will earn at least a living wage or income by 2030. We are moving from a 'Fair Wage' to a 'Living Wage' and aiding employees with their higher education, children's education, and housing facilities.

Category	FY 2022-23					FY 2021-22				
		Equal to minimum wage		More than minimum wage			Equal to minimum wage		More than minimum wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**7,719**	**-**	**-**	**7,719**	**100.0%**	**7,591**	**-**	**-**	**7,591**	**100.0%**
Male	5,700	-	-	5,700	100.0%	5,790	-	-	5,790	100.0%
Female	2,019	-	-	2,019	100.0%	1,801	-	-	1,801	100.0%
Other than permanent	**311**	**-**	**-**	**311**	**100.0%**	**182**	**-**	**-**	**182**	**100.0%**
Male	190	-	-	190	100.0%	119	-	-	119	100.0%
Female	121	-	-	121	100.0%	63	-	-	63	100.0%
Workers										
Permanent	**11,251**	**-**	**-**	**11,251**	**100.0%**	**11,636**	**-**	**-**	**11,636**	**100.0%**
Male	10,900	-	-	10,900	100.0%	11,464	-	-	11,464	100.0%
Female	351	-	-	351	100.0%	172	-	-	172	100.0%
Other than permanent	**8,856**	**6,541**	**73.9%**	**2,315**	**26.1%**	**7,642**	**5,364**	**70.2%**	**2,278**	**29.8%**
Male	8,306	6,251	75.3%	2,055	24.7%	7,164	5,069	70.8%	2,095	29.2%
Female	550	290	52.7%	260	47.3%	478	295	61.7%	183	38.3%

EI-3. Details of remuneration/salary/wages, in the following format:

Our framework ensures that compensation adheres to the Collective Bargaining Agreements and, by continually reviewing the average pay between genders, is at par with the external industry benchmarks.

	Male		Female	
FY 2022-23	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoDs)*	8	31,91,667	2	29,96,898
Key Managerial Personnel	3	9,46,27,542	-	-
Employees other than BoD and KMP	5,697	12,65,000	2,019	13,00,000
Workers	10,900	5,67,254	351	3,79,555

*BoDs include Executive Directors and Independent Directors

EI-4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business (yes/no)?

Yes, we have a Business Integrity Committee constituted under the Code of Business Principles to address human rights impacts and issues. We have also established a web portal and helpline for registering complaints, which can be accessed at https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e.

Our ESG Committee oversees and addresses human rights impacts or issues at the Board level and additionally Audit Committee reviews the critical human rights complaints on a quarterly basis.

In addition to the above, we have a dedicated email ID (cobp.hul@unilever.com) and contact number (+91 22 50432789) for anonymous reporting of issues/concerns around the CoBP.

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues

We are committed to ensuring inclusive environment, where people are treated with dignity and respect, so that employees can bring their best selves to work. We have 24 well-defined policies under our CoBP to effectively address grievances. Under these policies, we have established a web portal, email IDs, and contacts for receiving and managing complaints. If any employee has concerns, their reporting manager or Business Integrity Officer is their first point of contact. In case the employee wants to anonymously report an issue, an externally supported web portal and phone option can be used.

EI-6. Number of complaints on the following made by employees and workers:

We seek to uphold and promote human rights in our operations, in relationships with business partners; and by working through external initiatives, such as the United Nations Global Compact. We have identified eight human rights issues as priority and are committed to addressing them across our operations. The eight priority issues are discrimination, fair wages, forced labour, freedom of association, harassment, health and safety, land rights and working hours. Unilever's Human Rights Progress Report of 2021 that also covers India, looks at the work that has been done to continue implementing the UN Guiding Principles on Business and Human Rights. In India, we fully adhere to Unilever's approach to human rights. In addition to this, our CoBP upholds the principles of human rights and fair treatment. The Code also conforms to the ILO principles. The principles of human rights are followed in the same spirit within as well as outside the organisation when engaging with business partners.

	FY 2022-23			FY 2021-22		
Category	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	8	2	-	3	-	-
Discrimination at workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

EI-7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

We believe in providing equal opportunity/affirmative action. We have formulated and implemented Whistle-blower, gender neutral Prevention of Sexual Harassment (POSH), and Respect, Dignity, and Fair Treatment policies to effectively prevent adverse consequences in discrimination and harassment cases. Our Respect, Dignity and Fair Treatment Policy provides a work environment that ensures every person at the workplace is treated with respect and dignity and is afforded equal treatment. Issues relating to sexual harassment are dealt with as per our POSH Policy, the CoBP and applicable laws. Our POSH Policy is now not only gender neutral, but also LGBTQI+ inclusive. The Policy clearly details the governance mechanisms for redressal of sexual harassment issues relating to women and other genders/sexual orientations. Communication is sent to all employees on a regular basis on various aspects of POSH through e-articles and other means of communication.

EI-8. Do human rights requirements form part of your business agreements and contracts (yes/no)?

Yes. All of our business agreements specifically provide for labour law compliances to be adhered to by all our suppliers and business partners including fair wages and timely payment of statutory dues. The agreements also require all the organisation's suppliers and business partners to ensure compliance under the sexual harassment law and adhere to our CoBP.

EI-9. Assessments for the year:

We have identified eight salient human rights issues i.e., Discrimination; Fair wages; Forced labour; Freedom of association; Harassment; Health and safety; Land rights; Working hours and are committed to addressing them across our operations and value chain. Putting the above framework in action, each factory/branch/office reviews and provides a positive assurance to a Human Rights Assessment checklist annually.

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100.0%
Forced/involuntary labour	100.0%
Sexual harassment	100.0%
Discrimination at workplace	100.0%
Wages	100.0%
Others – Freedom of Association, Law of Land, Working Hours, Grievance Redressal Mechanism	100.0%

EI-10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above

Not applicable, as we have not come across any significant concerns from assessments conducted at our plant and offices.

Leadership indicators

LI-1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints

We have not encountered any concern requiring a change in our business processes as a result of addressing human rights grievances/complaints.

LI-2. Details of the scope and coverage of any human rights due diligence conducted

Our approach is to embed human rights in all parts of its business, using global expertise to guide and support our teams. This includes expertise within our Global Sustainability, Supply Chain, Procurement and Responsible Business (part of Business Integrity) teams. Human rights due diligence is necessary for businesses to proactively manage potential and actual adverse human rights impacts with which they are, or could be, involved. Human rights due diligence involves four core components:

- Identifying and assessing actual or potential adverse human rights impacts
- Integrating findings from impact assessments into relevant Company processes and taking appropriate action
- Tracking the operating effectiveness of measures taken to address adverse human rights
- Communicating how issues are being addressed and showing stakeholders – in particular, affected stakeholders – that adequate policies and processes are in place

Please refer to our Human Rights Progress Report for further details: https://www.unilever.com/files/cefcd733-4f03-4cc3-b30a-a5bb5242d3c6/unilever-human-rights-progress-report-2021.pdf

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

We recognise the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016 and are taking proactive steps to support the needs of individuals with disabilities. We have implemented various measures to provide accessible infrastructure, including ramps, tactile flooring, induction loop system for hearing impaired, lowered reception desk for wheelchair access, elevator voice annunciator, evacuation chair, braille signages, all gender accessible toilets, accessible parking, fire alarm flasher, automated sliding doors, and accessible guest room in several factories and offices. Additionally, we are preparing the remaining factories and offices for accessibility infrastructure and aim to achieve certification for 100% of our sites with the Minimum Mandatory Standards required under the Persons with Disabilities Act. We believe that accessibility is an essential aspect of social responsibility and are persistent in our efforts to create an inclusive environment for everyone.

LI-4. Details on assessment of value chain partners

Our Responsible Partner Policy (RPP) sets out the requirements that all our suppliers must meet to do business with us. Our RPP and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business.

Each fundamental principle of the RPP provides guidance on what we expect from the responsible and sustainable suppliers. We are committed to working with our suppliers on our journey of continuous improvement.

We also verify alignment to and implementation of the RPP's mandatory requirements, using supplier self-declarations, online assessments and – for designated high-risk countries and supplier types – independent verification, including third-party audits.

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	We conduct periodic risk assessment of our suppliers using country risk and commodity risk data from external third-party risk data providers. As on 31st March, 2023, **77.8% of the suppliers** (by value of business done) have undergone risk assessment and are compliant
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	
Others	

LI-5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above

We expect our partners and their employees or contractors to report actual or suspected breaches of our RPP. We will investigate any non-conformity reported in good faith and discuss findings with the partner. If remediation is needed, we work with the partner to identify the root causes of the issue and to develop a time-bound corrective action plan to resolve the failure effectively and promptly. By working together with partners to overcome any issues, we support the betterment of their business and, most importantly, promote respect for human rights.

We conduct periodic audits and both audit companies and suppliers have responsibilities to input and update the system to provide us with the outcome of the audit. Audit companies need to upload audit documentation and the outcome of the initial and follow-up audits, while suppliers are required to input corrective actions against each non-conformance identified; both within specified timeframes.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT#

"Driven by our passion to care for our planet, we have set out on a mission to grow our business whilst reducing our environmental footprint. We are doing this by reducing GHG emissions in our factory operations, maintaining zero non-hazardous waste to landfill, conserving water in our own operations and incorporating sustainable packaging for our products. These initiatives, including sustainable sourcing of raw materials extend into our value chain creating a win for all in the ecosystem."

Yogesh Mishra
Executive Director – Supply Chain

Essential indicators

Under 'HUL Compass ESG Goals', we have taken a commitment to improve the health of the planet with time-bound targets to protect and regenerate nature, ensure waste-free world and set out a clear pathway to achieve zero emissions in our operations by 2030 and Net Zero emissions for all our products from sourcing to point of sale by 2039. Refer link for our planet and society page (https://www.hul.co.in/) for detailed initiatives

EI-1. Details of total energy consumption (in joules or multiples) and energy intensity

In line with 'HUL Compass ESG Goals', we aim to grow the business, while decoupling the environmental footprint from growth and increasing the positive social impact. We monitor climate change and respond by ensuring that we reduce the environmental impact of our operations. Refer to our 'Climate Change' page for the key initiative: https://www.hul.co.in/planet-and-society/climate-action/

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption – Gigajoules (A)	11,52,640	10,69,599
Total fuel consumption – Gigajoules (B)	25,66,732	26,32,986
Energy consumption through other sources – Gigajoules (C)	-	-
Total energy consumption – Gigajoules (A+B+C)	**37,19,372**	**37,02,585**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)*	63.0 GJ/crore	72.4 GJ/crore

*Turnover number used in the intensity calculation is audited by our Statutory Auditors, BSR & Co. LLP. The numerator of intensity calculation i.e. total energy consumption is assured by Price Waterhouse Chartered Accountants LLP.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency.

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

EI-2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India (yes/no)? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not applicable, as we are not an energy-intensive industry as outlined under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

#At HUL, we have a robust process to capture environment data across our owned manufacturing sites and offices and that is the basis for the numbers reported in Principle 6.

EI-3. Provide details of the following disclosures related to water, in the following format: water withdrawal by source (in kilolitres)

In order to address water scarcity, it is important to undertake efforts for conservation, restoration, recharge and reuse of water. In this pursuit, at community level, we have implemented Water Stewardship Projects across 8 water stressed locations (as per ground water resource & WRI) in India. At Site level, our own manufacturing operations have witnessed a 48% reduction in water usage (cubic meter per ton of production) in FY 2022-23 as compared to the 2008 baseline. We were able to achieve this by focussing on reducing freshwater abstraction, implementing captive rainwater harvesting, and maximising the use of RO plants. The benefits include increased efficiencies, reduced risks, strengthening stakeholder relationships and building community trust.

In 2022, we embarked on a journey to align our Water Stewardship Programme to the Alliance for Water Stewardship (AWS) Framework at 2 sites. AWS is a global membership collaboration comprising businesses, NGOs and the public sector. Its members contribute to the sustainability of local water-resources through their adoption and promotion of a universal framework for the sustainable use of water – the International Water Stewardship Standard, or AWS Standard – that drives, recognises and rewards good water stewardship performance.

We set up Hindustan Unilever Foundation (HUF) in 2010 to support and amplify scalable solutions that can help address India's water challenges - specifically for rural communities that intersect with agriculture. HUF established its 'Water for Public Good' programme that is anchored in the belief that water is a common good and must be governed by citizen communities. The aim was to catalyse effective solutions to India's water challenges involving the government, communities, experts, and mission-based organisations. HUF's programmes has reached over 14,000 villages since inception. HUF also supports several knowledge initiatives in water conservation and governance.

We also have project Prabhat– our sustainable community initiative that has been implementing water conservation projects in water-stressed sites across the country, focusing on ensuring water security. Water conservation structures, such as check dams, farm ponds, farm bunds, water absorption trenches were constructed in programme villages to enhance access to water. The programme also supports agricultural communities with water conservation solutions helping in achieving better water efficiency.

Through these initiatives, HUF along with its partners has created a cumulative and collective water potential of over 2.6 trillion litres# since its inception over the last decade. To underscore the importance of the water potential created by HUF; 2.6 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years.

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	19,21,329	18,81,457
(iii) Third party water	9,26,494	8,57,161
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**28,47,823**	**27,38,618**
Total volume of water consumption (in kilolitres)	27,95,743	26,79,932
Water intensity per rupee of turnover (Water consumed/turnover in rupees)*	47.4 KL/crore	52.4 KL/crore

*Turnover number used in the intensity calculation is audited by our statutory auditors, BSR & Co. LLP. The numerator of intensity calculation i.e. total water consumption is assured by Price Waterhouse Chartered Accountants LLP.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

EI-4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation

Our approach is to maximise recycling and re-use of treated wastewater within the sites, thereby reducing intake of fresh water. As on 31st March, 2023, 26 out of 29 of our factories recycle and reuse 100% of their wastewater within the site. Such recycled water is used in cooling tower, as a boiler feed, in fire tanks, external area cleaning, toilet flushing, gardening etc. Remaining three factories discharge water in common effluent treatment plant (CETP)/municipal drainage as per the consent to operate conditions issued by the Pollution Control Board.

#Assured by external independent firm

EI- 5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT	315	317
SOx	MT	225	362
Particulate matter	Mg/Nm^3	55	61
Persistent organic pollutants (POP)	Not applicable		
Volatile organic compounds (VOC)	Not applicable		
Hazardous air pollutants (HAP)	Not applicable		

POP, VOC and HAP are not included in the Factory's Consent to Operate issued by pollution control board and therefore not applicable.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency.

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

EI-6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

To reduce our carbon footprint, we are investing in new technologies, switching to renewable sources, and innovating to transform our factory operations. We have set ambitious targets and are working to eliminate carbon emissions from our operations by 2030 and reach Net Zero emissions for all our products from sourcing to point of sale by 2039. Refer to our https://www.hul.co.in/planet-and-society/climate-action/

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)*	tCO_2e	20,165	32,056
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	Gross: 2,19,650 Net: 0**	Gross: 2,06,819 Net: 54**
Total Scope 1 and Scope 2 emissions	tCO_2e	20,165	32,110
Total Scope 1 and Scope 2 emissions per rupee of turnover***	tCO_2e/Crore	0.34	0.63

* We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Energy conversion and emission factors are used as per the UN's Intergovernmental Panel on Climate Change (IPCC).

** The above numbers are after deducting the International Renewable Energy Certificate (IREC) purchased for grid electricity.

***Turnover number used in the intensity calculation is audited by our statutory auditors, BSR & Co. LLP. The numerator of intensity calculation i.e. total emissions is assured by Price Waterhouse Chartered Accountants LLP.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

EI-7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

In alignment with the Paris Agreement - 2015, we embraced the most important aspect of 'Care for Environment and Planet' and thus embarked on a journey to halve greenhouse gas impact of our products across the lifecycle by 2030 and net zero emissions for all our products from sourcing to point of sale by 2039.

As on March 2023, the renewable energy percentage (for both Electrical and Thermal combined) is 93% for our own manufacturing sites.

100% of our electricity is from renewable sources with a combination of solar/wind and IREC green certification. We have started buying renewable energy through solar power plants and invested in windmills to reduce the real time requirement of grid power.

We have also embarked on a journey to substitute the fossil fuel requirement by green fuels and already eliminated coal from our operations. We have introduced Biomass instead of Coal, Bio fuel in place of Furnace Oil and High Speed Diesel (HSD). We have also adopted the usage of various energy saving projects, such as heat pumps, energy efficient motors, Variable Voltage and Frequency Drive (VVFD) usage etc. to reduce the overall requirement of energy in the factories.

We have significantly reduced our per tonne GHG emission by 97% and energy consumption by 44% in our own manufacturing operations in FY 2022-23 compared to 2008 baseline.

EI-8. Provide details related to waste management by the entity, in the following format:

We are taking steps towards a waste-free world through various initiatives. We wish to create a waste-free future, and are already taking preventive measures by implementing minimalistic use of plastic and reducing the waste from our factories. Refer our 'Climate Action' page for detailed initiatives https://www.hul.co.in/planet-and-society/waste-free-world/

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste (A)	12,055	11,451
E-waste(B)	93	97
Bio-medical waste (C)	18	14
Construction and demolition waste (D)	5,086	2,107
Battery waste (E)	53	12
Radioactive waste (F)	-	-
Other hazardous waste (G)	383	264
Other Non-hazardous waste generated (H)	72,880	70,976
Total (A + B + C + D + E + F + G + H)	**90,568**	**84,921**
For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	65,658	58,441
(ii) Re-used	24,181	25,665
(iii) Other recovery operations	293	509
Total	**90,132**	**84,615**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	279	173
(ii) Landfilling*	157	133
(iii) Other disposal operations	-	-
Total	**436**	**306**

*Hazardous waste is disposed of through Pollution Control Board authorised/licensed vendors in line with Consent to Operate condition.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency.

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP.

EI-9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our factories have identified innovative ways to reuse various non-hazardous waste streams and maintain the status of zero non-hazardous waste to landfills across our operations. We have achieved this by maximising the reuse and recycling of all non-hazardous waste in environmentally friendly ways, such as reusing jumbo bags, carbon cartons, and process waste, such as soap; reusing sludge waste as boiler fuel; upcycling plastic; and using food waste for animal feed. Additionally, the R&D teams are improving materials selection and product design to reduce waste at the source. We also use recycled materials in our packaging and collect and safely dispose of more plastic waste than we sell (per our EPR). As a result, the total waste generated from our factories in FY 2022-23 has decreased by 55% (per tonne of production) compared to the 2008 baseline. All our factories are equipped with pre-processing facilities, such as waste segregation and waste reduction at source, thus improving recyclability. Further, our factories are being continuously equipped to eliminate usage of hazardous chemicals used for cleaning and disinfection process by upgrading the hardware with latest technologies.

EI-10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

None of our operating sites are in ecologically sensitive areas.

EI-11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (yes/no)	Results communicated in public domain (yes/no)	Relevant web link
1.	Nabha Production Expansion Project	2006 EIA Notification	July 2022	Yes	Submitted to PCB	-

EI-12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (yes/no)? If not, provide details of all such non-compliances, in the following format:

Yes, the Company's operations/offices comply with applicable environmental law, regulations of the country and operate as per Consent to Operate conditions from the Central and State Pollution Control Boards. Our dedicated trained and qualified Environment, Health and Safety representative at each site co-ordinate the overall implementation of the site environmental management system. This includes the environmental performance of individual activities, co-ordinating environmental matters within the organisation, advising line management in environmental matters and contacts with regulatory authorities, residents, etc.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	None			

Leadership indicators

LI-1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)*	11,52,640	10,68,468
Total fuel consumption (B)	23,31,926	22,63,217
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**34,84,566**	**33,31,685**
From non-renewable sources		
Total electricity consumption (D)	-	1,131
Total fuel consumption (E)	2,34,806	3,69,769
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**2,34,806**	**3,70,900**

*Sources of renewable electricity include solar energy, wind energy and offsets though International Renewable Energy Certificate (IREC) purchased for grid electricity.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no)? If yes, name of the external agency.

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

LI-2. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)#

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
– No treatment	-	-
– With treatment	-	-
(ii) To Groundwater		
– No treatment	-	-
– With treatment	-	-
(iii) To Seawater		
– No treatment	-	-
– With treatment	-	-
(iv) Sent to third parties		
– No treatment	-	-
- With treatment (Secondary Treatment)	52,080	58,686
(v) Others		
– No treatment	-	-
– With treatment	-	-
Total water discharged (in kilolitres)	**52,080**	**58,686**

* Wastewater is treated in the Company's own Effluent Treatment Plants through Secondary treatment and then discharged in line with consent requirements of the Pollution Control Board.

Water discharge has been reported for owned manufacturing sites

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no) If yes, name of the external agency

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

LI-3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

(i) Name of the area: As per central groundwater authority below areas are located in water stress area:

Bhuj, Chhindwara, Etah (Instant Tea), Etah (Packet Tea), Nabha, Nashik, Pondicherry, Rajpura, and Sonepat

(ii) Nature of operations: Manufacturing

LI-3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	10,00,604	9,50,144
(iii) Third party water	2,63,667	2,41,069
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	**12,64,271**	**11,91,213**
Total volume of water consumption (in kilolitres)	12,64,271	11,90,479
Water intensity per rupee of turnover (Water consumed / turnover in rupees)*	21.4 KL/crore	23.3 KL/crore
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
– No treatment	-	-
– With treatment	-	-
(ii) Into Groundwater		
– No treatment	-	-
– With treatment	-	-
(iii) Into Seawater		
– No treatment	-	-
– With treatment	-	-
(iv) Sent to third-parties		
– No treatment	-	-
– With treatment (Secondary treatment)	-	734
(v) Others		
– No treatment	-	-
– With treatment	-	-
Total water discharged (in kilolitres)	**-**	**734**

* Turnover number used in the intensity calculation is audited by our statutory auditors, BSR & Co. LLP. The numerator of intensity calculation i.e. total water consumption is assured by Price Waterhouse Chartered Accountants LLP.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (yes/no) If yes, name of the external agency

Yes, an independent assurance has been conducted by Price Waterhouse Chartered Accountants LLP

LI-4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

We are committed to Net Zero emissions for all our products from sourcing to point of sale by 2039. Unilever PLC (Parent Company) measures group level (includes HUL) Scope 3 emissions along the value chain using a proprietary GHG footprint model from sourcing to disposal. The model is developed using lifecycle analysis and industry databases, and actual data from suppliers where available. For us, Scope 3 includes emissions, which are embedded in the raw materials and their inbound and outbound logistics. The largest contributor to Scope 3 emissions is the carbon footprint of raw materials incorporated in our products. This footprint is a function of the embedded carbon per ton of the raw material and the total volume purchased.

Unilever PLC has carried out simplified LCA to estimate various Scope 3 emission sources. This approach also takes into account the source of the carbon for organic molecules and the fate (i.e., biodegradation) of organic materials. Our analysis indicates that the largest emissions are from raw materials like Linear Alkylbenzene Sulphonic acid, Total Fatty Matter/Soap, Tea, Sodium Carbonate, Sodium Lauryl Ether Sulphate, Milk and milk solids. We are working with our suppliers to set up a mechanism for measuring HUL specific Scope 3 emissions.

LI-5. With respect to the ecologically sensitive areas reported at Question 10 of essential indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable, as none of the manufacturing units is in ecologically sensitive zones.

LI-6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Water stewardship	We have implemented Water Stewardship Projects across 8 water stressed locations (as per ground water resource and WRI) in India. In 2022, we embarked on the journey to align our Water Stewardship Programme to the Alliance for Water Stewardship (AWS) Framework for 2 sites. We set up Hindustan Unilever Foundation (HUF) in 2010 to support and amplify scalable solutions that can help address India's water challenges - specifically for rural communities that intersect with agriculture. HUF established its 'Water for Public Good' programme that is anchored in the belief that water is a common good and must be governed by citizen communities. The aim was to catalyse effective solutions to India's water challenges involving the government, communities, experts, and mission-based organisations. HUF's programmes has reached over 14,000 villages since inception. HUF also supports several knowledge initiatives in water conservation and governance. We also have Project Prabhat– our sustainable community initiative that has been implementing water conservation projects in water-stressed sites across the country, focusing on ensuring water security. Water conservation structures, such as check dams, farm ponds, farm bunds, water absorption trenches were constructed in programme villages to enhance access to water. The programme also supports agricultural communities with water conservation solutions helping in achieving better water efficiency. Please refer https://www.hul.co.in/planet-and-society/protect-and-regenerate-nature/ for more details	At Site level, our own manufacturing operations have witnessed a 48% reduction in water usage (cubic meter per tonne of production) in FY 2022-23 as compared to the 2008 baseline. We were able to achieve this by focussing on reducing freshwater abstraction, implementing captive rainwater harvesting, and maximising the use of RO plants. The benefits include increased efficiencies, reduced risks, strengthening stakeholder relationships and building community trust. HUF along with its partners has created a cumulative and collective water potential of over 2.6 trillion litres*. To underscore the importance of the water potential created by HUF; 2.6 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years
2.	Emissions	In alignment with the Paris Agreement - 2015, we embraced the most important aspect of 'Care for Environment and Planet' and thus embarked on a journey to halve greenhouse gas impact of our products across the lifecycle by 2030 and net zero emissions for all our products from sourcing to point of sale by 2039. 100% of our electricity is from renewable sources with a combination solar/wind and IREC green certification. We have started buying renewable energy through solar power plants and invested in windmills to reduce the real time requirement of grid power. We have also embarked on a journey to substitute the fossil fuel requirement by green fuels and already eliminated coal from our operations. In the last four years, we have introduced Biomass instead of Coal, Bio diesel in place of Furnace Oil and High Speed Diesel (HSD). We have also adopted the usage of various energy saving projects, such as heat pumps, energy efficient motors, Variable Voltage and Frequency Drive (VVFD) usage etc. to reduce the overall requirement of energy in the factories. Please refer https://www.hul.co.in/planet-and-society/climate-action/ for more details	As on March 2023, the renewable energy percentage (for both Electrical and Thermal combined) is 93% for our own manufacturing sites. We have significantly reduced our per tonne GHG emission by 97% and energy consumption by 44% in our own manufacturing operations in FY 2022-23 compared to 2008 baseline.

*Assured by external independent firm

Sr. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the initiative
3.	Waste	Our factories have identified innovative ways to reuse various non-hazardous waste streams and maintain the status of zero non-hazardous waste to landfills in factories and offices across the Company. This was done by maximising the reuse and recycling of all non-hazardous waste in environmentally friendly ways. Please refer https://www.hul.co.in/planet-and-society/waste-free-world/ for more details	The total waste generated from the factories was 55% (per tonne of production) lower in our own manufacturing operations in FY 2022-23 than the 2008 baseline. All our factories are equipped with pre-processing facilities, such as waste separation and waste reduction at the source, thus improving recyclability.

LI-7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

We have a standardised procedure to maintain business continuity and ensure robust and effective management of incidents. It is based on the principles of prevention, preparedness, response, and recovery. A risk-based approach is followed to identify credible business risks and the management plan is reviewed regularly to ensure that it is up to date and effective. In addition, to safeguard our data and IT systems, we have a Data Recovery Capability Standard for the design, operation and management of any device or technology solution which stores or processes our data. The purpose of this Standard is to specify controls to ensure that our data, applications and systems can be recovered to meet business operational requirements following a disruptive cyber incident.

LI-8. Disclose any significant adverse impact on the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We conduct a sustainability materiality assessment to identify and prioritise sustainability issues across our value chain. A sustainability issue is material to us if it is considered a principal risk or an element of a principal risk that could impact our business or performance or if our key stakeholders deem it important. In addition, we use stakeholder insights to gauge the relative importance of each issue https://www.hul.co.in/planet-and-society/sustainability-reporting-centre/materiality-assessment/

We have set specific sustainability targets, serving as our strategy to deliver consistent, competitive, profitable, and responsible growth. We have set an ambitious sustainability agenda to tackle the issues that our consumers and stakeholders care deeply about. Details of our mitigation can be reviewed on the following websites: https://www.hul.co.in/planet-and-society/climate-action/ and https://www.hul.co.in/planet-and-society/protect-and-regenerate-nature/

LI-9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

We conduct periodic risk assessment of our suppliers using country risk and commodity risk data from external third-party risk data providers. As on 31st March 2023, **77.8%** of the suppliers (by value of business done) have undergone risk assessment and are compliant

Our RPP and its Fundamental Principles embody our commitment to responsible, transparent, and sustainable business. Each fundamental principle of the RPP provides guidance on what we expects from the responsible and sustainable business partners. We are committed to working with our suppliers on this journey of continuous improvement.

We also verify alignment to and implementation of the RPP's mandatory requirements using supplier self-declarations, online assessments and – for designated high-risk countries and supplier types – independent verification, including third-party audits.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

"As a responsible Company, we regularly participate in multi-stakeholder engagements on addressing public policy and legislative issues and are committed to doing so with honesty, integrity, openness and in compliance with applicable laws"

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary

Essential indicators

EI-1. a. Number of affiliations with trade and industry chambers/associations.

We are affiliated with 12 trade and industry chambers/associations.

EI-1. b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (state/national)
1.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2.	Confederation of Indian Industry (CII)	National
3.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4.	Indian Beauty and Hygiene Association (IBHA)	National
5.	Bombay Chamber of Commerce & Industry	State
6.	Water Quality India Association (WQIA)	National
7.	Bengal Chamber of Commerce & Industry	State
8.	Federation of Kutch Industrial Association	State
9.	Public Affairs Forum of India (PAFI)	National
10.	European Business Group, India	National
11.	Indian Home & Personal Care Industry Association (IHPCIA)	National
12.	Protein Food Nutrition Development Association of India (PFNDAI)	National

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

S. No.	Name of authority	Brief of the case	Corrective action taken
1.	Nil	Nil	Nil

Leadership indicators

LI-1. Details of public policy positions advocated by the entity:

Public policy advocated	Methods resorted for such advocacy	Whether information available in public domain (yes/no)?	Frequency of Review by Board (annually/half yearly/quarterly/ others – please specify)	Web link, if available
We participate in multi-stakeholder engagements and, when relevant, respond to public consultations. Our approach to advocacy is guided by the Code of Business Principles (CoBP). The Code provides that any contact by us or our business associates with Government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with applicable laws. Only authorised individuals can interact with these institutions. Prior internal approval is required for initiating any contact between us, our representatives, and officials, aimed at proactively addressing changes/ suggestions to regulation or legislation.	We are represented in key industry and business associations. We perform policy advocacy in a transparent and responsible manner while engaging with all the authorities and consider our as well as the larger national interest.	No	NA	NA

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

"We cannot have a flourishing business in a world where our consumers are struggling with climate change and social inequality. Sustainability and inclusiveness have always been core to our business strategy and operations."

Deepak Subramanian
Executive Director – Home Care

Essential indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year

During FY 2022-23, we have not undertaken any projects that require Social Impact Assessments (SIA).

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (yes/no)	Results communicated in public domain (yes/no)	Relevant web link
1.	Not Applicable					

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

During FY 2022-23, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R).

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1.	Not Applicable					

EI-3. Describe the mechanisms to receive and redress grievances of the community

We are committed to developing communities around our sites and redressing their grievances and concerns. Our people regularly engage with communities living around the sites to understand their concerns, and in case of a specific grievance, it is duly recorded, investigated, and acted upon. We also have an online hotline (Convercent portal - https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117elg), where anyone can file concerns related to us, which are closely monitored by our Business Integrity team.

EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	16.8%	11.8%
Sourced directly from within the district and neighbouring districts	44.2%	47.8%

Leadership indicators

LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

It is not applicable as there was no Social Impact Assessment required to be conducted during FY 2022-23.

S. No.	Details of negative social impact identified	Corrective action taken
1.	Not applicable	

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational district	Amount spent (In ₹)
1.	Multiple (14 States)	Multiple*	11,77,13,002
2.	Uttar Pradesh	Balrampur	4,06,74,957
3.	Maharashtra	Osmanabad	4,01,45,394
4.	Uttar Pradesh	Chitrakoot	1,15,06,062
5.	Uttarakhand	Haridwar	98,94,688
6.	Punjab	Moga	42,96,540
7.	Madhya Pradesh	Chhatarpur	36,39,168
Total			**22,78,69,811**

*77 out of 112 aspirational districts notified by NITI Aayog.

LI-3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups (yes/no)?

Yes, we are committed to increasing spends with diverse suppliers with an aim to create opportunities for all by breaking down socio-cultural, systemic, and economic barriers. By including groups previously under-represented in our supply chain, we look forward to jointly scaling up and accelerating businesses, unlocking innovation, agility, resilience, and opportunities. Under 'HUL Compass ESG Goals', we are working to spend at least ₹2,000 crores annually with diverse businesses by 2025. The HUL Compass ESG Goals form a part of the Integrated Annual Report at pages 10 and 11.

LI-3. b. From which marginalised/vulnerable groups do you procure?

We define a diverse business as one which is at least 51% owned and operated by members of under-represented groups. We continue our endeavour to increase spending with suppliers who embrace diversity, equity and inclusion matching to our ethos. As per the global Unilever framework, the focus groups will be (but not limited to) women, differently-abled people, economically marginalised communities, and backward sections of the society.

LI-3. c. What percentage of total procurement (by value) does it constitute?

We are in the process of setting up a mechanism to quantify procurement from such diverse suppliers.

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:

Not Applicable.

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Not applicable, as there are no adverse orders in intellectual property related disputes wherein the usage of traditional knowledge was involved.

LI-6. Details of beneficiaries of CSR Projects

We are committed to operating and growing our business in a socially responsible way. Our purpose is to make sustainable living commonplace.

Our Corporate Social Responsibility (CSR) Policy that is approved by the Board of Directors (Board), outlines a clear agenda through which we will continue to contribute to the community at large. We have been actively engaged in various CSR projects involving, *inter-alia*, water conservation, nutrition, skill development, health, cleanliness, waste management and environmental sustainability. For further details on CSR initiatives, please refer pages 98 to 102 of the Integrated Annual Report.

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Plastic Waste Management	1,19,51,857	77.0%
2	Swachh Aadat Swachh Bharat (SASB)	12,63,016	100.0%
3	Prabhat	11,48,876	91.0%
4	Promoting Nutrition & Hygiene	2,28,497	98.9%
5	Project Shakti	1,90,000	100.0%
6	Water Conservation – HUF	1,78,945	84.5%
7	Future of Work	20,988	56.1%
8	Health & Wellbeing	9,250	3.8%
9	Empowering Women in the Field of Sports	1,200	100.0%

In addition to the above, we also run several behavioural change programmes (for e.g. ‘bin boy’ campaign) across all media channels which has a widespread reach.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

"The Indian consumer is evolving rapidly. The pandemic has accelerated several trends that will continue to have far-reaching effects on the Indian consumer - an increased affinity towards holistic health and wellbeing, a massive shift in the adoption of digital technology and importantly, a heightened consciousness amongst consumers on sustainability and social equity. The Indian consumer is increasingly choosing superior products and brands that are also good for the people and the planet. We are focused on faster-better innovation, leveraging next generation media tools to reach consumers effectively and efficiently, and building engagement platforms enabling end-to-end consumer experience."

Srinandan Sundaram
Executive Director – Foods & Refreshment

Essential indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

As a consumer-centric organisation, we value all consumer feedback and have set up various channels through which consumers can reach out to us. A PO Box number, email ID, and a toll-free number are on the back of pack of all brands, SKUs, variants, and formats. Consumers can also reach out to us through social media platforms, brand websites, WhatsApp number and our Contact Us form. There is a team dedicated to attend and address consumer feedback and queries.

EI-2. Turnover of products and services as a percentage of turnover from all products/services that carry information about:

Category	As a percentage to total turnover*
Environmental and social parameters relevant to the product	100.0%
Safe and responsible usage	100.0%
Recycling and/or safe disposal	100.0%

* As a company, we have a very large count of unique product base packs. We are in the process of creating a central repository of all product artworks with element level details. Above numbers are reported basis comprehensive review of base packs covering 60% of the total sales.

EI-3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	10	1	-	9	3	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

We have a very robust mechanism to receive and address queries, feedback and complaints received from our consumers. We have reported above complaints in relation to 'data privacy', 'advertising', 'cyber-security', 'delivery of essential services', 'restrictive trade practices' and 'unfair trade practices'.

EI-4. Details of instances of product recalls on account of safety issues

We have a stringent mandatory quality standard in place against which compliance is verified through regular audits and self-assessments. These standards ensure we design, manufacture and supply products that are safe, of excellent quality, and conform to the relevant industry and regulatory standards in the countries in which we operate. Comprehensive management procedures are in place to mitigate risks and to protect our consumers and markets. We take prompt and timely action wherever and whenever we encounter products, which do not meet the standards and ensure right quality product go in the market.

Category	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

EI-5. Does the entity have a framework/policy on cyber security and risks related to data privacy (yes/no)? If available, provide a web-link of the policy

Yes, we have extensive cyber security and data privacy policies, which are applicable to the entire organisation. We respect the privacy of all individuals including employees and consumers and their personal data. We recognise and protect privacy as an essential human right under our Code of Business Principles, which is available on our website at https://www.hul.co.in/investor-relations/corporate-governance/hul-policies/

We have focused learning modules on the Code Policy on Personal Data, which is mandatory for the entire organisation. We had training for the entire workforce on the Personal Data Code Policy in 2021 and Privacy & Data Protection (general privacy principles, practices, processes, behaviour, etc.) in 2022.

In addition, we disclose 'Privacy Notice' pertaining to our personal data processing practices to consumers before they consent to process their personal data. The Privacy Notice proactively discloses all the relevant information necessary to make an informed choice, including but not limited to types of data, purposes, security safeguards, principal data rights, contact details of Data Privacy Officer and grievance redressal mechanisms, retention, third-party disclosure policies. https://www.unilevernotices.com/privacy-notices/india-english.html

We also have a designated Data Privacy Officer, whose key responsibility is to ensure data privacy guidelines are followed in the organisation and any privacy related grievances are being addressed. We have a central email ID i.e., grievance.officer-privacy@unilever.com, which is disclosed in the privacy notices and on our website. There is also a Contact Us form for privacy issues that is directed to the Data Privacy Office.

Our Responsible Partner Policy, which is applicable to all third parties, includes an obligation to protect and safeguard personal data involving our consumers and customers.

EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

There were no significant concerns/complaint/penalty/regulatory actions identified during the year. However, in case of any concerns, consumers can reach out to us via multiple channels i.e., phone, email, social media, and WhatsApp. We have a pre-defined turnaround time and response mechanism for complaint closure.

For data-privacy-related concerns, we have a Personal Data Incident Reporting process to report and investigate any suspected or potential threat to personal data. The Data Privacy Officer and Cyber Security Lead investigates incidents to identify lapses and gaps to continuously improve processes and controls to mitigate future breaches.

Leadership indicators

LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available)

Information regarding all products is available in the Brand section of our website: https://www.hul.co.in/brands/.

Consumers can also reach out to us via one of the following modes for any additional information:

- Toll-free number for Levercare: 1800-102-2221
- WhatsApp Number: +91 8291082913
- Email ID: lever.care@unilever.com
- Address: PO Box 14760, Mumbai 400 099, Maharashtra, India
- Contact Us form on the website: https://www.hul.co.in/contact/

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide information on our product packaging, including ingredients, expiry date, usage directions, etc., as appropriate to inform our consumers about safe and responsible usage. Consumers can also reach out to us on our levercare toll-free number (1800-102-2221) and via our email ID (lever.care@unilever.com) printed on each product. Our website has a dedicated section where consumers can reach us through the Contact Us form and a dedicated section on 'What is in Our Products' (https://www.hul.co.in/our-company/rd-innovation/safety-environment/whats-in-our-products/) is hosted to inform consumers about our products and the ingredients.

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At HUL, we do not deal with any essential services, however, in case of any disruption, we can disseminate information through our website, various mass media platforms, social media platforms, distribution network, sales representatives, emails, etc. In addition, consumers can reach out to us on our toll-free number for Levercare (1800-102-2221) and email ID (lever.care@unilever.com), printed on each product.

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws (yes/no/not applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole (yes/no)?

We are fully committed to not only ensuring compliance to mandatory labelling, but also to providing important information to consumers regarding safety, health, proper usage and appropriate precautions. These are embedded in our Trust & Transparency pillar of Unilever Compass strategy. For example, on the Foods and Refreshments products, we provide on-label nutritional information in a nutrition table in addition to the mandatory nutrients. We also use additional logos, such as the 'Guideline Daily Amount (GDA)', to provide additional information or reference to product quality (e.g., a trust seal or Darjeeling tea logo for tea). We also provide QR codes for extra information and sustainability-related logos (e.g., a recyclable logo). In the case of flavoured tea, we provide a table covering the registration numbers of flavours with their maximum percentages. For home care products, on our laundry pods, we provide safety precautions, symbols, and usage directions in text and pictures; an ingredient declaration; and warnings (e.g., regarding keeping products out of the reach of children) to ensure complete safety for our consumers.

Similarly, we provide usage instructions and cautionary statements for personal care products. For example, on our hair serum label, we give the ideal usage directions for maximum benefit, precautions to be taken, and immediate action in case of an issue. In addition, all products contain information on the product benefits and any special ingredients delivering the benefits. This information helps consumers make an informed choice.

Consumer satisfaction survey: Our Levercare team (also known as Consumer Engagement Centre) provides a comprehensive omni-channel (Phone, Email, Social-Media, WhatsApp & Web) system to help answer any product related queries and complaints to deliver best in class consumer experience.

We monitor consumer sentiments (i.e., the digital voice of the consumer via social media and brand pages) to receive overall feedback on issue resolution and products/services and calculate the Net Promoter Score (0 to 10). We then evaluate consumer experiences on both product and service based on how likely they are to recommend both, the product, and the service to family & friends on a scale of 0 to 10.

Additionally, to capture feedback from E-commerce consumers, we use digitally enabled consumer-focused capability, which provides specific insights based on ratings & reviews at brand and product levels that help identify product improvements & feed into innovations. This also helps improve end-to-end consumer experience on E-commerce and Social-Media.

Further, for customers, we run an Annual 'Customer Voice Survey' to gauge overall performance and sentiment across our distributors and customer's network. The feedback is taken across facets like Overall experience, Customer Service, Finance, Supply Chain, IT support, etc. Currently in the second year of its running, the annual check on Customer pulse, provides real time insights on things going well, things we need to do more of and areas which need correction

LI-5. Provide the following information relating to data breaches: a. Number of instances of data breaches along-with impact

Nil, there were no instances of reportable data breaches in the current Financial Year.

LI-5. Provide the following information relating to data breaches: b. Percentage of data breaches involving personally identifiable information of customers

Nil, there were no instances of reportable data breaches involving personally identifiable information.

Corporate Governance Report

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

At Hindustan Unilever Limited (HUL), we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral part of its day-to-day business. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term.

With 90 years of heritage in India, our corporate governance framework has evolved over the decades and is inspired by our core values of Respect, Integrity, Responsibility & Pioneering. Conducting our operations with integrity and respect for the many people, organisations and environments our business touches, has always been at the heart of our corporate responsibility.

Our history is a story of growth powered by ideas and values. Our business has always been driven by a sense of purpose and the belief that businesses must have purpose beyond profit. We continue to believe that the only way a business will succeed is by making a positive contribution to addressing the challenges the world faces.

At HUL, responsible corporate conduct is fundamental to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations. Our Code of Business Principles (the Code) is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set high standards of governance which go beyond what is prescribed under legislations in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Corporate Governance Code adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors (the Board), Statutory Board Committees may effectively operate for the benefit of its varied stakeholders.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

In recognition of our high standards of governance practices, we were conferred with several awards over the last few years, and are committed to raise the bar of Corporate Governance excellence with each passing day. During the year, we were awarded the Certificate of Recognition at the 22nd ICSI National Awards for Excellence in Corporate Governance, for adopting and promoting exemplary corporate governance practices.

THE BOARD OF DIRECTORS

HUL is a professionally managed Company functioning under the overall supervision of the Board. The Board has ultimate responsibility for the development of strategy, management, general affairs, direction, performance and long-term success of business as a whole. The Chairman leads the Board and is responsible for its overall effectiveness. The Chairman sets the Board Agenda, ensures the Directors receive accurate, timely and clear information, promotes and facilitates constructive relationships and effective contribution of all Executive and Non-Executive Directors, and promotes a culture of openness and debate. The Independent Directors provide constructive challenge, strategic guidance, specialist advice and hold management to account.

The Board has delegated the operational conduct of the business to the Chief Executive Officer (CEO) and Managing Director (MD) of the Company. The Management Committee of the Company is headed by the CEO & MD and has business / functional heads as its members, who manage the day-to-day affairs of the Company.

Composition

The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board members comprising Independent Directors including Independent Women Directors. The Board composition is in conformity with the applicable provisions of Companies Act, 2013 (the Act) and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time. As on date of this Integrated Annual Report, the Board consists of twelve Directors comprising one Non-Executive and Non-Independent Director designated as the Chairman, seven Independent Directors including two Women Directors, one Whole-time Director and three Executive Directors including CEO & MD. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long- term needs of the Company.

During the year, Mr. Wilhelmus Uijen (DIN: 08614686) stepped down as the Whole-time Director and Member of Management Committee of the Company with effect from 31st August, 2022, consequent to his elevation as the Chief Procurement Officer for Unilever, globally. The Board places on record its appreciation for the leadership and invaluable contribution made by Mr. Wilhelmus Uijen during his tenure as a Whole-time Director and Member of Management Committee of the Company.

Mr. Sanjiv Mehta will step down as the Chief Executive Officer & Managing Director of the Company with effect from the close of business hours on 26th June, 2023 after a transformational tenure of 10 (ten) years at the helm of the Company. During his tenure, the business more than doubled its turnover, significantly improved its profitability and the market capitalisation of the Company increased more than four times from US$17 billion to US$75 billion. The Board places on record their deep sense of appreciation and gratitude to Mr. Sanjiv Mehta for his immense and sustainable contribution to the business as the CEO & MD of the Company, that led in reinforcing HUL as one of India's most valuable businesses.

The Board on the basis of recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Rohit Jawa (DIN: 10063590) as a Whole-time Director effective 1st April, 2023 till 26th June, 2023 and as a successor to Mr. Sanjiv Mehta as the MD & CEO for a term of 5 (five) consecutive years with effect from 27th June, 2023 upto 26th June, 2028 subject to approval of the Shareholders and other statutory approvals as may be applicable.

During the year, based on the recommendation of the Nomination and Remuneration Committee, the Board also approved the appointment of Mr. Ranjay Gulati (DIN: 10053369) as an Additional Director – Independent Director of the Company, for a term of 5 (five) consecutive years with effect from 1st April, 2023 to 31st March, 2028 subject to approval of the Shareholders.

As per the provisions of Regulation 17 of Listing Regulations, approval of Shareholders, for appointment of Directors on the Board shall be taken either at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier. The proposals seeking approval of the Shareholders for appointment of Mr. Rohit Jawa and Mr. Ranjay Gulati form a part of the Notice in this Integrated Annual Report at pages 348 and 349.

The details of each Member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s), date of joining the Board and their shareholding in the Company are provided herein below:

Composition and Directorship(s), Committee Membership(s), Chairmanship(s) and number of other Board and Committees as on 31st March, 2023:

Name and Category	Date of joining the Board	Number of shares held in the Company	Directorship(s) in other Companies#	Membership(s) of Committees of other Companies##	Chairmanship(s) of Committees of other Companies##
Non-Executive Chairman					
Nitin Paranjpe	31.03.2022	1,24,509	-	-	-
Chief Executive Officer & Managing Director					
Sanjiv Mehta	01.10.2013	1,410	1	1	-
Executive Director, Finance & IT and Chief Financial Officer					
Ritesh Tiwari	01.05.2021	2,630	1	-	-
Executive Director, Legal & Corporate Affairs and Company Secretary					
Dev Bajpai	23.01.2017	51,576	1	-	-
Independent Directors					
O. P. Bhatt	20.12.2011	245	4	4	-
Sanjiv Misra	08.04.2013	-	-	-	-
Kalpana Morparia	09.10.2014	-	1	2	1
Leo Puri	12.10.2018	-	1	-	-
Ashish Gupta	31.01.2020	-	2	-	-
Ashu Suyash	12.11.2021	-	1	2	1

Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

Includes only Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of your Company are related to each other.

The names of the listed entities along with the category of Directorship for all the Directors forms part of Profile of Directors from pages 366 to 371 of this Integrated Annual Report.

The number of Directorship(s), Committee Membership(s), Chairmanship(s) of all the Directors is within respective limits prescribed under the Act and Listing Regulations as amended from time to time.

Appointment and Tenure

The Directors of the Company are appointed/re-appointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the Shareholders at the General Meeting(s) or through means of Postal Ballot. In accordance with the Articles of Association of the Company and provisions of the Act, all the Directors, except the Managing Director and Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting (AGM) each year and, if eligible, offer their candidature for re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company.

None of the Independent Director(s) of the Company resigned before the expiry of their tenure.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
- In keeping with progressive governance practices, your Company shall, for the purpose of determining the composition of the Board, treat all Independent Directors who are appointed from the Financial Year 2022-23 and, thereafter, and who complete ten years on the Board, as Non-Independent and ineligible for appointment as an Independent Director(s) for any period thereafter.

Any person who becomes Director or Officer, including an employee who is acting in a managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Policy shall also covers those who serve as a Director, Officer or equivalent of an outside entity at Company's request. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company/Business policy and strategy apart from other Board businesses. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board agenda generally includes consideration of important corporate actions and events including:

- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- Board succession planning;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The Notice of Board/Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Chairman of the Company. The Agenda is circulated a week prior to the date of the Meeting. The Board Agenda includes an Action Taken Report comprising actions emanating from the Board Meetings and status updates thereof. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings includes detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video/ Audio-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Prior approval from the Board is obtained for circulating the Agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

Board Commitment

All Directors are expected to attend each Board Meeting and each Committee Meeting of which they are members, unless there are exceptional reasons preventing them from participating. Only members of the Committees are entitled to attend Committee Meetings, but others may attend at Committee Chair's discretion.

During the Financial Year 2022-23, eight Board Meetings were held on 4th & 5th April, 2022 (Strategy Meeting), 27th April, 2022, 19th July, 2022, 21st October, 2022, 24th November, 2022, 19th January, 2023, 17th February, 2023 and 10th March, 2023. The interval between any two Board Meetings was well within the maximum allowed gap of 120 days. During the year, the Board also transacted some of the business by passing resolutions by circulation.

Composition and Attendance of the Board Meetings

Name of the Directors	Category of Directorship	Attendance
Nitin Paranjpe – Chairman	Non-Executive Director	8/8
Sanjiv Mehta	Executive Director	8/8
Ritesh Tiwari	Executive Director	8/8
Dev Bajpai	Executive Director	8/8
Wilhelmus Uijen*	Executive Director	3/3
O.P. Bhatt	Independent Director	8/8
Sanjiv Misra	Independent Director	8/8
Kalpana Morparia	Independent Director	7/8
Leo Puri	Independent Director	8/8
Ashish Gupta	Independent Director	7/8
Ashu Suyash	Independent Director	7/8

* Mr. Wilhelmus Uijen ceased to be the Whole-time Director with effect from 31st August, 2022.

Succession Planning

We believe that sound succession planning for the Board Members and Senior Management is vital for creating a robust future for the Company. Our succession planning framework is well built and acts as a hallmark of a forward-thinking, future-ready and progressive Board. The Nomination and Remuneration Committee plays an instrumental role in development of a diverse pipeline for succession thereby ensuring that the Company has a strong, diverse and high performing Board and Management Committee now and in the future. It deliberates on various factors including current tenure of Directors, anticipated vacancies in key Board and Senior Management positions, skill matrix including skill-gaps, diversity, time-commitment and statutory requirements, etc., to ensure orderly succession planning.

Board Support

The Company Secretary supports the Board to ensure that it has policies, processes, information, time and resources it needs to function effectively and efficiently. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Board/Committees or as a Member of the Committee. The Company Secretary advises/assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the Meetings.

With a view to leverage technology and reduce paper consumption, the Company has adopted a web-based application for transmitting Board/Committee Agenda and Pre-reads. The Directors of the Company receive the Agenda and Pre-reads in electronic form through this application, which can be accessed through web browser or iPad. The application meets high standards of security and integrity that are required for storage and transmission of Board/Committee Agenda and Pre-reads in electronic form.

Statutory Compliance Monitoring Tool

The Company has in place a web-based Statutory Compliance Monitoring Tool, which has been implemented to streamline and manage compliance tracking of all the statutory & legal compliances needed to be followed by the Company and provides the necessary assurance to the Board.

Confirmation and Certification

The Company annually obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any, regarding their Directorships. The Company has obtained a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries, under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the SEBI and Ministry of Corporate Affairs (MCA) or any such authority and the same forms part of this Integrated Annual Report.

Board Independence

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the Management. The Board includes six Independent Directors as on 31st March, 2023.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a quarter, without the presence of Executive Directors or Management representatives. They also have separate meeting(s) with the Chairman of the Board, to discuss issues and concerns, if any.

The Independent Directors met four times during the Financial Year 2022-23, on 27th April, 2022, 19th July, 2022, 21st October, 2022 and 19th January, 2023. The Independent Directors *inter alia* discuss the issues arising out of the Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Directors' Induction and Familiarisation

The Board Familiarisation Programme comprises of the following:-

- Induction Programme for Directors including Non-Executive Directors;
- Immersion sessions on business and functional issues; and
- Strategy sessions.

All Directors on their appointment are taken through a detailed induction and familiarisation programme when they join the Board of the Company. The induction programme is an exhaustive one that covers the history, culture and background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. The programme also covers the progress on HUL Compass Environmental, Social and Governance (ESG) Goals.

The CEO & MD and the Company Secretary are jointly responsible for ensuring that induction and training programmes are conducted for Directors. The CEO & MD, provides an overview of the organisation, its history, culture, values and purpose. The Management Committee Members take the Directors through their respective businesses and functions. As a part of induction programme, the Directors also visit the Company's manufacturing locations and undertake market visits to understand the operations of the Company. The Directors are exposed to the Board constitution, procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Directors. Similar immersion sessions are also convened for various functions of the Company. These sessions are also an opportunity for the Board to interact with the next level of management. To make these sessions meaningful and insightful, pre-reads are circulated in advance. Deep dive sessions are also organised on specific subjects for better appreciation by the Board of its impact on the business. There are opportunities for Independent Directors to interact amongst themselves every quarter and many themes for such immersion sessions come through on account of these structured interactions and Meetings of Independent Directors. The process of Board Evaluation also throws up areas where the Board desires focused sessions.

Strategy Sessions

Every year Board Strategy Sessions are organised which provide the Board an opportunity to understand Company's footprint in a market and also interact with Company's leadership and business teams in that market. The Strategy Session focuses on the strategy for the future and covers all parts of the business and functions, the course corrections, if any, required to be undertaken and gives a good perspective of the future opportunities and challenges.

For the Financial Year 2022-23, two full day Board Strategy Session was conducted on 10th and 11th April, 2023 at Sumerpur and Lucknow. As part of the Strategy Session, the Board visited the Sumerpur factory of the Company, wherein they were taken through the operations at the factory, the expansion plans and the transformation activities, safety performance at the plant, quality controls, cost and service excellence and the people related processes that is being followed at the factory. The Board was also apprised about the community engagement conducted through the Corporate Social Responsibility (CSR) programme around the factory premises under the Project Prabhat. Further, detailed presentations on key topics concerning the overall Company's strategy including strategy for the business and functional divisions of the Company, were made to the Board.

The details of training programmes attended by Independent Directors are available on the website at https://www.hul.co.in/investor-relations/corporate-governance/.

Board Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The Board along with the Nomination and Remuneration Committee has laid down the criteria of performance evaluation of Board, its Committees and Individual Directors which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

For Independent Directors, evaluation is carried out based on the criteria viz.

- the considerations which led to the selection of the Director on the Board and the delivery against the same;
- contribution made to the Board / Committees;
- attendance at the Board / Committee Meetings;
- impact on the performance of the Board / Committees;
- instances of sharing best and next practices, engaging with top management team of the Company;
- active participation in long-term strategic planning.

During the year, Board Evaluation exercise which included the evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors was conducted by an Independent External Agency - Egon Zehnder, a leadership advisory firm on Board matters. The evaluation process focused on effectiveness of the Board, Board dynamics, Board Meetings and procedures, Committee effectiveness, succession planning and flow of information to the Board and Committees. The evaluation methodology included techniques such as detailed questionnaires covering various parameters relevant for the Board and Committees and one-on-one discussion with the Directors. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution, and independent judgment. The recommendations from last year and the current year were discussed.

For the year under review, as an outcome of the performance evaluation exercise it was noted that:

- The Board is independent and takes its role of governance very seriously;
- The Board is committed to creating value for all stakeholders;
- The Board Meetings are well planned and run effectively by the Chair; and
- The Committees of the Board are well-functioning and well managed, meaningful contribution is made by the Committees especially the CSR Committee which has helped the Company in setting a benchmark for CSR activities amongst its peers.
- The contributions made by the Audit Committee stood out, with special praise and recognition of role played by the Chairperson of the Audit Committee.

Additionally, the exercise has resulted in identification of the following key focus areas, for the Company to work upon in the coming years:

- The formation of the ESG Committee has been welcomed enthusiastically by the Board. However, there is high expectation from the ESG Committee to build on the work already done;
- Deeper dive on topical matters at alternate Board Meetings to allow for exchange of thoughts and contribute/exchange ideas with the Members of the Management Committee; and
- Company's reporting requirements should continue to remain in step with constantly evolving regulatory landscape especially in field of sustainability and climate change.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the Governance Structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as part of good governance practices. The Chairperson of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the Meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the Meeting, as appropriate.

During the year, all recommendations of the Committees of the Board have been accepted by the Board.

As on 31st March, 2023, the Board has constituted the following Committees:

CONSTITUTION OF THE COMMITTEES

Audit Committee
- Kalpana Morparia (Chairperson)
- O.P. Bhatt
- Sanjiv Misra
- Ashish Gupta
- Ashu Suyash

Nomination and Remuneration Committee
- Sanjiv Misra (Chairperson)
- O.P. Bhatt
- Kalpana Morparia
- Ashu Suyash

Corporate Social Responsibility Committee
- O.P. Bhatt (Chairperson)
- Sanjiv Misra
- Kalpana Morparia
- Leo Puri
- Sanjiv Mehta
- Ritesh Tiwari

Stakeholders Relationship Committee
- O.P. Bhatt (Chairperson)
- Leo Puri
- Sanjiv Mehta
- Ritesh Tiwari

Risk Management Committee
- Sanjiv Mehta (Chairperson)
- Ashish Gupta
- Ashu Suyash
- Ritesh Tiwari
- Dev Bajpai
- Ravishankar A.

Environmental, Social and Governance Committee
- Ashu Suyash (Chairperson)
- O.P. Bhatt
- Kalpana Morparia
- Ashish Gupta
- Sanjiv Mehta

Chairperson   Member

Audit Committee

As on 31st March, 2023, the Company's Audit Committee comprises 5 (five) Members and all the Members are Independent Directors. Audit Committee is chaired by Ms. Kalpana Morparia and Mr. O. P. Bhatt, Dr. Sanjiv Misra, Dr. Ashish Gupta and Ms. Ashu Suyash act as Members of the Committee. All the Members of the Committee have relevant experience in financial matters.

Terms of Reference of Audit Committee

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The detailed terms of reference of the Audit Committee are contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislations or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible	■
Reviewing and examining with Management the quarterly and annual financial results and the Limited Review/Auditor's Report thereon before submission to the Board for approval	■ / ▲
Reviewing management discussion and analysis of financial condition and results of operations	▲
Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services	▲ / ●
Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process	▲
Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company	■
Reviewing the adequacy of internal audit function and the findings of any internal investigations by the internal auditors	■
Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors	●
Evaluating internal financial controls and risk management systems	●
Verifying that the systems for internal controls for compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively	▲
Reviewing the functioning of the Code of Business Principles and Vigil Mechanism	■
Reviewing the utilisation of loans and/or advances from/investment in the Subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments	■
Recommending the appointment and remuneration to be paid to the Cost Auditor	▲

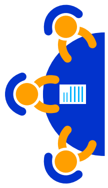
■ – Quarterly ; ▲ – Annually ; ● – Periodically

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened. In these meetings, the Audit Committee reviews various businesses/functions, business risk assessment, controls, critical IT applications with implications of security and internal audit and control assurance reports of all the major divisions of the Company.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors, Group Controller and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the Internal and Statutory Auditors separately, without the presence of Management representatives.

The Audit Committee met six times during the Financial Year 2022-23 on 27th April, 2022, 18th July, 2022, 19th July, 2022, 21st October, 2022, 2nd December, 2022 and 19th January, 2023.

Composition and Attendance of Audit Committee



100% Independence

5 Members

6 Meetings

93.33% Average Attendance

Name of the Directors	Category of Directorship	Attendance
Kalpana Morparia – Chairperson	Independent Director	6/6
O.P. Bhatt	Independent Director	6/6
Sanjiv Misra	Independent Director	6/6
Ashish Gupta	Independent Director	5/6
Ashu Suyash	Independent Director	5/6

Internal Controls and Risk Management

The Company has robust Internal Audit and Enterprise Risk assessment and mitigation system. The Company has an independent Internal Audit Department assisted by outsourced audit teams.

The Internal Audit plan is approved by Audit Committee at the beginning of every year. The conduct of Internal Audit is oriented towards the review of internal controls and risks in the Company's operations and covers factories, sales offices, warehouses and centrally controlled businesses and functions. Every quarter, the Audit Committee is presented with a summary of significant audit observations and follow-up remediation actions thereon.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans.

The Company's internal financial control framework, established in accordance with the Committee of Sponsoring Organisation (COSO) framework, commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down Standard Operating Procedures and policies to guide the operations of the business.

Unit heads are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

The Board of Directors based on the recommendation of the Audit Committee, at their meeting held on 19th July, 2022 appointed Ms. Surabhi Mehrotra as Internal Auditor of the Company with effect from 20th July, 2022, succeeding Mr. Amit Agarwal.

Nomination and Remuneration Committee

As on 31st March, 2023, the Nomination and Remuneration Committee comprises Dr. Sanjiv Misra, Independent Director as the Chairperson and Mr. O. P. Bhatt, Ms. Kalpana Morparia and Ms. Ashu Suyash as Members of the Committee. The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments, including Managing Director and Management Committee.

Terms of Reference of Nomination and Remuneration Committee

The detailed terms of reference of the Nomination and Remuneration Committee are contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

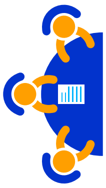
Activities of the Committee during the year	Frequency
Determine/recommend the criteria for appointment of Directors, Members of Management Committee and Key Managerial Personnel	●
Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a Key Managerial Personnel	●
Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Director(s)	●
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension, etc.	●
Ensure succession planning (including the development of a diverse pipeline for succession) to the Board and the leadership development plans to enhance such succession planning	●
Recommend to the Board, all remunerations, in whatever form, payable to Senior Management	▲

■ – Quarterly ; ▲ – Annually ; ● – Periodically

The Committee also plays the role of Compensation Committee and is responsible for administering Stock Option Schemes as applicable to the employees of the Company.

The Nomination and Remuneration Committee met five times during the Financial Year 2022-23 on 26th April, 2022, 19th July, 2022, 2nd December, 2022, 17th February, 2023 and 10th March, 2023.

Composition and Attendance of Nomination and Remuneration Committee



100% Independence

4 Members

5 Meetings

100% Average Attendance

Name of the Directors	Category of Directorship	Attendance
Sanjiv Misra – Chairperson	Independent Director	5/5
O.P. Bhatt	Independent Director	5/5
Kalpana Morparia	Independent Director	5/5
Ashu Suyash	Independent Director	5/5

Board Membership Criteria and list of core skills/ expertise/competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a Listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, responsibility, respect and pioneering mindset.

Corporate Governance Report

In terms of requirement of Listing Regulations, the Board has identified the following skills/expertise/competencies of the Directors as given below:-

Leadership experience of running large enterprise
Experience in leading well-governed large organisations, with an understanding of organisational systems and processes, complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.

Experience of crafting Business Strategies
Experience in developing long-term strategies to grow consumer/FMCG business consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.

Understanding of Consumer and Customer Insights in diverse environments and conditions
Experience of having managed organisations with large consumer/customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.

Finance and Accounting Experience
Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.

Experience in overseeing large and complex Supply Chain
Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact.

Understanding use of Digital/Information Technology across the FMCG value chain
Understanding the use of digital/Information Technology across the value chain, ability to anticipate technological driven changes & disruption, impacting business and appreciation of the need of cyber security and controls across the organisation.

Experience of large companies and understanding of the changing regulatory landscape
Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

Name of Director	Leadership experience of running large enterprise	Experience of crafting Business Strategies	Understanding of Consumer and Customer Insights in diverse environments and conditions	Finance and Accounting Experience	Experience in overseeing large and complex Supply Chain	Understanding use of Digital/ Information Technology across the FMCG value chain	Experience of large companies and understanding of the changing regulatory landscape
Nitin Paranjape	✓	✓	✓		✓	✓	✓
Sanjiv Mehta	✓	✓	✓	✓	✓	✓	✓
Rohit Jawa#	✓	✓	✓	✓	✓	✓	✓
Ritesh Tiwari		✓	✓	✓		✓	
Dev Bajpai			✓				✓
O.P. Bhatt	✓	✓	✓	✓			✓
Sanjiv Misra	✓	✓	✓	✓			✓
Kalpana Morparia	✓			✓			✓
Leo Puri	✓	✓	✓	✓		✓	✓
Ashish Gupta		✓	✓			✓	
Ashu Suyash	✓	✓		✓			✓
Ranjay Gulati#		✓	✓				

Mr. Rohit Jawa and Mr. Ranjay Gulati were appointed as Additional Directors effective 1st April, 2023.

Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The guiding principles for Company's reward policies/ practices are as follows:

1. **Open, Fair and Consistent:** increase transparency and ensure fairness and consistency in reward framework;
2. **Insight and Engagement:** make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;
3. **Innovation:** continuously improve Company's reward through innovations based on insight, analytics and Unilever's expertise;
4. **Simplicity, Speed and Accuracy:** simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
5. **Business Results:** Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee Members and other employees is by virtue of their employment with the Company and therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies. The total reward for Executive Directors, Key Managerial Personnel and Management Committee Members is reviewed and recommended to the Board of Directors for their approval, by the Nomination and Remuneration Committee annually, taking into account external benchmarks along with the combination of Company's and individual's performance.

A fair portion of Executive Directors total reward is linked to Company's performance. This creates alignment with the strategy and business priorities to enhance Shareholder value. Long-term incentives, in the form of Performance Share Plan, seek to reward Executive Directors, Management Committee Members and other eligible employees by aligning their deliverables to business results.

In line with the Evaluation Policy of the Company, the Nomination and Remuneration Committee considers the outcome of the Annual Evaluation before recommending the changes in the remuneration of the Executive Directors and appointment/re-appointment of Directors.

Independent Directors are eligible for sitting fees and commission not exceeding the limits prescribed under the Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the approval of Members of the Company.

Independent Directors are currently paid sitting fees of ₹30,000/- for attending every meeting of the Board or Committee thereof. In line with the globally accepted governance practices, the Board of Directors adopted a 'Differential Remuneration Policy' for Non-Executive Directors remuneration which is available on the Company's website at https://www.hul.co.in/investor-relations/corporate-governance/.

As per the Differential Remuneration Policy, Independent Directors are entitled to fixed commission on profits at the rate of ₹15 lakhs for each Financial Year. In addition, Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairperson or a Member of the Committee(s). The remuneration payable to the Independent Directors under the Differential Remuneration Policy is within the overall limit of ₹300 lakhs, as approved by the Members at the Annual General Meeting held on 29th June, 2015. The criteria adopted by the Company for Differential Remuneration Policy are as under:

(₹ in lakhs)

Particulars	Commission (p.a.)
Fixed Commission:	
Base Fixed Commission for Independent Directors	15.00
Additional Variable Commission:	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee(s)*	2.00
In the capacity of Member of the Committee(s)*	1.00

* Committee includes Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and Corporate Social Responsibility Committee, Risk Management Committee and Environmental, Social and Governance Committee.

The Independent Directors who continuously serve minimum two terms of five years each, are also entitled to one time commission of ₹10 lakhs at the time of stepping down from the Board.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Independent Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Independent Directors.

The details of remuneration paid to Executive and Non-Executive Directors for the Financial Year 2022-23 are provided hereinafter:

Details of Remuneration to the Executive Directors

(₹ in Crores)

Name	Sanjiv Mehta	Dev Bajpai	Ritesh Tiwari	Wilhelmus Uijen*
Salary	3.73	3.28	2.47	0.83
Allowances	9.72	2.57	2.16	3.39
Bonus^^	6.27	2.11	1.83	1.72
Perquisite – Long Term Incentives(LTI)$	2.13	0.84	0.67	0.61
Perquisite – Others#	0.05	0.09	0.03	0.33
Contribution to Provident Fund	0.45	0.39	0.30	0.17
Contribution to Pension	-	0.18	0.04	-
Total	**22.36**	**9.46**	**7.49**	**7.04**

Note

Bonus and Perquisites are shown net of Income Tax. As per the terms of employment, Income Tax is borne by the Company and is included in allowances.

* Mr. Wilhelmus Uijen ceased to be the Whole-time Director with effect from 31st August, 2022.

^^ Annual Bonus incentivises year-on-year delivery of stretching short-term financial, strategic and operational objectives selected to support our annual business strategy and the ongoing enhancement of shareholder value. The bonus amount is linked to: (1) business performance measured through the lens of growth, profitability and cash generation, and (2) individual contribution.

$ Long-term Share schemes incentivise Senior Management's focus on the sustained delivery of high-performance results over the long-term. The amount of shares awarded is linked to business performance measured over a 3-year period across four parameters, namely Competitive growth, cash, capital efficiency and progress on sustainability initiatives.

Inclusive of perquisites on account of Housing, Medical, Club Fee, Car etc.

Details of Remuneration to the Non-Executive and Independent Directors

(₹ in lakhs)

Name	Sitting Fees*	Commission#	Total
Nitin Paranjpe^	-	-	-
O. P. Bhatt	7.20	26.33	33.53
Sanjiv Misra	6.30	24.00	30.30
Kalpana Morparia	6.30	24.11	30.41
Leo Puri	3.60	22.00	25.60
Ashish Gupta	4.80	21.78	26.58
Ashu Suyash	6.30	23.23	29.53

^ The Non-Executive Chairman of the Company does not receive any sitting fees, commission or stock options from the Company.

*Includes sitting fees paid for attending both Board and Committee Meetings.

The Commission for the Financial Year ended 31st March, 2023 as per the differential remuneration parameters will be paid to Independent Directors, on a pro-rata basis, subject to deduction of tax, after adoption of Financial Statements by the Shareholders at the AGM to be held on 26th June, 2023.

Corporate Social Responsibility Committee

As on 31st March, 2023, the Corporate Social Responsibility (CSR) Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairperson and Dr. Sanjiv Misra, Ms. Kalpana Morparia, Mr. Leo Puri, Mr. Sanjiv Mehta and Mr. Ritesh Tiwari as the members of the Committee.

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of the Company in the areas of CSR.

Terms of Reference of Corporate Social Responsibility Committee

The detailed terms of reference of the CSR Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Formulate and recommend to the Board the CSR Policy and activities to be undertaken	●
Recommend the amount of expenditure to be incurred on CSR activities	▲
Formulate and review the Annual Action Plan in pursuance of the CSR Policy	▲/●
Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes	●
Impact assessment, monitoring and reporting mechanism for the projects/programmes	▲

■ – Quarterly ; ▲ – Annually ; ● – Periodically

During the Financial Year 2022-23, the Committee met twice on 26th April, 2022 and 21st October, 2022.

Composition and Attendance of Corporate Social Responsibility Committee

6 Members

2 Meetings

100% Average Attendance

Name of the Directors	Category of Directorship	Attendance
O.P. Bhatt – Chairperson	Independent Director	2/2
Sanjiv Misra	Independent Director	2/2
Kalpana Morparia	Independent Director	2/2
Leo Puri	Independent Director	2/2
Sanjiv Mehta	Executive Director	2/2
Ritesh Tiwari	Executive Director	2/2

Stakeholders' Relationship Committee

As on 31st March, 2023, the Stakeholders' Relationship Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairperson and Mr. Leo Puri, Mr. Sanjiv Mehta and Mr. Ritesh Tiwari, as Members of the Committee.

The role of Stakeholders' Relationship Committee includes resolving the grievances of Shareholders, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performance and service standards of the Registrar and Share Transfer Agent (RTA) of the Company.

The Committee has periodic interactions with the representatives of the RTA of the Company. Over the last few years, SEBI, the capital market regulator has issued guidelines and undertaken a number of measures for raising industry standards for RTA to facilitate effective shareholder service. In order to ensure compliance with various guidelines and measures issued by SEBI to improve investor services, the Committee invites the representatives of the RTA to join the Committee Meeting for sharing an update on the steps and actions taken by them. The Committee also invites Shareholders for interactions during the meeting to get a direct feedback on investor service.

Terms of Reference of Stakeholders' Relationship Committee

The detailed terms of reference of the Stakeholders' Relationship Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

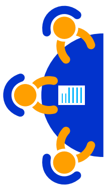
Key Terms of Reference of the Committee are :

Activities of the Committee during the year	Frequency
Consider and resolve the grievances of shareholders	● Periodically
Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent	▲ Annually
Make recommendations to improve investor service levels for the investors	● Periodically
Review of various measures and initiatives taken by the Company for reducing the quantum of unpaid dividend	● Periodically

■ – Quarterly ; ▲ – Annually ; ● – Periodically

During the Financial Year 2022-23, the Committee met twice on 26th April, 2022 and 19th January, 2023.

Composition and Attendance of Stakeholders' Relationship Committee



4 Members

2 Meetings

100% Average Attendance

Name of the Directors	Category of Directorship	Attendance
O. P. Bhatt – Chairperson	Independent Director	2/2
Leo Puri	Independent Director	2/2
Sanjiv Mehta	Executive Director	2/2
Ritesh Tiwari	Executive Director	2/2

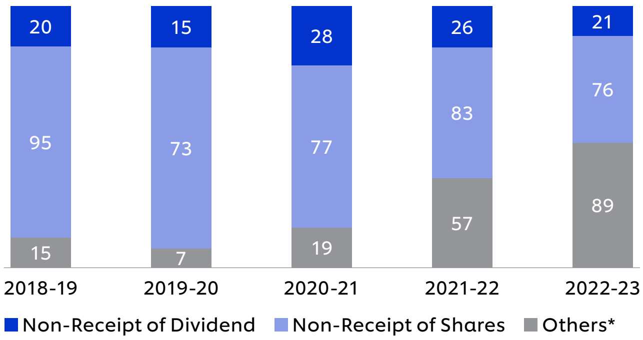
Details of Investors' Complaints

Mr. Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary is the Compliance Officer for resolution of Investors' complaints. During the Financial Year 2022-23, 186 complaints were received from the Investors. All complaints except six were redressed by 31st March, 2023.

Particulars	Complaints Received	Complaints Redressed
Non-Receipt of Dividend	21	21
Non-Receipt of Shares lodged for Transfer	76	72
Others	89	87
Total	**186**	**180***

*The pending six complaints have also been redressed to the satisfaction of the shareholders as on the date of adoption of this Integrated Annual Report by the Board.

Trend of Complaints Received and Resolved during previous 5 years



* Includes complaints related to IEPF and transfer/transmission of shares, non-receipt of Annual Report and TDS on dividend.

Risk Management Committee

With an embedded approach to Risk Management which puts risk and opportunity assessment at the core of the Board's Agenda, the Company has constituted a Risk Management Committee, in line with the Listing Regulations.

As on 31st March, 2023, the Risk Management Committee of the Company comprises Mr. Sanjiv Mehta as the Chairperson, Dr. Ashish Gupta, Ms. Ashu Suyash, Mr. Ritesh Tiwari, Mr. Dev Bajpai, and Mr. Ravishankar A., Group Controller and Head Investor Relations as the members of the Committee.

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review of the Company's financial and risk management policies, assess risk and formulate procedures to minimise the same.

Terms of Reference of the Risk Management Committee

The detailed terms of reference of the Risk Management Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
To identify the internal and external risks, *inter alia*, financial, operational, sectoral, sustainability/ESG, information, cyber security risks, legal and regulatory risks	● Periodically
Oversee the implementation of the Risk Management Policy and the adequacy of Risk Management systems	● Periodically
Ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks	● Periodically

■ – Quarterly ; ▲ – Annually ; ● – Periodically

During the Financial Year 2022-23, the Risk Management Committee met thrice on 26th April, 2022, 21st October, 2022 and 17th February, 2023, for reviewing the Company level risks and mitigation plans and actions. The gap between two meetings was not more than 180 days as stipulated under the Listing Regulations.

Composition & Attendance of Risk Management Committee

6 Members

3 Meetings

100% Average Attendance

Attendance for the Committee Meetings

Name of the Directors	Category of Directorship	Attendance
Sanjiv Mehta – Chairperson	Executive Director	3/3
Ashish Gupta	Independent Director	3/3
Ashu Suyash	Independent Director	3/3
Ritesh Tiwari	Executive Director	3/3
Dev Bajpai	Executive Director	3/3
Wilhelmus Uijen*	Executive Director	1/1
Ravishankar A.	Group Controller and Head Investor Relations	3/3

*Mr. Wilhelmus Uijen ceased to be a Member of the Committee with effect from 31st August, 2022.

Environmental, Social and Governance Committee

During the year, the Board constituted an Environmental, Social and Governance (ESG) Committee effective 1st December, 2022. The ESG Committee shall be responsible for overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters. The Committee shall also monitor the progress against the stated vision and review the practices, initiatives & goals of the Company relating to ESG, and ensure that they remain effective.

The ESG Committee of the Company comprises Ms. Ashu Suyash, Independent Director as the Chairperson, Mr. O.P. Bhatt, Ms. Kalpana Morparia, Dr. Ashish Gupta and Mr. Sanjiv Mehta as the members of the Committee.

Terms of Reference of the Environmental, Social and Governance Committee

The detailed terms of reference of the ESG Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Key Terms of Reference of the Committee are:

Activities of the Committee during the year	Frequency
Guide the creation of ESG vision & ambition of the Company and monitor the same	●
Providing the advice and directions on implementation of the ESG Strategy, opportunities and risks to the Company's operation and reputation and its corporate responsibility	●
Review the ESG policies that are formalised along with the oversight on their implementation and considering the same periodically	●
Work in joint co-ordination with the Risk Management Committee to oversee the identification and mitigation of risks relating to ESG and review the effectiveness of risk management and internal control policies where relevant to ESG matters	●
Oversee the Company's engagement with its broader stakeholders community and ensure that the Company takes appropriate measures	●
Monitor Company's ESG rating and statutory requirements for Sustainability reporting & disclosure	▲
Review regularly the requirement for external assurance of ESG matters	▲
Review the ESG matters to be presented in the Company's Annual Report and monitor the integrity of these reports	▲

■ – Quarterly ; ▲ – Annually ; ● – Periodically

During the Financial Year 2022-23, the Environmental, Social and Governance Committee met once on 17th February, 2023.

Composition & Attendance of Environmental, Social and Governance Committee

5 Members

1 Meeting

100% Attendance

Name of the Directors	Category of Directorship	Attendance
Ashu Suyash – Chairperson	Independent Director	1/1
O. P. Bhatt	Independent Director	1/1
Kalpana Morparia	Independent Director	1/1
Ashish Gupta	Independent Director	1/1
Sanjiv Mehta	Executive Director	1/1

Other Committees

Apart from the above Statutory Committees, the Board of Directors has constituted the following Committees to enhance the level of governance and also to meet the specific business needs. The below Committees report to the Board of Directors of the Company.

Share Transfer / Transmission Committee

The Share Transfer/Transmission Committee has been formed to look into share transfer and related applications received from Shareholders, with a view to accelerate procedures. The Committee comprises three Executive Directors of the Board. The Committee *inter alia* considers applications for transfer, transmission, issuance of duplicate share certificates, split, consolidation, cancellation, dematerialisation of share certificates and issuance of letters of confirmation in compliance with the provisions in this regard. As per Regulation 40 of Listing Regulations, as amended, shares of the Company can be transferred only in dematerialised form with effect from, 1st April, 2019. Further, with effect from 24th January, 2022, Listed Companies shall issue securities in dematerialised mode only while processing any investor service request in respect of issuance of duplicate share certificates, exchange / sub-division / split / consolidation / transmission / transposition of securities and claim from unclaimed suspense account.

The Committee is authorised to sign, seal or issue any new share certificate or letter of confirmation, as the case may be, as a result of transfer, transmission, consolidation, split or in lieu of share certificates lost, defaced or destroyed. The Committee meets generally on a weekly basis to ensure that share transfers and other related requests are registered and actioned within a period of fifteen days from the date of receipt thereof.

Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted for approval, issue and allotment of shares under ESOP Schemes. The Committee comprises three Executive Directors of the Board and is constituted to expedite the process of allotment and issue of shares to eligible employees under the Stock Option Plan of the Company.

Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. The Committee comprises three Executive Directors of the Board.

Committee for approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been set up and entrusted with the responsibility of identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in such identified properties, for and on behalf of the Company. The Committee comprises three Executive Directors of the Board.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The Financial Statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Integrated Annual Report, having an income or net worth exceeding 10% of the consolidated income or net worth respectively, of the Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone Financial Statements.

COMPANY POLICIES

Environmental, Social and Governance Policy

The Company's ESG Policy is driven by the vision to be a leader in sustainable business. The Company envisions integration of ESG aspects into the business operations which will help in generating superior long-term value, and reducing risks faced by the business. Through this Policy, the Company aims to define the 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. The ESG Policy is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Code of Business Principles and Whistle Blower Policy

The Code of Business Principles (the Code) is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. The copy of the Code is available on the website of the Company at https://www.hul.co.in/planet-and-society/business-integrity/.

The Company has adopted a Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate avenues to all individuals associated with the Company to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the Code of the Company. The Company has provided dedicated e-mail addresses kalpana.morparia@unilever.com and cobp.hul@unilever.com for reporting such concerns. Alternatively, individuals can also send written communications to the Company. The employees are encouraged to voice their concerns by way of Whistle Blowing and all the employees have been given access to the Audit Committee. The Policy provides an avenue to every employee and every person as defined therein to report concerns directly to the Management or to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and dealing with the complaints registered under the Policy. All cases, registered under the Code and the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee. The Whistle Blower Policy is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensure that all the employees work in an environment that is inclusive and provides an opportunity to bring their best selves at workplace. The Company is also committed to provide a work environment that ensures every person is treated with dignity, respect and fair treatment. The Company has formulated a Policy on Prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the Rules made thereunder which is aimed at providing everyone who visits our workplace, experiences an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. Our POSH Policy is now more inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ Community.

We have constituted Internal Committees (IC) as per the POSH Act. While maintaining the highest governance norms, the Company has appointed external independent persons who work in this area and have the requisite experience in handling such matters, as Chairperson of each of the Committees.

Number of Complaints received during the Financial Year 2022-23	7
Number of Complaints disposed of during the Financial Year 2022-23	5
Number of Complaints pending as on 31st March, 2023	2*

* The Complaints which were pending as on 31st March, 2023 were received on 15th March, 2023 and 29th March, 2023 respectively. As on the date of this Integrated Annual Report, one of the Complaints was disposed of. The Company endeavours to complete the inquiry process within the stipulated period of 90 days.

Policy on avoiding Conflict of Interest

The Board of Directors is responsible for ensuring that systems and processes are in place to avoid conflict of interest by the Directors and the Management Committee. The Board has adopted the Code of Conduct for the Directors and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorised under the Company's Gift Policy. The Directors and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of Business Principles of the Company. A copy of the said Code of Conduct is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/. In addition, the Directors and members of Management Committee also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board.

The Directors inform the Company of any change in their Directorship(s), Chairmanship(s)/ Membership(s) of the Committees, in accordance with the requirements of the Act and Listing Regulations. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

Policy on Related Party Transactions

The Company has not entered into any Material Related Party Transaction (RPT) during the Financial Year 2022-23. The Company has adopted the Policy on RPTs in line with the requirements of the Act and Listing Regulations, as amended from time to time, which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

The Policy intends to ensure that proper reporting, approval, disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material RPTs, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPTs are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for RPTs on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at arm's length. All RPTs entered during the year were in ordinary course of business and on arm's length basis.

Policy on Material Subsidiary

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations. The objective of this Policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The Policy on Material Subsidiary is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Policy on Dividend Distribution

The Board of Directors have adopted Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Share Dealing Code

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations), the Company has established systems and procedures to prohibit insider trading activities. The Board of Directors of the Company have adopted the Share Dealing Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI PIT Regulations. The Share Dealing Code of the Company prohibits the Directors, Members of Management Committee and other Designated Persons (collectively referred to as Special Employees) from dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of this Share Dealing Code is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the Shareholders at large.

The Company has put in place a mechanism for monitoring the trades done by Special Employees as well as generation of system based disclosures in line with the Share Dealing Code. The details of dealing in the Company's shares by Special Employees are placed before the Board for information on quarterly basis. The Share Dealing Code also prescribes sanction framework and any instance of breach of Share Dealing Code is dealt with in accordance with the said sanction framework. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Share Dealing Code. A copy of the Share Dealing Code is made available to all the employees of the Company and compliance of the same is ensured.

The Share Dealing Code is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/dealing-in-hul-shares/.

AFFIRMATION AND DISCLOSURE

All the Directors and members of the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2023 and a declaration to that effect, signed by the CEO & MD and the Chief Financial Officer, is attached and forms part of this Integrated Annual Report.

The Members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company. There were no material, financial or commercial transaction, between the Company and Members of the Management Committee that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

No funds were raised through Preferential Allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

Fees paid to Auditors

The total fee for all services paid/payable by the Company and its Subsidiaries to M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors and all the entities in the network firm / network entity, of which Statutory Auditors are a part, for the Financial Year 2022-23 is ₹6.01 crores and estimated fees to be paid for the Financial Year 2023-24 shall be ₹6.25 crores.

Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

The Company has been impleaded in certain legal cases related to disputes over title to shares arising in the ordinary course of share transfer operations. However, none of these cases are material in nature, which may lead to material loss or expenditure to the Company.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

1. **Risk Management Policy of the Company with respect to the Commodities and Forex:**

   In terms of provisions of Regulation 34(3) of the Listing Regulations read with SEBI Circular dated 15th November, 2018, companies are required to make necessary disclosures about the Risk Management Policy with respect to commodities in the Corporate Governance Report.

   Commodities form a major part of the raw materials required for the Company's products portfolio and hence commodity price risk is one of the important market risks for the Company. The commodities we source are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability.

   The Commodity Risk Management (CRM) team of Unilever, based on intelligence and monitoring, forecasts commodity prices and movements and advises the Procurement team on cover strategy. A robust planning and strategy ensure that the Company's interests are protected despite volatility in commodity prices.

   The Company manages the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The Company manages currency exposures through use of forward exchange contracts, monitored on a weekly basis in line with the Company Policy. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2023 are disclosed in Note 38 to the standalone Financial Statements.

2. Exposure of the Listed entity to commodity and commodity risks faced by the entity throughout the year:

(a) Total exposure of the Listed entity to commodities during the Financial Year – ₹14,996 crores

(b) Exposure of the Listed entity to material commodities

Commodity Name	Exposure towards the material commodity (₹ in crores)	Exposure in Quantity terms towards the material commodity	Units of Measurement#	% of such exposure hedged through commodity derivatives				
				Domestic Market		International Market		
				OTC	Exchange	OTC	Exchange	Total
Brent								
Benzene	4,319	20,60,824*	Barrels	-	-	37%	-	37%
Kerosene								
Vegetable Oil	2,908	2,60,000	KG/TO	-	-	-	-	-
Tea	3,230	1,65,083,090	KG	-	-		-	-

* Quantity derived basis Labsa volumes and formulation.

KG – Kilograms; TO - Tonnes

(c) Commodity risks faced and managed by the Company during the year are disclosed in Note 38 to the standalone Financial Statements.

Compliance with the Discretionary Requirements under the Listing Regulations

- **The Board:** The Board of Directors periodically reviewed the compliance of all the applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations.
- **Shareholders' rights:** The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the Shareholders. The quarterly results along with the press release, investor presentations, recordings and transcripts of earnings call are uploaded on the website of the Company at https://www.hul.co.in/investor-relations/results-presentations/quarterly-results/.
- **Audit qualifications:** The Company's Financial Statements are unqualified.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Secretarial Audit Report

The Company has undertaken Secretarial Audit for the Financial Year 2022-23 which, inter-alia, includes audit of compliance with the Act, and the Rules made thereunder, Listing Regulations, applicable Regulations prescribed by the SEBI, Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Integrated Annual Report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2022-23 for all the applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report for financial year 2022-23 shall be submitted to the Stock Exchanges as per the timelines prescribed under Listing Regulations.

Corporate Governance Code Audit

The Board of Directors have adopted 'Corporate Governance Code', a statement of practices and procedures to be followed by the Company, its officers and the employees. The Corporate Governance Code lays down the principles governing compliances for Board of Directors, Key Managerial Personnel, Risk Management, Shareholders and Grievances etc., which will be the guiding force for the Company to maintain highest governance standards. The Corporate Governance Code is amended from time to time to align with the amendments to the Act, Listing Regulations and for adoption of the best governance practices. The Corporate Governance Code is available on Company's website at https://www.hul.co.in/investor-relations/corporate-governance/.

The Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries as the Auditor for the audit of the practices and procedures followed by the Company as prescribed under the Corporate Governance Code. The Company has received the Corporate Governance Code Audit Report for the Financial Year 2022-23.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial year ended	Date and Time	Venue	Special resolution passed
31st March, 2020	30th June, 2020 3.00 P.M. (IST)	Annual General Meeting through Video Conferencing / Other Audio-Visual Means facility	No special resolutions were passed in this meeting
31st March, 2021	22nd June, 2021 3.00 P.M. (IST)	Annual General Meeting through Video Conferencing / Other Audio-Visual Means facility	No special resolutions were passed in this meeting
31st March, 2022	23rd June, 2022 2.30 P.M. (IST)	Annual General Meeting through Video Conferencing/Other Audio-Visual Means Facility	No special resolutions were passed in this meeting

All the members of the Board except for Mr. Leo Puri and Mr. Ritesh Tiwari, had attended the AGM held on 23rd June, 2022.

Postal Ballot

No Special Resolution was passed by the Company last year through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Integrated Annual Report.

Annual General Meeting for the Financial Year 2022-23

Date	Monday, 26th June, 2023
Venue	Annual General Meeting through Video Conferencing/Other Audio - Visual Means facility [Deemed Venue for Meeting: Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099]
Time	2.00 P.M. (IST)
Book Closure Dates for Final Dividend	Tuesday, 20th June, 2023 to Monday, 26th June, 2023 (both days inclusive)

Calendar of financial year ended 31st March, 2023

The Company follows April-March as the Financial Year. The meetings of Board of Directors for approval of quarterly financial results during the Financial Year 2022-23 were held on the following dates:

First Quarter Results	19th July, 2022
Second Quarter and Half yearly Results	21st October, 2022
Third Quarter Results	19th January, 2023
Fourth Quarter and Annual Results	27th April, 2023

Tentative Calendar for financial year ending 31st March, 2024

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the Financial Year 2023-24 are as follows:

First Quarter Results	20th July, 2023
Second Quarter and Half yearly Results	19th October, 2023
Third Quarter Results	22nd January, 2024
Fourth Quarter and Annual Results	25th April, 2024

Dividend

The Board of Directors at their meeting held on 27th April, 2023, recommended a Final Dividend of ₹22/- per equity share of face value of ₹1/- each, for the Financial Year ended 31st March, 2023. Together with the Interim Dividend of ₹17/- per equity share of face value of ₹1/- each paid on 17th November, 2022, the total dividend for the Financial Year ended 31st March, 2023 amounts to ₹39/- per share of face value of ₹1/- each. Final Dividend, if approved by Shareholders, will be paid on or after Thursday, 29th June, 2023.

Unpaid/Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF).

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/unclaimed for a period of seven consecutive years or more to the demat account of IEPF established by the Central Government. The Members, whose dividends/shares are transferred to the IEPF, can claim their shares/dividends from the IEPF Authority. In accordance with the said IEPF Rules, as amended, the Company had sent notices to all the Members whose shares were due to be transferred to IEPF requesting them to comply with the requirements to claim back the Dividends and avoid transfer of shares and had simultaneously published newspaper advertisement for the same.

In terms of the applicable provisions of the IEPF Rules, ₹13.64 crores of unpaid / unclaimed dividends and 3,09,332 shares were transferred during the Financial Year 2022-23 to the IEPF. Further, the Company also paid ₹15.70 crores to IEPF towards dividend in respect of shares that had already been transferred to IEPF consequent to dividends remaining unpaid /unclaimed for seven consecutive years.

The Company has appointed a Nodal Officer and a Deputy Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/.

The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2022 on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/ and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. The details of unpaid and unclaimed dividend amounts lying with the Company as on 31st March, 2023 shall be updated on or before 26th August, 2023.

Details of Demat / Unclaimed Suspense Account

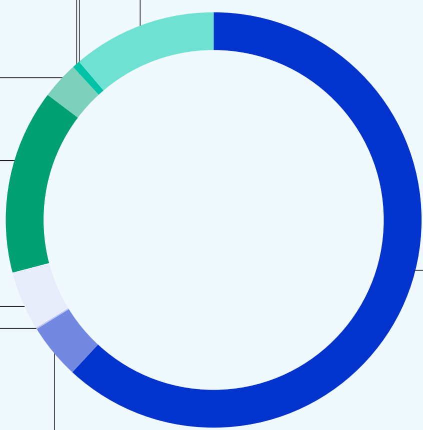
SEBI vide Circular dated 25th January, 2022, mandated that the Company / RTA shall verify and process the investor service requests and thereafter issue a 'Letter of Confirmation (LOC)' in lieu of physical share certificate(s). The LOC shall be valid for a period of one hundred twenty days from the date of issuance within which the Member/Claimant shall make a request to the Depository Participant for dematerialising the said shares. In case, the demat request is not submitted within the aforesaid period, the shares shall be credited to the Company's Suspense Escrow Demat Account.

In accordance with the above, during the year, the Company transferred 11,980 shares to its Suspense Escrow Demat Account. Members / claimants can claim back the said shares by submitting the required documents to RTA as per SEBI Advisory dated 30th December, 2022.

Distribution of Shareholding as on 31st March, 2023

S. No.	Category (Amount)	Shareholders		Shares	
		Number	%	Number	%
1.	1 - 5,000	11,15,871	98.93	14,30,99,767	6.09
2.	5,001 - 10,000	6,542	0.58	4,59,19,196	1.95
3.	10,001 - 20,000	3,043	0.27	4,20,65,739	1.79
4.	20,001 - 30,000	824	0.07	1,99,07,734	0.85
5.	30,001 - 40,000	365	0.03	1,25,01,076	0.53
6.	40,001 - 50,000	231	0.02	1,03,24,034	0.44
7.	50,001 - 100,000	401	0.04	2,83,20,059	1.21
8.	10,0001 & Above	705	0.06	2,04,74,53,657	87.14
	Total	**11,27,982**	**100.00**	**2,34,95,91,262**	**100.00**

Categories of Shareholders as on 31st March, 2023



* includes 1,24,509 shares held by Mr. Nitin Paranjpe, Chairman who is a Non-Resident Indian.

Bifurcation of shares held in physical and demat form as on 31st March, 2023

Particulars	No. of Shares	%
Physical Segment	2,19,19,112	0.93
Demat Segment		
NSDL (A)	2,27,26,51,549	96.73
CDSL (B)	5,50,20,601	2.34
Total (A+B)	2,32,76,72,150	99.07*
TOTAL	**2,34,95,91,262**	**100**

*includes shares held by Unilever PLC and its Affiliates representing 61.90% of the total shareholding. There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company.

Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)	500696
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	
National Stock Exchange of India Limited (NSE)	HINDUNILVR
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	
ISIN	INE030A01027

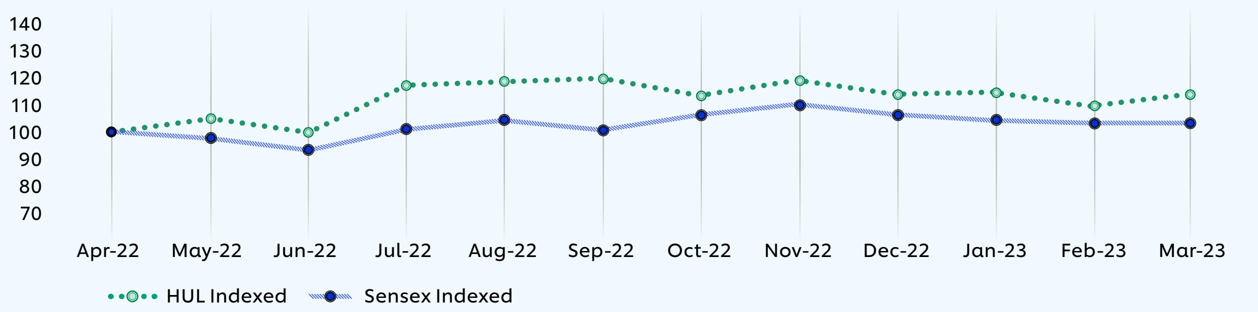
The listing fee for the Financial Year 2022-23 has been paid to the above Stock Exchanges.

Share Price Data

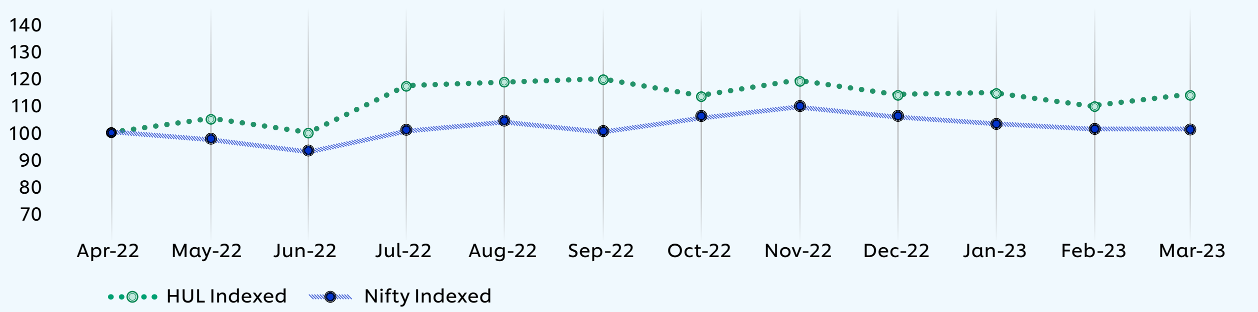
The monthly high and low prices and volumes of shares of the Company at BSE and NSE for the year ended 31st March, 2023 are as under:

	BSE			NSE		
Month	High	Low	Volume	High	Low	Volume
Apr-22	2,289.00	2,037.85	19,64,130	2,290.00	2,038.40	3,92,86,419
May-22	2,387.65	2,106.00	30,66,870	2,388.00	2,106.20	3,94,13,696
Jun-22	2,413.00	2,100.00	24,87,887	2,413.80	2,100.00	3,92,76,021
Jul-22	2,653.55	2,204.95	25,40,791	2,654.00	2,203.60	4,36,50,374
Aug-22	2,714.90	2,528.35	25,97,580	2,715.00	2,550.00	2,73,38,752
Sep-22	2,728.55	2,507.60	33,93,241	2,729.00	2,508.05	3,58,17,385
Oct-22	2,733.00	2,488.40	31,42,979	2,734.00	2,488.00	2,56,10,779
Nov-22	2,698.60	2,429.00	20,28,296	2,698.00	2,428.10	2,85,07,867
Dec-22	2,741.00	2,540.25	11,74,526	2,741.60	2,539.40	2,81,06,599
Jan-23	2,692.50	2,527.50	10,07,935	2,693.50	2,527.05	3,55,95,413
Feb-23	2,655.15	2,434.70	6,20,258	2,657.45	2,435.65	2,74,97,229
Mar-23	2,568.95	2,393.00	11,20,117	2,568.45	2,393.00	3,03,09,893

BSE Sensex Vs HUL Share Price (Indexed)



NSE Nifty Vs HUL Share Price (Indexed)



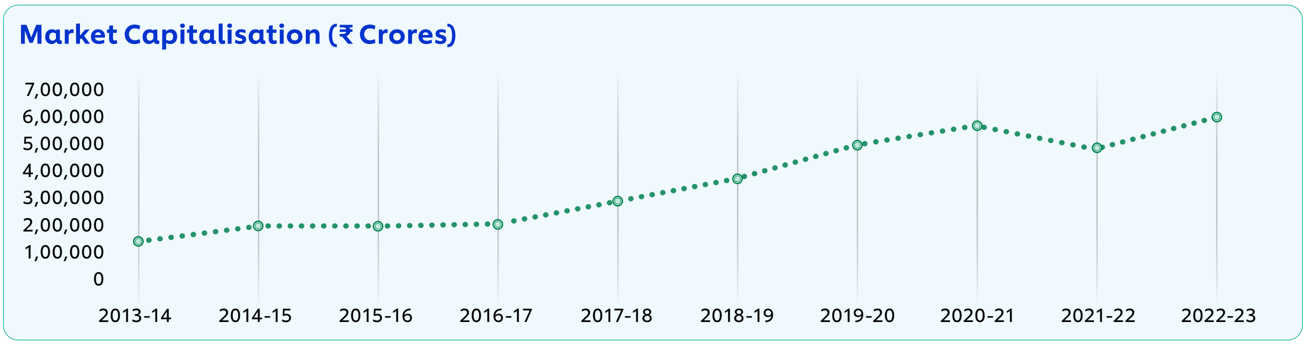
10 - year Performance of HUL Share Price vis-à-vis Sensex and Nifty

Date of Purchase	HUL Share Price on BSE	HUL Share Performance	BSE Sensex	Sensex Performance	HUL Share Price on NSE	HUL Share Performance	NSE Nifty	Nifty Performance
31-03-2014	603.65	324%	22,386.27	164%	605.55	323%	6,704.20	159%
31-03-2015	872.90	193%	27,957.49	111%	873.55	193%	8,491.00	104%
31-03-2016	869.50	194%	25,341.86	133%	869.50	194%	7,738.40	124%
31-03-2017	909.75	181%	29,620.50	99%	911.75	181%	9,173.75	89%
28-03-2018	1,335.90	92%	32,968.68	79%	1,333.35	92%	10,113.70	72%
29-03-2019	1,707.80	50%	38,672.91	53%	1,706.80	50%	11,623.90	49%
31-03-2020	2,298.20	11%	29,468.49	100%	2,298.50	11%	8,597.75	102%
31-03-2021	2,430.80	5%	49,509.15	19%	2,431.50	5%	14,690.70	18%
31-03-2022	2,048.90	25%	58,568.51	1%	2,048.70	25%	17,464.80	-1%
31-03-2023	2,558.75		58,991.52		2,560.35		17,359.75	

Source: BSE and NSE Website

Market Capitalisation

The Market Capitalisation of the Company based on year-end closing prices quoted in the BSE is given below:



Mergers and Demergers

The details of Mergers and Demergers and respective share exchange ratios are available on 'Investors' page on the website of the Company at https://www.hul.co.in/investor-relations/mergers-demergers-acquisitions/.

Plant Locations

The details of Plant Locations are provided at page 372 of this Integrated Annual Report.

Credit Ratings

CRISIL has given the credit rating of CRISIL AAA/Stable for debt instrument/facilities of the Company. The details of Credit Rating are available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Registrar and Share Transfer Agent

M/s. KFin Technologies Limited shall continue to act as the Registrar and Share Transfer Agent of the Company.

Process for requests related to physical shares

The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer/ Transmission Committee. A summary of transactions so approved by the Committee is placed at the Board Meeting held quarterly. The Company obtains an Annual Certificate from a Practising Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations. The same is filed with the Stock Exchanges and is also available on the website of the Company.

With effect from 24th January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issuance of duplicate share certificates, exchange/sub-division/ split/consolidation of securities, transmission/ transposition of securities and claim from Suspense Escrow Demat Account. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities/ RTAs shall issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

Simplified Norms for processing Investor Service Requests

SEBI, vide its Circular dated 3rd November, 2021, as amended from time to time, had made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The timeline provided by SEBI to furnish / update the above details was 31st March, 2023, which has now been extended till 30th September, 2023. Folios wherein any one of the above mentioned details are not registered by 1st October, 2023 shall be frozen. Members who are yet to update their KYC details are therefore urged to furnish PAN, KYC and Nomination/Opt-out of Nomination by submitting the prescribed forms duly filled, by email from their registered email id to einward.ris@kfintech.com or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. KFin Technologies Limited at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032.

In accordance with the SEBI circular dated 16th March, 2023, the Company has sent out intimations to those Members, holding shares in physical form, whose folios are incomplete with PAN, KYC and/ or Nomination details, requesting them to update the details so as to avoid freezing of the folios.

Communication to Shareholders

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Shareholders through multiple channels of communication such as:

Results Announcements

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Business Standard and Loksatta.

Media Releases

All our news releases and presentations made at investor conferences and to analysts are posted on the Company's website.

Designated Email Ids

- Retail investor – levercare.shareholder@unilever.com ; Karvyshares.frontoffice@unilever.com
- Institutional Investor – Investor.Relations-hul@Unilever.com
- Investor Grievance – levercare.shareolder@unilever.com
- Nodal Officer/ Deputy Nodal Officer under IEPF – comsec.hul@unilever.com

SEBI and Stock Exchanges' Investor Grievance Redressal System

SCORES platform of SEBI, 'Investor Complaints' sections of BSE and NSE websites facilitate investors to file complaints online and get end-to-end status update of their grievances. The Company endeavours to redress the grievances of the Investors as soon as it receives the same from the respective forums.

Integrated Annual Report and AGM

Integrated Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report and other important information are circulated to the Members. In the AGM, the Shareholders also interact with the Board and the Management.

Company's Website

The Company's website contains a dedicated section for Investors where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed unpaid dividend are available, apart from the details about the Company, Board of Directors and Management. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

Stock Exchanges

All price sensitive information and matters that are material to Shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at https://www.hul.co.in/investor-relations/

Investor Service Queries and Requests - One Stop Solution

Web-based Facility

Members may utilise the facility extended by RTA for redressal of queries, by visiting https://karisma.kfintech.com/ and clicking on 'INVESTORS SERVICES' option for query registration through an identity registration process. Members can submit their query in the 'QUERIES' option provided on the above website that would generate the query registration number. For accessing the status/ response to the query submitted, the query registration number can be used at the option 'VIEW REPLY' after 24 hours. Members can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Members can also visit the Investor Service Center (ISC) webpage https://ris.kfintech.com/clientservices/isc/default.aspx and get benefited from the available list of services such as post or track a query, check the dividend status, upload tax exemptions forms, view the demat / remat request, download the required ISR forms and check KYC status for Physical Folios.

Corporate Governance Report

KPRISM - Mobile and Web based Application

Additionally, a mobile based application named 'KPRISM' and a website https://kprism.kfintech.com/ are also available for the benefit of Members holding shares in physical form.

KPRISM enables Members to view as well as add their folios, check the status of demat requests, add reminders for General Meetings & e-voting events and connect with helpdesk on the go.

Members can download this android mobile application from play store and view their portfolios serviced by our RTA.

Alternative Dispute Redressal

Long pending litigations involve significant investment as monetary value of the disputed shares and accrued dividends/other benefits are locked up unutilised till the dispute is settled. Keeping this in mind, the Company has provided an Alternative Dispute Redressal Mechanism for shareholders to resolve the shares related disputes pending before the Courts/authorities by amicable settlement.

The Company had started this unique initiative of organising Alternative Dispute Redressal meetings wherein aggrieved investors come face to face and get a chance to settle their disputes, some of which were pending for years.

A number of Shareholders have availed the benefit of this process and the Company through its various initiatives keeps exploring the possibilities of settling such issues. The process helps the investors in releasing the locked up investment and save their time consumed in contesting legal proceedings. The objective of this process is to facilitate quick resolution of the dispute between the parties.

The Shareholders who are willing to avail the benefits of Alternative Dispute Redressal Mechanism may approach the Investor Service Department of the Company at the Registered Office of the Company.

Dispute Resolution Mechanism at Stock Exchanges

SEBI vide its Circular dated 30th May, 2022 provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this Circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its RTA on delay or default in processing any investor services related request.

In compliance with SEBI guidelines, the Company had sent communication intimating about the said Dispute Resolution Mechanism to all the Members holding shares in physical form.

Address for Correspondence

- All correspondence by Members should be forwarded to M/s. KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for Investors' Complaints and other communications is levercare.shareholder@unilever.com.

M/s. KFin Technologies Limited

Unit : Hindustan Unilever Limited

Selenium Building, Tower-B,
Plot No. 31 & 32, Financial
District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana,
India - 500 032

Whatsapp No. : +91 9100094099

Toll Free no.: 1800 309 4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Android Mobile App: KPRISM

Investor Service Department

Hindustan Unilever Limited

Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai - 400 099

Phone : +91 - 22 – 50432791 / 50432792

E-mail:
levercare.shareholder@unilever.com

Karvyshares.frontoffice@unilever.com

Website : www.hul.co.in

Compliance Officer

Mr. Dev Bajpai

Executive Director, Legal
& Corporate Affairs and
Company Secretary

E-mail:
comsec.hul@unilever.com

Phone : +91 - 8657921862

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai - 400 099

We have examined the following documents:

(i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 (the Act);

(ii) Disclosure of concern or interests as required under Section 184 of the Act;
(hereinafter referred to as relevant documents)

As submitted by the Directors of Hindustan Unilever Limited (the Company) bearing CIN: L15140MH1933PLC002030 and having its Registered Office at Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099, to the Board of Directors of the Company (the Board) for the Financial Years 2022-23 and 2023-24 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1.	Mr. Nitin Paranjpe	00045204	31-03-2022	NA
2.	Mr. Sanjiv Mehta	06699923	01-10-2013	NA
3.	Mr. Ritesh Tiwari	05349994	01-05-2021	NA
4.	Mr. Dev Bajpai	00050516	23-01-2017	NA
5.	Mr. O. P. Bhatt	00548091	20-12-2011	NA
6.	Dr. Sanjiv Misra	03075797	08-04-2013	NA
7.	Ms. Kalpana Morparia	00046081	09-10-2014	NA
8.	Mr. Leo Puri	01764813	12-10-2018	NA
9.	Dr. Ashish Gupta	00521511	31-01-2020	NA
10.	Ms. Ashu Suyash	00494515	12-11-2021	NA
11.	Mr. Wilhelmus Uijen	08614686	01-01-2020	31-08-2022

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2023.

For **S. N. Ananthasubramanian & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206E000199381

Thane, 26th April, 2023

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To,

The Board of Directors
Hindustan Unilever Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Hindustan Unilever Limited ('the Company'), to the best of our knowledge and belief, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2023 and to the best of our knowledge and belief, we state that:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

(d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

   (i) significant changes, if any, in the internal control over financial reporting during the year;

   (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sanjiv Mehta
Chief Executive Officer and
Managing Director
DIN: 06699923

Ritesh Tiwari
Executive Director - Finance & IT
and Chief Financial Officer
DIN: 05349994

Mumbai, 27th April, 2023

Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of
Hindustan Unilever Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 29 July 2019 and addendum to the engagement letter dated 20 July 2020.
2. We have examined the compliance of conditions of Corporate Governance by **Hindustan Unilever Limited** ('the Company'), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the 'ICAI'), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No:105149
UDIN: 23105149BGYFRD2968

Mumbai, 27th April, 2023

Form No. MR – 3 Secretarial Audit Report

For the Financial Year Ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Hindustan Unilever Limited
CIN: L15140MH1933PLC002030
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400 099

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **Hindustan Unilever Limited** (hereinafter called the Company) for the **Financial Year ended 31st March, 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2023** complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March, 2023** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable for External Commercial Borrowings as there was no reportable event during the financial year under review;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review;**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review;** and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:

(a) The Drugs and Cosmetics Act, 1940;

(b) The Legal Metrology Act, 2009;

(c) The Legal Metrology (Packaged Commodities) Rules, 2011;

(d) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and Regulations;

(e) Applicable BIS Standards for various categories and production process.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India – The Company has generally complied with Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Woman Independent Director(s). Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

(ii) Adequate notice is given to all Directors to schedule Board Meetings; Agenda and detailed notes on Agenda were sent at least seven days in advance except where consent of directors was received for circulation of the notice, Agenda and notes on Agenda at a shorter notice and a system exists for seeking and obtaining further information and clarifications on Agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines; and

We further report that during the financial year under review, no event has occurred having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.,

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **S. N. Ananthasubramanian & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206E000201788

Thane,
27th April, 2023

Annexure A to Secretarial Audit Report

To,

The Members,
Hindustan Unilever Limited
CIN: L15140MH1933PLC002030
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400 099.

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.

6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

DISCLAIMER

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. Ananthasubramanian & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206E000201788

Thane, 27th April, 2023

Financial Statements

Independent Auditor's Report

To the Members of Hindustan Unilever Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Hindustan Unilever Limited (the "Company") which comprise the standalone balance sheet as at 31st March, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year ended 31st March, 2023, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement , were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – Discounts and rebates

See Note 25 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 25 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers ("discounts and rebates"). Certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. The variable consideration represents the portion of discounts and rebates that are not directly deducted on the invoice and involves estimation by the Company in recognition and measurement of such discounts and rebates. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration results in discounts and rebates due to customers as at year end. Therefore, there is a risk of revenue being overstated due to fraud through manipulation of discounts and rebates accruals recognised, resulting from pressure the Company may feel to achieve performance targets at the year end. We identified the evaluation of accrual for discounts and rebates as a key audit matter.	**Our audit procedures included:** • Understanding the process followed by the Company to determine the amount of accrual for discounts and rebates. • Evaluating the design and implementation and testing operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems including controls over rebates agreements / arrangements, rebate payments / settlements and Company's review over the rebate accruals. • Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to discounts and rebates, assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards. • Performing substantive testing by selecting samples of discounts and rebates transactions recorded during the year as well as period end discounts and rebates accruals and matching the parameters used in the computation with the relevant source documents.

The key audit matter	How the matter was addressed in our audit
	• Examining historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and comparing this expectation against the actual rebate accrual, completing further inquiries and obtaining underlying documentation, on a sample basis, as appropriate. Further, we also performed retrospective review to evaluate the precision with which management makes estimates. • Checking completeness and accuracy of the data used by the Company for accrual of discounts and rebates. • Testing actualisation of estimated accruals on a sample basis. • Testing a selection of rebate accruals recorded after 31st March, 2023 and assessing whether the accrual is recorded in the correct period. • Testing a selection of payments made after 31st March, 2023 and where relevant, comparing the payment to the related rebate accrual. • Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items and examining the underlying documentation.

Impairment assessment of Food & Refreshment Cash Generating Unit (F&R CGU)

See Note 4 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 4 to the standalone financial statements, the F&R CGU includes ₹17,301 crores of goodwill and ₹27,210 crores of indefinite life intangible assets which together represents 62% of total assets of the Company as at 31st March, 2023. The recoverable value of the F&R CGU which is based on the value in use model, has been derived from discounted cash flow model. This model requires the Company to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Due to the materiality of above assets in context of the standalone financial statements and sensitivity of discount rate and near and long-term revenue growth rate assumptions where a minor change could have a significant impact on the recoverable value, we have considered the impairment assessment of F&R CGU to be a key audit matter.	**Our audit procedures included:** • Understanding the process followed by the Company in respect of the annual impairment analysis for F&R CGU. • Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Company's process relating to review of the annual impairment analysis, including controls over determination of discount rate, near and long-term revenue growth rate and projected margins. • Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and margins based on our knowledge of the Company and market. Assessing historical accuracy by comparing past forecasts to actual results achieved. • Involving the valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions (including discount rate and long-term sales growth rate applied by the Company by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities). Applying additional sensitivities to assess the reasonableness of the above key assumptions. • Testing data used to develop the estimate for completeness and accuracy. • Performing a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively to the recoverable value. • Evaluating the adequacy of the Company's disclosures in the standalone financial statements in respect of its impairment testing.

Provisions and contingent liabilities relating to taxation, litigations and claims

See Note 21 and 24 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business. As at 31st March, 2023, the amounts involved are significant. The determination of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	**Our audit procedures included:** • Understanding the process followed by the Company for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities. • Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matters, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Company's internal tax and legal team, including challenging the assumptions and critical judgements made by the Company which impacted the computation of the provisions and inspecting the computation. • Assessing the assumptions used and estimates of outcome and financial effect, including considering judgement of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors. • Testing data used to develop the estimate for completeness and accuracy. • Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome. • Evaluating the Company's disclosures in the standalone financial statements in respect of provisions and contingent liabilities.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its standalone financial statements - Refer Note 21 and 24 to the standalone financial statements.

b. The Company did not have any long-term contracts for which there were any material foreseeable losses. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on derivative contracts - Refer Note 46 to the standalone financial statements.

c. There is an instance of delay of 15 days in transferring an amount of ₹1 crore pertaining to Unpaid dividend required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 7(3) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 7(3) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in Note 36 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRB8085

Place: Mumbai
Date: 27th April, 2023

Annexure - A

to the Independent Auditor's Report on the Standalone Financial Statements of Hindustan Unilever Limited for the year ended 31st March, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (amounts in ₹ crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Owned Properties					
Freehold land	0	TATA Oil Mills Company Limited	No	19 years	Pending litigation
Building	34	HMM Limited	No	3 years	Pending litigation
Building	1	Lakme Lever Private Limited	No	27 years	Pending litigation
Building	0	Indexport Limited	No	23 years	Pending litigation
Leasehold properties					
Leasehold land	13	Trent Limited	No	24 years	Pending application
Leasehold land	0	TATA Oil Mills Company Limited	No	29 years	Pending litigation

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties, granted interest bearing secured and unsecured loans to companies and interest free unsecured loans to other parties (employees) in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership.

Annexure - A

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to any other entity as below:

(Amount in ₹ crores)

Particulars	Loans
Aggregate amount during the year ended 31st March, 2023	
Subsidiaries*	493
Others* (including employees and other parties)	6
Balance outstanding as at balance sheet date - 31st March, 2023	
Subsidiaries*	247
Others* (including employees and other parties)	133

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us in our opinion the investments made and the terms and conditions of the grant of secured and unsecured loans are *prima facie*, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest bearing secured and unsecured loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. In the case of interest free unsecured loans given to other parties (employees), in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Excise Duty, Value Added Tax, Sales Tax, Service Tax, Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess which have not been deposited on account of any dispute are as follows:

(₹ in crores)

Name of the statute	Nature of the dues	Amount Demanded	Amount paid	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	53	2	1997-2015	Appellate Authority upto Commissioner's level
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	93	6	1994 - 2018	Customs, Excise and Service Tax Appellate Tribunals of various states
Central Excise Act, 1944	Excise duty (including Interest and penalty, if applicable)	164	12	2007-2019	High Courts of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	78	39	1984-2022	Appellate Authority upto Commissioner's level
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	47	16	1992-2018	Sales Tax Appellate Tribunals of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	290	103	1986-2023	High Courts of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	18	9	1997-2007	Supreme Court
Customs Act, 1962	Customs Duty, (including Interest and penalty, if applicable)	298	11	2007-2019	Customs, Excise and Service Tax Appellate Tribunals of various states
Customs Act, 1962	Customs Duty, (including Interest and penalty, if applicable)	96	91	2012-2022	Customs, Excise and Service Tax Appellate Tribunals of various states
Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	41	3	2005-2018	Appellate Authority upto Commissioner's level
Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	117	7	2005-2017	Customs, Excise and Service Tax Appellate Tribunals of various states
Goods and Service Tax Act, 2017	Goods and Services tax (including interest and penalty, if applicable)	96	1	2017-2023	Appellate Authority upto Commissioner's level
Goods and Service Tax Act, 2017	Goods and Services tax	366	90	2017-2018	Delhi High Court
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	96	-	1979-1980, 1991, 2006-07, 2009-2010, 2023	Appellate Authority upto Commissioner's Level
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	581	-	2011-2012, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018	Income Tax Appellate Tribunal, Mumbai
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	1,290	99	2007-2008 to 2011-2012, 2013-14 to 2015-16	Income Tax Appellate Tribunal, Chandigarh
Employees State Insurance Act, 1948	ESIC (including interest and penalty, if applicable)	1	0*	1990-2010	Appellate Authority upto Commissioner's level
Employees State Insurance Act, 1948	ESIC (including interest and penalty, if applicable)	4	2	2010	High Court
Provident Fund Act, 1952	PF (including interest and penalty, if applicable)	0*	-	2000-2016	Appellate Tribunals of various states
Provident Fund Act, 1952	PF (including interest and penalty, if applicable)	0*	0*	1995-2004	Allahabad High Court

* Balances with amount below the rounding off norm have been reflected as "0"

Annexure - A

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRB8085

Place: Mumbai
Date: 27th April, 2023

Annexure - B

to the Independent Auditor's Report on the standalone financial statements of Hindustan Unilever Limited for the year ended 31st March, 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Hindustan Unilever Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRB8085

Place: Mumbai
Date: 27th April, 2023

Standalone Balance Sheet
as at 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,189	5,813
Capital work-in-progress	3	1,020	901
Goodwill	4	17,316	17,316
Other intangible assets	4	27,900	27,905
Financial assets			
Investments in subsidiaries, associates and joint venture	5	981	610
Investments	6	2	2
Loans	7	339	541
Other financial assets	8	715	720
Non-current tax assets (net)	9D	1,115	1,107
Other non-current assets	10	199	175
Total - Non-current assets (A)		**55,776**	**55,090**
Current assets			
Inventories	11	4,031	3,890
Financial assets			
Investments	6	2,811	3,510
Trade receivables	12	2,735	1,932
Cash and cash equivalents	13	586	988
Bank balances other than cash and cash equivalents mentioned above	14	3,836	2,630
Loans	7	35	34
Other financial assets	8	1,391	1,070
Other current assets	15	612	580
Assets held for sale	16	12	13
Total - Current assets (B)		**16,049**	**14,647**
Total Assets [(A) + (B)]		**71,825**	**69,737**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	235	235
Other equity	18A	49,986	48,525
Total - Equity (A)		**50,221**	**48,760**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	19	746	686
Other financial liabilities	20	495	329
Provisions	21	1,335	1,553
Deferred tax liabilities (net)	9C	6,325	6,141
Non-current tax liabilities (net)	9D	1,076	1,324
Total - Non-current liabilities (B)		**9,977**	**10,033**
Current liabilities			
Financial liabilities			
Lease Liabilities	19	293	285
Trade payables			
total outstanding dues of micro enterprises and small enterprises	22	89	56
total outstanding dues of creditors other than micro enterprises and small enterprises	22	9,302	8,808
Other financial liabilities	20	829	823
Other current liabilities	23	735	638
Provisions	21	379	334
Total - Current liabilities (C)		**11,627**	**10,944**
Total Equity and Liabilities [(A) + (B) + (C)]		**71,825**	**69,737**
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and commitments	24		

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	25	59,144	51,193
Other income	26	640	393
Total Income		**59,784**	**51,586**
EXPENSES			
Cost of materials consumed	27	19,229	15,869
Purchases of Stock-in-Trade	28	11,968	9,274
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	(53)	(19)
Employee benefits expense	30	2,665	2,399
Finance costs	31	101	98
Depreciation and amortisation expenses	32	1,030	1,025
Other expenses	33	11,703	11,167
Total Expenses		**46,643**	**39,813**
Profit before exceptional items and tax		**13,141**	**11,773**
Exceptional items (net)	34	(62)	(34)
Profit before tax		**13,079**	**11,739**
Tax expenses			
Current tax	9A	(2,922)	(2,778)
Deferred tax charge	9A	(195)	(143)
Profit for the Year (A)		**9,962**	**8,818**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	39C	(17)	41
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	4	(10)
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	(1)	(1)
Fair value of cash flow hedges through other comprehensive income	18C	(21)	85
Income tax relating to items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	9A	0	0
Fair value of cash flow hedges through other comprehensive income	9A	9	(0)
Other Comprehensive Income for the year (B)		**(26)**	**115**
Total Comprehensive Income for the year (A+B)		**9,936**	**8,933**
Earnings per equity share			
Basic (Face value of ₹1 each)	35	₹42.40	₹37.53
Diluted (Face value of ₹1 each)	35	₹42.40	₹37.53
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Standalone Statement of Changes in Equity
for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2023	As at 31st March, 2022
Balance as at the beginning of the year	17	235	235
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		235	235
Changes in equity share capital during the year	17	-	0
Balance as at the end of the year	17	**235**	**235**

B. OTHER EQUITY

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	Retained Earnings	Other Reserves	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 31st March, 2021	4	6	40,350	5	6,805	9	(0)	20	47,199
As at 1st April, 2021 *	**4**	**6**	**40,350**	**5**	**6,805**	**9**	**(0)**	**20**	**47,199**
Profit for the year	-	-	-	-	8,818	-	-	-	8,818
Other comprehensive income for the year	-	-	-	-	31	-	(1)	85	115
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**8,849**	**-**	**(1)**	**85**	**8,933**
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	(85)	(85)
Dividend on equity shares for the year (Note: 36)	-	-	-	-	(7,519)	-	-	-	(7,519)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	(2)
Issue of equity shares on exercise of employee stock options	-	-	4	(4)	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(1)	-	-	-	-	(1)
As at 31st March, 2022	**4**	**6**	**40,352**	**-**	**8,135**	**9**	**(1)**	**20**	**48,525**

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and Surplus						Items of Other Comprehensive Income (OCI)		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	Retained Earnings	Other Reserves	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 1st April, 2022 *	4	6	40,352	-	8,135	9	(1)	20	48,525
Profit for the year	-	-	-	-	9,962	-	-	-	9,962
Other comprehensive income for the year	-	-	-	-	(13)	-	(1)	(12)	(26)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**9,949**	**-**	**(1)**	**(12)**	**9,936**
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	(14)	(14)
Dividend on equity shares for the year (Note: 36)	-	-	-	-	(8,459)	-	-	-	(8,459)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	(2)
As at 31st March, 2023	**4**	**6**	**40,350**	**-**	**9,625**	**9**	**(2)**	**(6)**	**49,986**

* There are no changes in other equity due to prior period errors

Refer note 18B for nature and purpose of reserves

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	13,079	11,739
	Adjustments for:		
	Depreciation and amortisation expenses	1,045	1,040
	(Profit) / loss on sale of property, plant and equipment	(102)	(99)
	Contingent consideration true up for business combination	(2)	(9)
	Finance income	(425)	(207)
	Dividend income	(118)	(131)
	Other non operating income - Fair value (gain)/loss on investments	(97)	(55)
	Interest expense	101	98
	Provision for expenses on employee stock options	-	(1)
	Profit on sale of brand rights	(60)	(29)
	Inventory written off net of Provision/(write back) for Inventory	176	145
	Bad debts/assets written off net of Provision/(write back)	(34)	(17)
	Transaction cost on acquisition	2	-
	Mark-to-market (gain)/ loss on derivative financial instruments	(8)	(1)
	Cash Generated from operations before working capital changes	**13,557**	**12,473**
	Adjustments for:		
	(Increase)/decrease in Non-Current Assets	(13)	2
	(Increase)/decrease in Current Assets	(1,099)	(257)
	(Increase)/decrease in Inventories	(332)	(737)
	Increase/(decrease) in Non-Current Liabilities	(115)	92
	Increase/(decrease) in Current Liabilities	696	111
	Cash flows generated from operations	**12,694**	**11,684**
	Taxes paid (net of refunds)	(3,068)	(2,720)
	Net cash flows generated from operating activities - [A]	**9,626**	**8,964**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(1,023)	(916)
	Sale proceeds of property, plant and equipment	120	146
	Purchase of intangible assets	(18)	(3)
	Sale proceeds of intangible assets (brand rights)	60	29
	Investment in subsidiary	(264)	(300)
	Transaction cost on acquisition	(2)	-
	Investment in Joint Venture	(70)	-
	Contingent consideration paid on business combination	(40)	(41)
	Purchase of current investments	(22,561)	(47,928)
	Sale proceeds of current investments	23,363	47,173
	Loans given to subsidiaries	(493)	(436)
	Loans repaid by subsidiaries	678	284
	Loans given to others	(1)	(4)
	Investment in term deposits (having original maturity of more than 3 months)	(3,627)	(3,619)
	Redemption/maturity of term deposits (having original maturity of more than 3 months)	2,425	3,582
	Investment in non-current deposits with banks	-	(1)
	Interest received	273	171
	Dividend received from subsidiaries	116	130
	Dividend received from others	2	1
	Net cash flows used in investing activities - [B]	**(1,062)**	**(1,732)**

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Dividends paid	(8,459)	(7,519)
	Principal payment of lease liabilities	(431)	(388)
	Interest paid on lease liabilities	(76)	(75)
	Interest paid other than on lease liabilities	-	(2)
	Proceeds from share allotment under employee stock options/ performance share schemes	-	0
	Net cash flows used in financing activities - [C]	**(8,966)**	**(7,984)**
	Net decrease in cash and cash equivalents - [A+B+C]	**(402)**	**(752)**
	Add: Cash and cash equivalents at the beginning of the year	988	1,740
	Cash and cash equivalents at the end of the year (refer note 13)	**586**	**988**

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes 1 to 50 are an integral part of these standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 1 COMPANY INFORMATION

Hindustan Unilever Limited (the 'Company') is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Company is listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Company is in the Fast moving consumer goods (FMCG) business comprising primarily of Home Care, Beauty & Personal Care and Foods & Refreshment segments. The Company has manufacturing facilities across the country and sells primarily in India.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The standalone financial statements are presented in Indian Rupee (INR), the functional currency of the Company. Items included in the standalone financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the standalone statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the standalone statement of profit and loss.

The expenses in standalone statement of profit and loss are net of reimbursements (individually not material) received from Group Companies.

The Company has decided to round off the figures to the nearest crores. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

The standalone financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 27th April, 2023.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention except for certain class of financial assets/ liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 Key Accounting Estimates and Judgements

The preparation of standalone financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on

(All amounts in ₹ crores, unless otherwise stated)

historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a. Measurement of defined benefit obligations – Note 39

b. Measurement and likelihood of occurrence of provisions and contingencies - Notes 21 and 24

c. Recognition of deferred tax assets –Note 9

d. Key assumptions used in discounted cash flow projections - Note 41

e. Impairment of Goodwill and Intangible assets - Note 4

f. Indefinite useful life of certain intangible assets – Note 4

g. Measurement of Right of Use Asset and Lease liabilities – Note 3 and Note 19

h. Measurement of non-current financial liability on acquisition – Note 20

2.4 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

2.5 Significant Accounting Policies

The significant accounting policies used in preparation of the standalone financial statements have been included in the relevant notes to the standalone financial statements.

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 3 PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2023	As at 31st March, 2022
Owned Assets	5,080	4,810
Leased Assets	1,109	1,003
Total Property, plant and equipment	**6,189**	**5,813**
Total Capital work-in-progress	**1,020**	**901**

A. Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the standalone statement of profit and loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Freehold land is not depreciated.

The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life*
Factory Buildings	60 Years
Plant and equipment	3-21 Years
General Furniture and fixtures	10 Years
Office equipment (including Computers)	3-5 Years

* In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The exception are as under:

a) Plant and equipment is depreciated over 3 to 21 years

b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase

c) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

(All amounts in ₹ crores, unless otherwise stated)

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block						
Opening balance as at 1st April, 2021	**477**	**1,941**	**4,711**	**139**	**168**	**7,436**
Additions	-	81	573	3	11	668
Disposals / Reclassifications	(0)	(11)	(170)	(8)	(6)	(195)
Opening balance as at 1st April, 2022	**477**	**2,011**	**5,114**	**134**	**173**	**7,909**
Additions	-	194	696	13	10	913
Disposals / Reclassifications	(1)	(16)	(80)	(7)	(9)	(113)
Balance as at 31st March, 2023	**476**	**2,189**	**5,730**	**140**	**174**	**8,709**
Accumulated Depreciation						
Opening balance as at 1st April, 2021	**-**	**352**	**2,089**	**89**	**111**	**2,641**
Additions *	-	81	493	10	26	610
Disposals / Reclassifications	-	(6)	(133)	(8)	(5)	(152)
Opening balance as at 1st April, 2022	**-**	**427**	**2,449**	**91**	**132**	**3,099**
Additions *	-	86	511	9	18	624
Disposals / Reclassifications	(0)	(16)	(62)	(7)	(9)	(94)
Balance as at 31st March, 2023	**(0)**	**497**	**2,898**	**93**	**141**	**3,629**
Net Block						
Balance as at 31st March, 2022	**477**	**1,584**	**2,665**	**43**	**41**	**4,810**
Balance as at 31st March, 2023	**476**	**1,692**	**2,832**	**47**	**33**	**5,080**

*Includes ₹15 crores (31st March, 2022 : ₹15 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project

NOTES:

(a) Buildings include ₹0 crore (31st March, 2022: ₹0 crore) being the value of shares in co-operative housing societies.

(b) The title deeds of certain freehold land and buildings are in the process of perfection of title. Details of such freehold land and buildings are as follows:

Details as on 31st March, 2023

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Building	34	HMM Limited	No	1st April, 2020	Pending litigation
Building	1	Lakme Lever Pvt. Ltd.	No	1st April, 1996	Pending litigation
Building	0	Indexport Limited	No	24th December, 1999	Pending litigation
Freehold land	0	TATA Oil Mills Company Limited	No	25th September, 2004	Pending litigation
	35				

Details as on 31st March, 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Building	34	HMM Limited	No	1st April, 2020	Pending litigation
Building	1	Lakme Lever Pvt. Ltd.	No	1st April, 1996	Pending litigation
Building	1	Ghansham Makhija	No	23rd January, 1981	Pending litigation
Building	0	Indexport Limited	No	24th December, 1999	Pending litigation
Freehold land	0	TATA Oil Mills Company Limited	No	25th September, 2004	Pending litigation
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Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

(c) The Property, Plant and Equipment in 3A includes assets given on lease as follows:

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block as at 31st March, 2022	0	110	0	0	110
Accumulated Depreciation as at 31st March, 2022	(0)	(64)	(0)	(0)	(64)
Net Block as at 31st March, 2022	**0**	**46**	**0**	**0**	**46**
Gross Block as at 31st March, 2023	2	169	0	0	171
Accumulated Depreciation as at 31st March, 2023	(0)	(82)	(0)	(0)	(82)
Net Block as at 31st March, 2023	**2**	**87**	**0**	**0**	**89**

The lease payments received under operating leases amounting to ₹20 crores (FY 2021-22: ₹15 crores) are recognised as other income in the standalone statement of profit and loss.

(d) The Company has not revalued any of its property, plant and equipment.

B Leased Assets

The Company's lease asset classes primarily consist of leases for Land & Buildings, Plant & Equipment, Furniture & Fixtures and Office equipment. The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease Liability has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(All amounts in ₹ crores, unless otherwise stated)

	Land & Building	Plant, equipment and others*	Total
Gross Block			
Opening balance as at 1st April, 2021	445	983	1,428
Additions #	287	163	450
Deletions	(181)	(133)	(314)
Opening balance as at 1st April, 2022	**551**	**1,013**	**1,564**
Additions #	242	273	515
Deletions	(171)	(97)	(268)
Balance as at 31st March, 2023	**622**	**1,189**	**1,811**
Accumulated Depreciation			
Opening balance as at 1st April, 2021	147	290	437
Additions	211	194	405
Deletions	(164)	(117)	(281)
Opening balance as at 1st April, 2022	**194**	**367**	**561**
Additions	208	190	398
Deletions	(166)	(91)	(257)
Balance as at 31st March, 2023	**236**	**466**	**702**
Net Block			
Balance as at 31st March, 2022	**357**	**646**	**1,003**
Balance as at 31st March, 2023	**386**	**723**	**1,109**

* Others include Furniture and fixtures & office equipments

includes addition of ₹44 crores for the year ended 31st March, 2023 (31st March, 2022: ₹92 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

(a) The Company incurred ₹49 crores for the year ended 31st March, 2023 (31st March, 2022: ₹65 crores) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹556 crores for the year ended 31st March, 2023 (31st March, 2022: ₹527 crores), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹76 crores for the year ended 31st March, 2023 (31st March, 2022: ₹75 crores).

(b) The Company's leases mainly comprise of land and buildings, plant, equipment, furniture and fixtures and office equipments. The Company leases land and buildings for manufacturing and warehouse facilities.

(c) The title deeds of certain Leasehold Land and Building are in the process of perfection of title. Details of such leasehold land and building are as follows:

Details as on 31st March, 2023

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land	13	Trent Limited	No	1st December, 1998	Pending application
Leasehold Land	0	TATA Oil Mills Company Limited	No	28th December, 1994	Pending litigation
	13				

Details as on 31st March, 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land	13	Trent Limited	No	1st December, 1998	Pending application
Leasehold Land	0	TATA Oil Mills Company Limited	No	28th December, 1994	Pending litigation
	13				

(d) Lease commitments and Lease liability : Refer Note 24 B and Note 19 respectively.

(e) The Company has not revalued any of its right-of-use assets.

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

C Capital work-in-progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Opening Balance as at 1st April, 2021	623
Additions	949
Capitalisations	(671)
Opening balance as at 1st April, 2022	**901**
Additions	1,050
Capitalisations	(931)
Balance as at 31st March, 2023	**1,020**

Ageing of CWIP as on 31st March, 2023

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	658	267	50	36	1011
Projects temporarily suspended	-	2	4	3	9
Total	**658**	**269**	**54**	**39**	**1020**

	Amount
Projects which have exceeded their original timeline	293
Projects which have exceeded their original budget	21

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2023

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	287	1	1	-	289
Nutrition technology advancement project	44	-	-	-	44
Project at Rajahmundry Factory	21	-	-	-	21
Project at Assam Factory	20	-	-	-	20
Others*	202	1	1	-	204
Temporarily Suspended (B)	0	4	-	-	4
Others*	0	4	-	-	4
Total (A+B)	**287**	**5**	**1**	**-**	**293**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2023

There were no material projects which have exceeded their original plan cost as at 31st March, 2023.

Ageing of CWIP as on 31st March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	559	243	55	30	887
Projects temporarily suspended	0	4	5	5	14
Total	**559**	**247**	**60**	**35**	**901**

	Amount
Projects which have exceeded their original timeline	374
Projects which have exceeded their original budget	2

(All amounts in ₹ crores, unless otherwise stated)

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	**340**	**20**	**1**	**2**	**363**
Project at Kolkata Factory	71	-	-	-	71
Project at Assam Factory	47	-	-	-	47
Project at Rajahmundry Factory	24	-	-	-	24
Project at Khamgaon Factory	20	-	-	-	20
Others*	178	20	1	2	201
Temporarily Suspended (B)	**9**	**2**	**-**	**-**	**11**
Others*	9	2	-	-	11
Total (A+B)	**349**	**22**	**1**	**2**	**374**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in-progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There were no material projects which have exceeded their original plan cost as at 31st March, 2022

For contractual commitment with respect to property, plant and equipment refer Note 24 B(ii).

NOTE 4 GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets purchased are initially measured at cost.

The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design and Know-how	-	10 years
Computer software	-	5 years
Trademarks	-	5 years
Distribution network	-	15 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of trademarks and brands, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

		Other intangible assets					
		Indefinite life intangible assets	Finite Life Intangible assets				
	Goodwill	Brands/ Trademarks	Brands/ Trademarks	Knowhow and Design	Computer Software	Others*	Total
Gross Block							
Opening balance as at 1st April, 2021	**17,316**	**27,782**	**18**	**65**	**40**	**107**	**28,012**
Additions	-	-	-	-	3	-	3
Disposals	-	-	-	-	(5)	-	(5)
Opening balance as at 1st April, 2022	**17,316**	**27,782**	**18**	**65**	**38**	**107**	**28,010**
Additions	-	-	-	-	18	-	18
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2023	**17,316**	**27,782**	**18**	**65**	**56**	**107**	**28,028**
Accumulated Amortisation and Impairment							
Opening balance as at 1st April, 2021	**-**	**-**	**12**	**33**	**27**	**15**	**87**
Additions	-	-	3	7	6	9	25
Disposals	-	-	-	-	(7)	-	(7)
Opening balance as at 1st April, 2022	**-**	**-**	**15**	**40**	**26**	**24**	**105**
Additions	-	-	3	7	4	9	23
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2023	**-**	**-**	**18**	**47**	**30**	**33**	**128**
Net Block							
Balance as at 31st March, 2022	**17,316**	**27,782**	**3**	**25**	**12**	**83**	**27,905**
Balance as at 31st March, 2023	**17,316**	**27,782**	**0**	**18**	**26**	**74**	**27,900**

*Others include Customer Relationship, Distribution network, etc.

The Company has not revalued any of its intangible assets.

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangible assets and goodwill are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the standalone statement of profit and loss.

The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the standalone statement of profit and loss.

No impairment was identified in FY 2022-23 (FY 2021-22: Nil).

(All amounts in ₹ crores, unless otherwise stated)

Significant Cash Generating Units (CGUs)

The Company has identified its reportable segments, i.e. Home Care, Beauty & Personal Care, Foods & Refreshment and Others as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Beauty & Personal Care' and 'Foods & Refreshment'. The carrying amount of goodwill and indefinite-life intangible assets is as under:

	As at 31st March, 2023		As at 31st March, 2022	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Goodwill	15	17,301	15	17,301
Indefinite life intangible assets	572	27,210	572	27,210
Total	**587**	**44,511**	**587**	**44,511**

The recoverable amount of each CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Following key assumptions were considered while performing Impairment testing

	As at 31st March, 2023		As at 31st March, 2022	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Average Annual Growth rate for 5 years	8.0%	9.5%	8.0%	9.5%
Terminal Growth rate*	5.0%	5.0%	5.0%	5.0%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	10.9%	10.9%	9.1%	9.1%
Segmental margins	25.6%	17.9%	27.5%	18.6%

* linearly declining terminal growth rate for the first ten years and at 5% thereafter

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta).

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTE 5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Investments in Subsidiaries, Associates and Joint Venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

		As at 31st March, 2023	As at 31st March, 2022
Investment in Subsidiaries			
Quoted			
7,36,560 equity shares [31st March, 2022: 7,36,560] of Nepalese ₹100 each held in Unilever Nepal Limited		5	5
Unquoted			
29,75,000 equity shares [31st March, 2022: 29,75,000] of ₹10 each held in Unilever India Exports Limited		73	73
3,59,07,547 equity shares [31st March, 2022: 3,59,07,547] of ₹10 each held in Lakme Lever Private Limited		172	172
3,60,00,00,000 equity shares [31st March, 2022: 3,60,00,00,000] of ₹1 each held in Unilever India Limited		360	360
Investment in Zywie Ventures Private Limited:			-
i) 1,06,215 equity shares of ₹10 each [31st March, 2022: nil]	209		
ii) 27,085 compulsorily convertible preference shares of ₹100 each [31st March, 2022: nil]	55		
iii) Deemed cost pertaining to financial liability on acquisition [31st March, 2022: nil]	37	301	
1,79,10,132 equity shares [31st March, 2022: 1,79,10,132] of ₹1 each held in Pond's Export Limited [net of impairment in value of ₹3 crores (31st March, 2022: ₹3 crores)]		-	-
50,00,000 equity shares [31st March, 2022: 50,00,000] of ₹10 each held in Jamnagar Properties Private Limited [net of impairment in value of ₹5 crores (31st March, 2022: ₹5 crores)]		-	-
2,21,700 equity shares [31st March, 2022: 2,21,700] of ₹10 each held in Daverashola Estates Private Limited [net of impairment in value of ₹4 crores (31st March, 2022: ₹4 crores)]		-	-
50,000 equity shares [31st March, 2022: 50,000] of ₹10 each held in Levindra Trust Limited		0	0
50,000 equity shares [31st March, 2022: 50,000] of ₹10 each held in Hindlever Trust Limited		0	0
50,000 equity shares [31st March, 2022: 50,000] of ₹10 each held in Levers Associated Trust Limited		0	0
7,600 equity shares [31st March, 2022: 7,600] of ₹10 each held in Hindustan Unilever Foundation		0	0
10,000 equity shares [31st March, 2022: 10,000] of ₹10 each held in Bhavishya Alliance Child Nutrition Initiatives		0	0
Total		**911**	**610**
Investment in Joint Venture			
Investment in Nutritionalab Private Limited:			
i) 7,256 equity shares of ₹10 each [31st March, 2022: nil]	12		
ii) 36,480 compulsorily convertible preference shares of ₹100 each [31st March, 2022: nil]	58	70	-
Total		**70**	**-**
Grand Total		**981**	**610**
Aggregate amount of quoted investments		5	5
Aggregate Market value of quoted investments		994	879
Aggregate amount of unquoted investments		976	605
Aggregate amount of impairment in value of investments		12	12

Investment in Associate

The Company holds 24% of equity holdings in Comfund Consulting Limited and 26% equity and preference capital holding in Aquagel Chemicals (Bhavnagar) Private Limited. The Company does not exercise significant influence or control on decisions of the investees. Hence, they are not being construed as associate companies. These investments are included in "Note 6 - Investments" in the standalone financial statements.

Refer note 43 for details of investments during the year.

(All amounts in ₹ crores, unless otherwise stated)

Information About Subsidiaries and Joint Ventures

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2023	Proportion (%) of equity interest As at 31st March, 2022
Subsidiaries				
Unilever India Exports Limited	India	FMCG export business	100	100
Lakme Lever Private Limited	India	(i) Beauty salons (ii) Job work business	100	100
Unilever India Limited	India	FMCG business	100	100
Zywie Ventures Private Limited	India	FMCG business	53.34#	-
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Export Limited	India	Leather products business (discontinued operations)	90*	90*
Jamnagar Properties Private Limited	India	Real estate company	100	100
Daverashola Estates Private Limited	India	Real estate company	100	100
Levindra Trust Limited	India	Discharge trust business as a trustee	100	100
Hindlever Trust Limited	India	Discharge trust business as a trustee	100	100
Levers Associated Trust Limited	India	Discharge trust business as a trustee	100	100
Hindustan Unilever Foundation	India	Not-for-profit company in the field of community development initiatives	76*	76*
Bhavishya Alliance Child Nutrition Initiatives	India	Not-for-profit company that works in the area of social development issues	100	100

*Hindustan Unilever Limited (the Company) indirectly holds remaining percentage of the Equity Share Capital through one of its 100% subsidiary (Unilever India Exports Limited).

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

On a fully diluted basis 51%

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2023	Proportion (%) of equity interest As at 31st March, 2022
Joint Venture				
Nutritionalab Private Limited	India	FMCG business	21.51#	-

The Company has acquired substantive rights to jointly decide on relevant activities of the business and hence the arrangement has been treated as a 'Joint Venture'.

On a fully diluted basis 19.8%

NOTE 6 INVESTMENTS

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT INVESTMENTS		
A. Equity instruments		
Fair value through profit and loss		
Quoted	0	0
Unquoted	1	1
Total (A)	**1**	**1**

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
B. Other instruments		
Amortised cost		
Unquoted		
Investment in debentures and bonds	0	0
Investment in National Savings Certificates	0	0
Fair value through profit and loss		
Unquoted		
Investment in preference shares	1	1
Total (B)	**1**	**1**
Total Non-Current Investments (A+B)	**2**	**2**
Refer Note 43 for details on non-current investments.		
CURRENT INVESTMENTS		
C. Other instruments		
Fair value through other comprehensive income		
Quoted		
Investments in treasury bills	1,014	2,023
Fair value through profit and loss		
Quoted		
Investments in mutual funds	1,797	1,487
Total Current Investments (C)	**2,811**	**3,510**
Total (A+B+C)	**2,813**	**3,512**
Aggregate amount of quoted investments	2,811	3,510
Aggregate Market value of quoted investments	2,811	3,510
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in value of investments	0	0

Refer Note 37 for information about fair value measurement and Note 38 for credit risk and market risk of investments.

NOTE 7 LOANS

(Unsecured, considered good unless otherwise stated)

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Loans to related parties (Refer Note 44)	247	432
Others (including employee loans)	92	109
Total (A)	**339**	**541**
Current		
Others (including employee loans)	35	34
Total (B)	**35**	**34**
Total (A+B)	**374**	**575**
Sub-classification of Loans:		
Loans Receivables considered good- Secured	6	4
Loans Receivables considered good- Unsecured	368	571
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 38 for information about credit risk and market risk for loans.

1) In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10/03/2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

(All amounts in ₹ crores, unless otherwise stated)

2) There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

3) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 8 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Indemnification Asset

Initial recognition

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement

As at each reporting period, the Company re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Company derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Security deposits	101	98
Investments in term deposits (with remaining maturity of more than twelve months)	1	1
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	5	13
Total (A)	**715**	**720**
Current		
Security deposits	63	52
Receivables from group companies	195	169
Fair Value of Derivatives	15	52
Consignment Receivables	278	226
Other assets (includes Government grants, other receivables, etc.)	840	571
Total (B)	**1,391**	**1,070**
Total (A+B)	**2,106**	**1,790**

Refer Note 44 for information about receivables from related party.

Refer Note 38 for information about credit risk and market risk for other financial assets.

NOTE 9 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Tax		
Current year	3,214	2,896
Adjustments/(credits) related to previous years - (net)	(292)	(118)
Total (A)	**2,922**	**2,778**
Deferred Tax Charge		
Origination and reversal of temporary differences	190	143
Adjustments/(credits) related to previous years - (net)	5	-
Total (B)	**195**	**143**
Total (A+B)	**3,117**	**2,921**

II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2023	Year ended 31st March, 2022
Deferred Tax		
(Gain)/loss on remeasurement of net defined benefit plans	(4)	10
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	(9)	0
	(13)	**10**

III. Tax expense recognised in Equity

	Year ended 31st March, 2023	Year ended 31st March, 2022
Deferred Tax		
Stamp Duty on issue of equity shares on account of business combination	2	2
	2	**2**

(All amounts in ₹ crores, unless otherwise stated)

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory income tax rate applicable for the year	25.2%	25.2%
Differences due to:		
Expenses not deductible for tax purposes	1.1%	1.0%
Income exempt from income tax	-0.3%	-0.3%
Others*	-2.2%	-1.0%
Effective tax rate	**23.8%**	**24.9%**

* Others include prior period tax refunds and tax on exceptional items.

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2023	As at 31st March, 2022	Credit/ (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2023
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	49	10	0	0	59
Provision for doubtful debts and advances	27	(9)	-	-	18
Expenses allowable for tax purposes when paid	170	(42)	4	-	132
Property, plant and equipment and Intangible assets	(6,776)	(129)	-	-	(6,905)
Fair value gain/(loss)	(17)	(4)	9	-	(12)
Impact of Right of Use Asset and Lease Liabilities	5	(16)	-	-	(11)
Other temporary differences	401	(5)	-	(2)	394
Total	**(6,141)**	**(195)**	**13**	**(2)**	**(6,325)**

Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2022
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	37	22	(10)	-	49
Provision for doubtful debts and advances	31	(4)	-	-	27
Expenses allowable for tax purposes when paid	186	(14)	-	(2)	170
Property, plant and equipment and Intangible assets	(6,622)	(154)	-	-	(6,776)
Fair value gain/(loss)	(19)	2	0	-	(17)
Impact of Right of Use Asset and Lease Liabilities	1	4	-	-	5
Other temporary differences	400	1	-	-	401
Total	**(5,986)**	**(143)**	**(10)**	**(2)**	**(6,141)**

D. Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022
Non-current tax assets (net of tax provision)	1,115	1,107
Non-current tax liabilities (net of tax assets)	1,076	1,324

E. Disclosure in Relation to Undisclosed Income

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	26	38
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	167	133
Other advances (includes advances for materials)	15	13
Less: Allowance for bad and doubtful advances	(9)	(9)
Total	**199**	**175**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	9	17
Change in allowance for bad and doubtful advances during the year	-	(7)
Written off / (Written back) during the year	(0)	(1)
Balance as at the end of the year	**9**	**9**

The Company has not given any advances to Directors or other Officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any Director is a Partner or a Director or a Member.

NOTE 11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2023	As at 31st March, 2022
Raw materials [includes in transit: ₹0 crore (31st March, 2022: ₹73 crores)]	1,758	1,691
Packing materials	112	104
Work-in-progress	391	409
Finished goods [includes in transit: ₹48 crores (31st March, 2022: ₹34 crores)] (Refer note (a) below)	1,651	1,580
Stores and spares	119	106
Total	**4,031**	**3,890**

(a) Finished goods includes good purchased for re-sale, as both are stocked together.

(b) During FY 2022-23, an amount of ₹176 crores (31st March, 2022: ₹145 crores) was charged to the standalone statement of profit and loss on account of damaged and slow moving inventory.

NOTE 12 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Company applies lifetime expected credit loss model for measurement of trade receivables.

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	2,760	1,955
Less: Allowance for expected credit loss	(25)	(23)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	38	74
Less: Allowance for credit impairment	(38)	(74)
Total	**2,735**	**1,932**
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	97	107
Change in allowance for expected credit loss and credit impairment during the year	(34)	(10)
Trade receivables written off during the year	0	0
Balance as at the end of the year	**63**	**97**

Refer note 38 for information about credit risk and market risk of trade receivables.

Refer note 44 for information about receivables from related party.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	2,207	194	154	164	25	16	2,760
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	1	0	2	7	2	12
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1	-	9	16	26
Total (A)	**2,207**	**195**	**155**	**166**	**41**	**34**	**2,798**
Allowance for expected credit loss							25
Allowance for credit impairment							38
Total (B)							**63**
Total [(A)- (B)]							**2,735**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	1,658	194	63	24	8	8	1,955
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	0	2	1	41	0	14	58
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	9	0	7	16
Total (A)	**1,658**	**196**	**64**	**74**	**8**	**29**	**2,029**
Allowance for expected credit loss							23
Allowance for credit impairment							74
Total (B)							**97**
Total [(A)- (B)]							**1,932**

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

There are no unbilled receivables as at 31st March, 2023 and 31st March, 2022.

There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member.

NOTE 13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	0	0
Balances with Banks		
In current accounts	18	29
Term deposits with original maturity of less than three months	473	753
Other Cash equivalents		
Treasury bills with original maturity of less than three months	-	50
Overnight Mutual Funds	95	156
Total	**586**	**988**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances with banks		
Unpaid dividend	222	218
Investments in term deposits (with original maturity of more than three months but less than twelve months)	3,614	2,412
Total	**3,836**	**2,630**

NOTE 15 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Advances other than Capital advances		
Input taxes (GST, etc.)	205	175
Other advances (includes prepaid expenses etc.)	407	405
Total	**612**	**580**

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

NOTE 16 ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

	As at 31st March, 2023	As at 31st March, 2022
Groups of assets held for sale		
Land	2	2
Buildings	10	11
Furniture and fixtures	0	0
	12	**13**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 EQUITY SHARE CAPITAL

	As at 31st March, 2023	As at 31st March, 2022
Authorised		
2,85,00,00,000 (31st March, 2022: 2,85,00,00,000) equity shares of ₹1 each	285	285
Issued, subscribed and fully paid up		
2,34,95,91,262 (31st March, 2022: 2,34,95,91,262) equity shares of ₹1 each	235	235
Total	**235**	**235**

a) Reconciliation of the number of shares

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Balance as at the beginning of the year	2,34,95,91,262	235	2,34,95,67,819	235
Add: ESOP shares issued during the year (Refer note 40)	-	-	23,443	0
Balance as at the end of the year	2,34,95,91,262	235	2,34,95,91,262	235

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Holding Company and Subsidiaries of Holding Company in aggregate

	As at 31st March, 2023	As at 31st March, 2022
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2022: 1,11,43,70,148) held by Unilever PLC, UK, the Holding Company	111	111
3,40,042,710 shares (31st March, 2022: 3,40,042,710) held by subsidiaries of the Holding Company	34	34

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2023	As at 31st March, 2022
Unilever PLC, UK, the Holding Company		
Number of shares	1,11,43,70,148	1,11,43,70,148
% of holding	47.4%	47.4%

e) Details of shareholdings by the Promoter's of the Company

		As at 31st March, 2023		As at 31st March, 2022		
S. no	Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	% Change in the year
1	UNILEVER PLC	1,11,43,70,148	47.4%	1,11,43,70,148	47.4%	-
2	UNILEVER GROUP LIMITED*	10,67,39,460	4.5%	10,67,39,460	4.5%	-
3	UNILEVER OVERSEAS HOLDINGS AG	6,87,84,320	2.9%	6,87,84,320	2.9%	-
4	UNILEVER UK&CN HOLDINGS LIMITED	6,00,86,250	2.6%	6,00,86,250	2.6%	-
5	UNILEVER SOUTH INDIA ESTATES LIMITED*	5,27,47,200	2.2%	5,27,47,200	2.2%	-
6	UNILEVER ASSAM ESTATES LIMITED*	3,28,20,480	1.4%	3,28,20,480	1.4%	-
7	UNILEVER OVERSEAS HOLDINGS B V	1,88,65,000	0.8%	1,88,65,000	0.8%	-
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,34,95,91,262**		**2,34,95,91,262**		

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(All amounts in ₹ crores, unless otherwise stated)

S. no	Promoter Name	As at 31st March, 2022 Number of shares	% of total shares	As at 31st March, 2021 Number of shares	% of total shares	% Change in the year
1	UNILEVER PLC	1,11,43,70,148	47.4%	1,11,43,70,148	47.4%	-
2	BROOKE BOND GROUP LIMITED*	10,67,39,460	4.5%	10,67,39,460	4.5%	-
3	UNILEVER OVERSEAS HOLDINGS AG	6,87,84,320	2.9%	6,87,84,320	2.9%	-
4	UNILEVER UK&CN HOLDINGS LIMITED	6,00,86,250	2.6%	6,00,86,250	2.6%	-
5	BROOKE BOND SOUTH INDIA ESTATES LIMITED*	5,27,47,200	2.2%	5,27,47,200	2.2%	-
6	BROOKE BOND ASSAM ESTATES LIMITED*	3,28,20,480	1.4%	3,28,20,480	1.4%	-
7	UNILEVER OVERSEAS HOLDINGS B V	1,88,65,000	0.8%	1,88,65,000	0.8%	-
	Total Promoters shares outstanding	**1,45,44,12,858**	**61.9%**	**1,45,44,12,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,34,95,91,262**		**2,34,95,67,819**		

*As intimated to Stock Exchanges vide our letters dated 27th June, 2022 and 4th July, 2022 the names of three of our promoter entities have been changed

f) Shares reserved for issue under options

	As at 31st March, 2023 Number of shares	Amount	As at 31st March, 2022 Number of shares	Amount
Under 2012 HUL Performance Share Scheme: equity shares of ₹1 each, at an exercise price of ₹1 per share (refer note 40)	-	-	-	-
	-	-	-*	-*

For terms and other details Refer note 40.

*Shares outstanding as on 1st April, 2021 have been fully issued / settled as on 31st March, 2022

g) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

i. 18,46,23,812 (31st March, 2022:18,46,23,812) Equity shares of ₹1 each allotted as fully paid-up pursuant to HUL-GSKCH merger without payment being received in cash (Refer Note 41).

ii. 438,673 (31st March, 2022: 6,17,811) Equity shares allotted under the Employee stock option plan/ performance share schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

NOTE 18 OTHER EQUITY

Refer Standalone Statement of Changes in Equity for detailed movement in Other Equity balance

A. Summary of Other Equity balance

	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	4	4
Capital Redemption Reserve	6	6
Securities Premium	40,350	40,352
Retained Earnings	9,625	8,135
Other Reserves	9	9
Items of Other Comprehensive Income		
- Fair value of Cash flow hedges through OCI	(6)	20
- Fair value of Debt instruments through OCI	(2)	(1)
Total Other Equity	**49,986**	**48,525**

(All amounts in ₹ crores, unless otherwise stated)

B. Nature and purpose of reserves

(a) Capital Reserve: During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	4	4
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**4**	**4**

(b) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	6	6
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**6**	**6**

(c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. In case of business combinations, the difference between fair value and nominal value of shares issued on the acquisition date is accounted as securities premium.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	40,352	40,350
Add: Deferred Tax on Stamp duty	(2)	(2)
Add: Issue of equity shares on exercise of employee stock options	-	4
Balance at the end of the year	**40,350**	**40,352**

(d) Employee Stock Options Outstanding Account: The fair value of the equity-settled share based payment transactions is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	5
Less: Issue of equity shares on exercise of employee stock options	-	(4)
Less: Equity settled share based payment credit	-	(1)
Balance at the end of the year	**-**	**-**

(e) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	8,135	6,805
Add: Profit for the year	9,962	8,818
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	(13)	31
Less: Dividend on equity shares during the year	(8,459)	(7,519)
Balance at the end of the year	**9,625**	**8,135**

*Movement in Remeasurement of Net Defined Benefit Plans

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	(13)	31
Less: Transfer to retained earnings	13	(31)
Balance at the end of the year	**-**	**-**

(f) **Other Reserves:** The Company has recognised Other Reserves on amalgamation of Brooke Bond Lipton India Limited as per statutory requirements. This reserve is not available for capitalisation/ declaration of dividend/ share buy-back. Further, it also includes capital subsidy.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**9**	**9**

(g) **Items of Other Comprehensive Income:**

i) **Fair value of cash flow hedges through Other Comprehensive Income**: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

ii) **Debt Instruments through Other Comprehensive Income**: The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the standalone statement of profit and loss.

C. Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Cash flow hedges through Other Comprehensive Income	Debt instruments through Other Comprehensive Income	Total
As at 1st April, 2021	20	(0)	20
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges through other comprehensive income	85	-	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)
Tax on above	(0)	0	0
As at 1st April, 2022	**20**	**(1)**	**19**
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges through other comprehensive income	(21)	-	(21)
Hedging loss/(gain) transferred to non-financial asset (net)	(14)	-	(14)
Tax on above	9	0	9
As at 31st March, 2023	**(6)**	**(2)**	**(8)**

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Refer note 45 for information on ratios.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 19 LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2023	As at 31st March, 2022
NON - CURRENT		
Lease liabilities payable beyond 12 months	746	686
CURRENT		
Lease liabilities payable within 12 months	293	285
Total	**1,039**	**971**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	971	943
Add: Addition	518	440
Add: Accretion of interest	76	75
Less: Payments	(507)	(463)
Less: Others (including foreclosure)	(19)	(24)
Closing balance as at 31st March	**1,039**	**971**

NOTE 20 OTHER FINANCIAL LIABILITIES

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Security deposits	22	22
Employee and ex-employee related liabilities	414	301
Contingent consideration payable on business combination	-	6
Financial liability on acquisition	37	-
Other payables and advances	22	-
Total (A)	**495**	**329**
CURRENT		
Unpaid dividends [Refer (a) below]	222	218
Salaries, wages, bonus and other employee payable	250	252
Fair Value of Derivatives	6	4
Contingent consideration payable on business combination	4	40
Consignment Payables	285	259
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	62	50
Total (B)	**829**	**823**
Total (A+B)	**1,324**	**1,152**

Refer note 38 for information about liquidity risk of other financial liability.

a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31st March, 2023 (31st March, 2022: Nil).

b) Includes ₹7 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2023 (31st March, 2022: ₹28 crores). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the Company within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 21 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Provision for employee benefits (pension, provident fund, post medical retirement benefits, etc.) [Refer Note 39]	345	351
Other provisions (including for statutory levies) - net [Refer (a) below]	990	1,202
Total (A)	**1,335**	**1,553**
CURRENT		
Provision for employee benefits (gratuity and compensated absences) [Refer Note 39]	44	43
Other provisions (including restructuring) [Refer (a) below]	335	291
Total (B)	**379**	**334**
Total (A+B)	**1,714**	**1,887**

a) Movement in Other provisions (Non-current and current)

	Indirect Tax related	Legal and Other Matters #	Total
Opening balance as at 1st April, 2021	805	925	1,730
Add: Provision/reclassified during the year	15	76	91
Less: Amount utilised/reversed/reclassified during the year	(90)	(238)	(328)
Opening balance as at 1st April, 2022	**730**	**763**	**1,493**
Add: Provision/reclassified during the year	18	101	119
Less: Amount utilised/reversed/reclassified during the year	(200)	(87)	(287)
Balance as at 31st March, 2023	**548**	**777**	**1,325**

including restructuring provisions, etc.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

The Company does not expect any reimbursements in respect of the above provisions.

NOTE 22 TRADE PAYABLES

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	89	56
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	93	116
Trade payables	9,209	8,692
Total	**9,391**	**8,864**

Refer note 38 for information about liquidity risk and market risk related to trade payables.

(All amounts in ₹ crores, unless otherwise stated)

a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

		As at 31st March, 2023	As at 31st March, 2022
A(i).	Principal amount remaining unpaid	89	56
A(ii).	Interest amount remaining unpaid	-	-
B.	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0	0
C.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D.	Interest accrued and remaining unpaid	0	-
E.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

		Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues- MSME	89	0	-	-	-	89
Undisputed dues - Others	9,093	209	-	-	-	9,302
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**9,182**	**209**	**-**	**-**	**-**	**9,391**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

		Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues- MSME	56	-	-	-	-	56
Undisputed dues - Others	8,633	175	-	-	-	8,808
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**8,689**	**175**	**-**	**-**	**-**	**8,864**

NOTE 23 OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Statutory dues (including provident fund, tax deducted at source and others)	649	525
Others (including advance from customers etc.)	86	113
Total	**735**	**638**

NOTE 24 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A. CONTINGENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Claims against the Company not acknowledged as debts		
Income tax matters	1,586	1,248
Indirect Tax matters	710	792
Legal and Other Matters	281	281

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(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

B. COMMITMENTS

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	69	67
Later than one year and not later than five years	57	66
Later than five years	-	-

ii) Capital commitments

	As at 31st March, 2023	As at 31st March, 2022
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	434	360

NOTE 25 REVENUE FROM OPERATIONS

Sale of products:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Commission income on consignment sales:

Commission income on consignment sales (Consignment selling agency fees) is charged for rendering of services and for the use of the Company's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

Government grants:

The Company is entitled to 'Scheme of budgetary support' under Goods and Service Tax Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured as amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to that.

(All amounts in ₹ crores, unless otherwise stated)

The Company has received approval under the Production Linked Incentive Scheme of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognised as other operating revenue when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the grant.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of products	58,154	50,336
Other operating revenue*		
Income from services rendered	347	281
Commission income on consignment sales	333	315
Government grants (GST budgetary support and Production linked incentives)	170	140
Others (including scrap sales, rentals, etc)	140	121
Total	**59,144**	**51,193**

Reconciliation of Revenue from sale of products with the contracted price

	Year ended 31st March, 2023	Year ended 31st March, 2022
Contracted Price	65,271	56,076
Less: Trade discounts, volume rebates, etc.	(7,117)	(5,740)
Sale of products	**58,154**	**50,336**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue

Segment-wise Revenue from operations

The Company has following major segments:-

(a) Home Care includes Fabric Solutions, Home and Hygiene, etc

(b) Beauty & Personal Care includes Skin Cleansing, Skin Care, Hair Care, etc

(c) Foods & Refreshment includes Tea, Health Food Drinks, Coffee, etc

(d) Others includes Exports, Consignment, etc.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Home Care	21,230	16,578
Beauty & Personal Care	21,831	19,460
Foods & Refreshment	14,876	14,105
Others (includes Exports, Consignment, etc.)	1,207	1,050
Total	**59,144**	**51,193**

NOTE 26 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established. Refer Note 37 on financial instruments for policy on measurement at fair value through profit or loss.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income on		
Bank deposits	162	95
Current investments	126	80
Others (including interest on Income tax refunds)	137	32
Dividend income from		
Subsidiaries	116	130
Non-current investments	2	1
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	97	55
Total	**640**	**393**

*Includes realised gain on sale of investment of ₹91 crores (31st March, 2022 : ₹52 crores).

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 27 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials consumed	16,074	13,124
Packing materials consumed	3,155	2,745
Total	**19,229**	**15,869**

NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Purchases of stock-in-trade	11,968	9,274
Total	**11,968**	**9,274**

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventories		
Finished goods	1,580	1,542
Work-in-progress	409	428
Closing inventories		
Finished goods	(1,651)	(1,580)
Work-in-progress	(391)	(409)
Total	**(53)**	**(19)**

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Short-Term Employee Benefits

Short-term employee benefits including salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the standalone statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to trusts administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the standalone statement of profit and loss is the cost of defined benefit obligation resulting from employee service in the current period ('current service cost') and the costs of individual events such as changes in past service benefits and settlements (such events are recognised immediately in the statement of profit and loss). The amount of net interest expense calculated by applying

(All amounts in ₹ crores, unless otherwise stated)

the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the standalone statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the standalone statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the standalone statement of profit and loss. The Company recognises termination benefits at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; or

(b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-Based Payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 40 for details.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	2,137	1,883
Contribution to provident and other funds	153	162
Defined benefit plan expense (Refer note 39)	42	91
Share based payments to employees (Refer note 40)	156	101
Staff welfare expenses	177	162
Total	**2,665**	**2,399**

NOTE 31 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on bank overdraft, security deposit and others	0	2
Net interest on the net defined benefit liability (Refer Note 39)	16	15
Unwinding of discount on provisions and liabilities	1	3
Unwinding of discount on employee and ex-employee related liabilities	8	3
Interest on lease liabilities	76	75
Others (including interest on taxes)	-	-
Total	**101**	**98**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSES

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment (owned assets)*	609	595
Depreciation on property, plant and equipment (leased assets)	398	405
Amortisation on intangible assets	23	25
Total	**1,030**	**1,025**

*In addition to the above, ₹15 crores (31st March, 2022: ₹15 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Advertising and promotion		4,859		4,718
Carriage and freight		1,901		1,801
Royalty				
- Technology	760		652	
- Brand	230	990	187	839
Fees for central services from Parent Company		601		497
Processing charges		349		395
Power, fuel, light and water		325		277
Rent		80		79
Travelling and motor car expenses		238		107
Repairs		201		189
Corporate social responsibility expense [Refer note (a) below]		209		186
Miscellaneous expenses		1,950		2,079
Total		**11,703**		**11,167**

	Year ended 31st March, 2023	Year ended 31st March, 2022
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	2	2
Tax audit fees	1	1
Others		
Fees for other audit related services	2	2
Fees for certification	0	0
Reimbursement of out-of-pocket expenses	0	0
Total	**5**	**5**

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

I. Unspent CSR amount for FY 2021-22: ₹28 crores (utilised: ₹28 crores, balance to be utilised ₹0 crores).

		Year ended 31st March, 2023	Year ended 31st March, 2022
II.	Amount required to be spent by the company during the year	205	185
III.	Amount spent during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) For purposes other than (i) above	209	186
IV.	Shortfall at the end of the year	-	-
V.	Total of previous years shortfall	-	-
VI.	Reason for shortfall	Not Applicable	Not Applicable

(All amounts in ₹ crores, unless otherwise stated)

VII. Nature of CSR activities include promoting education, including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, rural development projects and disaster management, including relief, rehabilitation and reconstruction activities.

VIII. Above includes a contribution of ₹15 crores (2021-22: ₹11 crores) to subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013. The objectives of Hindustan Unilever Foundation includes working in areas of social, economic and environmental issues such as water harvesting, health and hygiene awareness, women empowerment and enhancing capabilities of the underprivileged segments of society to meet emerging opportunities thus improving their livelihood.

IX. Above includes ₹7 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2023 (31st March, 2022: ₹28 crores). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the Company within 30 days from end of financial year.

X. The Company does not wish to carry forward any excess amount spent during the year.

XI. The Company does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

NOTE 34 EXCEPTIONAL ITEMS (NET)

		Year ended 31st March, 2023	Year ended 31st March, 2022
i)	Profit on disposal of surplus properties	113	140
ii)	Fair valuation of contingent consideration payable (refer note 41)	2	9
iii)	Profit on sale of brand rights	60	29
Total exceptional income (A)		**175**	**178**
i)	Acquisition and disposal related costs	(117)	(86)
ii)	Restructuring and other costs	(120)	(126)
Total exceptional expenditure (B)		**(237)**	**(212)**
Exceptional items (net) (A+B)		**(62)**	**(34)**

NOTE 35 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Earnings Per Share has been computed as under:		
Profit for the year	9,962	8,818
Weighted average number of equity shares outstanding during the year	2,34,95,91,262	2,34,95,87,637
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	₹42.40	₹37.53
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	-	3,625
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,34,95,91,262	2,34,95,91,262
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	₹42.40	₹37.53

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2023 and 31st March, 2022.

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2023	Year ended 31st March, 2022
Dividend on equity shares declared and paid during the year		
Final dividend of ₹19.00 per share for FY 2021-22 (2020-21: ₹17.00 per share)	4,464	3,994
Interim dividend of ₹17.00 per share for FY 2022-23 (2021-22: ₹15.00 per share)	3,995	3,525
	8,459	**7,519**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹22 per share for FY 2022-23 (2021-22: ₹19.00 per share)	5,169	4,464
	5,169	**4,464**
Payout ratio	92%	91%

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

NOTE 37 FINANCIAL INSTRUMENTS

I. Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value.

The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the standalone statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(a) Debt Instruments:

(i) Measured at amortised cost:

Financial assets that give rise to cash flows on specified dates that are solely the payments of principal and interest; and the financial asset is held within a business model whose objective is solely to collect those cash flows, then the financial asset is classified and measured at amortised cost.

These are measured by applying the effective interest rate method. The effective interest rate method allocates interest income over the relevant period by applying the effective interest rate (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset)."

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the standalone statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the standalone statement of profit and loss.

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in 'other income' in the standalone statement of profit and loss.

(b) Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

(All amounts in ₹ crores, unless otherwise stated)

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in 'other income' in the standalone statement of profit and loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the standalone statement of profit and loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the standalone statement of profit and loss.

(c) Derivative Financial Instruments:

The Company uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on their use as explained below:

(i) Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the standalone statement of profit and loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in other comprehensive income is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the standalone statement of profit and loss at the same time as the related cash flow.

When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the standalone statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the standalone statement of profit and loss immediately.

(ii) Derivatives for which hedge accounting is not applied

Derivatives not classified as hedges are held in order to hedge certain balance sheet items and commodity exposures. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

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In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

Financial assets classified as amortised cost (listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the standalone statement of profit and loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

II. Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

A. Accounting Classifications and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

		Carrying value/ Fair value	
	Note	As at 31st March, 2023	As at 31st March, 2022
Financial Assets			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	6	1,014	2,023
ii. Fair value through profit and loss	6	1,799	1,489
Fair Value of Derivatives	8	15	52
Financial assets measured at amortised cost			
Investments	6	0	0
Loans	7	374	575

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying value/ Fair value	
		As at 31st March, 2023	As at 31st March, 2022
Security deposits	8	164	150
Investments in term deposits	8,14	3,615	2,413
Indemnification Asset	8	608	608
Other assets	8	845	584
		8,434	**7,894**
Financial Liabilities			
Financial Liabilities measured at fair value			
Fair Value of Derivatives	20	6	4
Contingent consideration payable on business combination	20	4	46
Financial liability on acquisition	20	37	-
Financial liabilities measured at amortised cost			
Lease Liabilities	19	1,039	971
Security deposits	20	22	22
Employee Liabilities	20	664	553
Other payables	20	84	50
		1,856	**1,646**

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, receivables from group companies, consignment receivables, trade payables, consignment payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B. Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Standalone Statement of Profit and Loss are as follows:

	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
Financial assets measured at amortised cost			
Interest income	26	299	115
Allowance for expected credit loss and credit impairment	12	(34)	(10)
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	26	126	80
Fair value gain/(loss) recognised in other comprehensive income	18C	(1)	(1)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	26	97	55
Dividend income on non-current investment	26	2	1
Financial liabilities measured at amortised cost			
Interest expense	31	0	2
Interest on lease liabilities	31	76	75
Interest expense other than on lease liabilities	31	9	6
Financial liabilities measured at fair value			
Fair valuation of contingent consideration payable	34	2	9
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	27,33	51	63

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C. Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	1,014	-	-	1,014
ii. Fair Value through Profit or Loss	1,797	-	2	1,799
Fair Value of Derivatives	-	15	-	15
Liabilities at fair value				
Fair Value of Derivatives	-	6	-	6
Contingent consideration payable on business combination	-	-	4	4
Financial liability on acquisition	-	-	37	37
As at 31st March, 2022				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	2,023	-	-	2,023
ii. Fair Value through Profit or Loss	1,487	-	2	1,489
Fair Value of Derivatives	-	52	-	52
Liabilities at fair value				
Fair Value of Derivatives	-	4	-	4
Contingent consideration payable on business combination	-	-	46	46

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2022.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in treasury bills and quoted investment in equity shares is based on the bid price of respective investment as at the Balance Sheet date.
2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
3. Derivatives are valued using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities.

(All amounts in ₹ crores, unless otherwise stated)

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), consignment receivable, trade payables, consignment payable and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

Significant unobservable inputs used in level 2 and level 3 fair values

As at 31st March, 2023	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹12 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue	10% increase in forecasted revenue per year will have additional liability of ₹0 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 7.8%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.
(c) Financial liability on acquisition	**Monte Carlo simulation:** The fair value is determined using forecasted revenue, volatility and the internal rate of return of the project.	Forecast revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹19 crores and 5% decrease would have led to an equal but opposite effect.

As at 31st March, 2022	Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a) Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
		Discount rate: 6.5%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	48	94
Additions during the year	37	-
Interest unwinding	0	4
Payments during the year	(40)	(41)
Gain recognised in profit and loss on fair value adjustment	(2)	(9)
Closing	**43**	**48**

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NOTE 38 FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and commodity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2023 and 31st March, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

			Undiscounted Amount		
	Note	Carrying amount	Within 1 year	More than 1 year	Total
As at 31st March, 2023					
Financial assets					
Non-derivative assets					
Investments	6	2,813	2,811	2	2,813
Loans	7	374	35	339	374
Trade Receivables	12	2,735	2,735	-	2,735
Cash and cash equivalents	13	586	586	-	586
Bank Balances other cash and cash equivalents	14	3,836	3,836	-	3,836
Security deposits	8	164	63	101	164
Consignment Receivable	8	278	278	-	278
Other financial asset	8	1,040	1,035	5	1,040
Derivative assets					
Fair Value of Derivatives	8	15	15	-	15
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	1,039	293	903	1,196
Trade payables (including acceptances)	22	9,391	9,391	-	9,391
Security deposits	20	22	-	22	22
Unpaid dividend	20	222	222	-	222
Employee liabilities	20	664	250	414	664
Contingent consideration	20	4	4	-	4
Consignment Payable	20	285	285	-	285
Financial liability on acquisition	20	37	-	45	45
Other Payables	20	84	62	22	84
Derivative liabilities					
Fair Value of Derivatives	20	6	6	-	6

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2022					
Financial assets					
Non-derivative assets					
Investments	6	3,512	3,510	2	3,512
Loans	7	575	34	541	575
Trade Receivables	12	1,932	1,932	-	1,932
Cash and Cash Equivalents	13	988	988	-	988
Bank Balance other than cash and cash equivalents	14	2,630	2,630	-	2,630
Security deposits	8	150	52	98	150
Consignment Receivable	8	226	226	-	226
Other financial asset	8	753	740	13	753
Derivative assets					
Fair Value of Derivatives	8	52	52	-	52
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	19	971	285	805	1,090
Trade payables (including acceptances)	22	8,864	8,864	-	8,864
Security deposits	20	22	-	22	22
Unpaid dividend	20	218	218	-	218
Employee liabilities	20	553	252	324	576
Contingent consideration	20	46	40	6	46
Consignment Payable	20	259	259	-	259
Other Payables	20	50	50	-	50
Derivative liabilities					
Fair Value of Derivatives	20	4	4	-	4

B. Management of Market Risk

The Company's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- commodity risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

1. Currency Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2023, the unhedged exposure to the Company on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹75 crores payable (net) [31st March, 2022: ₹95 crores payable (net)]	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The Company manages currency exposures through use of forward exchange contracts monitored on a weekly basis in line with company policy. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.	A 5% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to approximately an additional ₹4 crores gain in the standalone statement of profit and loss (2021-22: ₹5 crores gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

Payable/ (Receivable)	As at 31st March, 2023	As at 31st March, 2022
USD	22	31
SEK	20	12
SGD	14	22
NZD	7	7
EUR	4	29
GBP	2	(8)
Others	6	2
	75	**95**

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(All amounts in ₹ crores, unless otherwise stated)

2. Interest Rate Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is mainly exposed to the interest rate risk due to its investment in treasury bills and debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments. In addition to treasury bills and debt mutual funds, the Company invests in term deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits. As at 31st March, 2023, the investments in treasury bill amounts to ₹1,014 crores (31st March, 2022: ₹2,073 Crores) and the investments in debt mutual funds amounts to ₹1892 crores (31st March, 2022: ₹1,643 crores).	The Company has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.	A 0.25% decrease in interest rates would have led to approximately ₹2 crore gain in the Standalone Statement of Profit and Loss (2021-22: ₹6 crore). A 0.25% increase in interest rates would have led to an equal but opposite effect.

3. Commodity Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Company is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials. At 31st March, 2023, the Company had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹29 crores (31st March, 2022: ₹106 crores). Hedges of future commodity purchases resulted in cumulative profits of ₹14 crores (31st March, 2022: ₹85 crores cumulative profits) being reclassified to the standalone statement of profit and loss as an adjustment to inventory purchase.	Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Company uses commodity swaps and option contracts to hedge against components of commodities where it is not possible to hedge the commodity in full.	A 10% increase in prices of open trades would have led to approximately ₹12 crores gain in OCI (2021-22 ₹13 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

C. Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Refer note 12 for accounting policy on Financial Instruments - trade receivables.

(All amounts in ₹ crores, unless otherwise stated)

Other financial assets

Credit risk related to the use of treasury instruments arises from transactions with financial institutions involving cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31st March, 2023 and 31st March, 2022. To reduce this risk, HUL has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department. The Company has given inter-corporate deposits (ICD) to its subsidiaries amounting ₹247 crores (31st March, 2022: ₹432 crores).

NOTE 39 EMPLOYEE BENEFIT PLANS

I. Defined Contribution Plans

Refer note 30 for accounting policy on Employee Benefits.

Refer Note 30 for the Company's contribution to the defined contribution plans with respect to employee benefit funds.

II. DEFINED BENEFIT PLANS

Refer note 30 for accounting policy on Employee Benefits.

Description of Plans

Retirement Benefit Plans of the Company include Gratuity, Management Pension, Officer's Pension and Provident Fund. Other post-employment benefit plans includes post retirement medical benefits.

Gratuity is funded through investments with an insurance service provider & the Company administered trust. Pension (Management Pension and Officer's Pension) is managed through a Company administered trust and in some instances invested with an insurance service provider. Provident Funds for certain employees are managed through the Company administered trust. Post-retirement medical benefits are managed through the Company administered trust and through insurance policy.

Governance

The trustees of Gratuity, Pension, Post Retirement Medical Benefit and Provident Funds are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

A. Balance Sheet

The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Present Value of Obligation	4,132	4,089	253	252
Fair Value of Plan Assets	(4,019)	(4,030)	(40)	(56)
(Asset)/Liability recognised in the Balance Sheet	**113**	**59**	**213**	**196**
Of which in respect of:				
Funded plans in surplus:				
Present Value of Obligation	1,054	3,779	-	-
Fair Value of Plan Assets	(1,085)	(3,901)	-	-
(Asset)/Liability recognised in the Balance Sheet	**-***	**-***	**-**	**-**
(*The excess of assets over liabilities in respect of Gratuity Plan & Provident Fund Plan II have not been recognised on account of asset ceiling)				
Funded plans in deficit:				
Present Value of Obligation	3,078	310	192	199
Fair Value of Plan Assets	(2,965)	(251)	(40)	(56)
(Asset)/Liability recognised in the Balance Sheet	**113**	**59**	**152**	**143**
(During the year Provident Fund Plan I and Officer's Pension have moved from funded plans in surplus to funded plans in deficit.)				
Unfunded plans in deficit:				
Present Value of Obligation	-	-	61	53
Fair Value of Plan Assets	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**61**	**53**

Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹19 crores as at 31st March, 2023 (₹96 crores as at 31st March, 2022).

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2021	3,821	3,880	59	66	255	189
Current service cost	-	148	148	-	0	0
Past service cost	-	52	52	-	-	-
Change in asset ceiling	(62)	-	62	-	-	-
Employee contributions	-	236	236	-	-	-
Interest cost	-	257	257	-	16	16
Interest income	254	-	(254)	4	-	(4)
Actuarial (gain)/loss arising from changes in financial assumptions	159	25	(134)	0	(6)	(6)
Actuarial (gain)/loss arising from experience adjustments	-	18	18	-	12	12
Employer contributions	149	-	(149)	10	-	(10)
Employee contributions	236	-	(236)	-	-	-
Assets acquired/ (settled)	(69)	(69)	-	(8)	(9)	(1)
Benefit payments	(458)	(458)	-	(16)	(16)	-
As at 31st March, 2022	**4,030**	**4,089**	**59**	**56**	**252**	**196**

(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2022	4,030	4,089	59	56	252	196
Current service cost	-	146	146	-	0	0
Past service cost	-	-	-	-	-	-
Change in asset ceiling	90	-	(90)	-	-	-
Employee contributions	-	230	230	-	-	-
Interest cost	-	271	271	-	17	17
Interest income	274	-	(274)	4	-	(4)
Actuarial (gain)/loss arising from changes in financial assumptions	(0)	38	38	(2)	(16)	(14)
Actuarial (gain)/loss arising from experience adjustments	-	69	69	-	20	20
Employer contributions	106	-	(106)	2	-	(2)
Employee contributions	230	-	(230)	-	-	-
Assets acquired/ (settled)	(160)	(160)	-	-	-	-
Benefit payments	(551)	(551)	-	(20)	(20)	-
As at 31st March, 2023	**4,019**	**4,132**	**113**	**40**	**253**	**213**

C. Statement of Profit and Loss

The charge to the Standalone Statement of Profit and Loss comprises:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee Benefit Expenses *:				
Current service cost	42	39	0	0
Past service cost	-	52	-	-
Finance costs * :				
Interest cost	57	56	17	16
Interest income	(55)	(53)	(3)	(4)
Net impact on profit (before tax)	**44**	**94**	**14**	**12**
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in financial assumptions	(32)	(26)	(14)	(6)
Actuarial (gains)/losses arising from experience adjustments	18	(14)	19	12
Change in asset ceiling (gains)/losses	26	(7)	-	-
Net impact on other comprehensive income (before tax)	**12**	**(47)**	**5**	**6**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

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to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

D. Assets

The fair value of plan assets at the Balance Sheet date for our defined benefit plans for each category are as follows:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Quoted				
Government Debt Instruments	1,663	1,703	-	-
Other Debt Instruments	1,067	1,146	40	56
Equity	342	280	-	-
Total (A)	**3,072**	**3,129**	**40**	**56**
Unquoted				
Other Debt Instruments	228	233	-	-
Others	750	790	-	-
Total (B)	**978**	**1,023**	**-**	**-**
Total (A+B)	**4,050**	**4,152**	**40**	**56**

Assets to the extent of ₹11 crores for Provident Fund (FY 2021-22: 76), ₹21 crores for Gratuity Fund (FY 2021-22: 46 crores) and ₹ Nil for Officer's Pension Fund (FY 2020-21: ₹0 crores) not recognised on account of asset ceiling

None of the plans invest directly in any property occupied by the Company or any financial securities issued by the Company.

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Standalone Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
Financial Assumptions	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Discount rate (per annum)	7.5%	6.9%	7.5%	6.9%
Salary Escalation Rate (per annum)				
Management employees- for first 5years	8.0%	8.0%	-	-
Management employees- after 5 years	8.0%	8.0%	-	-
Non-management Employees	8.0%	8.0%	-	-
Pension Increase Rate (per annum)*	2.0%	2.0%	-	-
Annual increase in healthcare costs (per annum)	-	-	9.0%	9.0%

*For management pension only

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table.

Mortality in Retirement: LIC Buy-out Annuity Rates & Published rates under S1PA Mortality table adjusted for Indian Lives.

(All amounts in ₹ crores, unless otherwise stated)

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

		Retirement Benefit Plans		Other Post-Employment Benefit Plans	
		Change in assumption (%)	Change in plan obligation (%)	Change in assumption (%)	Change in plan obligation (%)
Discount rate (per annum)	Increase	0.5%	-1.9%	0.5%	-4.7%
	Decrease	0.5%	2.0%	0.5%	5.1%
Salary escalation rate (per annum)	Increase	0.3%	1.3%	-	-
	Decrease	0.3%	-1.3%	-	-
EPFO Guaranteed rate of return (per annum)	Increase	0.5%	1.8%	-	-
	Decrease	0.5%	-1.8%	-	-
Pension rate	Increase	0.3%	5.4%	-	-
	Decrease	0.3%	-5.4%	-	-
Life expectancy	Increase	1 year	3.4%	1 year	4.9%
	Decrease	1 year	-3.5%	1 year	-4.8%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.0%	10.4%
	Decrease	-	-	1.0%	-8.9%

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

G. Weighted average duration and expected employers contribution for the next year for each of the defined benefit plan

	Weighted average duration (years)		Expected Employers contribution for the next year
	Year ended 31st March, 2023	Year ended 31st March, 2022	
Gratuity Plan I	6.9	7.1	-
Management Pension	7.1	6.6	0
Officer's Pension	2.4	2.4	0
Provident Fund Plan I	7.7	8.7	100
Provident Fund Plan II	7.7	8.7	14
Post-retirement medical benefits Plan I	9.1	9.5	-
Post-retirement medical benefits Plan II	13.0	13.6	-

Plan I refers to existing employee benefit plans of the Company

Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger

Compensated absences

Employee Benefit expenses for the year include ₹8 crores (FY 2021-22 : ₹7 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2023 is ₹44 crores (31st March, 2022 : ₹43 crores).

Notes

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 40 SHARE BASED PAYMENTS

Refer note 30 for accounting policy on Share Based Payments.

Cash Settled Share Based Payments

The employees of the Company are eligible for Unilever Plc. (the 'Holding Company') share awards namely, the Management Co-Investment Plan (MCIP), the Performance Share Plan (PSP) and the SHARES Plan.

The MCIP allowed eligible employees to invest up to 100% of their annual bonus in the shares of the Holding Company and to receive a corresponding award of performance-related shares. The performance measures for MCIP are underlying sales growth, underlying EPS growth, underlying return on invested capital and sustainability progress index for the Group. The awards under MCIP plans will vest after 4 years between 0% and 200% of grant level, depending on the achievement of the performance metrics.

Under PSP, eligible employees receive annual awards of the Holding Company’s shares. The performance measures for PSP are competitiveness, cumulative free cash flow, underlying return on invested capital and sustainability progress index for the Group. The awards under PSP plans will vest after 3 years between 0% and 200% of grant level, depending on the achievement of the performance metrics.

Under the SHARES Plan, eligible employees can invest upto ₹17,246 per month in the shares of the Holding Company and after three years one share is granted free of cost to the employees for every three shares invested, provided they hold the shares bought for three years. The Holding Company charges the Company for the grant of shares to the Company's employees at the end of the 3/4 years based on the market value of the shares on the exercise date. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management’s estimate of the vesting and forfeiture conditions.

Equity Settled Share Based Payments

The members of the Company had approved ‘2001 HLL Stock Option Plan’ at the Annual General Meeting held on 22nd June, 2001. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide ‘2006 HLL Performance Share Scheme’ at the Annual General Meeting held on 29th May, 2006. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth and free cash flow. The scheme also provided for ‘Par’ Awards for the managers at different work levels.

The 2006 scheme was further amended and revised vide ‘2012 HUL Performance Share Scheme’ at the Annual General Meeting held on 23rd July, 2012. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth, underlying operating margin, and cumulative operating cash flow.

The number of shares allocated for allotment under the 2006 and 2012 Performance Share Schemes is 2,00,00,000 (two crores) equity shares of ₹1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The Employee Stock Option Plan includes employees of Hindustan Unilever Limited, its subsidiaries and a subsidiary of holding Company.

(All amounts in ₹ crores, unless otherwise stated)

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2001 HLL Stock Option Plan	2005	27-May-05	15,47,700	Vested after three years from date of grant	7 years from date of vesting	132.05	132.05
2006 HLL Performance Share Scheme	2012	17-Feb-12	4,20,080	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2012	30-Jul-12	51,385			1.00	1.00
2012 HUL Performance Share Scheme	2013	18-Mar-13	3,68,023	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	2,62,155			1.00	1.00
	Interim 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	1,42,038			1.00	1.00
	Interim 2015	27-Jul-15	12,322			1.00	1.00
	2016	11-Feb-16	1,57,193			1.00	1.00
	Interim 2016	25-Jul-16	11,834			1.00	1.00
	2017	13-Feb-17	1,23,887			1.00	1.00
	Interim 2017	21-Jul-17	6,846			1.00	1.00
	2018	16-Feb-18	63,421			1.00	1.00
	Interim 2018	27-Jul-18	4,650			1.00	1.00

Scheme	Scheme Grant Year	Financial Year	Number of Share Options				
			Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
2012 HUL Performance Share Scheme	2018	**2022-23**	-	-	-	-	-
		2021-22	21,019	-	-	21,019	-
	Interim 2018	**2022-23**	-	-	-	-	-
		2021-22	4,030	-	1,606	2,424	-

Weighted average equity share price at the date of exercise of options during the year 2021-22 was ₹2,406.

Weighted average remaining contractual life of options as at 31st March, 2022 was 0 year.

Effect of share based payment transactions on the Standalone Balance Sheet:

	As at 31st March, 2023	As at 31st March, 2022
Other non-current financial liabilities	242	160
Other current financial liabilities	80	64
Total carrying amount of liabilities	**322**	**224**

Effect of share based payment transactions on the Standalone Statement of Profit and Loss:

	As at 31st March, 2023	As at 31st March, 2022
Cash settled share based payments	156	102
Equity settled share based payments	-	(1)
Total expense on share based payments	**156**	**101**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the standalone statement of profit and loss.

Transaction costs are expensed in the standalone statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the standalone statement of profit and loss.

I. Acquisition of VWash Brand

On 25th June, 2020, the Company completed the acquisition of the brand 'VWash' from Glenmark Pharmaceuticals Limited. The deal comprised the acquisition of the brand 'VWash', along with other trademarks, copyrights, know-how and designs associated with the brand ('VWash Business') and certain packing / product moulds for a cash consideration of ₹286 crores including a holdback consideration of ₹10 crores; plus a deferred contingent consideration of 5% of net turnover payable annually for a 3 year period commencing financial year 2021-22.

Deferred contingent consideration

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March, 2022, the fair value of the contingent consideration was ₹10 crores which was classified as other financial liability.

Based on actual performance in financial year 2022-23, contingent consideration paid and current view of future projections for the brand, the Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March, 2023, the fair value of the contingent consideration is ₹4 crores which is classified as other financial liability.

The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

II. Amalgamation of GlaxoSmithKline Consumer Healthcare Limited

On 1st April, 2020, the Company completed the merger of GlaxoSmithKline Consumer Healthcare Limited ['GSKCH'] via an all-equity merger under which 4.39 shares of HUL (the Company) were allotted for every share of GSKCH. With this merger the Company acquired the business of GSKCH including the Right to Use asset of brand Horlicks and Intellectual Property Rights of brands like Boost, Maltova and Viva. The Company also acquired the Horlicks intellectual property rights, being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc.

The scheme of merger ("scheme") submitted by the Company was approved by Hon'ble National Company Law Tribunal by its order dated 24th September, 2019 (Mumbai bench) and 12th March, 2020 (Chandigarh bench). The Board of Directors approved the scheme between the Company and GSKCH, on 1st April, 2020. The scheme was filed with Registrar of Companies on the same date. Accordingly, 1st April, 2020 was considered as the acquisition date, i.e. the date at which control is transferred to the Company.

The merger had been accounted for using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(All amounts in ₹ crores, unless otherwise stated)

(A) Purchase consideration transferred:

The total consideration paid was ₹40,242 crores which comprised of shares of the Company, valued based on the share price of the Company on the completion date. Refer to the details below:

As per the scheme, the Company issued its shares in favour of existing shareholders of GSKCH such that 4.39 of Company's shares were allotted for every share of GSKCH as below.

Total number of GSKCH shares outstanding	4,20,55,538
Total number of company's shares issued to GSKCH shareholders i.e.,4.39 of Company's shares per share of GSKCH	18,46,23,812
Value of the Company share (closing price of the Company share on NSE as on 1st April, 2020)	2,179.65
Total consideration paid to acquire GSKCH (₹ Crores)	**40,242**

(a) Total costs relating to the issuance of shares amounting to ₹44 crores was recognised against equity.

(b) Transaction cost of ₹146 crores that were not directly attributable to the issue of shares was included under exceptional items in the standalone Statement of Profit and Loss.

(B) Assets acquired, and liabilities assumed is as under:

	Amount
Total identifiable assets (A)	31,445
Total identifiable liabilities (B)	8,468
Goodwill (C)	17,265
Total Net Assets [(A) - (B) + (C)]	**40,242**

The main assets acquired were Right to use Horlicks and Boost brand which were valued using the income approach model by estimating future cashflows generated by these assets and discounting them to present value using rates in line with a market participant expectation.

In addition, as applicable, Property plant & equipment have been valued using the market comparison technique and replacement cost method.

(C) Acquisition of Horlicks Brand:

The Company also acquired the Horlicks Intellectual Property Rights (IPR), being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc for a consideration of ₹3,045 crores. The transaction has been accounted as an asset acquisition in line with Ind AS 38 (Intangible asset).

The Company incurred transaction cost of ₹91 crores for the above asset acquisition which was capitalised along with Horlicks IPR. Total value of ₹3,136 crores is recognised under Intangible assets in the standalone financial statements.

NOTE 42 INVESTMENTS DURING THE YEAR

Acquisition of Zywie Ventures Private Limited

On 10th January, 2023, the Company acquired 53.34% stake (51.00% on a fully diluted basis) in Zywie Ventures Private Limited ("ZVPL"), a non-listed company incorporated in India and engaged in the business of health and wellbeing products under the brand name of "OZiva".

As part of the Shareholders Agreement ("SHA"), HUL has acquired substantive rights which gives control over relevant activities of the business and right to variable returns through inter alia composition of Board, decision making rights, management control, and hence ZVPL is treated as a subsidiary.

Investment in Nutritionalab Private Limited

On 4th January, 2023, the Company acquired 21.51% stake (19.8% on a fully diluted basis) in Nutritionalab Private Limited ("NLPL"), a non-listed company incorporated in India and engaged in the business of health and wellbeing products under the brand name of "Wellbeing Nutrition".

As part of the Shareholders Agreement ("SHA"), HUL has acquired substantive rights to jointly decide on relevant activities of the business and hence the arrangement has been treated as a 'Joint Venture'.

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 43 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

		Year ended 31st March, 2023	Year ended 31st March, 2022
(a)	**Loans to Subsidiaries**		
(i)	**Lakme Lever Private Limited**		
	Balance as at the beginning of the year	210	185
	Loans given	0	38
	Loans repaid	38	13
	Balance as at the end of the year	172	210
	Maximum amount outstanding at any time during the year	210	210
	[Lakme Lever Private Limited has utilised the loan for working capital requirements and capital expenditure. It is repayable over a period of 5 years and carries a range rate of interest at 6.42% to 7.50% during the year (2021-22: 5.93% to 5.99%)]		
(ii)	**Unilever India Export Limited**		
	Balance as at the beginning of the year	222	95
	Loans given	349	398
	Loans repaid	571	271
	Balance as at the end of the year	0	222
	Maximum amount outstanding at any time during the year	245	231
	[Unilever India Export Limited has utilised the loan for working capital requirements. It is repayable over a period of 5 years and carries a range rate of interest at 6.42% to 7.50% during the year (2021-22: 5.93% to 5.99%)]		
(iii)	**Unilever India Limited**		
	Balance as at the beginning of the year	-	-
	Loans given	144	-
	Loans repaid	69	-
	Balance as at the end of the year	75	-
	Maximum amount outstanding at any time during the year	100	-
	[Unilever India Limited has utilised the loan for working capital requirements. It is repayable over a period of 5 years and carries a range rate of interest at 6.42% to 7.50% during the year (2021-22: Nil)]		
(b)	**Loans to Others**		
	Balance as at the beginning of the year	4	-
	Loans given	2	4
	Loans repaid	0	-
	Balance as at the end of the year	6	4
	Maximum amount outstanding at any time during the year	6	4
(c)	**Investment by the loanees in the shares of the Company**		
	The loanees have not made any investments in the shares of the Company		

(All amounts in ₹ crores, unless otherwise stated)

(d) Details of Non-current Investments made by the Company

		Year ended 31st March, 2023	Year ended 31st March, 2022
A.	**Equity Instruments**		
a)	**Quoted equity instruments**		
	10,000 equity shares [31st March, 2022: 10,000] of ₹10 each held in Scooters India Limited	0	0
b)	**Unquoted equity instruments**		
	1,00,000 equity shares [31st March, 2022: 100,000] of ₹10 each held in Biotech Consortium India Limited	0	0
	8,284 equity shares [31st March, 2022: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
	200 equity shares [31st March, 2022: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
	1,000 equity shares [31st March, 2022: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
	96,125 equity shares [31st March, 2022: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
	1 equity share [31st March, 2022: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
	50 equity shares [31st March, 2022: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
	1,150 equity shares [31st March, 2022: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
	1,000 equity shares [31st March, 2022: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
	2,40,000 equity shares [31st March, 2022: 2,40,000] of ₹10 each held in Comfund Consulting Limited (formerly known as Comfund Financial Services India Limited) [Net of impairment: ₹0 crore (31st March, 2022: ₹0 crore)]	-	-
	52,000 equity shares [31st March, 2022: 52,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
	Total (A)	**1**	**1**
B.	**Other Instruments**		
a)	**Unquoted investment in debentures and bonds**		
	14 6 1/2% Non-redeemable Registered Debentures [31st March, 2022: 14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
	44 1/2% Debentures [31st March, 2022: 44] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
	1 5% Non-redeemable Registered Debenture stock [31st March, 2022: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
	56 5% Debentures [31st March, 2022: 56] face value of ₹100 each held in Shillong Club Limited	0	0
b)	**Unquoted investment in National Savings Certificates**		
	7 Year National Savings Certificates - II Issue	0	0
c)	**Unquoted investment in preference shares**		
	1,04,000 9% Cumulative Redeemable Preference Shares [31st March, 2022: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
	Total (B)	**1**	**1**
	Total (A + B)	**2**	**2**

(e) Refer note 5 for details of Investments in subsidiaries and joint venture.

(f) The Company has not provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Company.

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 44 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

(i) Holding Company	:	Unilever Plc

B. Enterprises where control exists

(i) Subsidiaries (Extent of holding)	:	Unilever India Exports Limited (100%)
		Lakme Lever Private Limited (100%)
		Unilever India Limited (100%)
		Unilever Nepal Limited (80%)
		Zywie Ventures Private Limited (51%)*
		Pond's Exports Limited (90%)
		Daverashola Estates Private Limited (100%)
		Jamnagar Properties Private Limited (100%)
		Bhavishya Alliance Child Nutrition Initiatives (100%) (Section 8 company)
		Hindustan Unilever Foundation (76%) (Section 8 company)
		Hindlever Trust Limited (100%)
		Levers Associated Trust Limited (100%)
		Levindra Trust Limited (100%)
(ii) Joint Venture (Extent of holding)		Nutritionalab Private Limited (19.8%*- Joint Control)
(iii) Trust (Extent of holding)	:	Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)
(iv) Key Management Personnel		
(a) Executive directors & Sr. Management	:	Sanjiv Mehta
		Ritesh Tiwari (with effect from 1st May, 2021)
		Srinivas Phatak (up to 30th April, 2021)
		Yogesh Mishra (with effect from 1st September, 2022)
		Wilhelmus Uijen (up to 31st August, 2022)
		Dev Bajpai
		Anuradha Razdan
		Madhusudhan Rao (with effect from 1st April, 2022)
		Priya Nair (up to 31st March, 2022)
		Deepak Subramanian (with effect from 1st July, 2022)
		Prabha Narasimhan (up to 30th April, 2022)
		Srinandan Sundaram
		Sudhir Sitapati (up to 30th June, 2021)
		Kedar Lele (with effect from 1st July, 2021)
		Vibhav Sanzgiri
(b) Non-executive directors		Nitin Paranjpe (with effect from 12th November, 2022)
		Kalpana Morparia
		Sanjiv Misra
		O. P. Bhatt
		Leo Puri
		Ashish Gupta
		Ashu Suyash (with effect from 12th November, 2021)
(v) Employees' Benefit Plans where there is significant influence	:	The Union Provident Fund
		Hindustan Lever Gratuity Fund
		The Hindlever Pension Fund
		Hindlever Limited Superannuation Fund
		GlaxoSmithKline Consumer Healthcare Limited Provident Fund (with effect from 1st April, 2020)
		GlaxoSmithKline Consumer Healthcare Limited Indian Sr. Executives Superannuation Sch (with effect from 1st April, 2020)

*On a fully diluted basis

(All amounts in ₹ crores, unless otherwise stated)

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2023

		Year ended 31st March, 2023	Year ended 31st March, 2022
Holding Company :	Dividend paid	4,012	3,566
	Royalty expense	786	817
	Fees for central services	476	497
	Income from services rendered	276	272
	Expenses for services received	422	500
	Reimbursements paid	72	47
	Outstanding as at the year end :		
	- Trade receivables	60	105
	- Trade payables	351	630
Subsidiaries/ Trust :	Sale of finished goods / raw materials etc	566	598
	Investment in subsidiary	-	300
	Processing charges	148	147
	Purchase of Property, Plant & Equipment	0	1
	Purchase of finished goods / raw materials etc	302	1
	Royalty income	19	11
	Rent income	0	1
	Commission paid	1	1
	Expenses shared by subsidiary companies	20	19
	Dividend income	116	130
	Interest income	25	16
	Reimbursement received/ receivable towards pension and medical benefits	52	27
	Purchase of export licences	-	14
	Sale of Property, Plant & Equipment	2	6
	Income from services rendered	1	6
	Management fees paid	10	11
	Rent expense	-	0
	Donation paid	26	22
	Donation returned	-	11
	Reimbursements paid	2	6
	Reimbursements received	29	33
	Inter corporate loans given during the year	493	436
	Inter corporate loans repaid during the year	678	284
	Outstanding as at the year end:		
	- Trade receivables	138	129
	- Trade payables	129	36
	- Loans & advances to subsidiaries	247	432
Fellow Subsidiaries :	Sale of brand rights	-	29
	Rent income	11	7
	Purchase of export licences	-	0
	Sale of Property, Plant & Equipment	-	0
	Income from services rendered	69	10
	Expenses for services received	16	15
	Purchase of finished goods / raw materials etc.	750	758
	Marketing Development Cost	61	-
	Dividend paid	1,224	1,088
	Royalty expense	204	22
	Fees for Central Services	125	-
	Expenses shared by fellow subsidiary companies	4	4
	Gains/ Losses on Commodity Hedge	152	91

Notes
to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
	Maintenance and support costs for licences and software	90	49
	Income from Distribution Services	1	
	Reimbursements paid	71	60
	Reimbursements received	53	92
	Outstanding as at the year end		
	- Trade receivables	91	77
	- Trade payables	526	221

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2023

		Year ended 31st March, 2023	Year ended 31st March, 2022
Key Management Personnel (Executive Directors & Sr. Management)	: Remuneration :		
	– Short-term employee benefits	91	62
	– Post-employment benefits*	1	2
	– Other long-term benefits*	-	-
	– Share-based payments	10	20
	– Dividend paid	0	1
Key Management Personnel (Non-executive Directors)	: Dividend paid	0	0
	Commission paid	1	1
Employees' Benefit Plans where there is significant influence	: Contributions during the year (Employer's contribution only)	158	123
	Outstanding as at the year end :		
	– Advances recoverable in cash or kind or for value to be received	8	9

*Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash. Refer note 43 for terms and conditions of loans given to subsidiaries.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2021-22: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(All amounts in ₹ crores, unless otherwise stated)

Disclosure of transactions between Company and Related Parties during the year which are more than 1% of Revenue

		Year ended 31st March, 2023	Year ended 31st March, 2022
Holding Company	: Royalty expense		
	Unilever Plc.	786	817
	Dividend Paid		
	Unilever Plc.	4,012	3,566
Subsidiaries	: Sale of finished goods / raw materials etc		
	Unilever India Exports Ltd.	559	591
Fellow Subsidiaries	: Purchase of finished goods / raw materials etc		
	PT Unilever Oleochemical Indonesia	696	687

NOTE 45 ACCOUNTING RATIOS

No	Name of the Ratio	Numerator	Denominator	FY 2022-23 (A)	FY 2021-22 (B)	% Variance (A - B)
1	Current Ratio (in times)	Current assets	Current liabilities	1.4	1.3	3.5%
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.0	0.0	3.9%
3	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	21.8	21.4	1.9%
4	Return on equity (in %)	Net profit - preferred dividends	Average shareholder equity	20.1%	18.3%	10.0%
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	14.7	13.8	6.1%
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	24.9	28.1	-11.4%
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	4.7	4.1	13.6%
8	Net capital turnover ratio (in times)	Net sales	Working Capital	13.0	13.6	-4.0%
9	Net profit ratio (in %)	Net profit	Net sales	17.1%	17.5%	-2.2%
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	101.9%	107.8%	-5.4%
11	Return on investment (in %)	refer (k) below		5.5%	3.5%	58.2%

* The Company does not have any borrowings. Debt Service coverage ratio has been computed basis lease liabilities repayment schedule as per Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

There is a significant change in return on investment ratio due to increase in market rates and dynamic portfolio allocation.

Notes

to the standalone financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

(b) Debt service = Interest & Lease Payments + Principal Repayments

(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2

(d) Net credit sales = Net credit sales consist of gross credit sales minus sales return

(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return

(g) Average trade payables = (Opening trade payables balance + Closing trade payables balance) / 2

(h) Working capital = Current assets - Current liabilities.

(i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs - Other Income

(j) Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(k) Return on Investment

{MV(T1) – MV(T0) – Sum [C(t)]}

{MV(T0) + Sum [W(t) * C(t)]}

where,

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day ‘t’, calculated as [T1 – t] / T1

NOTE 46

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and there are no long-term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

NOTE 47

The Company has presented segment information in the consolidated financial statements which are presented in the same annual report. Accordingly, in terms of Paragraph 4 of Ind AS 108 ‘Operating Segments’, no disclosures related to segments are presented in these standalone financial statements.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 48 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During FY 2020-21, the Company completed the merger of GSK CH via an all equity merger. The merger was accounted for in accordance with the scheme using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired and liabilities assumed on the date of merger were recorded at their fair value.

NOTE 49 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

NOTE 50

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

- i. Wilful defaulter
- ii. Utilisation of borrowed funds & share premium
- iii. Borrowings obtained on the basis of security of current assets
- iv. Discrepancy in utilisation of borrowings
- v. Current maturity of long-term borrowings

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Independent Auditor's Report

To the Members of Hindustan Unilever Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Hindustan Unilever Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of a subsidiary as was audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – Discounts and rebates

See Note 27 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 27 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers ("discounts and rebates"). Certain discounts and rebates for goods sold during the year are only finalised when the precise amounts are known, and revenue therefore includes an estimate of variable consideration. The variable consideration represents the portion of discounts and rebates that are not directly deducted on the invoice and involves estimation by the Group in recognition and measurement of such discounts and rebates. This includes establishing an accrual at year end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration results in discounts and rebates due to customers as at year end. Therefore, there is a risk of revenue being overstated due to fraud through manipulation of discounts and rebates accruals recognised, resulting from pressure the Group may feel to achieve performance targets at the year end. We identified the evaluation of accrual for discounts and rebates as a key audit matter.	**Our audit procedures included:** • Understanding the process followed by the Group to determine the amount of accrual for discounts and rebates. • Evaluating the design and implementation and testing operating effectiveness of Group's general IT controls, key manual and application controls over the Group's IT systems including controls over rebates agreements/arrangements, rebate payments/settlements and Group's review over the rebate accruals. • Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to discounts and rebates, assessing the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards. • Performing substantive testing by selecting samples of discounts and rebates transactions recorded during the year as well as period end discounts and rebates accruals and matching the parameters used in the computation with the relevant source documents. • Examining historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and comparing this expectation against the actual rebate accrual, completing further inquiries and obtaining underlying documentation, on a sample basis, as appropriate. Further, we also performed retrospective review to evaluate the precision with which management makes estimates.

The key audit matter	How the matter was addressed in our audit
	• Checking completeness and accuracy of the data used by the Group for accrual of discounts and rebates. • Testing actualisation of estimated accruals on a sample basis. • Testing a selection of rebate accruals recorded after 31 March 2023 and assessing whether the accrual is recorded in the correct period. • Testing a selection of payments made after 31 March 2023 and where relevant, comparing the payment to the related rebate accrual. • Critically assessing manual journal entries posted to revenue, on a sample basis, to identify unusual items and examining the underlying documentation.

Impairment assessment of Food & Refreshment Cash Generating Unit (F&R CGU)

See Note 4 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
As disclosed in note 4 to the consolidated financial statements, the F&R CGU includes Rs 17,301 crores of goodwill and Rs 27,210 crores of indefinite life intangible assets which together represents 61% of total assets of the Group and its joint venture as at 31 March 2023. The recoverable value of the F&R CGU which is based on the value in use model, has been derived from discounted forecast cash flow model. This model requires the Group to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Due to the materiality of above assets in context of the consolidated financial statements and sensitivity of discount rate and near and long-term revenue growth rate assumptions where a minor change could have a significant impact on the recoverable value, we have considered the impairment assessment of F&R CGU to be a key audit matter.	**Our audit procedures included:** • Understanding the process followed by the Group in respect of the annual impairment analysis for F&R CGU. • Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Group's process relating to review of the annual impairment analysis, including controls over determination of discount rate, near and long-term revenue growth rate and projected margins. • Challenging the reasonableness of the assumptions, particularly forecasted revenue growth rate and margins based on our knowledge of the Group and market. Assessing historical accuracy by comparing past forecasts to actual results achieved. • Involving the valuation professionals with specialised skills and knowledge to assist in evaluating the impairment model used and assumptions (including discount rate and long term sales growth rate applied by the Group by comparing it to a range of rates that were independently developed using publicly available market indices and market data for comparable entities). Applying additional sensitivities to assess the reasonableness of the above key assumptions. • Testing data used to develop the estimate for completeness and accuracy. • Performing a sensitivity analysis to evaluate the impact of change in key assumption individually or collectively to the recoverable value. • Evaluating the adequacy of the Group's disclosures in respect of its impairment testing.

Provisions and contingent liabilities relating to taxation, litigations and claims

See Note 22 and 26 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The provisions and contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business. As at 31 March 2023, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgement by the Group because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Group. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	**Our audit procedures included:** • Understanding the process followed by the Group for assessment and determination of the amount of provisions and contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities. • Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant provisions and contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant provisions and contingent liabilities with the Group's internal tax and legal team, including challenging the assumptions and critical judgements made by the Group which impacted the computation of the provisions and inspecting the computation. • Assessing the assumptions used and estimates of outcome and financial effect, including considering judgement of the Group, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Group's advisors. • Testing data used to develop the estimate for completeness and accuracy. • Evaluating judgements made by the Group by comparing the estimates of prior year to the actual outcome. • Evaluating the Group's disclosures in the consolidated financial statements in respect of provisions and contingent liabilities.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of

Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the Board of Directors of its joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹380 crores as at 31 March 2023, total revenues (before consolidation adjustments) of ₹543 crores and net cash outflows (before consolidation adjustments) amounting to ₹20 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditors.

b. The financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹138 crores as at 31 March 2023, total revenues (before consolidation adjustments) of ₹22 crores and net cash outflows (before consolidation adjustments) amounting to ₹102 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹1 crore for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and a joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary, as was audited by other auditors, as noted in paragraph (a) of the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the paragraph (a) of the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 22 to 26 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts during the year ended 31 March 2023. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on derivative contracts - Refer Note 47 to the consolidated financial statements.

c. There is an instance of delay of 15 days in transferring an amount of Rs 1 crore pertaining to Unpaid dividend required to be transferred during the year, to the Investor Education and Protection Fund by the Holding Company. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of it's knowledge and belief, as disclosed in the Note 7(3) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of the subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of the subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of it's knowledge and belief, as disclosed in the Note 7(3) to the consolidated financial statements, no funds have been received by the Holding Company or any of the subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of the subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in Note 39 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of the subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies incorporated in India is not in excess of the limit laid down under Section 197 of the Act, except in case of a subsidiary where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRC4973

Place: Mumbai
Date: 27 April 2023

Annexure - A

to the Independent Auditor's Report on the Consolidated Financial Statements of Hindustan Unilever Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1 .	Hindustan Unilever Limited	L15140MH1933PLC002030	Holding Company	Clause (i)(c)*
2.	Unilever India Exports Limited	U51900MH1963PLC012667	Subsidiary	Clause (i)(c)*
3.	Daverashola Estates Private Limited	U15200MH2004PTC149035	Subsidiary	Clause (i)(c)*

*This clause pertains to title deeds of certain immovable properties not held in the name of the respective companies.

The above does not include comments, if any, in respect of the following entities as the report under Section 143(11) of the Act is not available:

Name of the entities	CIN	Subsidiary/Joint Venture
Zywie Ventures Private Limited	U74900CH2013PTC034657	Subsidiary
Nutritionalab Private Limited	U15100MH2016PTC285610	Joint Venture

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRC4973

Place: Mumbai
Date: 27 April 2023

Annexure - B

to the Independent Auditor's Report on the consolidated financial statements of Hindustan Unilever Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Hindustan Unilever Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

The internal financial controls with reference to financial statements insofar as it relates to one subsidiary company and one joint venture, which is a company incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary company and joint venture are not material to the Holding Company.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 23105149BGYFRC4973

Place: Mumbai
Date: 27 April 2023

Consolidated Balance Sheet
as at 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,949	6,169
Capital work-in-progress	3	1,132	1,313
Goodwill	4A	17,316	17,316
Goodwill on consolidation	4B	150	81
Other intangible assets	4A	28,263	27,907
Investments accounted for using the equity method	5	69	-
Financial assets			
Investments	6	2	2
Loans	7	98	115
Other financial assets	8	725	729
Deferred tax assets	9C	10	11
Non-current tax assets (net)	9E	1,164	1,158
Other non-current assets	10	211	194
Total – Non-current assets (A)		**56,089**	**54,995**
Current assets			
Inventories	11	4,251	4,096
Financial assets			
Investments	6	2,811	3,519
Trade receivables	12	3,079	2,236
Cash and cash equivalents	13	714	1,147
Bank balances other than cash and cash equivalents mentioned above	14	3,964	2,699
Loans	7	36	35
Other financial assets	8	1,386	1,089
Other current assets	15	745	688
Assets held for sale	16	12	13
Total – Current assets (B)		**16,998**	**15,522**
TOTAL ASSETS (A+B)		**73,087**	**70,517**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2023	As at 31st March, 2022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	235	235
Other equity	18A	50,069	48,826
Non-controlling interests	19	218	26
Total – Equity (A)		**50,522**	**49,087**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	20	807	741
Other financial liabilities	21	860	357
Provisions	22	1,363	1,580
Deferred tax liabilities	9C	6,421	6,141
Non-current tax liabilities (net)	9E	1,086	1,331
Total – Non-current liabilities (B)		**10,537**	**10,150**
Current liabilities			
Financial liabilities			
Borrowings	23	98	-
Lease Liabilities	20	314	302
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	24	100	60
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	9,474	9,008
Other financial liabilities	21	889	899
Other current liabilities	25	764	665
Provisions	22	389	346
Total – Current liabilities (C)		**12,028**	**11,280**
TOTAL EQUITY AND LIABILITIES (A+B+C)		**73,087**	**70,517**
Basis of preparation, measurement and significant accounting policies	2		
Contingent liabilities and commitments	26		

The accompanying notes 1 to 51 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Consolidated Statement of Profit and Loss
for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
INCOME			
Revenue from operations	27	60,580	52,446
Other income	28	512	258
TOTAL INCOME		**61,092**	**52,704**
EXPENSES			
Cost of materials consumed	29	20,212	16,446
Purchases of stock-in-trade	30	11,579	9,311
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	31	(75)	(22)
Employee benefits expense	32	2,854	2,545
Finance costs	33	114	106
Depreciation and amortisation expense	34	1,137	1,091
Other expenses	35	11,861	11,309
TOTAL EXPENSES		**47,682**	**40,786**
Profit before Exceptional Items and tax and before share of equity accounted investee		**13,410**	**11,918**
Share of loss of equity accounted investee net of tax	5	(1)	-
Profit before exceptional items and tax		**13,409**	**11,918**
Exceptional items (net)	36	(64)	(44)
Profit before tax from Continuing Operations		**13,345**	**11,874**
Tax expenses			
Current tax	9A	(3,001)	(2,840)
Deferred tax charge	9A	(200)	(147)
Profit after tax from Continuing Operations (A)		**10,144**	**8,887**
Profit/(Loss) from discontinued operations before tax	37A	(1)	3
Tax adjustment of discontinued operations	37A	-	2
Profit/(Loss) from discontinued operations after tax (B)		**(1)**	**5**
PROFIT FOR THE YEAR (A+B)		**10,143**	**8,892**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	42C	(17)	41
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	4	(10)
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	(1)	(1)
Fair value of cash flow hedges through other comprehensive income	18C	(21)	85
Income tax relating to items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	9A	0	0
Fair value of cash flow hedges through other comprehensive income	9A	9	(0)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (C)		**(26)**	**115**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B+C)		**10,117**	**9,007**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit attributable to:			
Owners of the Company		10,120	8,879
Non-controlling interests	19	23	13
Other Comprehensive income attributable to:			
Owners of the company		(26)	115
Non-controlling interests	19	0	0
Total Comprehensive income attributable to:			
Owners of the company		10,094	8,994
Non-controlling interests	19	23	13
Earnings per equity share from Continuing Operations			
Basic (Face value of ₹1 each)	38A	₹43.07	₹37.77
Diluted (Face value of ₹1 each)	38A	₹43.07	₹37.77
Earnings per equity share from Discontinued Operations			
Basic (Face value of ₹1 each)	38B	(₹0.00)	₹0.02
Diluted (Face value of ₹1 each)	38B	(₹0.00)	₹0.02
Earnings per equity share from continuing and discontinued operations			
Basic (Face value of ₹1 each)		₹43.07	₹37.79
Diluted (Face value of ₹1 each)		₹43.07	₹37.79
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes 1 to 51 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

A. EQUITY SHARE CAPITAL

	Note	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	17	235	235
Changes in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the year		**235**	**235**
Changes in equity share capital during the year	17	-	0
Balance at the end of the year	17	**235**	**235**

B. OTHER EQUITY

	Reserves and Surplus										Items of Other Comprehensive Income		Grand Total		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Other Reserves	Employees' Housing Reserve	Retirement Benefit Scheme Reserve	Export profit Reserves	Debt instruments through Other Comprehensive Income	Cash flow Hedges though OCI	Total Attributable to owners of the company	Attributable to Non-controlling Interest	Total
As at 31st March, 2021	**4**	**6**	**40,350**	**5**	**114**	**6,880**	**9**	**50**	**-**	**0**	**1**	**20**	**47,439**	**20**	**47,459**
As at 1st April, 2021 *	4	6	40,350	5	114	6,880	9	50	-	0	1	20	47,439	20	47,459
Profit for the year	-	-	-	-	-	8,879	-	-	-	-	-	-	8,879	13	8,892
Other comprehensive income for the year	-	-	-	-	-	31	-	-	-	-	(1)	85	115	-	115
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**8,910**	**-**	**-**	**-**	**-**	**(1)**	**85**	**8,994**	**13**	**9,007**
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	-	-	-	-	(85)	(85)	-	(85)
Dividend on equity shares for the year (Refer note 39)	-	-	-	-	-	(7,519)	-	-	-	-	-	-	(7,519)	(7)	(7,526)
Transferred to Retirement Benefit Scheme Reserve	-	-	-	-	-	-	-	(50)	50	-	-	-	(0)	-	(0)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Issue of equity shares on exercise of employee stock options	-	-	4	(4)	-	-	-	-	-	-	-	-	-	-	-
Equity settled share based payment credit	-	-	-	(1)	-	-	-	-	-	-	-	-	(1)	-	(1)
As at 31st March, 2022	**4**	**6**	**40,352**	**-**	**114**	**8,271**	**9**	**-**	**50**	**0**	**(0)**	**20**	**48,826**	**26**	**48,852**

	Reserves and Surplus										Items of Other Comprehensive Income		Grand Total		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Other Reserves	Employees' Housing Reserve	Retirement Benefit Scheme Reserve	Export profit Reserves	Debt instruments through Other Comprehensive Income	Cash flow Hedges though OCI	Total Attributable to owners of the company	Attributable to Non-controlling Interest	Total
As at 1st April, 2022 *	**4**	**6**	**40,352**	**-**	**114**	**8,271**	**9**	**-**	**50**	**0**	**(0)**	**20**	**48,826**	**26**	**48,852**
Profit for the year	-	-	-	-	-	10,120	-	-	-	-	-	-	10,120	23	10,143
Other comprehensive income for the year	-	-	-	-	-	(13)	-	-	-	-	(1)	(12)	(26)	-	(26)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10,107**	**-**	**-**	**-**	**-**	**(1)**	**(12)**	**10,094**	**23**	**10,117**
Additions through business combination (Refer note 44)	-	-	-	-	-	(375)	-	-	-	-	-	-	(375)	185	(190)
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	-	-	-	-	(14)	(14)	-	(14)
Dividend on equity shares for the year (Refer note 39)	-	-	-	-	-	(8,459)	-	-	-	-	-	-	(8,459)	(14)	(8,473)
Payment to NCI (ESOP Cancelled) (Refer note 39)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Payment from Retirement Benefit Scheme Reserve	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	-	-	-	-	(2)	-	(2)
As at 31st March, 2023	**4**	**6**	**40,350**	**-**	**114**	**9,544**	**9**	**-**	**49**	**0**	**(1)**	**(6)**	**50,069**	**218**	**50,287**

* There are no changes in other equity due to prior period errors
Refer note 18B for nature and purpose of reserves.

The accompanying notes 1 to 51 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and
Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Consolidated Statement of Cash Flows
for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax from continuing operations and before share of equity accounted investee	13,346	11,874
	Adjustments for:		
	Depreciation and amortisation expenses	1,152	1,106
	(Profit)/loss on sale of property, plant and equipment	(100)	(97)
	Contingent consideration true up for business combination	(2)	(9)
	Finance Income	(411)	(198)
	Dividend income	(2)	(1)
	Other non operating income – Fair value gain on investments	(99)	(59)
	Interest expense	114	106
	Provision for expenses on employee stock options	1	(1)
	Profit on sale of brand rights	(60)	(29)
	Payment from Retirement Benefit Scheme Reserve	(1)	-
	Transaction cost from acquisition	2	-
	Inventory written off net of Provision/(write back) for Inventory	184	156
	Bad debts/assets written off net of Provision/(write back)	(27)	(15)
	Mark-to-market (gain)/ loss on derivative financial instruments	(8)	(4)
	Cash Generated from operations before working capital changes	**14,089**	**12,829**
	Adjustments for:		
	(Increase)/decrease in Non-Current Assets	(14)	3
	(Increase)/decrease in Current Assets	(1,111)	(480)
	(Increase)/decrease in Inventories	(339)	(758)
	Increase/(decrease) in Non-Current Liabilities	(116)	86
	Increase/(decrease) in Current Liabilities	622	149
	Cash flows generated from operations	**13,131**	**11,829**
	Taxes paid (net of refunds)	(3,138)	(2,784)
	Profit/(Loss) from Joint venture	(1)	-
	Profit/(Loss) from discontinued operations	(1)	3
	Net cash flows generated from operating activities - [A]	**9,991**	**9,048**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(1,174)	(1,225)
	Sale proceeds of property, plant and equipment	121	146
	Purchase of intangible assets	(18)	(3)
	Sale proceeds of intangible assets (brand rights)	60	29
	Investment in subsidiary	(264)	-
	Transaction cost on acquisition	(2)	-
	Investment in joint venture	(70)	-
	Contingent consideration paid on business combination	(40)	(41)
	Purchase of current investments	(22,649)	(48,522)
	Sale proceeds of current investments	23,462	47,786
	Loans given to others	(1)	(4)
	Investment in term deposits (having original maturity of more than 3 months)	(3,668)	(3,711)
	Redemption/maturity of term deposits (having original maturity of more than 3 months)	2,488	3,656
	Investment in non-current deposits with banks	-	(1)
	Interest received	259	161
	Dividend received from others	2	1
	Net cash flows used in investing activities - [B]	**(1,494)**	**(1,728)**

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2023	Year ended 31st March, 2022
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Dividends paid	(8,474)	(7,526)
	Amount taken for short term purpose	286	55
	Repayment of amount taken for short term purpose	(201)	(55)
	Borrowings repaid	(7)	-
	Principal payment of lease liabilities	(467)	(407)
	Interest paid on lease liabilities	(84)	(80)
	Interest paid other than on lease liabilities	(4)	(2)
	Employee stock options paid	(2)	-
	Proceeds from share allotment under employee stock options/ performance share schemes	-	0
	Net cash flows used in financing activities - [C]	**(8,953)**	**(8,015)**
	Net decrease in cash and cash equivalents - [A+B+C]	**(456)**	**(695)**
	Add: Cash and cash equivalents at the beginning of the year	1,147	1,842
	Add: Cash acquired under Business Combination (refer note 44)	10	-
	Cash and cash equivalents at the end of the year	**701**	**1,147**
	Components of cash and cash equivalents:		
	Cash and cash equivalents as per Consolidated Balance Sheet (refer note 12)	714	1,147
	Less: Bank overdraft (refer note 23)	(13)	-
	Cash and cash equivalents for Consolidated Statement of Cash Flows	**701**	**1,147**

Reconciliation between opening and closing balance sheet for short term borrowings:	**Opening balance 1st April, 2022**	**Cash flows**	**Non-cash movement**	**Closing balance 31st March, 2023**
Short term borrowings	-	85	(0)	85

Note: The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Consolidated Statement of Cash Flows'.

The accompanying notes 1 to 51 are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

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Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 1 GROUP INFORMATION

Hindustan Unilever Limited (the 'Holding Company') is a public limited company domiciled in India with its registered office located at Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai 400 099. The Holding Company is listed on the BSE Limited and the National Stock Exchange of India Limited (NSE). The Holding Company is in the Fast moving consumer goods (FMCG) business comprising primarily of Home Care, Beauty & Personal Care and Foods and Refreshment segments. The Holding Company has manufacturing facilities across the country and sells primarily in India.

The Holding Company, its subsidiaries (jointly referred to as the 'Group' hereinafter) and a joint venture considered in these consolidated financial statements are:

(a) Subsidiaries

			Proportion (%) of equity interest	
Name of the company	**Country of incorporation**	**Principal activities**	**As at 31st March, 2023**	**As at 31st March, 2022**
Unilever India Exports Limited	India	FMCG export business	100	100
Lakme Lever Private Limited	India	(i) Beauty salons (ii) Job work business	100	100
Unilever India Limited	India	FMCG business	100	100
Zywie Ventures Private Limited	India	FMCG business	53.34#	-
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Exports Limited	India	Leather products business (discontinued operations)	100	100
Jamnagar Properties Private Limited	India	Real estate company	100	100
Daverashola Estates Private Limited	India	Real estate company	100	100
Levindra Trust Limited	India	Discharge trust business as a trustee	100	100
Hindlever Trust Limited	India	Discharge trust business as a trustee	100	100
Levers Associated Trust Limited	India	Discharge trust business as a trustee	100	100
Hindustan Unilever Foundation*	India	Not-for-profit company in the field of community development initiatives.	100	100
Bhavishya Alliance Child Nutrition Initiatives*	India	Not-for-profit company in the area of social development issues	100	100

* These companies are private companies limited by shares formed under Section 25 of the Companies Act, 1956, now section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by these companies. In the event of winding up or dissolution of these companies, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of these companies, to be determined by the members of the these companies at or before the time of dissolution or in default thereof by the National Company Law Tribunal. The carrying amount of the assets and liabilities included within the consolidated financial statements to which these restrictions apply is ₹1 Crore (31st March, 2022: ₹2 Crores) and ₹0 Crore (31st March, 2022: ₹0 Crore) respectively.

The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

on a fully diluted basis 51%.

(b) Joint ventures

			Proportion (%) of equity interest	
Name of the company	**Country of incorporation**	**Principal activities**	**As at 31st March, 2023**	**As at 31st March, 2022**
Nutritionalab Private Limited	India	FMCG business	21.51#	-

The Group has acquired substantive rights to jointly decide on relevant activities of the business and hence the arrangement has been treated as a 'Joint Venture'.

on a fully diluted basis 19.8%.

(c) Associates

Section 129(3) of the Companies Act, 2013, requires preparation of consolidated financial statement of the Holding Company and of all the subsidiaries including associate company and joint venture businesses in the same form and manner as that of its own. Indian Accounting Standard (Ind AS) 28 on Investments in Associates and Joint Ventures defines Associate as an entity over which the investor has significant influence. It mentions that if an entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

(All amounts in ₹ crores, unless otherwise stated)

The Group holds investments in the below entities which by share ownership are deemed to be an associate company:

(i) Comfund Consulting Limited where the Group has 24% equity holding. This company is currently dormant.

(ii) Aquagel Chemicals (Bhavnagar) Private Limited where the Group has 26% in equity and preference capital holding. This is a company engaged in Silica business.

However, the Group does not exercise significant influence in any of the above entities, as demonstrated below :

(i) The Group does not have any representation on the board of directors or corresponding governing body of the investee.

(ii) The Group does not participate in policy making process.

(iii) The Group does not have any material transactions with the investee.

(iv) The Group does not interchange any managerial personnel.

(v) The Group does not provide any essential technical information to the investee.

(vi) As these are not investments strategic to the core business of the Holding Company, these are intended to be divested/liquidated in the near future.

Since the Group does not exercise significant influence or control on decisions of the investees, these are not being construed as associate companies and therefore these have not been consolidated in the financial statements of the Group and its joint venture.

(d) Share of Entities in Group

	As at 31st March, 2023		For the year ended 31st March, 2023							
	Net Assets (Total Assets - Total Liabilities)		Share in Sales of Products and Services		Share in Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
Name of the Entity	As % of consolidated net assets	Amount	As % of consolidated sale of products and services	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent										
Hindustan Unilever Limited	99.4%	50,221	97.7%	58,154	98.2%	9,962	100.1%	(26)	98.2%	9,936
Subsidiaries										
Indian Subsidiaries										
Unilever India Exports Limited	0.6%	321	2.1%	1,268	1.2%	119	-	-	1.2%	119
Lakme Lever Private Limited	0.5%	236	0.6%	328	0.3%	27	-	-	0.3%	27
Unilever India Limited	0.8%	381	0.8%	449	0.2%	24	-	-	0.2%	24
Zywie Ventures Private Limited*	0.4%	190	0.0%	21	0.0%	(4)	0.0%	0	0.0%	(4)
Pond's Exports Limited	0.0%	(7)	0.0%	-	0.0%	(1)	-	-	0.0%	(1)
Daverashola Estates Private Limited	0.0%	(0)	0.0%	-	0.0%	-	-	-	-	-
Levers Associated Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	-	-	0.0%	(0)
Levindra Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	-	-	0.0%	(0)
Hindlever Trust Limited	0.0%	0	0.0%	-	0.0%	(0)	-	-	0.0%	(0)
Jamnagar Properties Private Limited	-	-	0.0%	-	0.0%	-	-	-	-	-
Hindustan Unilever Foundation	0.0%	1	0.0%	-	0.0%	(0)	-	-	0.0%	(0)
Bhavishya Alliance Child Nutrition Initiatives	-	-	0.0%	-	0.0%	-	-	-	-	-
Foreign subsidiary										
Unilever Nepal Limited	0.4%	199	0.9%	531	1.0%	105	-0.1%	0	1.0%	105
Non-controlling interests	0.4%	218	0.0%	-	0.2%	23	0.0%	0	0.3%	23
Joint venture										
Nutritionalab Private Limited#	-	-	-	-	0.0%	(1)	-	-	0.0%	(1)
Inter-company eliminations	-2.5%	(1,238)	-2.1%	(1,202)	-1.1%	(111)	-	-	-1.2%	(111)
TOTAL	**100%**	**50,522**	**100%**	**59,549**	**100%**	**10,143**	**100%**	**(26)**	**100%**	**10,117**

* New subsidiary w.e.f 10th January, 2023. The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2023.

New joint venture w.e.f 4th January, 2023. The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2023.

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

(d) Share of Entities in Group

Name of the Entity	As at 31st March, 2022 Net Assets (Total Assets - Total Liabilities) As % of consolidated net assets	Amount	For the year ended 31st March, 2022 Share in Sales of Products and Services As % of consolidated sale of products and services	Amount	Share in Profit and Loss As % of consolidated profit and loss	Amount	Share in Other Comprehensive Income As % of consolidated other comprehensive income	Amount	Share in Total Comprehensive Income As % of consolidated total comprehensive income	Amount
Parent										
Hindustan Unilever Limited	99.3%	48,760	97.6%	50,336	99.1%	8,818	100.0%	115	99.2%	8,933
Subsidiaries										
Indian Subsidiaries										
Unilever India Exports Limited	0.5%	262	2.4%	1,255	1.4%	128	-	-	1.4%	128
Unilever India Limited	0.7%	357	-	-	0.0%	1	-	-	0.0%	1
Lakme Lever Private Limited	0.4%	208	0.5%	275	0.2%	15	-	-	0.2%	15
Pond's Exports Limited	0.0%	(6)	-	-	0.1%	5	-	-	0.1%	5
Daverashola Estates Private Limited	-	-	-	-	-	-	-	-	-	-
Jamnagar Properties Private Limited	0.0%	0	-	-	0.0%	(0)	-	-	0.0%	(0)
Levers Associated Trust Limited	0.0%	0	-	-	0.0%	(0)	-	-	0.0%	(0)
Levindra Trust Limited	0.0%	0	-	-	0.0%	(0)	-	-	0.0%	(0)
Hindlever Trust Limited	-	-	-	-	-	-	-	-	0.0%	-
Hindustan Unilever Foundation	0.0%	2	-	-	0.0%	(3)	-	-	0.0%	(3)
Bhavishya Alliance Child Nutrition Initiatives	-	-	-	-	-	-	-	-	0.0%	-
Foreign subsidiary										
Unilever Nepal Limited	0.3%	151	0.9%	439	0.6%	54	0.0%	0	0.6%	54
Non-controlling interests	0.1%	26	-	-	0.1%	13	0.0%	0	0.1%	13
Inter-company eliminations	-1.3%	(673)	-1.4%	(757)	-1.5%	(139)	-	-	-1.6%	(139)
TOTAL	**100%**	**49,087**	**100%**	**51,548**	**100%**	**8,892**	**100%**	**115**	**100%**	**9,007**

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

(a) Basis of preparation and consolidation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

a. Expected to be realised or intended to be sold or consumed in normal operating cycle:

b. Held primarily for the purpose of trading;

c. Expected to be realised within twelve months after the reporting period; or

d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

a. It is expected to be settled in normal operating cycle;

b. It is held primarily for the purpose of trading;

c. It is due to be settled within twelve months after the reporting period; or

d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(All amounts in ₹ crores, unless otherwise stated)

The consolidated financial statements are presented in Indian Rupee (INR), the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency'). Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the consolidated statement of profit and loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the consolidated statement of profit and loss.

The expenses in consolidated statement of profit and loss are net of reimbursements (individually not material) received from Group Companies.

The Group has decided to round off the figures to the nearest crores. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

The consolidated financial statements of the Group for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 27th April, 2023.

Investment in subsidaries:

Subsidiaries are entities where the group exercises control or hold more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit/loss and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated statement of changes in equity.

When the Group writes a put or enters into a forward purchase agreement with the non-controlling interests or their equity interest in that subsidiary and provides for settlement in cash or in another financial asset, then the Group recognises a liability for the present value of amount payable on exercise of option or execution of agreement with a corresponding impact to 'Retained Earnings within Other equity'. Subsequent to initial recognition of the financial liability, the changes in the carrying amount of the financial liability are recognised in the profit or loss attributable to Group. There is no impact on non-controlling interest's share of profit or loss of the subsidiary due to the same. If the forward agreement for non controlling interest is exercised, the Group accounts for an increase in its ownership interest as an equity transaction. If the forward agreement expires unexercised, then the financial liability is derecognised, and non-controlling interests are recognised and treated consistently with a decrease in ownership interests in a subsidiary while retaining control. Consequently, the financial liability, as remeasured immediately before the transaction, is extinguished by payment of the exercise price and the Non-controlling interests purchased is derecognised against equity attributable to owners of the group. In such a case, the financial liability is reclassified to the same component of equity that was previously reduced (on initial recognition).

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Investment in joint venture:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint venture are accounted for using the Equity Method. Under the Equity Method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture from the acquisition date. Goodwill relating to joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment net of proceeds from disposal is recognised in profit or loss.

(b) Basis of measurement

These consolidated financial statements are prepared under the historical cost convention except for certain class of financial assets/liabilities, share based payments and net liability for defined benefit plans that are measured at fair value.

The accounting policies adopted are the same as those which were applied for the previous financial year.

2.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

(a) Measurement of defined benefit obligations – Note 42

(b) Measurement and likelihood of occurrence of provisions and contingencies – Note 22 and 26

(c) Recognition of deferred tax assets – Note 9

(d) Key assumptions used in discounted cash flow projections – Note 44

(e) Impairment of Goodwill and other intangible assets – Note 4

(f) Indefinite useful life of certain intangible assets – Note 4

(g) Measurement of Right of Use Assets and Lease liabilities – Note 3 and 20

(h) Measurement of non-current financial liability on acquisition – Note 21

(i) Fair valuation of assets acquired and liabilities assumed as part of business combination – Note 44

2.3 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs (MCA), vide notification dated 31 March 2023, has made the following amendments to Ind AS which are effective 1st April 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its consolidated financial statements.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparation of the consolidated financial statements have been included in the relevant notes to the consolidated financial statements.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 3 PROPERTY, PLANT & EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Property, plant and equipment	As at 31st March, 2023	As at 31st March, 2022
Owned Assets	5,767	5,101
Leased Assets	1,182	1,068
Total Property, plant and equipment	**6,949**	**6,169**
Total Capital work-in-progress	**1,132**	**1,313**

A. Owned Assets

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Consolidated Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation is provided on a pro-rata basis on the straight-line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Freehold land is not depreciated. The useful life of major components of Property, Plant and Equipment is as follows:

Asset	Useful life*
Factory Buildings	60 Years
Plant and equipment	3-21 Years
General Furniture and fixtures	10 Years
Office equipment (including Computers)	3-5 Years

* In case of certain class of assets, the Group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets. The exception are as under:

(a) Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.

(b) Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

(c) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets.

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block						
Opening balance as at 1st April, 2021	**477**	**2,048**	**5,040**	**156**	**175**	**7,896**
Additions	-	83	633	6	12	734
Disposals/Adjustments	(0)	(12)	(200)	(10)	(6)	(228)
Opening balance as at 1st April, 2022	**477**	**2,119**	**5,473**	**152**	**181**	**8,402**
Additions through business combination (Refer note 44)	-	-	0	1	1	2
Additions	-	378	970	15	13	1,376
Disposals/Adjustments	(1)	(17)	(82)	(7)	(10)	(117)
Balance as at 31st March, 2023	**476**	**2,480**	**6,361**	**161**	**185**	**9,663**
Accumulated Depreciation						
Opening balance as at 1st April, 2021	**-**	**374**	**2,247**	**92**	**116**	**2,829**
Additions *	-	86	528	11	27	652
Disposals/Reclassifications	-	(6)	(159)	(9)	(6)	(180)
Opening balance as at 1st April, 2022	**-**	**454**	**2,616**	**94**	**137**	**3,301**
Additions *	-	95	567	10	20	692
Disposals/Reclassifications	(0)	(17)	(64)	(7)	(9)	(97)
Balance as at 31st March, 2023	**(0)**	**532**	**3,119**	**97**	**148**	**3,896**
Net Block						
Balance as at 31st March, 2022	**477**	**1,665**	**2,857**	**58**	**44**	**5,101**
Balance as at 31st March, 2023	**476**	**1,948**	**3,242**	**64**	**37**	**5,767**

* Includes ₹15 crores (31st March, 2022: ₹15 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project.

NOTES:

(a) Buildings include ₹0 crores (31st March, 2022: ₹0 crores) being the value of shares in co-operative housing societies.

(b) The Property, Plant and Equipment in 3A includes assets given on lease as follows:

	Building	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block as at 31st March, 2022	0	110	0	0	110
Accumulated Depreciation as at 31st March, 2022	(0)	(64)	(0)	(0)	(64)
Net Block as at 31st March, 2022	**0**	**46**	**0**	**0**	**46**
Gross Block as at 31st March, 2023	2	175	0	0	177
Accumulated Depreciation as at 31st March, 2023	(0)	(84)	(0)	(0)	(84)
Net Block as at 31st March, 2023	**2**	**91**	**0**	**0**	**93**

The lease payments received under operating leases amounting to ₹20 crores (FY 2021-22: ₹15 crores) are recognised as other income in the consolidated statement of profit and loss.

(c) The Group has not revalued any of its property, plant and equipment.

B. Leased Assets

The Group's lease asset classes primarily consist of leases for Land & Buildings, Plant & Equipment, Furniture & Fixtures and Office equipment. The Group assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

(All amounts in ₹ crores, unless otherwise stated)

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Group recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease Liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

	Land & Building	Plant, equipment and others*	Total
Gross Block			
Opening balance as at 1st April, 2021	**554**	**1,057**	**1,611**
Additions #	308	170	478
Deletions	(193)	(134)	(327)
Opening balance as at 1st April, 2022	**669**	**1,093**	**1,762**
Additions through business combination (Refer note 44)	3	-	3
Additions #	270	295	565
Deletions	(188)	(104)	(292)
Balance as at 31st March, 2023	**754**	**1,284**	**2,038**
Accumulated Depreciation			
Opening balance as at 1st April, 2021	**199**	**363**	**562**
Additions	229	199	428
Deletions	(176)	(120)	(296)
Opening balance as at 1st April, 2022	**252**	**442**	**694**
Additions	231	206	437
Deletions	(178)	(97)	(275)
Balance as at 31st March, 2023	**305**	**551**	**856**
Net Block			
Balance as at 31st March, 2022	**417**	**651**	**1,068**
Balance as at 31st March, 2023	**449**	**733**	**1,182**

* Others include Furniture and fixtures & office equipments.

includes addition of ₹44 crores for the year ended 31st March, 2023 (31st March, 2022: ₹92 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

NOTES:

(a) The Group incurred ₹50 crores for the year ended 31st March, 2023 (31st March 2022: ₹68 crores) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹601 crores for the year ended 31st March, 2023 (31st March 2022: ₹551 crores), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹84 crores for the year ended 31st March, 2023 (31st March, 2022: ₹79 crores).

(b) The Group's leases mainly comprise of land and buildings, plant, equipment, furniture and fixtures and office equipments. The Group leases land and buildings for manufacturing and warehouse facilities.

(c) Lease commitments and Lease liability : Refer Note 26 B and Note 20 respectively.

(d) The Group has not revalued any of its right-of-use assets.

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

C Capital work-in-progress

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Temporarily suspended projects do not include those projects where temporary suspension is a necessary part of the process of getting an asset ready for its intended use.

Opening Balance as at 1st April 2021	**745**
Additions	1,305
Capitalisations	(737)
Opening balance as at 1st April 2022	**1,313**
Additions	1,213
Capitalisations	(1,394)
Balance as at 31st March 2023	**1,132**

Ageing of CWIP as on 31st March, 2023

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Projects in Progress	704	291	51	37	1,083
Projects temporarily suspended	0	4	10	35	49
Total	**704**	**295**	**61**	**72**	**1,132**

	Amount
Projects which have exceeded their original timeline	359
Projects which have exceeded their original budget	21

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2023

	To be completed in				
Budget Overrun	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Under Progress (A)	312	1	2	-	315
Nutrition technology advancement project	44	-	-	-	44
Project at Rajahmundry Factory	21	-	-	-	21
Project at Assam Factory	20	-	-	-	20
Others*	227	1	2	-	230
Temporarily Suspended (B)	40	4	-	-	44
Project at Gandhidham Factory	40	-	-	-	40
Others*	0	4	-	-	4
Total (A+B)	**352**	**5**	**2**	**-**	**359**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2023

There were no material projects which have exceeded their original plan cost as at 31 March, 2023.

(All amounts in ₹ crores, unless otherwise stated)

Ageing of CWIP as on 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	852	311	58	29	1,250
Projects temporarily suspended	6	14	38	5	63
Total	**858**	**325**	**96**	**34**	**1,313**

	Amount
Projects which have exceeded their original timeline	473
Projects which have exceeded their original budget	2

Details of capital-work-in progress whose completion is overdue as compared to its original plan as at 31st March, 2022

Budget Overrun	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Under Progress (A)	398	21	1	2	422
Project at Kolkata Factory	71	-	-	-	71
Project at Assam Factory	47	-	-	-	47
Project at Kandla Factory	29	-	-	-	29
Project at Rajahmundry Factory	24	-	-	-	24
Project at Khamgaon Factory	20	-	-	-	20
Others*	207	21	1	2	231
Temporarily Suspended (B)	49	2	-	-	51
Project at Gandhidham Factory	40	-	-	-	40
Others*	9	2	-	-	11
Total (A+B)	**447**	**23**	**1**	**2**	**473**

*Others comprise of various projects with individually immaterial values.

Details of capital-work-in progress which has exceeded its cost compared to its original plan as at 31st March, 2022

There were no material projects which have exceeded their original plan cost as at 31 March, 2022.

For contractual commitment with respect to property, plant and equipment refer Note 26 B(ii).

NOTE 4 INTANGIBLE ASSETS

A. GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use. Separately purchased intangible assets are initially measured at cost, being the purchase price as at the date of acquisition.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in consolidated statement of profit or loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design and Know-how	-	10 years
Computer software	-	5 years
Trademarks	-	5 years
Distribution network	-	15 years

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Indefinite-life intangible assets comprises of trademarks and brands, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

		Other intangible assets					
		Indefinite life intangible assets	Finite Life Intangible assets				
	Goodwill	Brands/ Trademarks	Brands/ Trademarks	Knowhow and Design	Computer Software	Others*	Total
Gross Block							
Opening balance as at 1st April, 2021	**17,316**	**27,782**	**18**	**65**	**48**	**107**	**28,020**
Additions	-	-	-	-	3	-	3
Disposals	-	-	-	-	(6)	-	(6)
Opening balance as at 1st April, 2022	**17,316**	**27,782**	**18**	**65**	**45**	**107**	**28,017**
Additions through business combination (Refer note 44)	-	361	0	-	1	-	362
Additions	-	-	-	-	18	-	18
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2023	**17,316**	**28,143**	**18**	**65**	**64**	**107**	**28,397**
Accumulated Amortisation and Impairment							
Opening balance as at 1st April, 2021	**-**	**-**	**12**	**33**	**31**	**14**	**90**
Additions	-	-	3	7	7	9	26
Disposals	-	-	-	-	(6)	-	(6)
Opening balance as at 1st April, 2022	**-**	**-**	**15**	**40**	**32**	**23**	**110**
Additions	-	-	3	7	5	9	24
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2023	**-**	**-**	**18**	**47**	**37**	**32**	**134**
Net Block							
Balance as at 31st March, 2022	**17,316**	**27,782**	**3**	**25**	**13**	**84**	**27,907**
Balance as at 31st March, 2023	**17,316**	**28,143**	**0**	**18**	**27**	**75**	**28,263**

* Other Intangible assets include Customer Relationship, Distribution Network etc.

The Group has not revalued any of its intangible assets.

B. Goodwill on consolidation

Pursuant to the merger of Aquagel Chemicals Private Limited (ACPL) with Lakme Lever Private Limited in the FY 2014-15, the excess of cost to the Group of its investment in ACPL over the Group's portion of equity in ACPL, amounting to ₹81 crores has been treated as 'Goodwill on consolidation' and forms part of Beauty & Personal Care cash generating unit. The goodwill on consolidation is tested for impairment annually. No impairment charges were recognised for FY 2022-23 (FY 2021-22: NIL).

Pursuant to acquisition of stake in Zywie Ventures Private Limited on 10th January, 2023, the excess of cost of investment over the Group's portion of equity, amounting to ₹69 crores has been treated as 'Goodwill on consolidation' and forms part of Beauty & Personal Care cash generating unit. The goodwill on consolidation is tested for impairment annually. No impairment charges were recognised for FY 2022-23.

(All amounts in ₹ crores, unless otherwise stated)

	Goodwill on consolidation
Gross Block	
Balance as at 31st March, 2021	**81**
Additions	-
Disposals	-
Balance as at 31st March, 2022	**81**
Additions through business combination (Refer note 44)	69
Additions	-
Disposals	-
Balance as at 31st March, 2023	**150**
Accumulated Impairment	
Balance as at 31st March, 2021	**-**
Additions	-
Disposals	-
Balance as at 31st March, 2022	**-**
Additions	-
Disposals	-
Balance as at 31st March, 2023	**-**
Net Block	
Balance as at 31st March, 2022	**81**
Balance as at 31st March, 2023	**150**

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangible assets and goodwill are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Consolidated Statement of Profit and Loss.

The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's value in use and its fair value less cost of disposal. Value in use is estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. Basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the consolidated statement of profit and loss.

No impairment was identified in FY 2022-23 (FY 2021-22: Nil).

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Significant Cash Generating Units (CGUS)

The Group has identified its reportable segments, i.e. Home Care, Beauty & Personal Care, Foods & Refreshment and Others as the CGUs. The goodwill and indefinite-life intangible assets acquired through business combinations have been allocated to CGU 'Beauty & Personal Care' and 'Foods & Refreshment'. The carrying amount of goodwill and indefinite-life intangible assets is as under:

	As at 31st March, 2023		As at 31st March, 2022	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Goodwill	165	17,301	96	17,301
Indefinite life intangible assets	933	27,210	572	27,210
Total	**1,098**	**44,511**	**668**	**44,511**

The recoverable amount of each CGU has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Following key assumptions were considered while performing Impairment testing:

	As at 31st March, 2023		As at 31st March, 2022	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Average Annual Growth rate for 5 years	8.0%	9.5%	8.0%	9.5%
Terminal Growth Rate*	5.0%	5.0%	5.0%	5.0%
Weighted Average Cost of Capital % (WACC) post tax (Discount rate)	10.9%	10.9%	9.1%	9.1%
Segmental margins	25.6%	17.9%	27.5%	18.6%

* linearly declining terminal growth rate for the first ten years and at 5% thereafter.

The projections cover a period of five years, as the Group believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Group's five-year strategic plan.

Weighted Average Cost of Capital % (WACC) for the Group = Risk free return + (Market risk premium x Beta).

The Group has performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

NOTE 5 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The investment in joint ventures is accounted for using the equity method. Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Holding Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

	As at 31st March, 2023	As at 31st March, 2022
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
7,256 equity shares of ₹10 each and 36,480 compulsorily convertible preference shares of ₹100 [31st March, 2022: nil] each held in Investment in Nutritionalab Private Limited	69	-
Total non current investments accounted for using the Equity Method	**69**	**-**
Aggregate amount of unquoted investments	**69**	**-**

Interests in Joint Venture:

On 4th January, 2023, the Holding Company acquired 21.51% stake (19.8% on a fully diluted basis) in Nutritionalab Private Limited ("NLPL"), a unlisted company incorporated in India and engaged in the business of health and wellbeing products under the brand name of "Wellbeing Nutrition".

The investment is in line with the Holding Company's strategy to enter into fast evolving growth space of Health and Wellbeing. As part of the Shareholders Agreement ("SHA"), the Company has acquired substantive rights to jointly decide on relevant activities of the business and hence the arrangement has been treated as a 'Joint Venture'. Accordingly, the investment has been accounted for using the equity method in the consolidated financial statements.

(All amounts in ₹ crores, unless otherwise stated)

(A) Summarised financial information of the joint venture, based on its unaudited Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised unaudited balance sheet of Nutritionalab Private limited as at 31st March, 2023

	Amount
Non-current assets	149
Cash and Cash equivalents	1
Other Current assets	76
Total assets (A)	**226**
Non-current liabilities	
Financial liabilities (excluding trade payable and provisions)	5
Other liabilities	0
Current liabilities	
Financial liabilities (excluding trade payable and provisions)	1
Other liabilities	11
Total liabilities (B)	**17**
Net assets (A-B)	**209**
Group's share of holding	21.51%
Group's share of Net assets	**45**
Goodwill	**24**
Group's carrying amount of interest in Joint Venture	**69**

Summarised statement of unaudited profit and loss of Nutritionalab Private Limited for the period 4th January, 2023 to 31st March, 2023

	Amount
Revenue	11
Interest income	0
Other Income	1
Depreciation and amortisation expense	0
Interest expense	0
Expenses other than above	19
Income tax expenses	-
Profit/(Loss) for the year (continuing operations)	**(7)**
Other comprehensive income	0
Total comprehensive income for the year (continuing operations)	**(7)**
Group's share of profit/ (loss) for the year	**(1)**

Reconciliation of carrying amounts as at 31st March 2023

	Amount
Initial carrying amount	70
Group's share of profit/(loss) for the year	(1)
Group's carrying amount of interest in Joint Venture	**69**

(B) Contingent liabilities

There are no contingent liabilities as on 4th January, 2023 pertaining to NLPL.

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 6 INVESTMENTS
Refer Note 40 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT INVESTMENTS		
A. Equity instruments		
Fair value through profit and loss		
Quoted	0	0
Unquoted	1	1
Total (A)	**1**	**1**
B. Other instruments		
Amortised cost		
Unquoted		
Investment in debentures and bonds	0	0
Investment in National Savings Certificates	0	0
Fair value through profit and loss		
Unquoted		
Investment in preference shares	1	1
Total (B)	**1**	**1**
Total Non-Current Investments (A+B)	**2**	**2**
Refer Note 43 for details on non-current investments.		
CURRENT INVESTMENTS		
C. Other instruments		
Fair value through other comprehensive income		
Quoted		
Investments in treasury bills	1,014	2,023
Fair value through profit or loss		
Quoted		
Investments in mutual funds	1,797	1,496
Total Current Investments (C)	**2,811**	**3,519**
Total (A+B+C)	**2,813**	**3,521**
Aggregate amount of quoted investments	2,811	3,519
Aggregate Market value of quoted investments	2,811	3,519
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in value of investments	0	0

Refer Note 40 for information about fair value measurement and Note 41 for credit risk and market risk of investments.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 7 LOANS

(Unsecured, considered good unless otherwise stated)

Refer note 40 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Others (including employee loans)	98	115
Total (A)	**98**	**115**
Current		
Others (including employee loans)	36	35
Total (B)	**36**	**35**
Total (A+B)	**134**	**150**
Sub-classification of Loans:		
Loans Receivables considered good – Secured	6	4
Loans Receivables considered good – Unsecured	128	146
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables – credit impaired	-	-

Refer Note 41 for information about credit risk and market risk for loans.

1. In line with Circular No. 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
2. There are no loans or advances in the nature of loans are granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

   (a) repayable on demand; or

   (b) without specifying any terms or period of repayment
3. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 8 OTHER FINANCIAL ASSETS

(Unsecured, considered good unless otherwise stated)

Indemnification Asset

Initial recognition:

Indemnification asset is recognised at fair value at the time when the seller contractually agrees to indemnify, in whole or in part, for a particular uncertainty. It is initially measured on the same basis as defined in the agreement, subject to collectability.

Subsequent measurement:

As at each reporting period, the Group re-assesses the indemnification asset that was recognised initially on the same basis as defined in the contract subject to collectability of such asset. The Group derecognises the indemnification asset only when it collects the asset, sells it or otherwise loses the right to it.

Refer note 40 for accounting policy on financial instruments.

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Considered good		
Security deposits	107	103
Investments in term deposits (with remaining maturity of more than twelve months)	1	1
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	9	17
Total (A)	**725**	**729**
Current		
Security deposits	63	52
Receivable from group companies	152	135
Fair Value of Derivatives	19	54
Duty drawback receivable	5	2
Export benefits receivable	5	10
Consignment Receivables	278	226
Other assets (includes Government grants, other receivables etc.)	864	610
Total (B)	**1,386**	**1,089**
Total (A+B)	**2,111**	**1,818**

Refer Note 46 for information about receivables from related party.

Refer Note 41 for information about credit risk and market risk for other financial assets.

NOTE 9 INCOME TAXES

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to income tax is included in other income.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(All amounts in ₹ crores, unless otherwise stated)

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Uncertain Tax position:

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Current Tax				
Current year	3,294	2,955	-	-
Adjustments/(credits) related to previous years - (net)	(293)	(115)	-	(2)
Total (A)	**3,001**	**2,840**	**-**	**(2)**
Deferred Tax Charge				
Origination and reversal of temporary differences	195	147	-	-
Adjustments/(credits) related to previous years - (net)	5	-	-	-
Total (B)	**200**	**147**	**-**	**-**
Total (A+B)	**3,201**	**2,987**	**-**	**(2)**

II. Tax expense recognised in Other Comprehensive Income

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Deferred Tax				
(Gain)/loss on remeasurement of net defined benefit plans	(4)	10	-	-
(Gain)/loss on debt instruments through other comprehensive income	(0)	(0)	-	-
(Gain)/loss on cash flow hedges through other comprehensive income	(9)	0	-	-
	(13)	**10**	**-**	**-**

III. Tax expense recognised in Equity

	From Continuing Operations		From Discontinued Operations	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Current tax				
Stamp Duty on issue of equity shares on account of business combination	-	-	-	-
Deferred Tax				
Stamp Duty on issue of equity shares on account of business combination	2	2	-	-
Total	**2**	**2**	**-**	**-**

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

B. Reconciliation of Effective Tax Rate

The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows:

	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory income tax rate	25.2%	25.2%
Differences due to:		
Expenses not deductible for tax purposes	1.0%	1.0%
Income exempt from income tax	-	-
Others*	-2.3%	-1.0%
Effective tax rate	**23.9%**	**25.2%**

* Others include prior period tax refunds and tax on exceptional items.

C. Deferred Tax Assets and Liabilities

	Year ended 31st March, 2023	Year ended 31st March, 2022
Deferred tax assets	10	11
Deferred tax liabilities	6,421	6,141
Net deferred tax liability	**6,411**	**6,130**

D. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2023	As at 31st March, 2022	Credit/ (charge) on account of business combination (Refer note 44)	Credit/ (charge) in Profit and Loss	Other Adjust- -ments	Credit/ (charge) in Other Compre- -hensive Income	Credit/ (charge) in Equity	As at 31st March, 2023
Deferred tax assets/(liabilities)							
Provision for post retirement benefits and other employee benefits	48	2	10	-	0	0	60
Provision for doubtful debts and advances	34	0	(7)	-	-	-	27
Expenses allowable for tax purposes when paid	172	-	(42)	-	4	-	134
Property, plant and equipment and Intangible assets	(6,786)	(91)	(136)	-	-	-	(7,013)
Fair value gain/(loss)	(18)	-	(4)	-	9	-	(13)
Impact of Right of Use Asset and Lease Liabilities	8	0	(16)	-	-	-	(8)
MAT credit	6	-	-	(2)	-	-	4
Other temporary differences	406	-	(5)	-	-	(2)	399
Total	**(6,130)**	**(89)**	**(200)**	**(2)**	**13**	**(2)**	**(6,410)**

Movements during the year ended 31st March, 2022	As at 31st March, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2022
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	39	19	(10)	-	48
Provision for doubtful debts and advances	38	(4)	-	-	34
Expenses allowable for tax purposes when paid	189	(15)	-	(2)	172
Property, plant and equipment and Intangible assets	(6,631)	(155)	-	-	(6,786)
Fair value gain/(loss)	(20)	2	0	-	(18)
Impact of Right of Use Asset and Lease Liabilities	4	4	-	-	8
MAT credit	3	3	-	-	6
Other temporary differences	407	(1)	-	-	406
Total	**(5,971)**	**(147)**	**(10)**	**(2)**	**(6,130)**

(All amounts in ₹ crores, unless otherwise stated)

E. Tax Assets and Liabilities

	As at 31st March, 2023	As at 31st March, 2022
Non-current tax assets (net of tax provision)	1,164	1,158
Non-current tax liabilities (net of tax assets)	1,086	1,331

F. Disclosure in Relation to Undisclosed Income

During the year, the Group has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

NOTE 10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	31	51
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	173	139
Other advances (includes advances for materials)	15	13
Less: Allowance for bad and doubtful advances	(9)	(9)
Deferred lease rent	1	0
Total	**211**	**194**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	9	17
Change in allowance for bad and doubtful assets during the year	-	(7)
Written off during the year	(0)	(1)
Balance as at the end of the year	**9**	**9**

The Group has not given any advances to Directors or other Officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any Director is a Partner or a Director or a Member.

NOTE 11 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

	As at 31st March, 2023	As at 31st March, 2022
Raw materials [includes in transit: ₹3 crores (31st March, 2022: ₹74 crores)]	1,829	1,781
Packing materials [includes in transit: ₹1 crore (31st March, 2022: ₹1 crore)]	140	127
Work-in-progress	399	421
Finished goods [includes in transit: ₹76 crores (31st March, 2022: ₹60 crores)] (Refer note (a) below)	1,747	1,650
Stores and spares	136	117
Total	**4,251**	**4,096**

(a) Finished goods includes good purchased for re-sale, as both are stocked together.

(b) During FY 2022-23, an amount of ₹184 crores (31st March, 2022: ₹156 crores) was charged to the consolidated statement of profit and loss on account of damaged and slow moving inventory. The reversal on account of above during the year amounted to Nil (31st March, 2022: ₹0 crore).

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 12 TRADE RECEIVABLES

(Unsecured unless otherwise stated)

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Group applies lifetime excepted credit loss (ECL) model for measurement of trade receivables.

	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables considered good – Secured	-	-
Trade Receivables considered good – Unsecured	3,116	2,264
Less: Allowance for expected credit loss	(37)	(28)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	39	75
Less: Allowance for credit impairment	(39)	(75)
Total	**3,079**	**2,236**
The movement in change in allowance for expected credit loss and credit impairment:		
Balance as at beginning of the year	103	111
Change in allowance for expected credit loss and credit impairment during the year	(27)	(8)
Trade receivables written off during the year	0	0
Balance as at the end of the year	**76**	**103**

Refer note 41 for information about credit risk and market risk of trade receivables.

Refer Note 46 for information about receivables from related party.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

		Outstanding for following periods from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – Considered good	2,466	280	162	171	21	16	3,116
Undisputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – Credit impaired	0	2	0	2	7	2	13
Disputed Trade Receivables – Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – Credit impaired	-	0	1	0	9	16	26
TOTAL (A)	**2,466**	**282**	**163**	**173**	**37**	**34**	**3,155**
Allowance for expected credit loss							37
Allowance for credit impairment							39
TOTAL (B)							**76**
TOTAL [(A)- (B)]							**3,079**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

		Outstanding for following periods from due date of payment					
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – Considered good	1,916	224	63	43	9	9	2,264
Undisputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – Credit impaired	0	2	1	41	0	14	58
Disputed Trade Receivables – Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – Credit impaired	0	0	1	9	0	7	17
TOTAL (A)	**1,916**	**226**	**65**	**93**	**9**	**30**	**2,339**
Allowance for expected credit loss							28
Allowance for credit impairment							75
TOTAL (B)							**103**
TOTAL [(A)- (B)]							**2,236**

There are no unbilled receivables as at 31st March, 2023 and 31st March, 2022.

There are no debts due by Directors or other Officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	0	0
Balances with Banks		
In current accounts	95	136
Term deposits with original maturity of less than three months	493	775
Other		
Treasury bills with original maturity of less than three months	-	50
Overnight Mutual Funds	126	186
Total	**714**	**1,147**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Earmarked balances with banks		
Unpaid dividend	224	219
Others	-	4
Investments in term deposits (with original maturity of more than three months but less than twelve months)	3,740	2,476
Total	**3,964**	**2,699**

* The above term deposits includes deposits of ₹86 crores (2021-22 - ₹ Nil) held as lien by banks against bank overdrafts.

NOTE 15 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
Advances other than Capital advances		
Input taxes (GST, etc.)	310	257
Other advances (includes prepaid expenses etc.)	435	431
Total	**745**	**688**

There are no advances to Directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any Director is a Partner or a Director or a Member.

The Group is entitled to receive incentive as per the "Post-COVID-19 Accelerated Investment Promotion Policy for Economically Backward Regions of the State-2020". Pursuant to filing the application, a Letter of Comfort ('LOC') has been issued to the Group by the UP government assuring availability of incentives (subject to meeting prescribed conditions) under the 2020 Policy. During the year, the Group has recognised nil incentives as it has excess input tax credit.

NOTE 16 ASSETS HELD FOR SALE

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

	As at 31st March, 2023	As at 31st March, 2022
Group of assets held for sale		
Land	2	2
Buildings	10	11
Furniture and fixtures	0	0
Total	**12**	**13**

Notes
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(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 EQUITY SHARE CAPITAL

	As at 31st March, 2023	As at 31st March, 2022
Authorised		
2,85,00,00,000 (31st March, 2022: 2,85,00,00,000) equity shares of ₹1 each	285	285
Issued, subscribed and fully paid up		
2,34,95,91,262 (31st March, 2022: 2,34,95,91,262) equity shares of ₹1 each	235	235
	235	**235**

a) Reconciliation of the number of shares

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Balance as at the beginning of the year	2,349,591,262	235	2,349,567,819	235
Add: ESOP shares issued during the year (Refer note 43)	-	-	23,443	0
Balance as at the end of the year	2,349,591,262	235	2,349,591,262	235

b) Rights, preferences and restrictions attached to shares

Equity shares: The Holding Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in the proportion to their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c) Shares held by Parent Company and Subsidiaries of Parent Company in aggregate

	As at 31st March, 2023	As at 31st March, 2022
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2022: 1,11,43,70,148) held by Unilever PLC, UK, the Parent Company	111	111
3,40,042,710 shares (31st March, 2022: 3,40,042,710) held by subsidiaries of the Parent Company	34	34

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company

	As at 31st March, 2023	As at 31st March, 2022
Unilever PLC, UK, the Parent Company		
Number of shares	1,114,370,148	1,114,370,148
% of holding	47.4%	47.4%

e) Details of shareholdings by the Promoter's of the Holding Company

		As at 31st March, 2023		As at 31st March, 2022		
S. no	Promoter Name	Number of shares	% of total shares	Number of shares	% of total shares	% Change in the year
1	UNILEVER PLC	1,114,370,148	47.4%	1,114,370,148	47.4%	-
2	UNILEVER GROUP LIMITED*	106,739,460	4.5%	106,739,460	4.5%	-
3	UNILEVER OVERSEAS HOLDINGS AG	68,784,320	2.9%	68,784,320	2.9%	-
4	UNILEVER UK&CN HOLDINGS LIMITED	60,086,250	2.6%	60,086,250	2.6%	-
5	UNILEVER SOUTH INDIA ESTATES LIMITED*	52,747,200	2.2%	52,747,200	2.2%	-
6	UNILEVER ASSAM ESTATES LIMITED*	32,820,480	1.4%	32,820,480	1.4%	-
7	UNILEVER OVERSEAS HOLDINGS B V	18,865,000	0.8%	18,865,000	0.8%	-
	Total Promoters shares outstanding	**1,454,412,858**	**61.9%**	**1,454,412,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,349,591,262**		**2,349,591,262**		

(All amounts in ₹ crores, unless otherwise stated)

S. no	Promoter Name	As at 31st March, 2022 Number of shares	As at 31st March, 2022 % of total shares	As at 31st March, 2021 Number of shares	As at 31st March, 2021 % of total shares	% Change in the year
1	UNILEVER PLC	1,114,370,148	47.4%	1,114,370,148	47.4%	-
2	BROOKE BOND GROUP LIMITED*	106,739,460	4.5%	106,739,460	4.5%	-
3	UNILEVER OVERSEAS HOLDINGS AG	68,784,320	2.9%	68,784,320	2.9%	-
4	UNILEVER UK&CN HOLDINGS LIMITED	60,086,250	2.6%	60,086,250	2.6%	-
5	BROOKE BOND SOUTH INDIA ESTATES LIMITED*	52,747,200	2.2%	52,747,200	2.2%	-
6	BROOKE BOND ASSAM ESTATES LIMITED*	32,820,480	1.4%	32,820,480	1.4%	-
7	UNILEVER OVERSEAS HOLDINGS B V	18,865,000	0.8%	18,865,000	0.8%	-
	Total Promoters shares outstanding	**1,454,412,858**	**61.9%**	**1,454,412,858**	**61.9%**	**-**
	Total HUL shares outstanding	**2,349,591,262**		**2,349,567,819**		

*As intimated to Stock Exchanges vide our letters dated 27th June, 2022 and 4th July, 2022 the names of three of our promoter entities have been changed.

f) Shares reserved for issue under options

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Under 2012 HUL Performance Share Scheme: equity shares of ₹1 each, at an exercise price of ₹1 per share (refer note 43)	-	-	-	-
	-	-	-	-

For terms and other details Refer note 43.

*Shares outstanding as on 1st April 2021 have been fully issued/settled as on 31st March 2022.

g) Aggregate value of Issued, Subscribed and Paid-up Share Capital as on the Balance Sheet date for the period of preceding five years includes:

i. Aggregate of 18,46,23,812 (31st March 2022: 18,46,23,812) Equity shares of ₹1 each allotted as fully paid-up pursuant to HUL-GSKCH merger without payment being received in cash (Refer Note 42).

ii. 438,673 (31st March 2022: 6,17,811) Equity shares allotted under the Employee stock option plan/performance share schemes as consideration for services rendered by employees for which only exercise price has been received in cash.

NOTE 18 OTHER EQUITY

Refer Consolidated Statement of Changes in Equity for detailed movement in Other Equity balance.

A. Summary of Other Equity balance

	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve	4	4
Capital Redemption Reserve	6	6
Securities Premium	40,350	40,352
General Reserve	114	114
Retained Earnings	9,544	8,271
Other Reserves	9	9
Retirement benefit scheme reserve	49	50
Export profit reserves	0	0
Items of Other Comprehensive Income		
– Fair Value of Cash flow hedges through OCI	(6)	20
– Fair value of Debt instruments through OCI	(1)	(0)
Total Attributable to owners of the Company	**50,069**	**48,826**
Attributable to Non-controlling Interest (Refer Note 19)	218	26
Total equity	**50,287**	**48,852**

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

B. Nature and purpose of reserves

(a) Capital Reserve: During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	4	4
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**4**	**4**

(b) Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on the buyback of equity shares from its retained earnings. The amount in the Capital Redemption Reserve is equal to the nominal amount of the equity shares bought back.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	6	6
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**6**	**6**

(c) Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. In case of business combinations, the difference between fair value and nominal value of shares issued on the acquisition date is accounted as securities premium.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	40,352	40,350
Add: Deferred Tax on Stamp duty	(2)	(2)
Add: Issue of equity shares on exercise of employee stock options	-	4
Balance at the end of the year	**40,350**	**40,352**

(d) Employee Stock Options Outstanding Account: The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	5
Less: Issue of equity shares on exercise of employee stock options	-	(4)
Less: Equity settled share based payment credit	-	(1)
Balance at the end of the year	**-**	**-**

(e) General Reserve: The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	114	114
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**114**	**114**

(All amounts in ₹ crores, unless otherwise stated)

(f) Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Remeasurements of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	8,271	6,880
Add: Additions through business combination (Refer note 44)	(375)	-
Add: Profit for the year	10,120	8,879
Add: Other comprehensive income for the year (Remeasurements of Net Defined Benefit Plans)*	(13)	31
Less: Dividend on equity shares during the year	(8,459)	(7,519)
Balance at the end of the year	**9,544**	**8,271**

*Movement in Remeasurement of Net Defined Benefit Plans.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	-
Add: Gain/(loss) on remeasurement of net defined benefit plans, net of tax	(13)	31
Less: Transfer to retained earnings	13	(31)
Balance at the end of the year	**-**	**-**

(g) Other Reserves: The Group has recognised Other Reserves on amalgamation of Brooke Bond Lipton India Limited as per statutory requirements. This reserve is not available for capitalisation/declaration of dividend/ share buy-back. Further, it also includes capital subsidy.

	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	9	9
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**9**	**9**

(h) Employee's Housing Reserve and Retirement Benefit Scheme Reserve: As per legal clarifications to the Labour Rules 2075 received from the Government of Nepal, the housing reserve created for providing housing to the employees may be used for general and post retirement benefits. Accordingly the reserves were moved from Employee's Housing Reserve to Retirement Benefit Scheme reserve for accurate representation.

Employee's Housing Reserve	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	-	50
Add: Additions during the year	-	-
Less: Transferred to Retirement Benefit Scheme Reserve	-	(50)
Balance at the end of the year	**-**	**-**

Retirement Benefit Scheme Reserve	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	50	-
Add: Transferred from Employee's Housing Reserve	-	50
Less: Payment from Retirement Benefit Scheme Reserve	(1)	-
Balance at the end of the year	**49**	**50**

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to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

(i) **Export profit reserves:** Export Profit Reserve was created to protect, from any losses due to volatility in business.

(j) **Items of Other Comprehensive Income:**

i) **Fair value of cash flow hedges through Other Comprehensive Income**: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the consolidated statement of profit and loss at the same time as the related cash flow.

ii) **Debt Instruments through Other Comprehensive Income**: The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the consolidated statement of profit and loss.

C. Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

	Cash flow hedges through Other Comprehensive Income	Debt instruments through Other Comprehensive Income	Total
As at 1st April, 2021	20	1	21
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges in other comprehensive income	85	-	85
Hedging loss/(gain) transferred to non-financial asset (net)	(85)	-	(85)
Tax on above	(0)	0	(0)
As at 1st April, 2022	**20**	**(0)**	**20**
Fair value of debt instruments through other comprehensive income	-	(1)	(1)
Fair Value of cash flow hedges in other comprehensive income	(21)	-	(21)
Hedging loss/(gain) transferred to non-financial asset (net)	(14)	-	(14)
Tax on above	9	0	9
As at 31st March, 2023	**(6)**	**(1)**	**(7)**

D. Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors of the Holding Company monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 19 NON-CONTROLLING INTERESTS

A. The following table summarises the financial information relating to Unilever Nepal Limited that has non-controlling interests (20%).

	As at 31st March, 2023	As at 31st March, 2022
Non-current assets	119	107
Current assets	261	223
Non-current liabilities	(16)	(16)
Current liabilities	(127)	(137)
Net assets	**237**	**177**
Carrying amount of non-controlling interests	**38**	**26**

(All amounts in ₹ crores, unless otherwise stated)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations	535	441
Profit for the year	131	67
Other comprehensive income for the year	0	0
Total comprehensive income for the year	**131**	**67**
Attributable to non-controlling interests (20%):		
Profit for the year	26	13
Other comprehensive income for the year	0	0
Cash flows from:		
Operating activities	98	64
Investing activities	(50)	14
Financing activities	(68)	(39)
Net increase/(decrease) in cash and cash equivalents	**(20)**	**39**
Dividend paid to non-controlling interests	**14**	**7**

B. The following table summarises the financial information relating to Zywie Ventures Private Limited that has non-controlling interests (46.66%).

	As at 31st March, 2023
Non-current assets	367
Current assets	132
Non-current liabilities	(92)
Current liabilities	(37)
Net assets	**370**
Carrying amount of non-controlling interests	**180**

Summarised statement of profit and loss for the period 10th January, 2023 to 31st March, 2023:

	For the period 10 January, 2023 to 31 March 2023
Revenue from operations	21
Profit/(Loss) for the year	(7)
Other comprehensive income for the year	0
Total comprehensive income for the year	**(7)**
Attributable to non-controlling interests (46.66%):	
Profit/(Loss) for the year	(3)
Other comprehensive income for the year	0
Cash flows from:	
Operating activities	(12)
Investing activities	(0)
Financing activities	(91)
Net increase/(decrease) in cash and cash equivalents	**(103)**
Dividend paid to non-controlling interests	**-**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 20 LEASE LIABILITIES

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Lease liabilities payable beyond 12 months	807	741
CURRENT		
Lease liabilities payable within 12 months	314	302
Total	**1,121**	**1,043**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	1,043	1,009
Add: Additions through business combination (Refer note 44)	3	-
Add: Addition	568	470
Add: Accretion of interest	84	80
Less: Payments	(551)	(487)
Less: Others (including foreclosure)	(26)	(29)
Balance as at end of the year	**1,121**	**1,043**

NOTE 21 OTHER FINANCIAL LIABILITIES

Refer note 40 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Security deposits	30	29
Employee and ex-employee related liabilities	433	322
Financial liability on acquisition (Refer note 44)	375	-
Contingent consideration payable on business combination	-	6
Other payables and advances	22	-
Total (A)	**860**	**357**
CURRENT		
Unpaid dividends [Refer (a) below]	224	220
Salaries, wages, bonus and other employee payables	287	282
Fair Value of Derivatives	8	5
Contingent consideration payable on business combination	4	40
Consignment payables	285	259
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	81	93
Total (B)	**889**	**899**
Total (A+B)	**1,749**	**1,256**

Refer note 41 for information about liquidity risk of other financial liability.

a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31st March, 2023 (31st March, 2022: Nil).

b) Includes ₹7 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2023 (31st March, 2022: ₹28 crores). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the Company within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 22 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

	As at 31st March, 2023	As at 31st March, 2022
NON-CURRENT		
Provision for employee benefits (pension, provident fund, post medical retirement benefits, etc.) [Refer Note 42]	347	352
Other provisions (including for statutory levies) – net [Refer (a) below]	1,016	1,228
Total (A)	**1,363**	**1,580**
CURRENT		
Provision for employee benefits (gratuity and compensated absences, etc.) [Refer Note 42]	44	43
Other provisions (including restructuring) [Refer (a) below]	345	303
Total (B)	**389**	**346**
Total (A+B)	**1,752**	**1,926**

a) Movement in Other provisions (Non-current and Current)

	Indirect Tax related	Legal and Other Matters #	Total
Opening balance as at 1st April, 2021	819	953	1,772
Add: Provision/reclassified during the year	16	77	93
Less: Amount utilised/reversed/reclassified during the year	(91)	(243)	(334)
Opening balance as at 1st April, 2022	**744**	**787**	**1,531**
Add: Provision/reclassified during the year	18	101	119
Less: Amount utilised/reversed/reclassified during the year	(200)	(89)	(289)
Balance as at 31st March, 2023	**562**	**799**	**1,361**

including restructuring provisions, etc.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

The provisions for indirect taxes and legal matters comprises of numerous separate cases that arise in the ordinary course of business. These provisions have not been discounted as it is not practicable for the Group to estimate the timing of the provision utilisation and cash outflows, if any, pending resolution.

The Group does not expect any reimbursements in respect of the above provisions.

NOTE 23 BORROWINGS

(Unsecured unless otherwise stated)

Refer note 40 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
Secured, Bank overdrafts	13	-
Unsecured loan from banks	85	-
Total	**98**	**-**

Refer note 41 for information about liquidity risk and market risk of borrowings.

Secured, Bank overdrafts of ₹15 crores as at 31st March, 2023 (31st March, 2022: ₹Nil). The loan was utilised for the purpose it was taken for. This loan was used for working capital requirement. It is repayable on demand and carries an interest ranging between 5.15% to 7.30%. The bank overdrafts are secured against the term deposits.

Unsecured loan taken from banks for export packing credit requirement amounting to ₹85 crores as at 31st March, 2023 (31st March, 2022: ₹ Nil). The loan was utilised for the purpose it was taken for. This loan was used for working capital requirement. It is repayable within a period of 3 months of obtaining the loan and carries a range of interest rate between 4.14% - 4.97% p.a. in FY 2022-23 (FY 2021-22 0.94% p.a.).

Notes

to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

NOTE 24 TRADE PAYABLES

Refer note 40 for accounting policy on financial instruments

	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	100	60
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	96	118
Trade payables	9,379	8,890
Total	**9,575**	**9,068**

Refer Note 41 for information about liquidity risk and market risk of trade payables.

a) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

		As at 31st March, 2023	As at 31st March, 2022
A(i).	Principal amount remaining unpaid	100	60
A(ii).	Interest amount remaining unpaid	0	-
B.	Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0	0
C.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0	-
D.	Interest accrued and remaining unpaid	0	-
E.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Note: Identification of micro and small enterprises is basis intimation received from vendors.

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues – MSME	97	3	0	-	-	100
Undisputed dues – Others	9,204	267	2	2	-	9,475
Disputed dues – MSME	-	-	-	-	-	-
Disputed – Others	-	-	-	-	-	-
Total	**9,301**	**270**	**2**	**2**	**-**	**9,575**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2022 is as follows:

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues – MSME	60	-	-	-	-	60
Undisputed dues – Others	8,787	209	7	3	2	9,008
Disputed dues – MSME	-	-	-	-	-	-
Disputed – Others	-	-	-	-	-	-
Total	**8,847**	**209**	**7**	**3**	**2**	**9,068**

NOTE 25 OTHER CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Statutory dues (including provident fund, tax deducted at source and others)	666	546
Others (including advance from customers, etc)	98	119
Total	**764**	**665**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 26 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A CONTINGENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Claims against the Group not acknowledged as debts		
Income tax matters	2,057	1,702
Indirect tax matters	744	823
Legal and Other matters	281	283

(i) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

(ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Group's pending litigations comprise of claims against the Group by employees and pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

B COMMITMENTS

i) Lease commitments

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	72	70
Later than one year and not later than five years	60	73
Later than five years	1	2

ii) Capital commitments

	As at 31st March, 2023	As at 31st March, 2022
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	480	422

ii) Other commitments

	As at 31st March, 2023	As at 31st March, 2022
Unexpired Letter of credit and acceptances	12	0

NOTE 27 REVENUE FROM OPERATIONS

Sale of products:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

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(All amounts in ₹ crores, unless otherwise stated)

Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Sale of services:

Income from Group owned salon is recognised when services are rendered. Display income is recorded as per the term of the contract entered with the respective franchisee/parties. Revenue from services are measured at fair value of the consideration received or receivable, after deduction of any sort of discounts and any taxes or duties collected on behalf of the government such as goods and services tax.

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Commission income on consignment sales:

Commission income on consignment sales (Consignment selling agency fees) is charged for rendering of services and for the use of the Group's sales and distribution network. Such revenue is recognised in the accounting period in which the services are rendered in accordance with the agreement with the parties.

Government grants:

The Group is entitled to 'Scheme of budgetary support' under Goods and Service Tax Regime in respect of eligible manufacturing units located in specified regions. Such grants are measured as amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to that.

The Group has received approval under the Production Linked Incentive Scheme of the Government of India for specific product categories. Incentive under the scheme is subject to meeting certain committed investments and defined incremental sales threshold. Such grants are recognised as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to the grant. Income from such grants is recognised on a systematic basis over the periods to which they relate.

Grants are measured at amount receivable from the Government and are recognised as other operating revenue when there is a reasonable assurance that the Group will comply with all necessary conditions attached to that. Income from such grants is recognised on a systematic basis over the periods to which they relate.

Income from such grants is recognised on a systematic basis over the periods to which they relate.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of products	59,443	51,472
Sale of services	106	76
Other operating revenue*		
Income from services rendered	370	294
Commission income on consignment sales	333	315
Government grants (GST budgetary support and Production linked incentives)	179	140
Others (including scrap sales, rentals, etc)	149	149
Total	**60,580**	**52,446**

Reconciliation of Revenue from sale of products & services with the contracted price

	Year ended 31st March, 2023	Year ended 31st March, 2022
Contracted Price	66,728	57,340
Less: Trade discounts, volume rebates, etc	(7,179)	(5,792)
Sale of products and Services	**59,549**	**51,548**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue.

Segment-wise Revenue from operations

The Group has following major segments:-

(a) Home Care includes Fabric Solutions, Home and Hygiene, etc

(b) Beauty & Personal Care includes Skin Cleansing, Skin Care, Hair Care, etc

(c) Foods & Refreshment includes Tea, Health Food Drinks, Coffee, etc

(d) Others includes Exports, Consignment, etc.

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Home Care	21,223	16,570
Beauty & Personal Care	22,022	19,567
Foods & Refreshment	14,876	14,105
Others (includes Exports, Consignment, etc.)	2,459	2,204
Total	**60,580**	**52,446**

NOTE 28 OTHER INCOME

Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established. Refer Note 40 on financial instruments for policy on measurement at fair value through profit or loss.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income on		
Bank deposits	171	102
Current investments	126	80
Others (including interest on Income tax refunds)	114	16
Dividend income from		
Non-current investments	2	1
Fair value gain/(loss)		
Investments measured at fair value through profit or loss*	99	59
Total	**512**	**258**

*Includes realised gain on sale of investment of ₹92 crores (31st March, 2022 : ₹52 crores).

NOTE 29 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials consumed	16,848	13,560
Packing materials consumed	3,364	2,886
Total	**20,212**	**16,446**

NOTE 30 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Purchases of stock-in-trade	11,579	9,311
Total	**11,579**	**9,311**

NOTE 31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening inventories		
Finished goods	1,650	1,607
Work-in-progress	421	442
Closing inventories		
Finished goods	(1,747)	(1,650)
Work-in-progress	(399)	(421)
Total	**(75)**	**(22)**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 32 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

Short term employee benefits including salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of employment.

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the Consolidated Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans

In respect of certain employees, provident fund contributions are made to trusts administered by the Holding Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. The Holding Company also provides for retirement/post-retirement benefits in the form of gratuity, pensions (in respect of certain employees), compensated absences (in respect of certain employees) and medical benefits (in respect of certain employees) including to the employees of group companies.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the consolidated statement of profit and loss is the cost of defined benefit obligation resulting from employee service in the current period ('current service cost') and the costs of individual events such as changes in past service benefits and settlements (such events are recognised immediately in the statement of profit and loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the consolidated statement of profit and loss. Any differences between the expected interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the consolidated statement of profit and loss.

The defined benefit plan surplus or deficit on the Balance Sheet date comprises fair value of plan assets less the present value of the defined benefit liabilities using a discount rate by reference to market yields on Government bonds at the end of the reporting period.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Holding Company's net obligation into current and non-current is as per the actuarial valuation report.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the consolidated statement of profit and loss. The Group recognises termination benefits at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; or

(b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Share-Based Payments

Employees of the Group receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 43 for details.

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and wages	2,308	2,016
Contribution to provident and other funds	161	169
Defined benefit plan expense (Refer Note 42)	42	91
Share based payments to employees (Refer Note 43)	157	101
Staff welfare expenses	186	168
Total	**2,854**	**2,545**

NOTE 33 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents the unwind of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on bank overdraft, security deposit and others	4	2
Net interest on the net defined benefit liability (Refer Note 42)	16	15
Unwinding of discount on provisions and liabilities	2	3
Unwinding of discount on employee and ex-employee related liabilities	8	4
Interest on Lease Liabilities	84	80
Others (including interest on taxes)	0	2
Total	**114**	**106**

NOTE 34 DEPRECIATION AND AMORTISATION EXPENSES

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property, plant and equipment (owned assets)*	677	637
Depreciation on property, plant and equipment (leased assets)	437	428
Amortisation on intangible assets	24	26
Total	**1,138**	**1,091**

* In addition to the above, ₹15 crores (31st March, 2022: ₹15 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

NOTE 35 OTHER EXPENSES

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Advertising and promotion		4,907		4,744
Carriage and freight		1,972		1,874
Royalty				
- Technology	766		658	
- Brand	237	1,003	194	852
Fees for central services from Parent Company		575		500
Processing charges		204		259
Power, fuel, light and water		384		318
Rent		79		82
Travelling and motor car expenses		249		112
Repairs		223		209
Corporate social responsibility expense [Refer note (a) below]		213		190
Miscellaneous expenses		2,052		2,169
Total		**11,861**		**11,309**

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(All amounts in ₹ crores, unless otherwise stated)

(a) The details of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

I. Unspent CSR amount for FY 2021-22: ₹28 crores (utilised: ₹28 crores, balance to be utilised ₹0 crores).

		Year ended 31st March, 2023	Year ended 31st March, 2022
II.	Amount required to be spent by the Group during the year	209	188
III.	Amount spent during the year on:		
	i) Construction/ acquisition of any asset	-	-
	ii) For purposes other than (i) above	213	190
IV.	Shortfall at the end of the year	-	-
V.	Total of previous years shortfall	-	-
VI.	Reason for shortfall	Not Applicable	Not Applicable

VII. Nature of CSR activities include promoting education, including special education and employment enhancing vocation skills, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, rural development projects and disaster management, including relief, rehabilitation and reconstruction activities.

VIII. Above includes ₹7 crores of Corporate Social Responsibility (CSR) expense related to ongoing projects as at 31st March, 2023 (31st March, 2022: ₹28 crore). The same was transferred to a special account designated as "Unspent Corporate Social Responsibility Account for the Financial Year 22-23" ("UCSRA – FY 2022-23") of the Group within 30 days from end of financial year.

IX. The Group does not wish to carry forward any excess amount spent during the year.

X. The Group does not carry any provisions for Corporate social responsibility expenses for current year and previous year.

NOTE 36 EXCEPTIONAL ITEMS (NET)

		Year ended 31st March, 2023	Year ended 31st March, 2022
i)	Profit on disposal of surplus properties	113	140
ii)	Fair valuation of contingent consideration payable (refer Note 44)	2	9
iii)	Profit on sale of brand rights	60	29
Total exceptional income (A)		**175**	**178**
i)	Acquisition and disposal related costs	(117)	(86)
ii)	Restructuring and other costs	(122)	(136)
Total exceptional expenditure (B)		**(239)**	**(222)**
Exceptional items (net) (A+B)		**(64)**	**(44)**

NOTE 37 DISCONTINUED OPERATIONS

Pond's Exports Limited (PEL) had closed down its existing operation in line with the Group's strategy of exiting non core business.

A. Results of discontinued operation

	Year ended 31st March, 2023	Year ended 31st March, 2022
Income	0	4
Expenses	(1)	(1)
Results from discontinued operations before tax	**(1)**	**3**
Tax Expense		
Adjustments related to previous years	-	2
Deferred tax credit/(charge)	-	-
Results from discontinued operations after tax	**(1)**	**5**

The loss from discontinued operations of ₹1 crore (2021-22 profit ₹5 crores) is attributable entirely to the owners of the Holding Company.

(All amounts in ₹ crores, unless otherwise stated)

B. Net Cash (used in)/generated from discontinued operations

	Year ended 31st March, 2023	Year ended 31st March, 2022
Net cash (used in)/generated from operating activities	(0)	4
Net cash (used in)/generated from investing activities	0	0
Net cash used in financing activities	-	-
Net cash flows for the year	**(0)**	**4**

NOTE 38 EARNINGS PER EQUITY SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

A. From Continuing operations

	Year ended 31st March, 2023	Year ended 31st March, 2022
Earnings Per Share has been computed as under:		
Profit for the year attributable to the owners of the Holding Company	10,121	8,874
Weighted average number of equity shares outstanding during the year	2,349,591,262	2,349,587,637
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	₹43.07	₹37.77
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	-	3,625
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,349,591,262	2,349,591,262
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	₹43.07	₹37.77

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2023 and 31st March 2022.

B. From Discontinued operations

	Year ended 31st March, 2023	Year ended 31st March, 2022
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year attributable to the owners of the Holding Company	(1)	5
Weighted average number of equity shares outstanding during the year	2,349,591,262	2,349,587,637
Earnings Per Share (₹) - Basic (Face value of ₹1 per share)	(₹0.00)	₹0.02
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes *	-	3,625
Weighted average number of Equity shares (including dilutive shares) outstanding during the year	2,349,591,262	2,349,591,262
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share)	(₹0.00)	₹0.02

* Pertains to ESOP shares vested during the year, no outstanding share options as at 31st March, 2023 and 31st March 2022.

NOTE 39 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2023	Year ended 31st March, 2022
Dividend on equity shares declared and paid during the year		
Final dividend of ₹19.00 per share for FY 2021-22 (2020-21: ₹17.00 per share)	4,464	3,994
Interim dividend of ₹17.00 per share for FY 2022-23 (2021-22: ₹15.00 per share)	3,995	3,525
	8,459	**7,519**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹22.00 per share for FY 2022-23 (2021-22: ₹19.00 per share)	5,169	4,464
	5,169	**4,464**
Payout ratio #	91%	90%

Proposed dividend on equity shares is subject to the approval of the shareholders of the Holding Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 40 FINANCIAL INSTRUMENTS

I. Financial Assets:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value. The subsequent measurement of a financial asset depends on the classification of the asset on the basis of business model for managing such assets and the contractual cash flow characteristics of such asset. These classifications are:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except during the period the Group changes its business model for managing financial assets.

In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the consolidated statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(a) Debt Instruments:

(i) Measured at amortised cost:

Financial assets that give rise to cash flows on specified dates that are solely the payments of principal and interest; and the financial asset is held within a business model whose objective is solely to collect those cash flows, then the financial asset is classified and measured at amortised cost.

These are measured by applying the effective interest rate method. The effective interest rate method allocates interest income over the relevant period by applying the effective interest rate (that is the interest rate that exactly discounts expected future cash flows to the gross carrying amount of the asset).

(ii) Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the consolidated statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the consolidated statement of profit and loss.

(iii) Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in 'other income' in the consolidated statement of profit and loss.

(b) Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised in 'other income' in the consolidated statement of profit and loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the consolidated statement of profit and loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the consolidated statement of profit and loss.

(All amounts in ₹ crores, unless otherwise stated)

(c) Derivative Financial Instruments:

The Group uses derivative financial instruments to hedge its foreign currency and commodity risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on their use as explained below:

(i) Cash flow hedges:

Derivatives are held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are classified as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in other comprehensive income. Any ineffective elements of the hedge are recognised in the consolidated statement of profit and loss.

If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the consolidated statement of profit and loss at the same time as the related cash flow.

When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the consolidated statement of profit and loss. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the consolidated statement of profit and loss immediately.

(ii) Derivatives for which hedge accounting is not applied

Derivatives not classified as hedges are held in order to hedge certain balance sheet items and commodity exposures. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the statement of profit and loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Impairment of Financial Asset

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortised cost (other than trade receivables)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

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(All amounts in ₹ crores, unless otherwise stated)

Financial assets classified as amortised cost (listed as ii above), subsequent to initial recognition, are assessed for evidence of impairment at end of each reporting period basis monitoring of whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the consolidated statement of profit and loss under the head 'Other expenses'.

Write - off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

II Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in the consolidated statement of profit and loss.

A Accounting Classifications and Fair Values

The carrying amounts and fair values of financial instruments by class are as follows:

	Note	Carrying value/Fair value As at 31st March, 2023	As at 31st March, 2022
FINANCIAL ASSETS			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	6	1,014	2,023
ii. Fair value through profit and loss	6	1,799	1,498
Fair Value of Derivatives	8	19	54
Financial assets measured at amortised cost			
Investments	6	0	0
Loans	7	134	150
Security deposits	8	170	155
Investments in term deposits	8, 14	3,741	2,477
Indemnification Asset	8	608	608
Other assets	8	883	637
		8,368	**7,602**

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying value/Fair value As at 31st March, 2023	Carrying value/Fair value As at 31st March, 2022
FINANCIAL LIABILITIES			
Financial Liabilities measured at fair value			
Fair Value of Derivatives	21	8	5
Contingent consideration payable on business combination	21	4	46
Financial liability on acquisition	21	375	-
Financial liabilities measured at amortised cost			
Lease Liabilities	20	1,121	1,043
Security deposits	21	30	29
Employee Liabilities	21	720	604
Borrowings	23	98	-
Other payables	21	103	93
		2,459	**1,820**

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, receivables from group companies, consignment receivables, trade payables, consignment payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

B Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the consolidated statement of profit and loss are as follows:

	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
Financial assets measured at amortised cost			
Interest income	28	285	106
Allowance for expected credit loss and credit impairment	12	(27)	(8)
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	28	126	80
Fair value gain/(loss) recognised in other comprehensive income	18C	(1)	(1)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	28	99	59
Dividend income on non current investments	28	2	1
Financial liabilities measured at amortised cost			
Interest expense	33	4	2
Interest on lease liabilities	33	84	80
Interest expense other than on lease liabilities	33	10	7
Financial liabilities measured at fair value through profit or loss			
Fair valuation of contingent consideration payable	36	2	9
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	29, 35	49	76

C Fair Value Hierarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3	Total
As at 31st March, 2023				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	1,014	-	-	1,014
ii. Fair Value through Profit or Loss	1,797	-	2	1,799
Fair Value of Derivatives	-	19	-	19
Liabilities at fair value				
Fair Value of Derivatives	-	8	-	8
Contingent consideration payable on business combination	-	-	4	4
Financial liability on acquisition	-	-	375	375
As at 31st March, 2022				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	2,023	-	-	2,023
ii. Fair Value through Profit or Loss	1,496	-	2	1,498
Fair Value of Derivatives	-	54	-	54
Liabilities at fair value				
Fair Value of Derivatives	-	5	-	5
Contingent consideration payable on business combination	-	-	46	46

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2022.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investment in treasury bills and quoted investment in equity shares is based on the bid price of respective investment as at the Balance Sheet date.

2. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

3. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties, foreign exchange forward rates and commodity prices.

Other financial assets and liabilities

Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), consignment receivable, trade payables, consignment payable and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

(All amounts in ₹ crores, unless otherwise stated)

Significant unobservable inputs used in level 2 and level 3 fair values

As at 31st March, 2023

		Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a)	Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹12 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b)	Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue	10% increase in forecasted revenue per year will have additional liability of ₹0 crores and 10% decrease would have led to an equal but opposite effect.
			Discount rate: 7.8%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.
(c)	Financial liability on acquisition	**Monte Carlo simulation:** The fair value is determined using forecasted revenue, volatility and the internal rate of return of the project.	Forecast revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹19 crores and 5% decrease would have led to an equal but opposite effect.

As at 31st March, 2022

		Valuation techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
(a)	Fair Value of Derivatives	**Forward pricing:** The fair value is determined using quoted forward exchange rates and the commodity derivative prices at the reporting date.	Not applicable	A 10% increase in prices of open trades would have led to approximately ₹13 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b)	Contingent consideration	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Forecast revenue	10% increase in forecasted revenue per year will have additional liability of ₹5 crores and 10% decrease would have led to an equal but opposite effect.
			Discount rate: 6.5%	1% increase in Discount rate will have reduction in liability of ₹0 crore and 1% decrease would have led to an equal but opposite effect.

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities is given below:

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2023	Year ended 31st March, 2022
Opening	48	94
Additions through business combination (Refer note 44)	375	-
Additions during the year	-	-
Interest unwinding	0	4
Payments during the year	(40)	(41)
Gain recognised in profit and loss on fair value adjustment	(2)	(9)
Closing	**381**	**48**

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(All amounts in ₹ crores, unless otherwise stated)

NOTE 41 FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and commodity risk. The Group's senior management has the overall responsibility for establishing and governing the Group risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2023 and 31st March, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial assets and financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

			Undiscounted Amount		
	Note	Carrying amount	Within 1 year	More than 1 year	Total
As at 31st March, 2023					
Financial assets					
Non-derivative assets					
Investments	6	2,813	2,811	2	2,813
Loans	7	134	36	98	134
Trade Receivables	12	3,079	3,079	-	3,079
Cash and cash equivalents	13	714	714	-	714
Bank Balances other cash and cash equivalents	14	3,964	3,964	-	3,964
Security deposits	8	170	63	107	170
Consignment Receivable	8	278	278	-	278
Other financial asset	8	1,036	1,026	10	1,036
Derivative assets					
Fair Value of Derivatives	8	19	19	-	19
Financial liabilities					
Non-derivative liabilities					
Borrowings	23	98	98	-	98
Lease Liabilities	20	1,121	314	1,000	1,314
Trade payables (including acceptances)	24	9,575	9,575	-	9,575
Security deposits	21	30	-	30	30
Unpaid dividend	21	224	224	-	224
Employee liabilities	21	720	287	437	724
Contingent consideration	21	4	4	-	4
Consignment Payable	21	285	285	-	285
Financial liability on acquition	21	375	-	462	462
Other Payables	21	103	81	22	103
Derivative liabilities					
Fair Value of Derivatives	21	8	8	-	8

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount		
			Within 1 year	More than 1 year	Total
As at 31st March, 2022					
Financial assets					
Non-derivative assets					
Investments	6	3,521	3,519	2	3,521
Loans	7	150	35	115	150
Trade Receivables	12	2,236	2,236	-	2,236
Cash and Cash Equivalents	13	1,147	1,147	-	1,147
Bank Balance other than cash and cash equivalents	14	2,699	2,699	-	2,699
Security deposits	8	155	52	103	155
Consignment Receivable	8	226	226	-	226
Other financial asset	8	930	809	121	930
Derivative assets					
Fair Value of Derivatives	8	54	54	-	54
Financial liabilities					
Non-derivative liabilities					
Lease Liabilities	20	1,043	302	898	1,200
Trade payables (including acceptances)	24	9,068	9,068	-	9,068
Security deposits	21	29	-	29	29
Employee liabilities	21	604	282	346	628
Unpaid dividend	21	220	220	-	220
Contingent consideration	21	259	259	-	259
Consignment Payable	21	93	93	-	93
Other Payables	21	46	40	6	46
Derivative liabilities					
Fair Value of Derivatives	21	5	5	-	5

B Management of Market Risk

The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- interest rate risk; and
- commodity risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group exposure to and management of these risks are explained below.

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(All amounts in ₹ crores, unless otherwise stated)

1. Currency Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is subject to the risk that changes in foreign currency values impact the Group's exports revenue and imports of raw material and property, plant and equipment. As at 31st March, 2023, the unhedged exposure to the Group on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹65 crores payable (net) [31st March, 2022: ₹85 crores payable (net)].	The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The Group manages currency exposures through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.	A 5% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to approximately an additional ₹3 crores gain in the consolidated statement of profit and loss (2021-22: ₹4 crores gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

Payable/ (Receivable)	As at 31st March, 2023	As at 31st March, 2022
SEK	20	12
SGD	14	22
EUR	4	30
NZD	8	7
GBP	7	(7)
USD	0	19
Others	12	2
	65	**85**

2. Interest Rate Risk

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is mainly exposed to the interest rate risk due to its investment in treasury bills and debt mutual funds. The interest rate risk arises due to uncertainties about the future market interest rate on these investments. In addition to treasury bills and debt mutual funds, the Group invests in term deposits. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits. As at 31st March 2023, the investments in treasury bill amounts to ₹1,014 crores (31st March, 2022: ₹2,073 crores) and the investments in debt mutual funds amounts to ₹1,892 crores (31st March, 2022: ₹1,652 crores).	The Group has laid policies and guidelines including tenure of investment made to minimise impact of interest rate risk.	A 0.25% decrease in interest rates would have led to approximately ₹2 crore gain in the Consolidated Statement of Profit and Loss (2021-22: ₹6 crore). A 0.25% increase in interest rates would have led to an equal but opposite effect.

(All amounts in ₹ crores, unless otherwise stated)

3. **Commodity Risk**

Potential Impact of Risk	Management Policy	Sensitivity to Risk
The Group is exposed to the risk of changes in commodity prices in relation to its purchase of certain raw materials. At 31st March, 2023, the Group had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹29 crores (31st March, 2022: ₹106 crores). Hedges of future commodity purchases resulted in cumulative profits of ₹14 crores (31st March, 2022: ₹85 crores cumulative profits) being reclassified to the consolidated statement of profit and loss as an adjustment to inventory purchase.	Commodities form a major part of the raw materials required for Group products portfolio and hence commodity price risk is one of the important market risk for the Group. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The Group has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Group uses commodity swaps and option contracts to hedge against components of commodities where it is not possible to hedge the commodity in full.	A 10% increase in prices of open trades would have led to approximately ₹12 crores gain in OCI (2021-22 ₹13 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

C Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables indicate low credit risk. Hence, trade receivables are considered to be a single class of financial assets. Refer note 12 for accounting policy on Financial Instruments - trade receivables.

Other financial assets

Credit risk related to the use of treasury instruments arises from transactions with financial institutions involving cash and cash equivalents, term deposits with banks, investments in treasury bills, Government securities, money market liquid mutual funds, overnight mutual funds and derivative instrument. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at 31st March, 2023 and 31st March 2022. To reduce this risk, the Group has concentrated its main activities with a limited number of counter-parties which have secure credit ratings. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

NOTE 42 EMPLOYEE BENEFIT PLANS

I Defined Contribution Plans

Refer note 32 for accounting policy on Employee Benefits.

Refer Note 32 for the Group's contribution to the defined contribution plans with respect to employee benefit funds.

II DEFINED BENEFIT PLANS

Refer note 32 for accounting policy on Employee Benefits.

Description of Plans

Retirement Benefit Plans of the Group include Gratuity, Management Pension, Officer's Pension and Provident Fund. Other post-employment benefit plans includes post retirement medical benefits.

Gratuity is funded through investments with an insurance service provider & the Holding Company administered trust. Pension (Management Pension and Officer's Pension) is managed through a Holding Company administered trust and in some instances invested with an insurance service provider. Provident Funds for certain employees are managed through the Holding Company administered trust. Post-retirement medical benefits are managed through the Holding Company administered trust and through insurance policy.

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(All amounts in ₹ crores, unless otherwise stated)

Governance

The trustees of Gratuity, Pension, Post Retirement Medical Benefit and Provident Funds are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Investment Strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Group to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Group has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A. Balance Sheet

I The assets, liabilities and (surplus)/deficit position of the defined benefit plans at the Balance Sheet date were:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Present Value of Obligation	4,132	4,089	253	252
Fair Value of Plan Assets	(4,019)	(4,030)	(40)	(56)
(Asset)/Liability recognised in the Balance Sheet	**113**	**59**	**213**	**196**
Of which in respect of:				
Funded plans in surplus:				
Present Value of Obligation #	1,054	3,779	-	-
Fair Value of Plan Assets #	(1,085)	(3,901)	-	-
(Asset)/Liability recognised in the Balance Sheet *	**-***	**-***	**-**	**-**
(* The excess of assets over liabilities in respect of Gratuity Plan & Provident Fund Plan II have not been recognised on account of asset ceiling)				
Funded plans in deficit:				
Present Value of Obligation #	3,078	310	192	199
Fair Value of Plan Assets #	(2,965)	(251)	(40)	(56)
(Asset)/Liability recognised in the Balance Sheet	**113**	**59**	**152**	**143**
(During the year Provident Fund Plan I and Officer's Pension have moved from funded plans in surplus to funded plans in deficit.)				
Unfunded plans in deficit:				
Present Value of Obligation	-	-	61	53
Fair Value of Plan Assets	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**61**	**53**

II Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹21 crores as at 31st March, 2023 (₹98 crores as at 31st March, 2022).

(All amounts in ₹ crores, unless otherwise stated)

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2021	3,821	3,880	59	66	255	189
Current service cost	-	148	148	-	0	0
Past service cost	-	52	52	-	-	-
Change in asset ceiling	(62)	-	62	-	-	-
Employee contributions	-	236	236	-	-	-
Interest cost	-	257	257	-	16	16
Interest income	254	-	(254)	4	-	(4)
Actuarial (gain)/loss arising from changes in financial assumptions	159	25	(134)	0	(6)	(5)
Actuarial (gain)/loss arising from experience adjustments	-	18	18	-	12	12
Employer contributions	149	-	(149)	10	-	(10)
Employee contributions	236	-	(236)	-	-	-
Assets acquired/ (settled)	(69)	(69)	-	(8)	(9)	(1)
Benefit payments	(458)	(458)	-	(16)	(16)	-
As at 31st March, 2022	**4,030**	**4,089**	**59**	**56**	**252**	**196**

	Retirement Benefit Plans			Other Post-Employment Benefit Plans		
	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
As at 31st March, 2022	4,030	4,089	59	56	252	196
Current service cost	-	146	146	-	0	0
Past service cost	-	-	-	-	-	-
Change in asset ceiling	90	-	(90)	-	-	-
Employee contributions		230	230	-	-	-
Interest cost	-	271	271	-	17	17
Interest income	274	-	(274)	4	-	(4)
Actuarial (gain)/loss arising from changes in financial assumptions	(0)	38	38	(2)	(16)	(14)
Actuarial (gain)/loss arising from experience adjustments	-	69	69	-	20	20
Employer contributions	106	-	(106)	2	-	(2)
Employee contributions	230	-	(230)	-	-	-
Assets acquired/(settled)	(158)	(160)	-	-	-	-
Benefit payments	(553)	(551)	-	(20)	(20)	-
As at 31st March, 2023	**4,019**	**4,132**	**113**	**40**	**253**	**213**

Notes

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(All amounts in ₹ crores, unless otherwise stated)

C. Consolidated Statement of Profit and Loss

The charge to the consolidated statement of profit and loss comprises:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee Benefit Expenses *:				
Current service cost	42	39	0	0
Past service cost	-	52	-	-
Finance costs * :				
Interest cost	57	56	17	16
Interest income	(55)	(53)	(3)	(4)
Net impact on profit (before tax)	**44**	**94**	**14**	**12**
Remeasurement of the net defined benefit plans:				
Actuarial (gains)/losses arising from changes in financial assumptions	(32)	(26)	(14)	(6)
Actuarial (gains)/losses arising from experience adjustments	18	(14)	19	12
Change in asset ceiling (gains)/losses	26	(7)	-	-
Net impact on other comprehensive income (before tax)	**12**	**(47)**	**5**	**6**

* Service cost and Finance cost excludes charges towards Officer's Pension and Provident Fund.

D. Assets

The fair value of plan assets at the Balance Sheet date for our defined benefit plans for each category are as follows:

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Quoted				
Government Debt Instruments	1,663	1,703	-	-
Other Debt Instruments	1,067	1,146	40	56
Equity	342	280	-	-
Total (A)	**3,072**	**3,129**	**40**	**56**
Unquoted				
Other Debt Instruments	228	233	-	-
Others	750	790	-	-
Total (B)	**978**	**1,023**	**-**	**-**
Total (A+B)	**4,050**	**4,152**	**40**	**56**

Note: Assets to the extent of ₹11 crores for Provident Fund (FY 2021-22 : ₹76 crores), ₹21 crores for Gratuity Fund (FY 2021-22: ₹46 crores) and ₹ Nil crores for Officer's Pension Fund (FY 2021-22 : ₹0 crores) not recognised on account of asset ceiling

None of the plans invest directly in any property occupied by the Group or any financial securities issued by the Group.

(All amounts in ₹ crores, unless otherwise stated)

E. Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Holding Company's Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
Financial Assumptions	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Discount rate (per annum)	7.5%	6.9%	7.5%	6.9%
Salary Escalation Rate (per annum)				
Management employees – for first 5 years	8.0%	8.0%	-	-
Management employees – after 5 years	8.0%	8.0%	-	-
Non-management Employees	8.0%	8.0%	-	-
Pension Increase Rate (per annum)*	2.0%	2.0%	-	-
Annual increase in healthcare costs (per annum)	-	-	9.0%	9.0%

*For management pension only

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table.

Mortality in Retirement: LIC Buy-out Annuity Rates & Published rates under S1PA Mortality table adjusted for Indian Lives.

F. Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

		Retirement Benefit Plans		Other Post-Employment Benefit Plans	
		Change in assumption (%)	**Change in plan obligation (%)**	**Change in assumption (%)**	**Change in plan obligation (%)**
Discount rate (per annum)	Increase	0.5%	-1.9%	0.5%	-4.7%
	Decrease	0.5%	2.0%	0.5%	5.1%
Salary escalation rate (per annum)	Increase	0.3%	1.3%	-	-
	Decrease	0.3%	-1.3%	-	-
EPFO Guaranteed rate of return (per annum)	Increase	0.5%	1.8%	-	-
	Decrease	0.5%	-1.8%	-	-
Pension rate	Increase	0.3%	5.4%	-	-
	Decrease	0.3%	-5.4%	-	-
Life expectancy	Increase	1 year	3.4%	1 year	4.9%
	Decrease	1 year	-3.5%	1 year	-4.8%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.0%	10.4%
	Decrease	-	-	1.0%	-8.9%

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

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(All amounts in ₹ crores, unless otherwise stated)

G. Weighted average duration and expected employers contribution for the next year for each of the defined benefit plan

	Weighted average duration (years)		Expected Employers contribution for the next year
	Year ended 31st March, 2023	Year ended 31st March, 2022	
Gratuity Plan I	6.9	7.1	-
Management Pension	7.1	6.6	0.2
Officer's Pension	2.4	2.4	0.1
Provident Fund Plan I	7.7	8.7	100.4
Provident Fund Plan II	7.7	8.7	13.5
Post-retirement medical benefits Plan I	9.1	9.5	-
Post-retirement medical benefits Plan II	13.0	13.6	-

Plan I refers to existing employee benefit plans of the Group.

Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger.

Compensated absences

Employee Benefit expenses for the year include ₹8 crores (FY 2021-22 : ₹7 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2023 is ₹44 crores (31st March, 2022: ₹43 crores).

NOTE 43 SHARE BASED PAYMENTS

Refer note 32 for accounting policy on Share Based Payments.

A. Holding Company

Cash Settled Share Based Payments

The employees of the Group are eligible for Unilever PLC (the 'Parent Company') share awards namely, the Management Co-Investment Plan (MCIP), the Performance Share Plan (PSP) and the SHARES Plan.

The MCIP allowed eligible employees to invest up to 100% of their annual bonus in the shares of the Parent Company and to receive a corresponding award of performance-related shares. The performance measures for MCIP are underlying sales growth, underlying EPS growth, underlying return on invested capital and sustainability progress index for the Group. The awards under MCIP plans will vest after 4 years between 0% and 200% of grant level, depending on the achievement of the performance metrics.

Under PSP, eligible employees receive annual awards of the Parent Company's shares. The performance measures for PSP are competitiveness, cumulative free cash flow, underlying return on invested capital and sustainability progress index for the Group. The awards under PSP plans will vest after 3 years between 0% and 200% of grant level, depending on the achievement of the performance metrics.

Under the SHARES Plan, eligible employees can invest upto ₹17,246 per month in the shares of the Parent Company and after three years one share is granted free of cost to the employees for every three shares invested, provided they hold the shares bought for three years. The Parent Company charges the Group for the grant of shares to the Group's employees at the end of the 3/4 years based on the market value of the shares on the exercise date. The Group recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Equity Settled Share Based Payments

The members of the Holding Company had approved '2001 HLL Stock Option Plan' at the Annual General Meeting held on 22nd June, 2001. The plan envisaged grant of share options to eligible employees at market price as defined in Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

This plan was amended and revised vide '2006 HLL Performance Share Scheme' at the Annual General Meeting held on 29th May, 2006. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Compensation Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth and free cash flow. The scheme also provided for 'Par' Awards for the managers at different work levels.

(All amounts in ₹ crores, unless otherwise stated)

The 2006 scheme was further amended and revised vide '2012 HUL Performance Share Scheme' at the Annual General Meeting held on 23rd July, 2012. This scheme provided for conditional grant of Performance Shares at nominal value to eligible management employees as determined by the Nomination and Remuneration Committee of the Board of Directors from time to time, at the end of 3-year performance period. The performance measures under this scheme include group underlying sales growth, underlying operating margin, and cumulative operating cash flow.

The number of shares allocated for allotment under the 2006 and 2012 Performance Share Schemes is 2,00,00,000 (two crores) equity shares of ₹1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

The Employee Stock Option Plan includes employees of the Holding Company (Hindustan Unilever Limited), its subsidiaries and a subsidiary of parent Company.

Scheme	Scheme Grant Year	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share	Weighted Average Exercise Price (₹) per share
2001 HLL Stock Option Plan	2005	27-May-05	1,547,700	Vested after three years from date of grant	7 years from date of vesting	132.05	132.05
2006 HLL Performance Share Scheme	2012	17-Feb-12	420,080	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2012	30-Jul-12	51,385			1.00	1.00
2012 HUL Performance Share Scheme	2013	18-Mar-13	3,68,023	Vested after three years from date of grant	3 months from date of vesting	1.00	1.00
	Interim 2013	29-Jul-13	25,418			1.00	1.00
	2014	14-Feb-14	262,155			1.00	1.00
	Interim 2014	28-Jul-14	16,805			1.00	1.00
	2015	13-Feb-15	142,038			1.00	1.00
	Interim 2015	27-Jul-15	12,322			1.00	1.00
	2016	11-Feb-16	157,193			1.00	1.00
	Interim 2016	25-Jul-16	11,834			1.00	1.00
	2017	13-Feb-17	123,887			1.00	1.00
	Interim 2017	21-Jul-17	6,846			1.00	1.00
	2018	16-Feb-18	63,421			1.00	1.00
	Interim 2018	27-Jul-18	4,650			1.00	1.00

Scheme	Scheme Grant Year	Financial Year	Number of Share Options				
			Outstanding at the beginning of the year	Granted during the year	Forfeited/ Expired during the year	Exercised during the year	Outstanding at the end of the year
2012 HUL Performance Share Scheme	2018	**2022-23**	-	-	-	-	-
		2021-22	21,019	-	-	21,019	-
	Interim 2018	**2022-23**	-	-	-	-	-
		2021-22	4,030	-	1,606	2,424	-

Weighted average equity share price at the date of exercise of options during the year 2021-22 was ₹2,406.

Weighted average remaining contractual life of options as at 31st March, 2022 was 0 year.

B. Subsidiary

Cash Settled Share Based Payments

Zywie Ventures Private Limited ("ZVPL") introduced graded vesting Employee Stock Option Plan on 09th July, 2021, where ESOP pool available for grant to the employees was 12,636. Pursuant to the Share Subscription and Share Purchase Agreement amongst the Holding Company, ZVPL and other parties, 1,200 ESOPs were cancelled from the pool.

Total granted options as on 31 March 2023 are 4,133. In accordance with IND AS 103, the fair value of the options was calculated by an independent valuer as per Black Scholes method. The Group has recorded post acquisition expense of ₹1 crore on account of unvested options.

Notes

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(All amounts in ₹ crores, unless otherwise stated)

C. Effect of share based payment transactions on the Consolidated Balance Sheet:

	As at 31st March, 2023	As at 31st March, 2022
Other non-current financial liabilities	243	160
Other current financial liabilities	80	64
Total carrying amount of liabilities	**323**	**224**

D. Effect of share based payment transactions on the Consolidated Statement of Profit and Loss:

	As at 31st March, 2023	As at 31st March, 2022
Cash settled share based payments	157	103
Equity settled share based payments	-	(2)
Total expense on share based payments	**157**	**101**

NOTE 44 BUSINESS COMBINATION

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the consolidated statement of profit and loss.

Transaction costs are expensed in the consolidated statement of profit and loss as incurred, other than those incurred in relation to the issue of debt or equity securities which are directly adjusted in other equity. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the consolidated statement of profit and loss.

I Acquisition of VWash Brand

On 25th June, 2020, the Holding Company completed the acquisition of the brand ‘VWash’ from Glenmark Pharmaceuticals Limited. The deal comprised the acquisition of the brand ‘VWash’, along with other trademarks, copyrights, know-how and designs associated with the brand (‘VWash Business’) and certain packing/product moulds for a cash consideration of ₹286 crores including a holdback consideration of ₹10 crores; plus a deferred contingent consideration of 5% of net turnover payable annually for a 3 year period commencing financial year 2021-22.

Deferred contingent consideration

Basis the projection of the domestic turnover of the brand, the contingent consideration is subject to revision on a yearly basis. As at 31st March 2022, the fair value of the contingent consideration was ₹10 crores which was classified as other financial liability.

Based on actual performance in financial year 2022-23, contingent consideration paid and current view of future projections for the brand, the Company has reviewed and fair valued the deferred contingent consideration so payable. As at 31st March 2023, the fair value of the contingent consideration is ₹4 crores which is classified as other financial liability.

The determination of the fair value as at Balance Sheet date is based on discounted cash flow method. The key input used in determining the fair value of deferred contingent consideration were domestic turnover projection of the brand.

II Amalgamation of GlaxoSmithKline Consumer Healthcare Limited

On 1st April, 2020, the Holding Company completed the merger of GlaxoSmithKline Consumer Healthcare Limited [‘GSKCH’] via an all-equity merger under which 4.39 shares of HUL (the Holding Company) were allotted for every share of GSKCH. With this merger the Holding Company acquired the business of GSKCH including the Right to Use asset of brand Horlicks and Intellectual Property Rights of brands like Boost, Maltova and Viva. The Holding Company also acquired the Horlicks intellectual property rights, being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc.

(All amounts in ₹ crores, unless otherwise stated)

The scheme of merger ("scheme") submitted by the Holding Company was approved by Hon'ble National Company Law Tribunal by its order dated 24th September, 2019 (Mumbai bench) and 12th March, 2020 (Chandigarh bench). The Board of Directors approved the scheme between the Holding Company and GSKCH, on 1st April, 2020. The scheme was filed with Registrar of Companies on the same date. Accordingly, 1st April, 2020 was considered as the acquisition date, i.e. the date at which control is transferred to the Holding Company.

The merger had been accounted for using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

(A) Purchase consideration transferred:

The total consideration paid was ₹40,242 crores which comprised of shares of the Holding Company, valued based on the share price of the Holding Company on the completion date. Refer to the details below:

As per the scheme, the Holding Company issued its shares in favour of existing shareholders of GSKCH such that 4.39 of Holding Company's shares were allotted for every share of GSKCH as below.

Total number of GSKCH shares outstanding	42,055,538
Total number of Holding Company's shares issued to GSKCH shareholders i.e., 4.39 of Company's shares per share of GSK CH	184,623,812
Value of the Holding Company share (closing price of the Company share on NSE as on 1st April, 2020)	2,179.65
Total consideration paid to acquire GSKCH (₹ Crores)	**40,242**

(a) Total costs relating to the issuance of shares amounting to ₹44 crores was recognised against equity.

(b) Transaction cost of ₹146 crores that were not directly attributable to the issue of shares was included under exceptional items in the consolidated statement of profit and loss.

(B) Assets acquired, and liabilities assumed is as under:

	Amount
Total identifiable assets (A)	31,445
Total identifiable liabilities (B)	8,468
Goodwill (C)	17,265
Total Net Assets [(A) - (B) + (C)]	**40,242**

The main assets acquired were Right to use Horlicks and Boost brand which were valued using the income approach model by estimating future cashflows generated by these assets and discounting them to present value using rates in line with a market participant expectation.

In addition, as applicable, Property plant & equipment have been valued using the market comparison technique and replacement cost method.

(C) Acquisition of Horlicks Brand:

The Holding Company also acquired the Horlicks Intellectual Property Rights (IPR), being the legal rights to the Horlicks brand for India from GlaxoSmithKline Plc for a consideration of ₹3,045 crores. The transaction has been accounted as an asset acquisition in line with Ind AS 38 (Intangible asset).

The Holding Company incurred transaction cost of ₹91 crores for the above asset acquisition which was capitalised along with Horlicks IPR. Total value of ₹3,136 crores is recognised under Intangible assets in the consolidated financial statements.

III Acquisition of Zywie Ventures Private Limited

On 10th January 2023, the Holding Company acquired 53.34% stake (51.00% on a fully diluted basis) in Zywie Ventures Private Limited ("ZVPL"), a unlisted company incorporated in India and engaged in the business of Health and Wellbeing products under the brand name of "OZiva".

The investment is in line with the Holding Company's strategy to enter into fast evolving growth space of Health and Wellbeing. As part of the Shareholders Agreement ("SHA"), Holding Company has acquired substantive rights which gives control over relevant activities of the business and right to variable returns through *inter alia* composition of Board, decision making rights, management control, and hence ZVPL is treated as a subsidiary.

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to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

(A) Purchase consideration transferred

The amount of consideration transferred on acquisition is ₹264 crores in cash.

(B) Financial liability on acquisition

On acquisition date, the Holding Company acquired stake in ZVPL through equity shares and compulsorily convertible preference shares ("CCPS"), and forward rights on the non-controlling interests ("NCI") by way of Share Subscription and Share Purchase Agreement ("SSSPA"). In respect of this, the Group has recognised a financial liability for the forward rights on the non-controlling interests at its estimated present value. The said financial liability has been recognised through a corresponding impact to Other Equity of ₹375 crores. This liability will be subsequently measured at Fair value through Profit and Loss.

(C) Assets acquired, and liabilities assumed is as under:

	Amount
Specified Tangible Assets	
Property, Plant and Equipment	
Owned Asset	2
Leased Assets	3
Specified Intangible Assets	
OZiva Brand	361
Other Intangibles	1
Other assets	
Trade and other receivables	13
Inventories	15
Cash and cash equivalents	103
Bank balances other than cash and cash equivalents	85
Other assets	22
Total identifiable assets (A)	**605**
Specified liabilities	
Trade payables	31
Lease liabilities	3
Other liabilities	101
Provision for employee benefits	1
Deferred tax liability	89
Total identifiable liabilities (B)	**225**
Total identifiable net assets acquired (A)-(B) (Before Adjustment of Non Controlling Interest)	**380**

The gross contractual value and fair value of trade and other receivables as at the date of acquisition amounted to ₹13 crores which is expected to be fully recoverable.

(D) Acquisition of Brand OZiva

The Holding Company also acquired the OZiva brand, as part of the acquisition deal. The brand has been valued at ₹361 crores using multi period excess earnings method.

(E) Goodwill

	Amount
Upfront cash consideration transferred	264
Non-controlling interest on date of acquisition	185
Less: Total identifiable net assets acquired	(380)
Goodwill	**69**

Goodwill of ₹69 crores is recognised on account of synergies expected from acquisition of ZVPL.

(F) Contingent liabilities

There are no contingent liabilities as on 10th January, 2023 pertaining to ZVPL.

(All amounts in ₹ crores, unless otherwise stated)

(G) Analysis on cash flows of acquisition

	Amount
Cash paid on acquisition of controlling stake	264
Cash and cash equivalent acquired from ZVPL	(0)
Net cash paid	**264**

Acquisition cost of ZVPL of ₹264 crores and related transaction costs of ₹2 crores are included under Cash flow from investing activities.

(H) Impact of acquisition on results

During the year, the acquired company ZVPL contributed ₹21 crores towards Revenue from operations and made a loss of ₹7 crores.

If the business combination had taken place at the beginning of the year i.e. on 1st April, 2022, ZVPL would have contributed ₹100 crores towards Revenue from operations and would have made a loss of ₹36 crores.

NOTE 45 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

			As at 31st March, 2023	As at 31st March, 2022
(a)	**Loans to others**			
	Balance as at the beginning of the year		4	-
	Loans given		2	4
	Loans repaid		0	-
	Balance as at the end of the year		6	4
	Maximum amount outstanding at any time during the year		6	4
(b)	**Details of Non-current Investments made by the Group**			
	A.	**Equity Instruments**		
	(a)	**Quoted equity instruments**		
		10,000 equity shares [31st March, 2022: 10,000] of ₹10 each held in Scooters India Limited	0	0
	(b)	**Unquoted equity instruments**		
		1,00,000 equity shares [31st March, 2022: 100,000] of ₹10 each held in Biotech Consortium India Limited	0	0
		8,284 equity shares [31st March, 2022: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
		200 equity shares [31st March, 2022: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
		1,000 equity shares [31st March, 2022: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
		96,125 equity shares [31st March, 2022: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
		1 equity share [31st March, 2022: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
		50 equity shares [31st March, 2022: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
		1,150 equity shares [31st March, 2022: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
		1,000 equity shares [31st March, 2022: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
		2,40,000 equity shares [31st March, 2022: 2,40,000] of ₹10 each held in Comfund Consulting Limited (formerly known as Comfund Financial Services India Limited) [Net of impairment: ₹0 crore (31st March, 2022: ₹0 crore)]	-	-
		52,000 equity shares [31st March, 2022: 52,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
	Total (A)		**1**	**1**

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to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
B. Other Instruments		
(a) Unquoted investment in debentures and bonds		
14 6 1/2% Non-redeemable Registered Debentures [31st March, 2022: 14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
44 1/2% Debentures [31st March, 2022: 44] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
1 5% Non-redeemable Registered Debenture stock [31st March, 2022: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
56 5% Debentures [31st March, 2022: 56] face value of ₹100 each held in Shillong Club Limited	0	0
(b) Unquoted investment in National Savings Certificates		
7 Year National Savings Certificates - II Issue	0	0
(c) Unquoted investment in preference shares		
1,04,000 9% Cumulative Redeemable Preference Shares [31st March, 2022: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavanagar Private Limited	1	1
Total (B)	**1**	**1**
Total (A + B)	**2**	**2**

(d) Refer note 5 for details of Investments in joint venture.

(e) The Group has not provided any security covered under Section 186 and accordingly, the disclosure requirements to that extent does not apply to the Group.

NOTE 46 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

(i) Parent Company : Unilever Plc

B. Enterprises where control exists

(i) Trust (Extent of holding) : Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)

C. Other Related Parties with whom the Group had transactions during the year

(i) Key Management Personnel

(a) Executive Directors & Sr. Management :

Sanjiv Mehta
Ritesh Tiwari (with effect from 1st May, 2021)
Srinivas Phatak (up to 30th April, 2021)
Yogesh Mishra (with effect from 1st September, 2022)
Wilhelmus Uijen (up to 31st August, 2022)
Dev Bajpai
Anuradha Razdan
Madhusudhan Rao (with effect from 1st April, 2022)
Priya Nair (up to 31st March, 2022)
Deepak Subramanian (with effect from 1st July, 2022)
Prabha Narasimhan (up to 30th April, 2022)
Srinandan Sundaram
Sudhir Sitapati (up to 30th June, 2021)
Kedar Lele (with effect from 1st July, 2021)
Vibhav Sanzgiri

(b) Non-Executive Directors

Nitin Paranjpe (with effect from 31st March, 2022)
Kalpana Morparia
Sanjiv Misra
O. P. Bhatt
Leo Puri
Ashish Gupta
Ashu Suyash (with effect from 12th November, 2021)

(iii) Employees' Benefit Plans where there is significant influence :

The Union Provident Fund
Hindustan Lever Gratuity Fund

(All amounts in ₹ crores, unless otherwise stated)

The Hindlever Pension Fund
Hindlever Limited Superannuation Fund
GlaxoSmithKline Consumer Healthcare Limited Provident Fund (with effect from 1st April, 2020)
GlaxoSmithKline Consumer Healthcare Limited Indian Sr. Exe Superannuation SCH (with effect from 1st April, 2020)

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances

		Year ended 31st March, 2023	Year ended 31st March, 2022
Parent Company	: Dividend paid	4,012	3,566
	Royalty expense	799	829
	Fees for central services	478	499
	Income from services rendered	276	272
	Expenses for other services received	422	500
	Reimbursements paid	73	48
	Outstanding as at the year end :		
	– Trade payables	363	639
	– Trade receivables	60	105
Fellow Subsidiaries/Trust	: Sale of finished goods/raw materials etc	1,062	997
	Purchase of finished goods/raw materials etc	772	771
	Rent income	11	7
	Sale of Property, Plant & Equipment	-	0
	Sale of brand rights	-	29
	Income from services rendered	94	29
	Expenses for services received	17	24
	Marketing Development Cost	61	-
	Dividend paid	1,224	1,088
	Royalty expense	204	23
	Fees for central services	97	
	Purchase of export licenses	-	0
	Expenses shared by fellow subsidiaries	4	4
	Maintenance and support costs for licenses and software	90	49
	Gains/Losses on Commodity Hedge	152	91
	Contribution to foundation	3	1
	Reimbursement received/receivable towards pension and medical benefits	52	27
	Reimbursements paid	71	53
	Reimbursements received	68	103
	Outstanding as at the year end:		
	– Trade receivables	289	322
	– Trade payables	531	250
Key Management Personnel (Executive Directors & Sr. Management)	: Remuneration :		
	– Short-term employee benefits	91	62
	– Post-employment benefits*	1	2
	– Other long-term benefits*	-	-
	– Share-based payments	10	20
	Dividend paid	0	1
Key Management Personnel (Non-Executive Directors)	: Dividend paid	0	0
	Commission paid	1	1
Employees' Benefit Plans where there is significant influence	: Contributions during the year (Employer's contribution only)	160	125
	Outstanding as at the year end :		
	– Advances recoverable in cash or kind or for value to be received	8	9

*Note: As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Holding Company as a whole, the amounts pertaining to Key Management Personnel are not included.

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to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Terms and conditions of transactions with related parties

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2021-22: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Disclosure of transactions with Related Parties during the year which are more than 1% of Revenue

		Year ended 31st March, 2023	Year ended 31st March, 2022
Parent Company	: Royalty expense		
	Unilever Plc.	799	831
	Dividend Paid		
	Unilever Plc.	4,012	3,566
Fellow Subsidiaries	: Purchase of finished goods/raw materials etc.		
	PT Unilever Oleochemical Indonesia	704	688
	Sale of Finished Goods		
	Unilever Asia Private Limited	659	558

NOTE 47

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Group has ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

NOTE 48 SEGMENT INFORMATION

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

(a) the nature of products and services

(b) the differing risks and returns

(c) the internal organisation and management structure, and

(d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

Business Segments

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

(a) Home Care include detergent bars, detergent powders, detergent liquids, scourers, water business, purifiers business, etc.

(b) Beauty & Personal Care include products in the categories of oral care, skin care, soaps, hair care, deodorants, talcum powder, colour cosmetics, salon services etc.

(c) Foods and Refreshment include culinary products (tomato based products, fruit based products, soups, etc.), tea, coffee, health food drinks, ice-cream and frozen desserts.

(d) Others include exports, consignment etc.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee.

(All amounts in ₹ crores, unless otherwise stated)

Segment revenue relating to each of the above domestic business segments includes Income from Services provided to group companies, where applicable. Segment results relate to profit from continuing operations before other income, finance costs, exceptional items and tax.

	Year ended 31st March, 2023			Year ended 31st March, 2022		
	External	Intersegment	Total	External	Intersegment	Total
REVENUE						
Home care	21,223	-	21,223	16,570	-	16,570
Beauty & Personal care	22,022	-	22,022	19,567	-	19,567
Foods & Refreshment	14,876	-	14,876	14,105	-	14,105
Others (includes Exports, Consignment, etc.)	2,459	-	2,459	2,204	-	2,204
Total Revenue	**60,580**	**-**	**60,580**	**52,446**	**-**	**52,446**
RESULT						
Home care	3,913	-	3,913	3,183	-	3,183
Beauty & Personal care	5,647	-	5,647	5,392	-	5,392
Foods & Refreshment	2,662	-	2,662	2,623	-	2,623
Others (includes Exports, Consignment, etc.)	790	-	790	568	-	568
Total Segment Results	**13,012**	**-**	**13,012**	**11,766**	**-**	**11,766**
Finance costs			(114)			(106)
Other Income			512			258
Profit from continuing operations before exceptional items and tax			**13,410**			**11,918**
Share of net profit/(loss) of investments accounted for using equity method (net of income tax)			(1)			-
Exceptional items - income/(expenditure)			(64)			(44)
Profit before tax from continuing operations			**13,345**			**11,874**
Tax expense						
Current tax			(3,001)			(2,840)
Deferred tax charge/(credit)			(200)			(147)
Profit for the year from Continuing Operations (A)			**10,144**			**8,887**
Profit for the year from Discontinued Operations (B)			**(1)**			**5**
Profit For the Year (A+B)			**10,143**			**8,892**
Less: Non Controlling Interest			(23)			(13)
Profit for the Year			**10,120**			**8,879**

Other Information

	Segment Assets		Segment Liabilities	
	As at 31st March , 2023	As at 31st March , 2022	As at 31st March , 2023	As at 31st March , 2022
Home care	4,785	3,999	4,075	3,755
Beauty & Personal care	7,140	6,239	6,117	5,670
Foods and Refreshment	50,299	49,669	3,131	3,140
Others (includes Exports, Consignment, etc.)	1,435	1,413	722	682
Total	**63,659**	**61,320**	**14,045**	**13,247**
Unallocated Corporate Assets/(Liabilities)	9,428	9,197	8,520	8,183
Total Assets/(Liabilities)	**73,087**	**70,517**	**22,565**	**21,430**

	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Capital expenditure	Depreciation/ Amortisation*	Non-cash expenses other than depreciation	Capital expenditure	Depreciation/ Amortisation *	Non-cash expenses other than depreciation
Home care	625	240	49	280	213	38
Beauty & Personal care	644	539	50	512	544	44
Foods & Refreshment	579	309	33	361	300	34
Others (includes Exports, Consignment, etc.)	96	49	18	59	34	12

* In addition to the above, ₹15 crores (2021-22: ₹15 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

Notes
to the consolidated financial statements for the year ended 31st March, 2023

(All amounts in ₹ crores, unless otherwise stated)

Additional Information by Geographies

Although the Group's operations are managed by product area, we provide additional information based on geographies.

	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue by Geographical Market		
India	58,172	50,327
Outside India	2,408	2,119
	60,580	**52,446**
Carrying Amount of Segment Assets		
India	63,117	60,771
Outside India	542	549
	63,659	**61,320**

Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes

(a) Revenue comprises:

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of products	59,443	51,472
Sale of services	106	76
Income from services rendered	370	294
Commission income on consignment sales	333	315
Government grants (GST budgetary support and Production linked incentives)	179	140
Others (including scrap sales, rentals, etc)	149	149
Total	**60,580**	**52,446**

NOTE 49 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During the FY 2020-2021, the Group completed the merger of GSK CH via an all equity merger. The merger was accounted for in accordance with the scheme using the acquisition accounting method under Ind AS 103 – Business Combinations. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value.

NOTE 50 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Group did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 51

A. No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

   (a) Crypto Currency or Virtual Currency

   (b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

   (c) Registration of charges or satisfaction with Registrar of Companies

   (d) Relating to borrowed funds:

      i. Wilful defaulter

      ii. Utilisation of borrowed funds & share premium

      iii. Borrowings obtained on the basis of security of current assets

      iv. Discrepancy in utilisation of borrowings

      v. Current maturity of long term borrowings

B. Following disclosures are not applicable for consolidated financial statements as per Schedule III:

   (a) Title deeds of immoveable properties

   (b) Accounting ratios

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W - 100022

Aniruddha Godbole
Partner
Membership No. 105149

Mumbai: 27th April, 2023

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Form AOC-1

Statement containing salient features of the consolidated financial statements of subsidiaries/Joint ventures

(All amounts in ₹ crores, unless otherwise stated)

PART A: SUBSIDIARIES

Sr. No.	Name of the subsidiary	Unilever India Exports Limited	Pond's Exports Limited	Unilever Nepal Limited - Indian ₹ (note i, ii and iii)	Unilever Nepal Limited - Nepalese Rupees (note i, ii and iii)	Lakme Lever Private Limited	Unilever India Limited	Zywie Ventures Private Limited (note iv, v and vi)	Jamnagar Properties Private Limited	Daverashola Estates Private Limited	Hindustan Unilever Foundation	Bhavishya Alliance Child Nutrition Initiatives	Hindlever Trust Limited	Levindra Trust Limited	Levers Associated Trust Limited
1	The date since when subsidiary was acquired	26-06-1963	15-10-1998	22-06-1992		19-12-2008	07-06-2020	10-01-2023	16-10-2006	16-03-2005	19-12-2012	12-03-2015	01-04-1958	11-12-1946	11-12-1946
2	Reporting period	31-03-2023	31-03-2023	15/07/2022 (Ashaad, 31, 2079)		31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
3	Share capital	3	2	6	9	36	360	0	5	0	0	0	0	0	0
4	Reserves & surplus	318	(9)	232	371	200	21	96	(5)	(1)	1	(0)	(0)	(0)	(0)
5	Total assets	656	5	380	608	553	584	139	-	-	2	-	0	0	0
6	Total Liabilities	335	12	142	228	317	203	43	-	0	0	-	-	-	-
7	Investments	0	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Turnover	1,268	-	531	850	328	449	21	-	-	33	-	-	-	-
9	Profit/(loss) before taxation	158	(1)	159	255	38	30	(10)	-	-	(0)	-	(0)	(0)	(0)
10	Provision for taxation	(39)	-	(28)	(45)	(11)	(6)	(0)	-	-	-	-	-	-	-
11	Profit/(loss) after taxation	119	(1)	131	210	27	24	(10)	-	-	(0)	-	(0)	(0)	(0)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	90%	80%		100%	100%	53.34%	100%	100%	76%	100%	100%	100%	100%

Notes:

(i) Converted into Indian Rupees at the Exchange rate ₹1 = 1.6 Nepalese Rupees

(ii) The financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

(iii) The financial statements are as on 31st March, 2023.

(iv) The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2023.

(v) HUL has acquired 53.34% stake (51% on a fully diluted basis).

(vi) The financial statements reflect standalone balances for Zywie Ventures Private Limited from 10th January, 2023 to 31st March, 2023 and do not include any purchase price allocation adjustments made for consolidation in the Holding Company.

(All amounts in ₹ crores, unless otherwise stated)

PART B: JOINT VENTURE

Sr. No.	Name of the Joint Venture	Nutritionalab Private Limited (Note i, ii and iii)
1	Latest audited Balance Sheet Date	2022-03-31
2	Shares of Joint Ventures held by the company on the year end	
	No. of equity shares	7,256
	No. of compulsorily convertible preference shares	36,480
	Amount of Investment in Joint Venture	70
	Extent of Holding %	21.51%
3	Description of how there is significant influence	Shareholders' agreement
4	Reason why the joint venture is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Refer note iv
6	Profit/Loss for the year	
	i. Considered in Consolidation	(1)
	ii. Not Considered in Consolidation	(6)

Notes:

(i) The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2023.

(ii) HUL has acquired 21.51% stake (19.8% on a fully diluted basis).

(iii) The financial statements reflect standalone balances for Nutritionalab Private Limited from 4th January, 2023 to 31st March, 2023.

(iv) Latest audited Balance sheet date is 31st March, 2022. HUL had no stake as on that date hence networth is not attributable to Shareholding.

For and on behalf of Board of Directors

Sanjiv Mehta
Managing Director
and Chief Executive Officer
[DIN: 06699923]

Ritesh Tiwari
Executive Director, Finance & IT and Chief
Financial Officer
[DIN: 05349994]

Kalpana Morparia
Chairperson - Audit Committee
[DIN: 00046081]

Dev Bajpai
Executive Director, Legal & Corporate
Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Group Controller

Mumbai: 27th April, 2023

Notice of Annual General Meeting

Hindustan Unilever Limited

Registered Office: Unilever House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.
CIN: L15140MH1933PLC002030, **Website:** www.hul.co.in,
E-mail: levercare.shareholder@unilever.com, **Tel:** +91 22 5043 2791/ 5043 2792

NOTICE is hereby given that the 90th Annual General Meeting of Hindustan Unilever Limited will be held on Monday, 26th June, 2023 at 2:00 P.M. (IST) through Video Conferencing/Other Audio-Visual Means ('VC/OAVM'), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors' thereon.

2. To confirm the payment of Interim Dividend of ₹17 per equity share of ₹1/- each and to declare Final Dividend of ₹22 per equity share of ₹1/- each for the Financial Year ended 31st March, 2023.

3. To appoint a Director in place of Mr. Nitin Paranjpe (DIN: 00045204), who retires by rotation and being eligible, offers his candidature for re-appointment.

4. To appoint a Director in place of Mr. Dev Bajpai (DIN: 00050516), who retires by rotation and being eligible, offers his candidature for re-appointment.

5. To appoint a Director in place of Mr. Ritesh Tiwari (DIN: 05349994), who retires by rotation and being eligible, offers his candidature for re-appointment.

SPECIAL BUSINESS

6. **Appointment of Mr. Ranjay Gulati (DIN: 10053369) as an Independent Director:**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of 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), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Ranjay Gulati (DIN: 10053369), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company by the Board of Directors with effect from 1st April, 2023, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years i.e., from 1st April, 2023 upto 31st March, 2028.

   RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

7. **Appointment of Mr. Rohit Jawa (DIN: 10063590) as a Whole-time Director of the Company:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder and the applicable provisions of 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), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Rohit Jawa (DIN: 10063590), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st April, 2023 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a Director, as a Director of the Company, not liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Section 196,197 and 198 read with Schedule V and all other applicable provisions of the Act and the Rules made thereunder and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Rohit Jawa (DIN: 10063590) as a Whole-time Director of the Company, not liable to retire by rotation, to hold office from 1st April, 2023 to 26th June, 2023, subject to approval of the Central Government, on the terms and conditions including those relating to remuneration as set out under the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

8. **Appointment of Mr. Rohit Jawa (DIN: 10063590) as a Managing Director & Chief Executive Officer of the Company:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 196,197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, (the Act) and the Rules made thereunder and the applicable provisions of 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), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for appointment of Mr. Rohit Jawa (DIN: 10063590) as Managing Director & Chief Executive Officer (MD & CEO) of the Company, not liable to retire by rotation, to hold office for a period of five consecutive years i.e., from 27th June, 2023 to 26th June, 2028, subject to approval of the Central Government, on the terms and conditions including those relating to remuneration as set out under the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board or any duly constituted Committee of the Board, be and is hereby authorised to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution."

9. **Approval for Material Related Party Transaction:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), read with Section 188 of the Companies Act, 2013 (the Act) and other applicable provisions, if any along with the Rules made thereunder and other applicable laws including any amendments, modifications, variations or re-enactments thereof and the Company's Policy on Related Party Transactions and based on the recommendation/ approval of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded to the Company for entering into and /or continuing with Material Related Party Transactions/contract(s)/ arrangement(s)/ agreements or modification(s) thereto, as detailed in the Explanatory Statement annexed to this Notice, with Unilever Europe Business Centre BV (UEBC), a Related Party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations for provision of central services, for a period of five years commencing from Financial Year 2023-24 to Financial Year 2027-28, individually and/ or in the aggregate upto an amount not exceeding ₹2,000 crores (Rupees Two Thousand Crores Only) in a Financial Year, provided however, that the said contracts/arrangements/ transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers conferred on it to any Committee of Directors and/or Managing/Whole-time Director(s) of the Company and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or any duly constituted Committee thereof in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

10. **Ratification of remuneration to Cost Auditors:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (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 on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2024, amounting to ₹14 lakhs (Rupees Fourteen Lakhs Only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business, i.e. Item Nos. 6 to 10, to be transacted at the Annual General Meeting ('AGM') is annexed hereto.

2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 10/2022 dated 28th December, 2022 ('MCA Circulars'), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till 30th September, 2023. In accordance with the said MCA Circulars and applicable provisions of the Act, the 90th AGM of the Company shall be conducted through VC/OAVM. National Securities Depositories Limited ('NSDL') will be providing facilities in respect of:

   (a) voting through remote e-voting;

   (b) participation in the AGM through VC/OAVM facility;

   (c) e-voting during the AGM.

   The procedure for participating in the meeting through VC/OAVM is explained at Note No. 13 below and is also available on the website of the Company at www.hul.co.in.

3. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. However, Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Scrutiniser at scrutinizer@snaco.net and to evoting@nsdl.co.in.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 20th June, 2023 to Monday, 26th June, 2023 (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID AND FOR OBTAINING COPY OF ANNUAL REPORT:

6. In accordance with the circulars issued by MCA and SEBI, the Notice of the 90th AGM along with the Integrated Annual Report 2022-23 is being sent by electronic mode to Members whose e-mail id is registered with the Company or the Depository Participants (DPs). Physical copy of the Notice of the 90th AGM along with Integrated Annual Report for the Financial Year (FY) 2022-23 shall be sent to those Members who request for the same.

7. Members holding shares in physical form and who have not updated their e-mail ids with the Company are requested to update their e-mail ids by writing to the Company at levercare.shareholder@unilever.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the Permanent Account Number (PAN) card, and self-attested copy of any document (eg.: Driving License, Voter Identity card, Passport, Aadhaar card) in support of the address of the Member. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail id with the relevant DPs. In case of any queries/difficulties in registering the e-mail id, Members may write to levercare.shareholder@unilever.com.

8. The Notice of 90th AGM along with the Integrated Annual Report for the FY 2022-23, is available on the website of the Company at www.hul.co.in, on the website of Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended) and applicable circulars, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorised agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

10. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, 19th June, 2023 i.e., a day prior to commencement of book closure date, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

11. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 A.M. (IST) on Wednesday, 21st June, 2023 and will end at 5.00 P.M. (IST) on Sunday, 25th June, 2023. In addition, the facility for voting through e-voting

system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

12. The detailed instructions and the process for accessing and participating in the 90th AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting system:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on 'e-voting facility provided by Listed Companies', e-voting process has been enabled for all the individual demat account holders, through their demat account maintained with DPs. Members are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

(a) Login method for e-voting and joining virtual AGM for Individual Members holding securities in demat mode is given below:

Type of Individual Members	Login Method
Securities held in demat mode with NSDL.	**A. Users registered for NSDL IDeAS facility:** 1. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the '**Beneficial Owner**' icon under 'Login' which is available under '**IDeAS**' section. 2. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on '**Access to e-voting**' under e-voting services and you will be able to see e-voting page. 3. Click on options available against Company name or ESP - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. **B. Users not registered for IDeAS e-Services:** Option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS' Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp **C. Visit the e-voting website of NSDL** 1. After successfully registering on IDeAS, visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. 2. A new screen will open. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 3. Click on options available against Company name or ESP - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** Download on the App Store GET IT ON Google Play

Notice of Annual General Meeting

Type of Individual Members	Login Method
Securities held in demat mode with Central Depository Services (India) Limited	**A. Users who have opted for Easi / Easiest:** 1. Members can login through their User ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest, the user will be able to see the e-voting Menu. The Menu will have links of ESP i.e. NSDL. Click on NSDL to cast your vote. **B. Users who have not opted for Easi/Easiest:** Option to register for Easi/Easiest is available at www.cdslindia.com **C. Visit the e-voting website of NSDL** 1. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link on https://evoting.cdslindia.com/Evoting/EvotingLogin home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail id as recorded in the Demat Account. 2. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress.
Securities held in demat mode - login through Depository Participants	1. Members can also login using the login credentials of their Demat Account through their Depository Participant registered with NSDL/CDSL for e-voting facility. After logging, you will be able to see e-voting option. 2. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or ESP and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

For Technical Assistance:

Members facing any technical issues related to login may reach out to the respective depositories' helpdesk by sending a request on the email ids or contact on the phone nos. provided below:

NSDL	CDSL
Email: evoting@nsdl.co.in	Email : helpdesk.evoting@cdslindia.com
Phone No.: 022 - 4886 7000 / 022 - 2499 7000	Toll Free No.: 1800 22 55 33

(b) Login Method for e-voting and joining virtual AGM for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

How to Log-in to NSDL e-voting website?

a. Visit the e-voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/.

b. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders/Members' section.

c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e., IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

d. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******.
(b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example: if your Beneficiary ID is 12************** then your User ID is 12**************
(c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: if Folio Number is 001*** and EVEN is 123456 then your User ID is 123456001***

e. Your password details are given below:

   i. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   ii. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   iii. How to retrieve your 'initial password'?

   If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

f. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   i. Click on 'Forgot User Details/Password?' - If you are holding shares in your demat account with NSDL or CDSL, option for reset password is available on www.evoting.nsdl.com.

   ii. Click on Physical User Reset Password? - If you are holding shares in physical mode, option for reset password is available on www.evoting.nsdl.com.

   iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   iv. Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

g. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

h. Now, you will have to click on 'Login' button.

i. After you click on the 'Login' button, Home page of e-voting will open.

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

How to cast your vote electronically and join AGM on NSDL e-voting system?

a. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

b. Select 'EVEN' of Company for which you wish to cast your vote during the remote e-voting period and during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.

c. Now you are ready for e-voting as the voting page opens.

d. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

e. Upon confirmation, the message 'Vote cast successfully' will be displayed.

f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those Members whose email ids are not registered with the DPs for procuring User ID and Password and registration of email ids for e-voting for the resolutions set out in this Notice:

a. Members whose shares are held in physical mode are requested to provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to levercare.shareholder@unilever.com.

b. Members whose shares are held in demat mode are requested to provide DPID+CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to levercare.shareholder@unilever.com. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-voting and joining virtual meeting for Individual Members holding securities in demat mode**.

c. Alternatively, Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

d. In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with DPs. Members are required to update their mobile number and email id correctly in their demat account in order to access e-voting facility.

The instructions for Members for e-voting on the day of the AGM are as under:

a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on Toll free no.: 022 - 4886 7000 / 022 - 2499 7000 or send a request to Mr. Amit Vishal, Assistant Vice-President, NSDL at evoting@nsdl.co.in.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM

13. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of 'VC/OAVM link' placed under 'Join General Meeting' menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.

14. Members are encouraged to join the Meeting through laptops for better experience.

15. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

16. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

17. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM. Institutional Members can write to levercare.shareholder@unilever.com in case of any issues faced by them for participating in the AGM.

18. Members, who need assistance before or during the AGM, may:

    - Send a request at evoting@nsdl.co.in or use Toll free no.: 022 - 4886 7000 / 022 - 2499 7000; or
    - Contact Mr. Amit Vishal, Assistant Vice-President, NSDL at the designated email id: AmitV@nsdl.co.in; or
    - Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email id: pallavid@nsdl.co.in.

PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

19. Members who would like to express their views or ask questions may register themselves as a speaker by sending the request along with their queries in advance mentioning their name, demat account number/folio number, email id and mobile number at levercare.shareholder@unilever.com. Only those speaker registration requests received till 5.00 p.m. (IST) on Monday, 19th June, 2023 will be considered and responded to during the AGM.

20. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

GENERAL INFORMATION:

21. It is strongly recommended that the Members take utmost care to keep their password confidential and not to share their password with any other person. Login to the e-voting system shall be disabled upon five unsuccessful attempts to key in the correct password. In such an event, the Members are advised to use the 'Forgot User Details/Password' or 'Physical User Reset Password' option available on www.evoting.nsdl.com to reset the password.

22. The Company has appointed Mr. S. N. Ananthasubramanian, Practicing Company Secretary (FCS: 4206 and COP No. 1774), or failing him Mr. S.N. Vishwanathan (ACS 61955 and COP No. 24335), to act as the Scrutiniser, to scrutinise the entire e-voting process in a fair and transparent manner.

23. The results of the e-voting shall be declared to the Stock Exchanges within the timeframe prescribed under the Act and Listing Regulations. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company at www.hul.co.in.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

24. Documents referred to in the accompanying Notice of the 90th AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business

hours (9:00 A.M. to 5:00 P.M. IST) on all working days except Saturday, from Thursday, 15th June, 2023 to Friday, 23rd June, 2023.

25. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at https://www.evoting.nsdl.com.

DIVIDEND RELATED INFORMATION:

26. Final Dividend as recommended by the Board of Directors for the FY ended 31st March, 2023, if approved at the AGM, will be paid to those Members of the Company who hold shares:

    (i) In demat mode, based on the list of beneficial owners to be received from NSDL and CDSL as at the close of business hours on Monday, 19th June, 2023, being the cut-off date;

    (ii) In physical mode, if the names appear in the Company's Register of Members as on Monday, 19th June, 2023, being the cut-off date.

    The Final Dividend will be paid on or after Thursday, 29th June, 2023.

27. Members holding shares in demat form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate to their DPs only, as the Company or its Registrar and Share Transfer Agent cannot act on any request received directly on the same.

28. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company by sending a request in Form ISR-1 at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032 or by email to einward.ris@kfintech.com from their registered email id. In case the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of bank mandate, the Company shall dispatch the dividend warrant to such Member by post in due course.

29. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, (the Income Tax Act), dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ('TDS') at the time of making payment of dividend at rates prescribed in the Income Tax Act. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act and Rules thereto.

    (a) For Resident Members: Tax at source shall be deducted under Section 194 of the Income Tax Act @ 10% on the amount of dividend declared and paid by the Company during FY 2023-24, subject to PAN details registered/updated by the Member.

    If PAN is not registered/updated in the demat account/folio as on the cut-off date, tax at source would be deducted @ 20% as per Section 206AA of the Income Tax Act.

    No tax at source is required to be deducted, if aggregate dividend paid or likely to be paid during the Financial Year to an individual Member does not exceed ₹5,000/- (Rupees Five Thousand Only).

    Further, in cases where the Member provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no tax shall be deducted.

    Notwithstanding the above, in case PAN of any Member falls under the category of 'Specified Person', the Company shall deduct tax at source @ 20% as per Section 206AB of the Income Tax Act.

    In case of Resident Member having Order under Section 197 of the Income Tax Act, TDS will be deducted at the rate mentioned in the Order provided the Member submits a copy of the Order obtained from the Income-Tax authorities.

    (b) For Non-Resident Members: Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act at the rates in force. As per the relevant provisions of the Income Tax Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to Non-Resident Members.

    Further, in case of Foreign Institutional Investors and Foreign Portfolio Investors, TDS @20% (plus applicable surcharge and cess) under Section 196D of the Income Tax Act.

    In case of Non-Resident Member having Order under Section 197 of the Income Tax Act, tax at source shall be deducted at the rate mentioned in the Order, provided the Member submits a copy of the order obtained from the Income-Tax authorities.

    As per Section 90 of the Income Tax Act, Non-Resident Members may be entitled to avail lower TDS rate as per Double Taxation Avoidance Agreement (DTAA). To avail the Tax Treaty benefits, the Non-Resident Member will have to provide the following:

    - Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Member is resident.

- Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities, if any.
- Self-declaration in the format, certifying the following:
  - Member is and will continue to remain a tax resident of the country of its residence during the FY 2023-24;
  - Member has no reason to believe that his/ her claim for the benefits of the DTAA is impaired in any manner;
  - Member is the ultimate beneficial owner of his/her shareholding in the Company and dividend receivable from the Company; and
  - Member does not have a taxable presence or a permanent establishment in India during the FY 2023-24.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Member.

Notwithstanding the above, in case PAN falls under the category of 'Specified Person', Member is mandatorily required to submit a declaration providing status of Permanent Establishment in India for FY 2023-24. As per Section 206AB of the Income Tax Act, if the said declaration is not furnished, the Company shall deduct tax at source at twice the applicable rate referred above as per the provisions of Section 206AB of the Income Tax Act.

(c) **For all Members:** In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any proceedings.

Members holding shares under multiple accounts under different status/category and single PAN, may note that, higher of the tax rates as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.

In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

In case of joint Members, the Member named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Apart from the above, since the TDS/ Withholding rates are different for Resident and Non-Resident Members, Members are requested to update their residential status with the Registrar & Share Transfer Agent/Depository Participant for the FY 2022-23, which will be considered for determining tax rates as per the provisions for Income Tax Act.

30. In order to enable the Company to determine the appropriate TDS/withholding tax rate applicable, Members are requested to provide the aforesaid details and documents on or before Saturday, 10th June, 2023 at https://ris.kfintech.com/form15/default.aspx or send the same to the Company or the Registrar and Share Transfer Agent. No communication on the tax determination/deduction or residential status shall be entertained post Saturday, 10th June, 2023.

31. The Resident Non-Individual Members i.e. Insurance Companies, Mutual Funds and Alternative Investment Funds (AIF) established in India and Non-Resident Non-Individual Members i.e., Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

32. Members may note that in case the tax on said dividend is deducted at a higher rate due to non-receipt of the aforementioned details/documents, there would still be an option available to the Member to file the return of income and claim an appropriate refund, if eligible

33. In accordance with the provisions of the Income Tax Act, TDS certificates can be made available to the Members at their registered email id after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

34. The Company has already sent out a separate email communication informing the Members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act.

OTHER INFORMATION:

35. Based on the terms of appointment, all Executive Directors, except the Managing Director & Chief Executive Officer, and the Non-Executive and Non-Independent Chairman of the Company are subject to retirement by rotation at every AGM. Accordingly, the following directors are liable to retire by rotation at the ensuing AGM:
    - Mr. Nitin Paranjpe (DIN: 00045204);
    - Mr. Dev Bajpai (DIN: 00050516);
    - Mr. Ritesh Tiwari (DIN: 05349994).

    Mr. Nitin Paranjpe was appointed as a Non-Executive Director and designated as Chairman of the

Company with effect from 31st March, 2022 and the terms and conditions of his appointment are governed by resolution dated 16th April, 2022 passed through Postal Ballot.

Mr. Dev Bajpai was initially appointed as a Whole-time Director of the Company with effect from 23rd January, 2017 and re-appointed with effect from 23rd January, 2022. Mr. Ritesh Tiwari was appointed as a Whole-time Director of the Company with effect from 1st May, 2021. They have been appointed as Whole-time Directors, as per the provisions of the Act and shall serve in accordance with the terms of contract of employment with the Company. The terms and conditions including the remuneration of Mr. Dev Bajpai and Mr. Ritesh Tiwari as Whole-time Directors are being governed within the overall limits of remuneration approved by the Members by means of resolution passed through Postal Ballot dated 29th April, 2021. The remuneration payable to them for the FY 2023-24 shall be decided by the Nomination and Remuneration Committee of the Company which shall be within the aforesaid limits approved by the Members. The details of remuneration paid and number of meetings of the Board and its Committees attended during the FY 2022-23 forms part of Corporate Governance Report of this Integrated Annual Report.

36. Members had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors at the Eighty Sixth AGM of the Company which is valid till Ninety First AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.

37. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the Directors seeking re-appointment at the AGM are provided at pages 366 to 371 of this Integrated Annual Report. Requisite declarations have been received from the Directors seeking appointment/re-appointment. The Managing Director and Independent Directors of the Company are not eligible to retire by rotation.

38. The MCA had notified provisions relating to unpaid/ unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per IEPF Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF). The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years or more to the demat account of IEPF Authority. The details of the unpaid/unclaimed amounts lying with the Company as on 23rd June, 2022 (date of last AGM) are available on the website of the Company at https://www.hul.co.in/investor-relations/ and on MCA's website. Members are requested to encash/ claim their respective dividends. The details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2023 shall be updated in due course. The Member(s) whose dividend/ shares are transferred to the IEPF Authority can now claim their shares from the IEPF Authority by following the refund procedure as detailed on the IEPF website http://iepf.gov.in/IEPF/refund.html.

39. Members are requested to contact KFin Technologies Limited/Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Relations' page on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/.

40. SEBI vide its Circular dated 3rd November, 2021 and subsequent notifications, has mandated registration of PAN, KYC details and Nomination/ Opt-out of Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC details and Nomination/ Opt-out of Nomination details by sending a duly filled and signed Form ISR-1 to KFin Technologies Limited at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India – 500 032 or by email to einward.ris@kfintech.com from their registered email id.

41. Regulation 40 of the Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25th January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, the Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Registered Office:

Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400 099

Mumbai: 27th April, 2023

By Order of the Board

Dev Bajpai
Executive Director
Legal & Corporate Affairs
and Company Secretary
FCS No: 3354 / DIN: 00050516

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 6

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Ranjay Gulati (DIN: 10053369), as an Additional Director (in the capacity of Independent Director) of the Company, with effect from 1st April, 2023 under Section 149, 150 and 152 of the Act and Article 145 of the Articles of Association of the Company.

Mr. Ranjay Gulati is eligible to be appointed as an Independent Director for a term upto five consecutive years. The Company has received notice under Section 160 of the Act from Mr. Ranjay Gulati signifying his candidature as an Independent Director of the Company. The Company has also received a declaration of independence from Mr. Ranjay Gulati. In terms of Regulation 25(8) of the Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director without any external influence. Further, he is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered himself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Ranjay Gulati fulfils the conditions as set out in Section 149(6) and Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and is thereby eligible for appointment as an Independent Director. Brief profile of Mr. Ranjay Gulati is as follows:

Mr. Ranjay Gulati is, presently, a Professor at Harvard Business School and an expert on leadership, strategy and organisational growth. Until recently, he chaired the Advanced Management Program, the school's flagship Senior Leader Executive Program. He has authored seven books, including 'Deep Purpose: The Heart and Soul of High-Performance Companies'.

Mr. Ranjay Gulati is the past-President of the Business Policy and Strategy Division at the Academy of Management and an elected fellow of the Strategic Management Society. He was ranked as one of the top ten most cited scholars in Economics and Business over a decade by ISI-Incite. The Economist, Financial Times, and the Economist Intelligence Unit have listed him as among the top handful of business school scholars whose work is most relevant to management practice. He has been a Harvard MacArthur Fellow and a Sloan Foundation Fellow. His research has been published in leading journals such as Administrative Science Quarterly, Harvard Business Review, American Journal of Sociology, Strategic Management Journal, Sloan Management Review, Academy of Management Journal, and Organisation Science.

Mr. Gulati graduated from St. Stephen's College at the University of Delhi, where he earned a Bachelor's Degree in Economics in 1983, and Washington State University in the United States, where he earned a second Bachelor's Degree in Computer Science in 1985. He earned a Master's Degree in Management from the MIT Sloan School of Management in 1987, and a Ph.D. in Organisational Behavior from Harvard University in 1993.

The key skills, expertise and competencies of Mr. Ranjay Gulati are as below:

- Experience in developing long-term strategies to grow consumer/FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions;
- Experience of having managed organisations with large consumer/customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and Secretarial Standards, as on the date of Notice, are provided at pages 370 and 371 of this Integrated Annual Report. A copy of the draft Letter of Appointment for Independent Directors is available for inspection as per the procedure of inspection details provided in point no. 24 of the Notice of AGM. The remuneration payable to Mr. Ranjay Gulati shall be linked to the factors like chairmanship of committees, membership of committees etc. and shall be governed by the Differential Remuneration Policy of the Company and the Members approval dated 23rd June, 2022.

Mr. Ranjay Gulati, being the appointee, is interested in the resolution set out at Item No. 6 of the Notice. Further, his relatives are also deemed to be interested in the resolution, to the extent of their shareholding in the Company, if any. Save and except the above, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board firmly believes that Mr. Ranjay Gulati's knowledge coupled with deep understanding of cultivating a winning mindset while keeping purpose at the heart, will surely help the Company steer further ahead in its future-fit journey. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Ranjay Gulati as an Independent Director in the interest of the Company and recommends the Special Resolution as set out at Item No. 6 for approval of Members.

Item Nos. 7 and 8

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had, at their meeting held on 10th March, 2023, approved the appointment of Mr. Rohit Jawa (DIN:10063590) as an Additional Director of the Company in the capacity of:

(a) a Whole-time Director with effect from 1st April, 2023 to hold office upto 26th June, 2023;

(b) the Managing Director & Chief Executive Officer (MD & CEO) for a term of five consecutive years with effect from 27th June, 2023, succeeding Mr. Sanjiv Mehta.

The Company has received notice under Section 160 of the Act from Mr. Rohit Jawa proposing his candidature as a Director of the Company. Mr. Rohit Jawa is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be appointed on the Board of the Company.

Brief profile of Mr. Rohit Jawa is as follows:

Mr. Rohit Jawa was, until recently, the Chief of Transformation for Unilever in London where since January 2022, he had successfully orchestrated the once-in-a-decade, end-to-end transformation of Unilever. He has a proven track record of sustained business results across - India, South East Asia, and North Asia. As Executive Vice-President for North Asia & Chairman for Unilever China, he led a significant transformation of Unilever China into a competitive, profitable, and consistent business, now Unilever's 3rd biggest globally. As the Chairman of Unilever Philippines, he led the business to become one of the top 10 markets for Unilever globally.

He had joined Unilever in India as a Management Trainee in 1988 after completing Bachelor's degree from St. Stephen's College, followed by an MBA from the Faculty of Management Studies, both at the University of Delhi. He is an alumnus of IMD Business School, having completed the Breakthrough Program for Senior Executives in 2018, and an alumnus of Harvard Business School, having completed the Advanced Management Program in 2022.

Since Mr. Rohit Jawa is a foreign national and has a non-residential status, his appointment as a Whole-time Director and MD & CEO of the Company is subject to the approval of the Central Government in terms of Part I of Schedule V to the Act. The Company will be making requisite application to the Central Government in this regard.

The brief details about the proposed appointment & remuneration of Mr. Rohit Jawa are given herein:

Particulars	**Appointment Details**
Period of Appointment as Whole-time Director	1st April, 2023 to 26th June, 2023
Period of Appointment as MD & CEO	27th June, 2023 to 26th June, 2028
Particulars	**Remuneration Details (Gross in ₹)**
Basic Salary	3,65,00,000 per annum (Basic Salary shall not exceed the maximum limit of ₹500 lakhs per annum)
Fixed Remuneration (inclusive of basic salary, allowances & retirals)	7,14,37,284 per annum
Bonus (at target)	7,14,37,284 per annum
Perquisites – Shares grant (at target)	7,14,37,284 per annum
Total	**21,43,11,852 per annum**
Perquisites – Others (including Company leased housing, car, club facility)	Not exceeding ₹3,00,00,000 per annum
Mobility linked allowances – lumpsum payment in 2 tranches (50% in April 2023 and 50% in April 2024)	4,83,15,227/-
Gratuity Pay	As per Statutory Regulation
Severance Pay	Mr. Jawa will be entitled to receive severance payment upon termination/separation of his employment in certain circumstances in accordance with the policy for senior managers. Such payment shall not exceed annual Fixed Remuneration + Bonus (at target) that is drawn by Mr. Jawa immediately before the termination/separation.
Notice Period	HUL has to furnish a notice period of twelve months to Mr. Jawa in case HUL decides to terminate his current assignment. A payment in lieu of notice period of twelve months will be made to Mr. Jawa in the event such notice period is shorter than a twelve months period & such payment would be made for the outstanding notice period. The amount that would be payable would be the amount of Mr. Jawa's fixed pay for the unexpired notice period, less deductions required under law. In respect of the period up to the separation date, Mr. Jawa's entitlements under any annual bonus/variable pay, performance share plan or any other variable pay plan will be dealt with in accordance with the relevant plan rules. During such period, Mr. Jawa may be placed on gardening leave and the Unilever terms will apply.

Mr. Rohit Jawa's Euronet compensation will be converted to INR and grossed up for taxes at the time of delivery.

Actual Fx rate and tax rates will apply.

Minimum Remuneration:

In the absence, or, inadequacy of the profits in any Financial Year, the remuneration including the perquisites will be paid in accordance with the applicable provisions of Schedule V of the Act.

Maximum Remuneration:

Except with the permission of the Members, the remuneration paid shall not exceed the limits specified under the provisions of Section 197 and other applicable provisions of the Act read with Schedule V of the Act.

Mr. Rohit Jawa shall not be entitled to sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The remuneration mentioned above for Mr. Rohit Jawa is at the time of his appointment in the Company and the actual figures may vary from time to time due to foreign exchange fluctuations and applicable tax rates. The Board and/or the Nomination and Remuneration Committee of the Company is authorised to determine the increments, if any during the subsequent years and the increments, allowances, bonus and shares grant shall be linked to achievement of targets set by the Company and the performance of the incumbent.

Any variation to the terms and conditions of his appointment and remuneration, including basic salary, fixed remuneration, bonus, perquisites including shares grant and allowances, if any will be subject to review and approval of the Board and/or the Nomination and Remuneration Committee and the Shareholders (if applicable), in accordance with the applicable law, including the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and the Secretarial Standards, as on the date of Notice, are provided at pages 366 and 367 of this Integrated Annual Report.

Mr. Rohit Jawa, being the appointee, is interested in the resolutions set out at Item Nos. 7 and 8 of the Notice. Further, his relatives are also deemed to be interested in the resolutions, to the extent of their shareholding in the Company, if any. Save and except the above, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolutions.

The Board firmly believes that Mr. Rohit Jawa's deep understanding of the South Asian market coupled with his ability to integrate the strength of traditional markets with digital technologies and future-fit business models, positions him well to take the Company into its next growth phase. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Rohit Jawa in the interest of the Company and recommends the Ordinary Resolutions as set out at Item Nos. 7 and 8 for approval of Members.

Item No.9

As per the provisions of the Listing Regulations, prior approval of Shareholders of a listed entity is required, by means of Ordinary Resolution, for all Material Related Party Transactions, even if such transactions are in the ordinary course of business and at arm's length. An extract of the relevant provisions of the Listing Regulations is reproduced herein for reference:

"Effective April 01, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during the financial year, exceeds ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, transactions involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity."

In line with the above requirements, approval of the Shareholders is sought for material related party transactions with Unilever Europe Business Centre BV (UEBC), a fellow subsidiary of the Company, towards central services. It is estimated that the cumulative transactions (payments and receipts) with UEBC will cross the ₹1,000 crores threshold during FY 2023-24.

The approval is sought for a period of 5 years commencing from 1st April, 2023 till 31st March, 2028. The upper limit of transactions in a year with UEBC towards service contracts is estimated to be ₹2,000 crores at a gross level (receipts and payments put together). The upper limit mentioned is an enabling limit to help the business operate smoothly without interruption. The Company shall ensure that the transactions with UEBC does not exceed ₹1,000 crores up to the date of the 90th Annual General Meeting i.e. Monday, 26th June, 2023.

Royalty and Central Services arrangements with Unilever:

Background

In 2013, the Company entered into a comprehensive Technology, Trademark license and Central Services Agreement (License Agreement) with Unilever Group for a period of 10 years. This agreement expired on 31st January, 2023 by efflux of time. The contract granted Hindustan Unilever Limited (HUL) the right to use Unilever owned technology, trademarks, corporate logo and gave access to central services provided by Unilever Group.

During the last contract tenure between 2013 and 2023, HUL has more than doubled its turnover and improved EBITDA margin by c.850 bps.

The effective pay-out for this arrangement is c. 2.65% of HUL turnover (FY 22), comprising of

(a) Trademark royalty of c. 0.4%

(b) Technology royalty of c. 1.3% and

(c) Fees for central services of c. 1%.

Review of the current arrangement:

In view of the current agreement expiring with efflux of time, Unilever had requested for a review of the current arrangement vide their letter dated 26th July, 2022, a copy of which will be available for inspection by the Shareholders as per the procedure of inspection provided in Point No. 24 of the Notice of AGM.

- A detailed evaluation and due diligence led by senior HUL Management was undertaken. The Audit Committee was updated from time to time on the progress of the evaluation and due diligence exercise. The recommendations/suggestions of the Audit Committee were duly noted and acted upon by the senior HUL Management during the course of the exercise. The Non-Executive Chairman and the CEO & Managing Director of the Company recused themselves from all discussions relating to these transactions as they are members of the Unilever Leadership Executive and deemed to be interested in this matter.
- Given the related party nature of the transactions, it is important to establish that these transactions are entered into on an arms' length basis. Based on the advice of the Audit Committee, your Company engaged the services of M/s. Deloitte Haskins and Sells LLP for conducting an independent benchmarking exercise of the contract rate of trademark, technology, corporate logo royalty and fees for central services in our industry between unrelated parties. The benchmarking was conducted at an element level i.e., individually for trademark royalty, corporate logo royalty, technology royalty and central service fees by comparing like to like contract rates for each element. The benchmarking exercise showed that the current and proposed rates are competitive (at or below median) within the range of comparable benchmarks. A copy of the benchmarking report will be available for inspection as per the details provided in the procedure of inspection of documents at point no. 24 of the Notice of AGM.
- Further, there was a study done to compare the proposed rates against that of listed Indian FMCG peers, which again demonstrated that HUL's royalty and central services rates are lower than the peer set as well.

New Arrangement approved by the Audit Committee and the Board:

After taking into account (i) business requirements of the Company, benefits received by the Company, detailed evaluation and due diligence led by senior HUL Management, (ii) the royalty and central service fee rates paid by similar FMCG peers, (iii) the external consultant's report showing HUL rates are competitive within the benchmark range and (iv) approval and recommendation of the Audit Committee, the new royalty and central services arrangement effective from 1st February, 2023, was duly approved by the Board at its meeting held on 19th January, 2023 and will be in force for a period of 5 years.

Overall, the contracts propose a staggered increase over a period of 3 years from c. 2.65% to c.3.45% of Turnover to enable HUL to absorb the increase without affecting investment:

Nature of Transaction	FY22	2023	2024	2025
Trademark Royalty	0.4%	0.5%	0.7%	0.7%
Technology Royalty	1.3%	1.3%	1.3%	1.3%
Fees for Central Services	1.0%	1.3%	1.4%	1.5%
Total	**2.65%**	**3.10%**	**3.35%**	**3.45%**

*The above estimates are shared basis assumptions of projected turnover mix and may be subject to minor variations basis actual performance.

Benefits received by HUL under the arrangement:

HUL has been receiving a steady stream of benefits from Unilever in terms of faster innovations, superior products and technology, greater expertise, and enhanced services. This helps HUL to continue to meet emerging consumer needs with agility and create value for all Stakeholders.

Highlighting some of the key benefits received under the arrangement with Unilever:

(A) Trademark royalty: Grants us the right to use Unilever owned brands. The royalty arrangement gives us access to an extensive portfolio of purposeful and on-trend global brands. We get constant support in brand protection and brand development with access to global brand strategy, brand purpose and effective communication platforms. This allows brands to remain contemporary and relevant to consumers of today.

(B) Technology royalty: Gives us access to Unilever's cutting-edge technical know-how, world class R&D and innovation capabilities which includes:

- 8 global R&D centres in 6 countries with 5,000+ professionals, including 2 centres in India at Mumbai and Bangalore.
- 20,000+ patents and patents applications
- Expertise in creating superior, consumer relevant and sustainable products that help drive our ESG agenda.
- Deep science and technology expertise in emerging areas such as Renewable Ingredients, Next Generation Biology and Positive Nutrition.

Many of these innovative technologies have already been deployed in India and others will be introduced at an appropriate time as the innovations continue to evolve.

In the absence of access to Unilever R&D capabilities, HUL would be required to establish similar capabilities in-house to ensure competitiveness. This would not only entail additional costs but would also be sub-par given the smaller size and scale vis-a-vis doing it globally at Unilever.

(C) **Central service fees:** Enables us to leverage Unilever's expertise and functional services such as:

- Leveraging Unilever's global scale gives us a significant competitive edge. For instance, Unilever globally spends over Euro 20 billion in procuring raw and packing materials. This scale gives HUL an ability to unlock access to customised products and services at globally competitive rates. This also makes HUL operations more resilient in the face of supply chain disruptions that have become prevalent in the recent times.
- Cost efficiency due to centralised availability of better shipment terms globally and ability to leverage learnings in the areas of distribution through various channels.
- Unilever's world class manufacturing techniques, efficiency improvement programs, deeper planning and forecasting capabilities gives us the agility and ability to run our operations very efficiently.
- The global product safety, quality and risk assessment teams evaluate HUL's formulations to help us maintain high standards of safety and quality for our consumers.
- Net Revenue Management helped us in navigating the business during challenging situations like COVID and hyper-inflation. This science of pricing was developed by Unilever and successfully deployed in India.
- Unilever globally has developed centralised toolkits and digital assets which we use to deploy digital marketing initiatives across our portfolio.
- Access to the latest learning and capability development tools like Degreed help enhance the knowledge base and expertise of our employees.
- Global Consumer and Market Insights ('CMI') team provides insights on the ongoing trends and updates on competitors.

All the above benefits are received on a continuous basis during the lifecycle of the products and services which helps us remain ahead of the curve and deliver competitively. India, being the largest emerging market business for Unilever and second largest worldwide, continues to be a 'Priority market' in Unilever's Global Strategy. Unilever remains highly committed to enabling HUL's continued success in the marketplace.

The below section aims to address the key queries that our shareholders may have.

1. Rationale for increase in rates

Our guiding principle was that the Agreement must be on an arms' length basis as it's a related party transaction and hence both parties must ensure that the compensation is commensurate to the benefits. The new contract terms were subject to a detailed evaluation and due diligence led by senior HUL Management. The Audit Committee was updated from time to time on the progress of the evaluation and due diligence exercise. The recommendations/ suggestions of the Audit Committee were duly noted and acted upon by the senior HUL Management during the course of the exercise. The Audit Committee took into consideration the findings of an external assessment and concluded that the proposed arrangement continues to be competitive within the range when compared against relevant comparable transactions as identified in the external benchmark while approving and recommending the arrangement to the Board for its approval. Based on the recommendation of the Audit Committee and after due deliberation, the Board approved the arrangement. The new arrangement will ensure that HUL continues to receive the technology, services, and IP support from Unilever. India remains one of the top three strategically prioritised markets for Unilever with dialed up access to innovations, investments, capabilities, and talent development.

Over the years, HUL continued to receive an increasing stream of benefits and services from Unilever. For instance, expertise on Digital Marketing, Net Revenue Management, ESG, Planning and forecasting capabilities have all evolved significantly in the last few years. HUL has been able to leverage Unilever's capabilities in this space that enabled us to be ahead of the curve in the evolving external environment.

In the FMCG industry, continuous innovation, new product development and contemporising brand attributes is critical to ensuring that our products remain relevant to consumers and for our long-term success. Unilever's continued support through brands and technology interventions is a vital enabler for HUL to win in the marketplace.

2. Eligible turnover on which HUL pays Royalty and Central Service fees:

Trademark royalty is paid on the turnover of brands where the trademarks are registered in the name of Unilever in India. This includes brands like TRESemmé, Comfort, Knorr and excludes HUL owned brands like Horlicks, Indulekha, Kissan.

Technology royalty is paid on the turnover of products where we obtain R&D support from Unilever. This excludes products where HUL develops and owns the technology such as in the case of Health Food Drinks, Indulekha.

Service fees is paid on the entire turnover as it benefits the whole business of HUL.

3. **Rationale for a 5-year contract tenure:**

The decision to keep the contract period at 5 years was in the interest of HUL and our Shareholders. Considering the rapidly changing context, the Company believes it is a good governance practice to not contract for a longer period.

- 5 years is a reasonable time frame to forecast business conditions and allows the Company to revisit benchmarks basis the evolving internal and external context.
- In the benchmarking exercise, based on comparable agreement with unrelated parties, a large part of the contracts were for a term of 5 years or lesser.
- Given the contract rates are fixed as a percentage of turnover, 5 years is a reasonable time frame to evaluate growth leverage benefits.
- It also provides an opportunity to the Shareholders, in accordance with the prevailing regulations, to once again review, consider and then approve any fresh proposal after a reasonable period of five years.

4. **Confident of delivering 4G growth despite increase in Royalty and Central Service fee rates:**

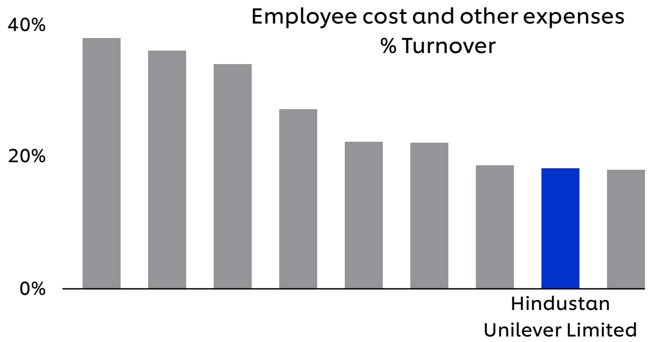
HUL remains confident of continuing to deliver Consistent, Competitive, Profitable and Responsible (4G) growth and stay committed to our mid to long term guidance of double-digit EPS growth despite the increase in rates without any impact on our ability to invest in growing our business. The new contracts ensure continued benefits that HUL has been receiving from Unilever in terms of a steady stream faster innovations, superior products and technology, greater expertise, and enhanced services which will equip HUL to continue to win in the marketplace.

We have clearly seen HUL's ability to deliver in terms of both topline and bottom-line despite the previous increase in royalty and central service fees (HUL more than doubled its turnover and improved EBITDA margin by c.850 bps over the previous contract tenure).

As an organisation, we have a successful track record of generating gross savings of c.6-7% of Turnover and managing instances of higher cost headwinds in our business.

The Royalty and Central services arrangement enables HUL to optimise our cost of operations by leveraging Unilever's scale and expertise. This is clearly visible in our overheads cost (employee cost and other expenses put together which includes payments towards royalty and central services) where we are at the lowest end of industry benchmarks basis FY'22 numbers.

Best in class benchmarks for overheads



Approval sought from Shareholders:

Transactions relating to Royalty and Brand usage: HUL's royalty related payout is estimated to reach a maximum of 1.95% of turnover during the 5 years tenure of the contract and does not exceed the material related party transaction threshold of 5% of turnover in respect of transactions relating to Royalty and Brand usage. Hence, Shareholder approval is not sought for this transaction. This is in line with the SEBI Listing Regulations read with the circular issued by NSE - NSE/CML/2022/18 dated April 25, 2022.

Transaction relating to Central services: HUL's service-related transactions (gross of receipts and payments) with UEBC is estimated to exceed the ₹1,000 crores limit in FY 23-24 and is, therefore, a material related party transaction. Approval is sought from shareholders with respect to these service-related transactions.

The Company has in place a structured process for approval of Material Related Party Transactions and on Dealing with Related Parties. As per the process, necessary details for each of the Related Party Transaction, irrespective of the materiality threshold along with the justification, are provided to the Audit Committee of HUL which enables them to arrive at the right decision.

Details of Material Related Party Transactions

Sr. No.	Particulars	Details
1.	Name of the Related Party	Unilever Europe Business Centre BV
2.	Nature of Relationship with the Company	Fellow Subsidiary
3.	Type, material terms and particulars of the proposed transaction	For FY'24, the gross value of service-related transactions is estimated to be ₹1,200 crores while the net value is c. ₹600 crores. The split of these transactions is as shared below: • Outflow for Service charges for costs centrally incurred by Unilever (cost to HUL) – c. ₹900 crores • Inflow for recovery of costs incurred in India benefitting other Unilever geographies as well (Income for HUL) c. ₹300 crores Basis turnover growth and cost inflation assumptions, we have factored an enabling upper limit of ₹2,000 crores per financial year for approval for a 5 year period
4.	Tenure of the proposed transaction	Recurring Transactions for a duration of five financial years commencing from financial year 2023-24 to financial year 2027-28
5.	Value of the proposed transaction	Not exceeding ₹2,000 Crores in each financial year. The upper limit mentioned is an enabling limit to help the business operate smoothly without interruption.
6.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	c.3.4% (basis the upper limit of ₹2,000 crores and using annual consolidated turnover of FY'23) c.2% (basis the estimate of ₹1,200 crores for FY'24 and using annual consolidated turnover of FY'23)
7.	(a) Details of the source of funds in connection with the proposed transaction (b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • nature of indebtedness; • cost of funds; and • tenure; (c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured (d) Purpose for which funds will be utilised	Not Applicable, as the transactions are not related to any loans, inter-corporate deposits, advances or investment made or given by the Company or its subsidiary.
8.	Justification as to why the RPT is in the interest of the Company	The transactions relating to Central services are a necessary investment for our business to continue winning in the marketplace. Leveraging Unilever's global services gives us significant scale advantages and a competitive edge. Our guiding principle was that the transactions must be on an arms' length basis and commensurate to the benefits received.
9.	Details about valuation, arm's length and ordinary course of business	An independent external benchmarking was conducted covering every element of the proposed transactions individually. We ensured that we remain competitive i.e. at or lower than the median of the range on fees for central services. The new contract rates comply with the arms' length standard.
10.	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	External report by M/s Deloitte Haskins and Sells LLP was considered besides detailed evaluation and due diligence led by senior HUL management and guided by HUL's Audit Committee and Board.
11.	Any other information relevant or important for the shareholders to take an informed decision	All relevant information forms a part of this Explanatory statement setting out material facts.

The above-mentioned Related Party Transaction is in the ordinary course of business and on an arm's length basis.

The transaction shall also be reviewed/monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the Shareholders. Any subsequent 'Material Modification' in the proposed transaction, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions', shall be placed before the Shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

Mr. Nitin Paranjpe, Mr. Sanjiv Mehta and Mr. Rohit Jawa, being members of Unilever Leadership Executive, are deemed to be interested in the matter. None of the other Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out at Item No. 9.

The Board recommends the Ordinary Resolution set out at Item No. 9 for the approval of Members.

Item No. 10

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. R A & Co., Cost Accountants (Firm Registration No. 000242) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the FY ending 31st March, 2024 at a remuneration of ₹14 lakhs (Rupees Fourteen Lakhs Only) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 for the approval of Members.

Registered Office:

Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400 099

Mumbai: 27th April, 2023

By Order of the Board

Dev Bajpai
Executive Director
Legal & Corporate Affairs
and Company Secretary
FCS No: 3354 / DIN: 00050516

Attention Members

Manner of registering/ updating email address	Manner of joining the AGM	TDS on Dividend
Members holding shares in physical form and who have not updated their e-mail addresses with the Company are requested to update their e-mail addresses by sending in duly filled and signed Form ISR-1 (Form for registering PAN, KYC details or changes/updation thereof), to the Registrar and Share Transfer Agent of the Company – KFin Technologies Limited at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032 or by email to einward.ris@kfintech.com from their registered email id.	Facility to attend the AGM through VC/ OAVM is available through the NSDL e-voting system at https://www.evoting.nsdl.com	Members may note that as per the Income Tax Act, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at rates prescribed in the Income Tax Act. Members are requested to submit the documents in accordance with the provisions of the Income Tax Act at https://ris.kfintech.com/form15

Profile of Directors

NITIN PARANJPE

(DIN : 00045204)

Mr. Nitin Paranjpe (60) is the Non-Executive Chairman of Hindustan Unilever Limited. Mr. Paranjpe is also the Chief Transformation and Chief People Officer at Unilever. He has been a member of the Unilever Leadership Executive since October 2013.

Prior to this, he was Unilever's Chief Operating Officer (COO). He was responsible for delivering in-year results (P&L) for Unilever globally, leveraging synergies, building future capabilities, and accelerating the organisation's digitisation. Before becoming COO, he was President of Foods & Refreshment for Unilever. From 2013 to 2017, he was President of Unilever's Home Care Division.

Mr. Paranjpe joined Hindustan Lever Limited in 1987, where he held various roles in marketing and sales. In 2000, he moved to Unilever London and was involved in reviewing the organisation's structure. During 2001, he worked as Executive Assistant to the Chairman and Unilever Executive Committee.

On his return to India in 2002, Mr. Paranjpe held several senior positions in laundry and household care, including Vice President Home Care, India (2004) and Executive Director for Home & Personal Care, India (2006). In April 2008, he was appointed as Chief Executive Officer of Hindustan Unilever Limited, India and Executive Vice President for Unilever, South Asia.

For his efforts in blazing a trail for diversity, he won the GG2 Hammer Award in 2019. Previous winners were Mayor of London, Sadiq Khan and Chancellor of the Exchequer, Sajid Javid. In 2020, he was given a Kindness Award by the Women of the Future Network in recognition of his leadership, guidance, and empathy. He is a member of the Supervisory Board of Heineken NV, Chinmaya Mission Advisory Council and WeSchool Innovation Advisory Board.

Mr. Paranjpe holds a Bachelor's Degree in Mechanical Engineering and an MBA in Marketing from Jamnalal Bajaj Institute of Management in Mumbai.

Mr. Paranjpe does not hold any Directorship or Membership/Chairmanship of the Board Committees in other companies.

SANJIV MEHTA

(DIN : 06699923)

Mr. Sanjiv Mehta (62) joined the Board of the Company in October 2013 as the Chief Executive Officer and Managing Director. Mr. Mehta was appointed as the Chairman of the Company during the period 30th June, 2018 till 30th March, 2022. He has been appointed as President of Unilever, South Asia and member of the Unilever Leadership Executive (ULE) effective May, 2019.

Mr. Mehta joined Unilever in October 1992. He has led several Unilever businesses across South Asia, South East Asia and Middle East. He was appointed as Chairman and Managing Director of Unilever Bangladesh in 2002. In 2007, he was appointed as Chairman and CEO of Unilever Philippines. In 2008, he took up his responsibilities as the Chairman and CEO of Unilever North Africa and Middle East (NAME), leading a multi-country organisation spanning 20 countries in the region.

During his tenure as the head of various Unilever Companies, the business achieved significant success accelerating both growth and profitability. Importantly, he has been instrumental in building leadership talent and substantially strengthening organisational capabilities.

Before joining Unilever, Mr. Mehta worked for Union Carbide India Limited. He is a Commerce Graduate and a Chartered Accountant. He has also completed an Advanced Management Program from Harvard Business School.

Mr. Mehta is Chairman of Risk Management Committee and a Member of the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Environmental, Social and Governance Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Unlisted	
Hindustan Unilever Foundation	Director
Breach Candy Hospital Trust	Nominee Director
Bhavishya Alliance Child Nutrition Initiatives	Director
Indian School of Business	Director
Federation of Indian Chambers of Commerce & Industry	Director
Air India Limited	Independent Director

Membership/Chairmanship of Board Committees in other companies

Name of the Company	Designation
Unlisted	
Air India Limited	
Audit Committee	Member
Corporate Social Responsibility & Sustainable Development Committee	Member

ROHIT JAWA

(DIN : 10063590)

Mr. Rohit Jawa (56) is the President, Unilever, South Asia, and a member of the Unilever Leadership Executive.

Mr. Jawa started his career with the Company as a Management Trainee in 1988. He has a proven track record of sustained business results across India, South East Asia, and North Asia. As EVP North Asia and Chairman Unilever China, he helped transform the business into Unilever's third largest globally. He developed a distinct strategic agenda for China, championed digitalisation and premiumisation, and steered the business very capably through the Covid crisis. As the Chairman of Unilever Philippines, he led the business to become one of the top 10 markets for Unilever globally. He is deeply passionate about integrating the strength of traditional markets with digital technologies and future-fit business models.

He has a Bachelor's Degree from St. Stephen's College and an MBA from the Faculty of Management Studies, both at the University of Delhi, India. He is an alumnus of IMD Business School, Lausanne, Switzerland, where he completed the Breakthrough Program for Senior Executives in 2018. He also completed the Advanced Management Program from Harvard Business School in 2022.

Mr. Jawa has served as the founding Secretary for the Food Industry Asia, Singapore, in 2010 and Co-Chair of the 'Grow Asia Philippines' along with the Secretary of Agriculture, Philippines in 2015-16; a World Economic Forum initiative for inclusive business models in agriculture. In addition, he served on the Consumer Goods Forum China board, a global, CEO-led collaboration for positive change.

Mr. Jawa does not hold any Directorship or Membership/ Chairmanship of the Board Committees in other companies.

DEV BAJPAI

(DIN : 00050516)

Mr. Dev Bajpai (57) was appointed as the Executive Director – Legal and Company Secretary and as a Member of the Management Committee of the Company in 2010. He took additional responsibility of Corporate Affairs function in the year 2012 and was appointed as an Executive Director on the Board of the Company on 23rd January, 2017.

Mr. Bajpai has 30 plus years of experience in the areas of Legal, Compliance, Tax and Corporate Affairs across diverse industries including Automobiles, FMCG, Hospitality and Private Equity.

Prior to joining the Company, Mr. Bajpai has worked in Maruti Udyog Limited, Marico Limited, The Indian Hotels Company Limited and ICICI Venture Funds Management Company Limited. He has also been a part of committees of Apex Industry Organisations like Confederation of Indian Industry and Federation of Indian Chambers of Commerce & Industry.

Mr. Bajpai is a Fellow Member of the Institute of Company Secretaries of India and holds a Law Degree from University of Delhi. He has also completed an Executive Programme for Corporate Counsels conducted by Harvard Law School.

Mr. Bajpai is a Member of the Risk Management Committee and in his capacity as a Company Secretary is a Secretary to all Board Committees of the Company.

Directorship in other companies

Name of the Company	Designation
Unlisted	
Hindustan Unilever Foundation	Director
Bhavishya Alliance Child Nutrition Initiatives	Director
Indian Beauty and Hygiene Association	Director
Unilever India Limited	Director

Mr. Bajpai does not hold any Membership/Chairmanship of the Board Committees in other companies.

RITESH TIWARI

(DIN : 05349994)

Mr. Ritesh Tiwari (47) is the Executive Director, Finance & IT and Chief Financial Officer of Hindustan Unilever Limited. He is also the Vice President, Finance for Unilever, South Asia. Mr. Tiwari joined Unilever as a Management Trainee in 1999 after completing his certification as a Chartered Accountant and Cost and Management Accountant.

Over the last 22 years, he has led teams both within India and overseas at Unilever in core finance and as a business partner to front-end sales, categories and supply chain. In his last role, he had been in the UK as the Vice President, Finance, Global Performance Management for Unilever and CFO for Unilever International, where he was credited with bringing digital transformation, simplification and leading projects with high business impact.

Mr. Tiwari is driven by his purpose 'Reimagine possibilities and bring value with values.' He is a future-focussed, high energy and results-oriented business leader.

Mr. Tiwari is also Member of Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Unlisted	
Hindustan Unilever Foundation	Director
Bhavishya Alliance Child Nutrition Initiatives	Director
Bombay Chambers of Commerce and Industry	Director
Unilever India Limited	Director
Open Network for Digital Commerce	Independent Director

Mr. Tiwari does not hold any Membership/Chairmanship of the Board Committees in other companies.

O. P. BHATT

(DIN : 00548091)

Mr. O. P. Bhatt (72) is the former Chairman of State Bank of India (SBI). In the 37 years that Mr. Bhatt served at SBI, he worked on several important national and international assignments. Mr. Bhatt led SBI through challenging times by capitalising on the bank's strengths. As Chairman of SBI, he was heading the largest financial group in India, comprising, in addition to SBI, seven associate banks, five international banking subsidiaries and nine financial services companies in India. Under his leadership, SBI rose on the Global List rankings of Fortune 500.

Mr. Bhatt was nominated as 'Banker of the Year' by Business Standard and CNN – IBN Indian of the Year for Business in 2007. Mr. Bhatt was Chairman of the Indian Banks' Association. He has also been a part of India's eco-diplomacy as Member of the Indo – US, Indo – Russia and Indo-French CEO's Forum.

Profile of Directors

Mr. Bhatt holds a Graduate Degree in Physics and a Post Graduate Degree in English literature.

Mr. Bhatt was appointed as an Independent Director on the Board of the Company with effect from 20th December, 2011. He is the Chairperson of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Company and a Member of the Audit Committee, Nomination and Remuneration Committee and Environmental, Social and Governance Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Listed	
Tata Consultancy Services Limited	Independent Director
Tata Steel Limited	Independent Director
Tata Motors Limited	Independent Director
Unlisted	
Aadhar Housing Finance Limited	Director and Non-Executive Chairman

Membership/Chairmanship of Board Committees in other companies

Name of the Committee	Designation
Listed	
Tata Consultancy Services Limited	
Audit Committee	Member
Nomination and Remuneration Committee	Chairman
Corporate Social Responsibility Committee	Member
Tata Steel Limited	
Audit Committee	Member
Nomination and Remuneration Committee	Chairman
Corporate Social Responsibility & Sustainability Committee	Member
Tata Motors Limited	
Corporate Social Responsibility Committee	Chairman
Nomination and Remuneration Committee	Chairman
Audit Committee	Member
Unlisted	
Aadhar Housing Finance Limited	
Audit Committee	Member

SANJIV MISRA

(DIN : 03075797)

Dr. Sanjiv Misra (75) is a retired Indian Administrative Services (IAS) officer and a former Member of the 13th Finance Commission, a constitutional position with the rank of a Minister of State. Prior to joining the Finance Commission, Dr. Misra has served in a wide range of key positions in the Federal and State Governments, including as Managing Director of the Gujarat Industrial Development Corporation and stints at senior levels in the Government of India in the Cabinet Office, the Ministry of Petroleum, the Ministry of Health & Family Welfare and the Ministry of Finance. He served as a Secretary in the Ministry of Finance till his superannuation.

Dr. Misra has represented India in various international conferences, seminars and negotiations. Dr. Misra has been a Member of the Advisory Council of the Asian Development Bank Institute, Tokyo. He was also a Member of the Committee on Fiscal Consolidation (Kelkar Committee) set up by the Finance Minister in August, 2012 to chart out a road map for fiscal consolidation for the Indian economy.

Dr. Misra graduated in Economics from St. Stephen's College, Delhi. He has a Master's degree in Economics from the Delhi School of Economics, a Master's degree in Public Administration from John F Kennedy School of Government, Harvard University, USA and a Ph.D. from the Jawaharlal Nehru University, New Delhi. In recognition of his exceptional academic strengths and leadership qualities, Dr. Misra was designated as Lucius N Littauer Fellow of 1987 at Harvard University.

Dr. Misra was appointed as an Independent Director on the Board of the Company with effect from 8th April, 2013. He is the Chairman of the Nomination and Remuneration Committee and a Member of the Audit Committee and Corporate Social Responsibility Committee of the Company.

Dr. Misra does not hold any Directorship or Membership/ Chairmanship of the Board Committees in other companies.

KALPANA MORPARIA

(DIN : 00046081)

Ms. Kalpana Morparia (73) was Chairman of J. P. Morgan, South and South East Asia and Member of J. P. Morgan's Asia Pacific Management Committee.

Prior to joining J. P. Morgan India, Ms. Morparia served as Vice Chair on the Boards of ICICI Group Companies. She was a Joint Managing Director of ICICI Group from 2001 to 2007. She had been with the ICICI Group since 1975.

A Graduate in Law from Bombay University, Ms. Morparia has served on several committees constituted by the Government of India. She has also been recognised by several International & National media for her role as one of the leading women professionals.

Ms. Morparia serves as an Independent Director on the Boards of Philip Morris International Inc. and HSBC Holding PLC in addition to the Directorships mentioned below. She is also a Member of the Governing Board of Bharti Foundation and Foundation for Audit Quality.

Ms. Morparia was appointed as an Independent Director on the Board of the Company with effect from 9th October, 2014. She is Chairperson of the Audit Committee and a Member of the Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Environmental, Social and Governance Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Listed	
Dr. Reddy's Laboratories Limited	Independent Director
Delhivery Limited (ceased to be Director w.e.f. 11.02.2023)	Independent Director
Unlisted	
Generation India Foundation	Director

Membership/Chairmanship of Board Committees in other companies

Name of the Committee	Designation
Listed	
Dr. Reddy's Laboratories Limited	
Stakeholders' Relationship Committee	Chairperson
Nomination, Governance and Compensation Committee	Chairperson
Audit Committee	Member
Sustainability & Corporate Social Responsibility Committee	Member

LEO PURI

(DIN : 01764813)

Mr. Leo Puri (62) was the Managing Director of UTI Asset Management Company Limited from August, 2013 to August, 2018. He has assumed office of the Chairman of JP Morgan Chase for South & South East Asia in early 2021.

In his career of more than 30 years, Mr. Puri has previously worked as Director with Mckinsey & Company and as Managing Director with Warburg Pincus. Mr. Puri has worked in the UK, USA and Asia and since 1994, he has been based in India.

At Mckinsey, he has advised leading financial institutions, conglomerates, and investment institutions in strategy and operational issues. He has contributed to the development of knowledge and public policy through advice to regulators and Government officials.

At Warburg Pincus, he was responsible for leading and managing investments across industries in India. He also contributed to the financial services investments in the international portfolio as a Member of the global partnership.

Mr. Puri has a Master's Degree in P.P.E. from University of Oxford and a Master's Degree in Law from University of Cambridge.

Mr. Puri has held Non-Executive Board position at Infosys, Bennett Coleman & Co., Max New York Life and Max Bupa Health Insurance.

Mr. Puri was appointed as an Independent Director on the Board of the Company with effect from 12th October, 2018. He is a Member of the Corporate Social Responsibility Committee and Stakeholders' Relationship Committee of the Board of the Company.

Directorship in other companies

Name of the Company	Designation
Listed	
Dr. Reddy's Laboratories Limited	Independent Director
Unlisted	
Tata Sons Private Limited	Independent Director
J.P. Morgan Services India Private Limited	Director

Membership/Chairmanship of Board Committees in other companies

Name of the Committee	Designation
Listed	
Dr. Reddy's Laboratories Limited	
Risk Management Committee	Member
Science, Technology and Operations Committee	Member
Unlisted	
Tata Sons Private Limited	
Audit Committee	Member
Group Risk Management Committee	Member

ASHISH GUPTA

(DIN : 00521511)

Dr. Ashish Gupta (56) is an entrepreneur, advisor and strategic angel investor. He co-founded Helion Advisors in 2006 and presently represents Helion Advisors, manage a corpus of US$600 million across three funds. He also serves on the Boards of several firms including Infoedge, Workspot and Urban Company.

Prior to Helion, Dr. Gupta was a Venture Partner with Woodside Fund and before that, had co-founded two companies – Tavant Technologies and Junglee.com, which was later acquired by Amazon. He has also worked at Oracle Corporation and IBM. Some of his other investments include redBus, Mu Sigma, Daksh (IBM), Upwork (UPWK), MakeMyTrip and Flipkart.

Dr. Gupta holds a Ph.D. in Computer Science from Stanford University, and a Bachelor's Degree from the Indian Institute of Technology, Kanpur where he was awarded the President's Gold medal and the Distinguished Alumnus Award. He is the owner of several patents, published in international journals and authored a book published by MIT Press.

Profile of Directors

Dr. Gupta was appointed as an Independent Director on the Board of the Company with effect from 31st January, 2020. He is also a Member of Audit Committee, Risk Management Committee and Environmental, Social and Governance Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Listed	
Info Edge (India) Limited	Independent Director
Unlisted	
Whatfix Private Limited	Director
Cyllid Technologies Private Limited	Director
Urbanclap Technologies India Private Limited	Director
Indegene Limited	Director

Membership/Chairmanship of Board Committees in other companies

Name of the Committee	Designation
Listed	
Info Edge India Limited	
Risk Management Committee	Member
Nomination and Remuneration Committee	Member

ASHU SUYASH

(DIN : 00494515)

Ms. Ashu Suyash (56) has over 33 years of experience in the financial services and global information services sector. As CEO, she led several Indian and Global businesses for over 17 years. She was, until recently, the Chief Executive Officer and Managing Director at Credit Rating Information Services of India Limited (CRISIL) and a member of the Operating Committee of S&P Global. She serves on Advisory Boards and Committees of several institutions like the Insolvency and Bankruptcy Board of India, National Institute of Securities and Markets.

Ms. Suyash played a pivotal role in enabling CRISIL regain its Ratings Leadership position and transform to become a global analytics company and solutions provider through wide scale adoption of technology. She led CRISIL's growth through product innovation and acquisitions in a very challenging environment. Prior to her role as CEO & MD at CRISIL, Ms. Suyash was the CEO of L&T Mutual Fund and the MD and Country Head of Fidelity Mutual Fund. She also had a long and successful career with Citibank.

Ms. Suyash has recently founded Colossa Ventures LLP, an innovative platform aimed at providing capital, capability and confidence building for women entrepreneurs and women-focussed businesses. She was appointed as an Independent Director on the Board of Kotak Mahindra Bank in January 2022.

Ms. Suyash is a Chartered Accountant from the Institute of Chartered Accountants of India and completed her Bachelor's Degree in Commerce from the University of Mumbai.

Ms. Suyash was appointed as an Independent Director on the Board of the Company with effect from 12th November, 2021. She is the Chairperson of Environmental, Social and Governance Committee and also the member of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee of the Company.

Directorship in other companies

Name of the Company	Designation
Listed	
Kotak Mahindra Bank Limited	Independent Director

Membership/Chairmanship of Board Committees in other companies

Name of the Committees	Designation
Listed	
Kotak Mahindra Bank Limited	
Stakeholders Relationship Committee	Chairperson
Audit Committee	Member
Risk Management Committee	Member
Credit Investment Committee	Member

RANJAY GULATI

(DIN : 10053369)

Mr. Ranjay Gulati (61) comes with a rich understanding of Business Strategy and is presently, a Professor at Harvard Business School and an expert on leadership, strategy and organisational growth. He has also chaired Advanced Management Program - the school's flagship Senior Leader Executive Program. He has authored seven books, including 'Deep Purpose: The Heart and Soul of High-Performance Companies'.

Mr. Gulati is the past-President of the Business Policy and Strategy Division at the Academy of Management and an elected fellow of the Strategic Management Society. He was ranked as one of the top ten most cited scholars in Economics and Business over a decade by ISI-Incite. The Economist, Financial Times, and the Economist Intelligence Unit have listed him as among the top handful of business school scholars whose work is most relevant to management practice. He has been a Harvard MacArthur Fellow and a Sloan Foundation Fellow.

Mr. Gulati holds a Master's Degree in Management from the MIT Sloan School of Management and a Ph.D. in Organisational Behaviour from Harvard University. He graduated in Economics from St. Stephen's College, Delhi University and earned a second Bachelor's Degree in Computer Science from Washington State University in the United States.

Mr. Gulati is the member of Audit Committee of the Company.

Mr. Gulati does not hold any Directorship or Membership/ Chairmanship of the Board Committees in other companies.

DIRECTORS' INTEREST

None of the Directors of the Company is inter-se related to each other. The Directors seeking approval for appointment/re-appointment may be deemed to be concerned or interested to the extent of shares held by them in the Company as given in the table below:

Name of the Director	No. of Shares	% Holding
Nitin Paranjpe	1,24,509	0.0053
Sanjiv Mehta	1,410	0.0001
Ritesh Tiwari	2,630	0.0001
Dev Bajpai	51,576	0.0022
O.P. Bhatt	245	0.0000

Note: Shareholding as on Financial Year ended 31st March, 2023.

None of the other Directors except the ones mentioned above hold any shares in the Company as on 31st March, 2023.

Corporate Information

REGISTERED OFFICE Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099.

AUDITORS M/s. B S R & Co. LLP, Chartered Accountants, Mumbai; Firm's Registration No.: 101248W/W-100022

BANKERS

Deutsché Bank	Hongkong & Shanghai Banking Corporation	Standard Chartered Bank
Bank of America	ICICI Bank	Union Bank of India
Citibank N.A.	Punjab National Bank	State Bank of India
HDFC Bank	Kotak Mahindra Bank	Axis Bank
JP Morgan		

PLANT LOCATIONS

Branch	Address
Central	**Chhindwara** 5/6, KM Stone, Narsinghpur Road, Village Lehgadua, Post Khajari, District Chhindwara–480 002, Madhya Pradesh
	ETAH Village Asrauli, G. T. Road, Etah–207 001, Uttar Pradesh
	Orai A-1, UPSIDC Industrial Area, Orai, District Jalaun–285 001, Uttar Pradesh
	Sumerpur A-1, UPSIDC Industrial Area, Bharua, Sumerpur, Hamirpur–210 502, Uttar Pradesh
East	**Haldia** P. O. Durgachak, Haldia, District Purba Medinipur–721 602, West Bengal
	Kolkata 1, Transport Depot Road, Kidderpore, Kolkata–700 088, West Bengal
	Kolkata 63, Garden Reach, Kolkata–700 024, West Bengal
	Tinsukia Dag No. 21 of 122 FS Grants, Mouza – Tingrai, Off NH No. 37, Doom Dooma Industrial Estate, District Tinsukia–786 151, Assam
North	**Barotiwala** Khasra No. 1350-1318, Village Bhatoli Kalan, Hill top industrial area, Jharmajri, Baddi, District Solan–173 205, Himachal Pradesh
	Haridwar Plot No. 1, Sector 1A, Integrated Industrial Estate, Ranipur, Haridwar–249 403, Uttarakhand
	Nabha Patiala Road, District Patiala, Nabha–147 201, Punjab
	Nalagarh Hudbust No. 143, Khasra No. 182/183/187/1, Village Kirpalpur, Near Nalagarh Fire Station, Tehsil Nalagarh, District Solan–174 101, Himachal Pradesh
	Rajpura A-5, Phase 2-B, Focal Point, Rajpura–140 401, Punjab
	Sonipat 14 KM Stone, Sonipat-Meerut Road, Village Khewra, P. 0. Bahalgarh, District Sonipat–131 021, Haryana

Branch	Address
South	**Cochin** Ernakulam North P.O., Tatapuram, Cochin–682 018, Kerala
	Hosur Plot No. 50 & 51, SIPCOT Industrial Complex, Hosur–635 126, Tamil Nadu
	Mysore Plot No. 424, Hebbal Industrial Area, Mysore–570 016, Karnataka
	Pondicherry Off NH 45A, Vadamangalam, Pondicherry–605 102
	Rajahmundry Industrial Estate, Dowlaiswaram, Rajahmundry Rural, Andhra Pradesh–533 124
	Mangalore Sultan Battery Road, Boloor, Mangalore–575 003, Karnataka
West	**Chiplun** B-7/17, Lote Parshuram MIDC Post Box Lote Khed taluka, District Ratanagiri–415 722, Chiplun
	Khamgaon C-9, MIDC, Khamgaon–444 303, Maharashtra
	Amli Factory HPC FACTORY- PP AMIL Survey No. 907, Kilwani Road, Amil village, Near Gandhigram bus stop, Silvassa–396 230
	Dadra & Nagar Haveli Silvassa Detergents Factory, Survey No 151/1/1, Dapada Village, Khanvel Road, Silvassa–396 230
	Nashik Factory ICECREAM FACTORY, Plot No. A-8/9, MIDC, Malegaon, Sinnar–422 103, Nashik
	Mumbai Aarey Milk Colony, Goregaon, Mumbai–400 065, Maharashtra

Notes

Notes

SURF EXCEL STORY: ROAD TO US $1 BILLION

1959

Surf excel launches first pioneering bucket wash

'She's happy' spoke of lightening the loads for millions of consumers

1985

The Iconic Lalita Ji

"Surf ki kharidari mein hi samajhdari hai".

1996

Daag Dhoondte Reh Jaoge

Catapulted Surf's top performance with innovative "concentrate" powder.

2005

Puddle war

In a category where dirt is the enemy, Surf Excel did the unthinkable *– it embraced dirt.*

2009

Rosy Miss

Surf took a stand "If you get dirty while doing something good, then dirt is good"

2016

Madad ek Ibadat

In Ramzan, celebrating *"niyat" over the rituals*

2019

RangLaayeSang

Making colours of Holi to be a *force for good.*

2021

Cleaning up the planet

Offering 100% bio-degradable actives & 50% recyclable plastics in its Matic liquids.

2021

One shot laundry

Surf excel smart shot highlighted the convenience of doing laundry the smart way.

Surf excel $1B

A portfolio to enter a billion hearts !

For further information on our Economic, Environmental and Social Performance please vist our website:
www.hul.co.in

/concept, content and design at AICL (hello@aicl.in)

Hindustan Unilever Limited

Registered Office:
Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai-400 099

CIN: L15140MH1933PLC002030