Purpose-led, future-fit

Integrated Annual Report 2023-24

Hindustan Unilever Limited

Hindustan Unilever Limited (HUL) has always believed that business must have a purpose beyond profits. This belief has shaped our journey of more than nine decades, enabling us to build a future-fit organisation that thrives on the core values of Integrity, Respect, Responsibility and Pioneering.

We remain committed to our purpose of making sustainable living commonplace, empowering people to feel good and get more out of their lives. 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. Guided by our mantra of 'doing well by doing good', we are one of India's largest Fast Moving Consumer Goods (FMCG) Companies with best-in-class ESG ratings.

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. We are continuously innovating to create superior products that address the ever-evolving needs of our consumers while being sustainable and cost effective.

After all, what is good for India, is good for HUL.

90+ years

Of doing well by doing good

9 out of 10

Households in India use one or more of our brands

19

Brands with turnover > ₹1,000 crores per annum

Contents

Basis of Preparation and Presentation

The terms 'HUL', 'the Company', 'your Company', 'our 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 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).

This Integrated Annual Report covers financial and non-financial performance of the Company's operations for the period from 1st April, 2023 to 31st March, 2024 (unless specifically mentioned otherwise).

Reporting Standards and Frameworks

This Integrated Annual Report is aligned to:

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

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 confirm 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', 'expect', may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Such statements are necessarily dependent on projections 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 and uncertainties, and other external factors.

Materiality Determination

This Integrated Annual Report provides fair and balanced information about the relevant matters that substantively affect your 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 various key stakeholders.

Reporting Element and 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 Information

(a) Business Responsibility and Sustainability Report (BRSR)

Reasonable assurance on BRSR Core indicators and Limited assurance on other key sustainability indicators reported in BRSR has been provided by M/s. B S R & Co. LLP, Chartered Accountants. The scope and basis of assurance have been described in the Assurance Statement issued by M/s. B S R & Co. LLP, Chartered Accountants which forms a part of the BRSR

(b) Compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations

Certificate from M/s. B S R & Co., LLP, Chartered Accountants, Statutory Auditors

(c) Compliance with the Companies Act, 2013, applicable Rules made under the Act and the Listing Regulations

Certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors

Other Non-Financial Performance and Information

Internally reviewed and assured by the Management of the Company

Value Creation Model

Capitals Impacted

Financial, Natural, Intellectual, Human, Social and Relationship, Manufactured

Stakeholder Groups

Consumers, Customers, Suppliers and Business Partners, Our People, Planet and Society, Shareholders

Sustainable Development Goals (SDGs)

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

Note:

Find more information about Hindustan Unilever Limited at www.hul.co.in

Find more information about HUL ESG Goals at https://www.hul.co.in/sustainability/

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

Consumers

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

>75%
Business gaining penetration[1]

8
Brands in the Kantar list of most valued brands in India[2]

Customers

>9 Mn
Total retail outlets reached

1.3 Mn
Retailers use Shikhar, our e-B2B app

3,500+
Distributors

Suppliers and Business Partners

>₹29,000 Cr
Material spends

>99%
Suppliers trained in ESG awareness[3]

>75 Bn
Units manufactured[3]

[1] March 2024 MAT Business winning report based on Nielsen market data (HUL relevant categories)
[2] India's Most Valuable Brands – Kantar BrandZ Report, 2023
[3] HUL including subsidiaries

Our People

#1
Employer of Choice[1]

42%
Gender diversity at managerial positions[2]

1,00,000 hrs +
Of training & upskilling employees

Planet and Society

>3.2 Tn litres
Water potential created[3]

58%
Reduction in total waste generated from factories (kg/tonne of production)[2,4]

~10 Mn
People reached through our community development initiative – Prabhat

Shareholders

₹59,579 Cr
Turnover

₹10,114 Cr
PAT

₹42
Dividend Per Share

[1] Based on brand perception study by InsideIIM at target Business schools in 2023
[2] HUL including subsidiaries
[3] Water potential cumulatively and collectively created by Hindustan Unilever Foundation along with its partners
[4] Against 2008 baseline

Our Strategy

Our Purpose

To make sustainable living commonplace

Our Financial Ambition

Double-digit EPS growth driven by topline

Our Strategic Priorities

Growing the Core with Unmissable Brand Superiority	Reshaping Portfolio in High Growth & Premium Spaces
Market Making backed by Innovation & Technology	Leadership in Channels of the Future

We will operate with the twin agenda of outperforming in our current business, while accelerating transformation to serve India's evolving aspirations.

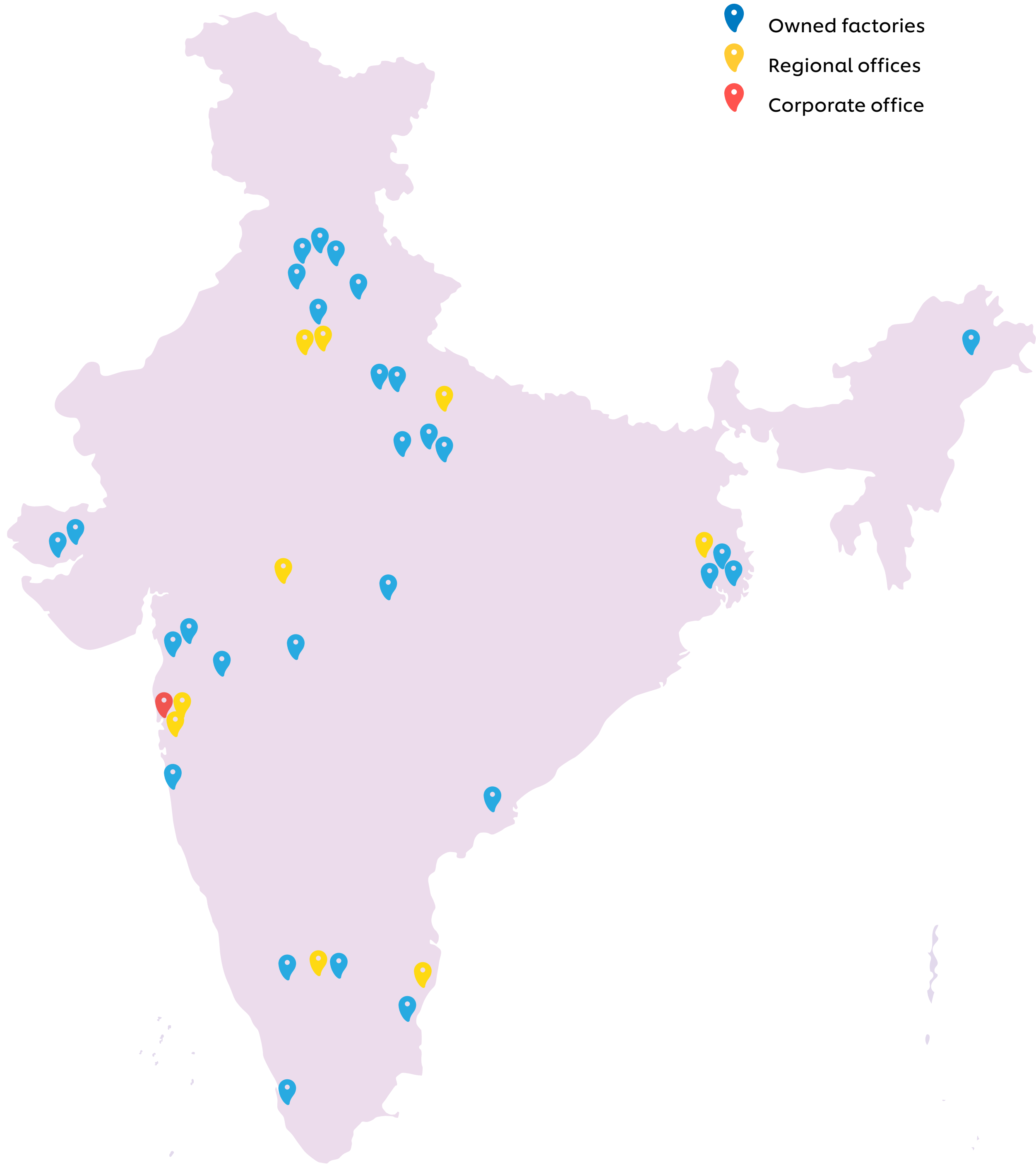
Keeping Our Distinctive Capabilities Future-Fit

Winning in Many Indias (WiMI)	Fuel for Growth	Digital Enterprise	Sustainability	Future-Fit Talent
De-averaged consumer understanding	Generate savings to re-invest behind brands and future fit capabilities	Sell more, Save more, Manage better	Key priorities: Climate, Nature, Plastics and Livelihoods	Development and diversity of our workforce

For the Benefit of Our Stakeholders

- Consumers
- Customers
- Suppliers and Business Partners
- Our People
- Planet and Society
- Shareholders

Geographical Presence



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

10
Direct to Consumer (D2C) websites

>9 Mn
Total retail outlets reached

35
Distribution hubs

28
Owned factories

2
Lighthouse factories

HUL including subsidiaries

Map not to scale. For illustrative purposes only.

What we depend on...

Financial Capital

Funds generated from our operations and financing activities that we utilise to deliver long-term sustainable growth and value creation to our stakeholders.

₹50,973 Cr
Net worth

₹15,179 Cr
Cash from operations

Natural Capital

Integrating sustainability into our business strategy, we are continuously working towards our ESG goals to lead change and make a positive difference to people and planet.

96%
Renewable energy consumed[1]

74%
Recyclable and reusable plastics

Human Capital

Our driven and talented people are instrumental in achieving our purpose; we are committed to upskilling our workforce to create a future-ready workforce.

19,000+
People[1,2]

1,00,000+
Hours training

Social and Relationship Capital

Continuous engagement with stakeholders to strengthen relationships and create a positive impact on our communities through our geography-focused interventions.

₹234 Cr
CSR spends

~10 Mn
People reached through our community development initiative – Prabhat

Intellectual Capital

With Re-imagine HUL, we continue to focus on science, technology, and innovation to drive superior consumer and customer experience.

20,000+
Access to patents

50+
Brands

Manufactured Capital

Our new-age manufacturing sites and end-to-end digital transformation of supply chain enable us to deliver superior quality products to our consumers.

28
Owned factories[1]

2
Lighthouse factories

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, along with 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 to run our business.

4

Manufacturing

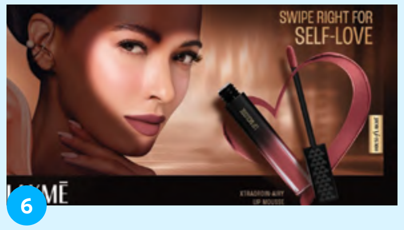
Our factories and third-party manufacturers convert materials using state-of-the-art technology into the products we sell.

All underpinned by the management of our principal risks on page 104

5

Logistics

A countrywide network of logistics warehouses ultimately delivers our products to millions of retail outlets. We continue to digitise operations making us future-fit.



6

Marketing

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 >9 million retail outlets.

8

Consumer Use

9 out of 10 households in India use our products to feel good and get more out of their lives.

All underpinned by the management of our principal risks on page 104

The value we create for...

Consumers

We aim to provide superior-quality products and brands that the increasingly discerning consumers are looking for.

Page 70

Customers

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

Page 74

Suppliers and Business Partners

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

Page 78

Our People

We aim to reward people fairly for the work they do and help them find their purpose while fostering a culture for personal and professional growth alongside business growth.

Page 84

Planet and Society

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

Page 90

Shareholders

We aim to deliver consistent, competitive performance and drive long-term value creation for our shareholders.

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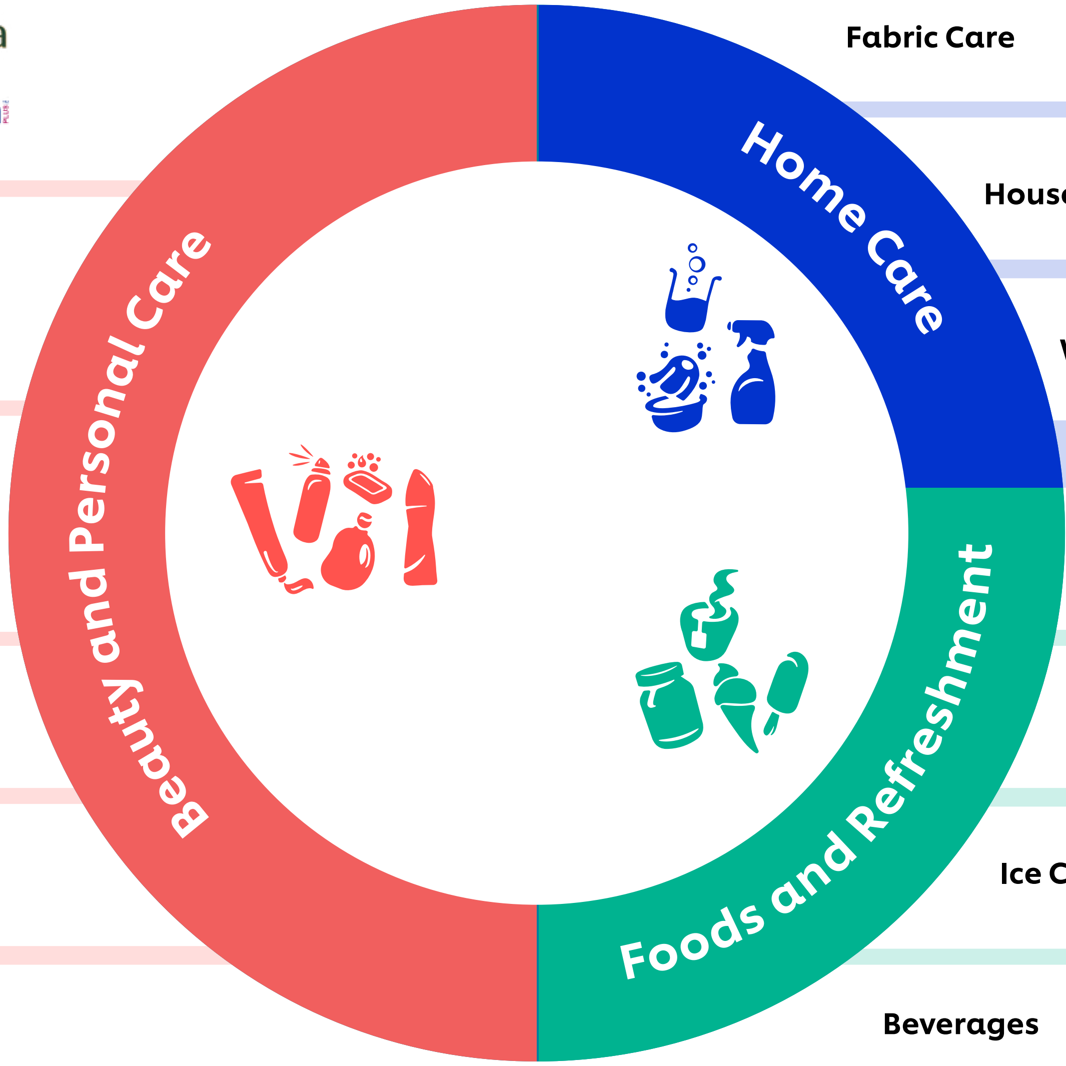
[1]HUL including subsidiaries
[2]Permanent employees and workers

Wide and Resilient Portfolio



Beauty and Personal Care

Skin Cleansing: Lifebuoy, LUX, Hamam, Rexona, Pears, Dove, Liril, VWash

Hair Care: Clinic Plus, Dove, Sunsilk, Indulekha, Love Beauty and Planet, TRESemmé

Skin Care & Colour Cosmetics: Glow & Lovely, LAKMĒ, POND'S, Vaseline, Novology, Simple, ELLE 18, ACNESQUAD

Oral Care: closeup, Pepsodent, Lever ayush

Deodorant and Male Toiletries: Dove, AXE, Rexona

Health and Wellbeing: OZiva, Wellbeing Nutrition

Home Care

Fabric Care: Wheel, Surf excel, Comfort, Sunlight, Rin

Household Care: Vim, Domex

Water Purifier: pureit

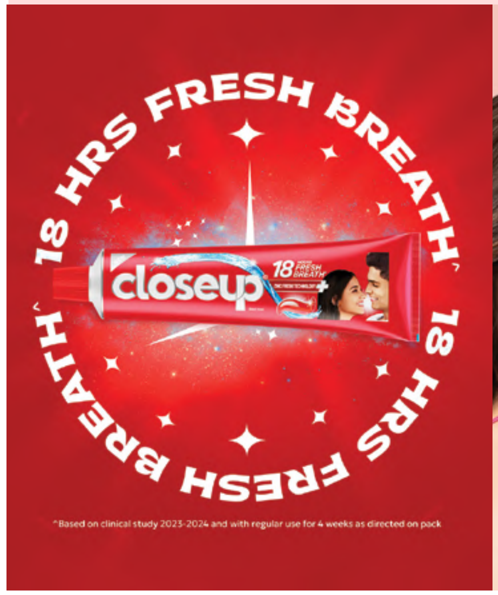
Foods and Refreshment

Nutrition Drinks: Horlicks, Boost

Foods: Kissan, Hellmann's, Knorr

Ice Cream: Magnum, Kwality Wall's, Cornetto

Beverages: Taj Mahal, Red Label, 3 Roses, Lipton, Taaza, BRU



Integrated Sustainability Strategy

1 Operations

Driving change through our own operations and workforce

2 Our Value Chain

Using our size and reach to influence our entire value chain

3 Our Brands

Leveraging our purpose-led brands

4 Wider Society

Catalysing change in communities through partnerships & advocacy (CSR)

Governance, Measurement and Reporting

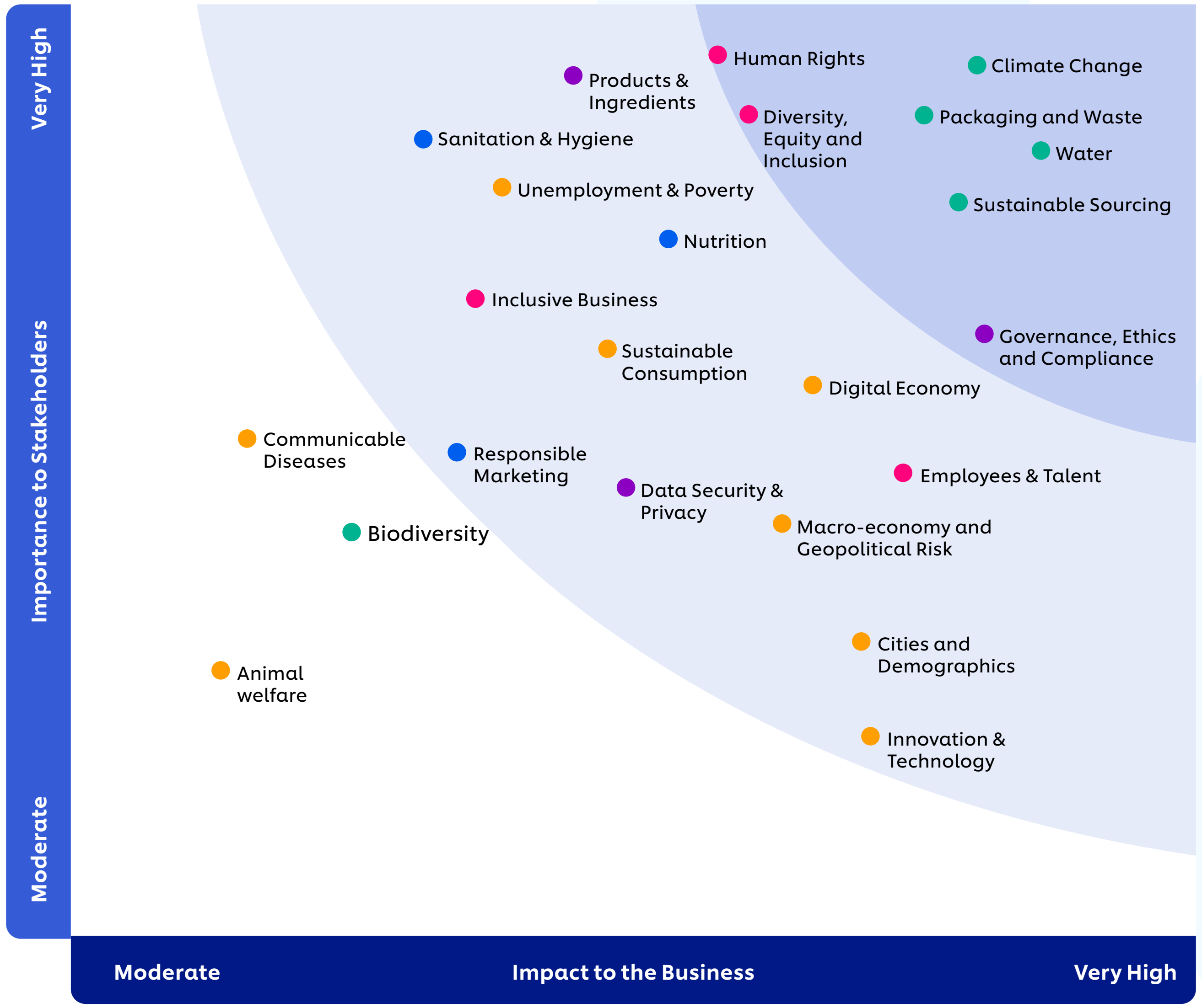
ESG Materiality Matrix

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



- Improving Health & Well-being
- Enhancing Livelihoods
- Responsible Business Practices
- Reducing Environmental Impact
- Wider Sustainability Topics

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

HUL ESG Goals

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

* As of Dec 2023, 97.8% of our Supply Chain in palm oil, paper and board, tea, soy and cocoa is deforestation free.

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 well-being

Positive nutrition

- Double the number of products sold that deliver positive nutrition by 2025
- 85% of our portfolio to meet Unilever Science-based Nutrition Criteria (USNC) by 2028
- 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

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 well-being

Health and well-being

Take action through our brands to improve health and well-being and advance equity and inclusion

We will focus on:

- Gender equity
- Body confidence and self-esteem
- Mental well-being
- 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 well-being	Engaging with stakeholders
Product safety and quality	Responsible taxpayer
Responsible innovation	Committed to transparency

India has witnessed rapid digitisation with internet penetration increasing from 15% to over 50% in 7 years[1]. The digital economy is estimated to reach $1tn by 2030[2], supported by an influx of new-age startups, acceleration of B2B e-Commerce, and the rise of new ecosystems, powered by the Digital India Initiative. Winning in this changing environment with shifting consumer behaviour, emergence of new platforms, and new business opportunities requires differential capabilities and we at HUL have been at the forefront of this change.

Our key focus is to drive superior consumer and customer experience through personalised omni-channel journeys, intelligent analytics for better resource allocation, supporting the growth of digital commerce, traditional trade digitisation, and reimagining the digital supply chain.

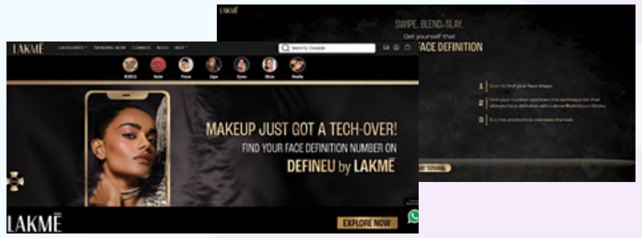
Creating Personalised and Omni-Channel Journeys

Personalisation enables us to identify consumer groups based on their attributes, generate personalised content for these consumers, and deploy it across the right platforms.

To deepen our consumer understanding, we have scaled our first-party data acquisition. Personalisation deployment across brands has resulted in increased click-through rates of over 10x and savings through advertising efficiency. In parallel, we are building a Content Ecosystem to deliver personalised content to each consumer segment. Leveraging new age technology, consumer knowledge, and platform relevance enables versatile content generation and personalisation, with Gen AI capabilities which allows us to curate new content.

Artificial Intelligence is one of the most potent tools that we are using to reshape consumer experience. By creating beautytech solutions such as skin regime recommendations, our brands Lakmē, Pond's and TRESemmé are able to dial up premiumisation and consumer love. In the space of nutritech, Horlicks is able to deliver personalised health diagnostic reports which enhances consumer engagement and drives up equity for us as an expert nutrition brand.

Unveiling a new era in beauty tech and innovation, the House of Lakmē introduced an immersive augmented reality experience for our new product launch. This enables the user to achieve personalised recommendations and get superior product experience across our platforms through facial recognition technology that enable virtual try-ons. Our point of sale technology at store delivers customised promotions and instant redemption while online re-engagement ensures sustained consumer connect.



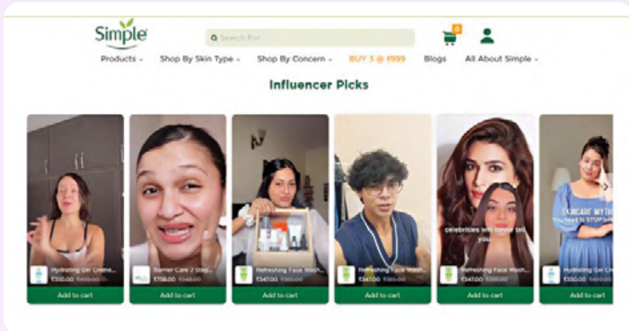
We also recently launched a one-of-a-kind pack for Kissan, in the form of an augmented reality based activation. This allows our consumers to experience the world of our farmers in a gamified format by scanning the QR code on the back of the pack, thus enhancing consumer love and improving our brand consideration.

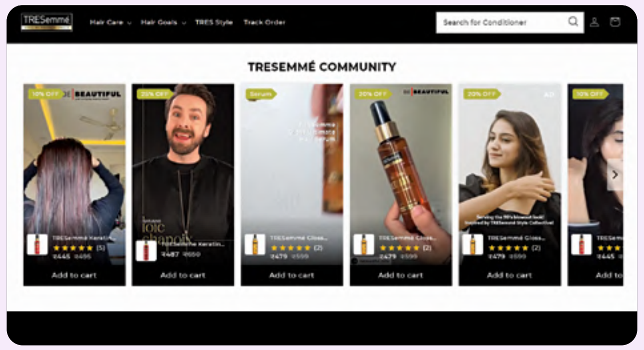
[1] Source: Internet in India 2022 Report, Kantar

[2] E-Conomy India 2023, Bain & Company

Automated and Intelligent Media Planning and Deployment

We have enhanced our media capabilities to select the right mix of media vehicles and mediums to reach our target audience. Our underlying data lake, automated deployment, and analytics allow us to optimise spends real time leading to greater media efficiency. We have also amplified new-age capabilities with a dedicated influencer management team.





A roster of over 700 influencers, right partnerships, and scaled deployment across languages has resulted in us achieving full-funnel visibility and higher brand lift with over 80% of brands improving on consumer mind measures as well as cost savings.

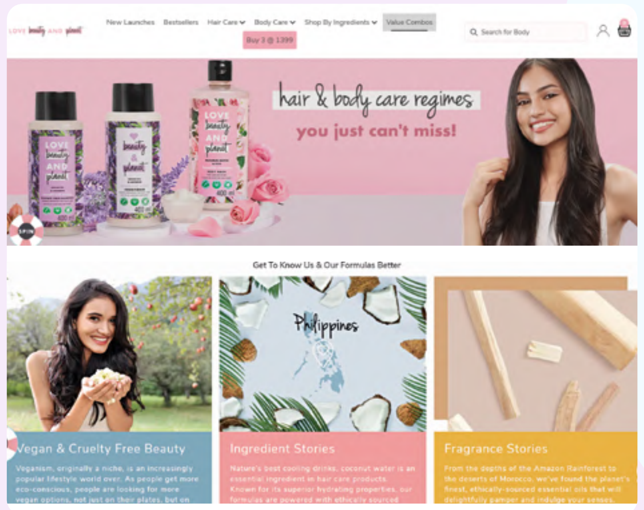
Riding the Digital Commerce Tailwinds

Digital commerce is a critical channel for growth. With rising digital penetration, it is vital to build new technology that enables business models to serve changing shopper habits.

We have specialised teams to drive both efficiencies and effectiveness in digital commerce. Automated campaign management, platform specific content, and optimised spend management has improved our 'Return on Advertising Spends' while reducing cost.

In parallel, we are also scaling up the D2C ecosystems of our brands. Our D2C business extends to 10 brand.com websites serving consumers across more than 19,000 pin codes in the country.

Utilising our multi-brand D2C platform, UShop, we are also actively engaging as a participant in the Indian Government's Open Network for Digital Commerce (ONDC) initiative.



Leveraging Data and Analytics

We have continued to enrich our HUL data lake with granular and relevant internal, syndicated and external data sources across our Customer, Consumer and Operational ecosystems. Our state-of-the-art data democratisation platform Chanakya, is a critical enabler for data-driven decision making across our organisation.

We continue to leverage machine learning and Artificial Intelligence across business processes to embed intelligence in decision making as well as drive productivity across our processes e.g. commodity price forecasting, market mix modelling and assortment analytics.

To meet the dynamic demands of those immersed in the digital era, we established an Agile Innovation Hub a few years ago. This Hub focuses on trend spotting, digital prototyping, and rapid deployment, leading to a substantial reduction in the time taken from idea generation to the launch of a new product.

The Agile Innovation Hub has aided in the launch of 50+ new products in the market. Some notable innovations include that of Lakmē Sun Expert sunscreen, Glow & Lovely Hydraglow serum cream, Vim Shudhham, and Closeup multivitamins toothpaste.

Enhancing B2B Commerce

Shikhar, our demand capturing application for e-B2B, covers 1.3 Mn stores and is used by over 70% of our Shakti Ammas highlighting the ubiquitousness of digital adoption across the country.

Shikhar has also collaborated with ONDC and is now available as a platform for retailers to list themselves on ONDC. We are currently piloting this initiative across select stores and geographies. Through Shikhar, the retailer will be empowered to sell a vast array of products to a wider consumer base thereby expanding their market presence. Shikhar's intuitive design and user-friendly interface, real-time updates, order notifications, and payments module makes it the preferred platform for retailers.

Pushing the boundaries of demand fulfilment, we introduced 'Samadhan' to deliver goods directly from our warehouse to the retailer. The fulfilment process is optimised and tracked end-to-end with semi-automated picking, crate and warehouse management in the depot, optimisation of truck planning and last mile delivery, real-time delivery tracking, and integrated retailer order-to-cash cycle.

Reimagining the Digital Supply Chain

To drive agility and resilience for our business, along with a re-organisation in our asset and cost base and a focus on sustainable growth, our supply chain is undergoing a transformation across the verticals of Plan, Source, Make and Deliver. The end-to-end integration is enabled through a 'Nerve Center' approach which combines the four verticals of supply chain to enable real-time information flow and intelligent decision making to unlock business value.

Our Sonepat factory became the second HUL factory after Dapada to be recognised by the World Economic Forum for its success in adopting fourth industrial revolution technologies at scale to drive sustained improvements in productivity, quality, service, cost, and environmental impact.

Enablers

Underlying this digital transformation is a holistic organisation wide change management approach. We are investing in right talent, creating new partnerships as well as an agile organisational structure to accelerate this journey. Digital is no longer restricted to each function nor is it an experiment. It is the very way of working in HUL.

Unlocking Potential, Delivering Value

As one of the leading FMCG businesses in India, we are continuously stepping up our execution to deliver improved performance by building new moats, leveraging technology and gathering consumer insights to create distinctive capabilities. Our strong business fundamentals provide us with a solid base which will hold us in good stead as we continue to build for the future.

In this section

Chairman's Statement

Dear Shareholders,

In the Financial Year 2023-24, your Company, Hindustan Unilever Limited (HUL) continued to deliver a resilient performance in a challenging business environment. We witnessed gradual deflation in commodity prices in parts of our portfolio after a long period of high inflation. However, cumulative inflation continued to remain high. At the same time, uneven rainfall resulted in subdued agricultural output and affected rural demand. Navigating this macro-economic environment, we continued to focus on building unmissable superior brands, driving operational excellence and developing long-term capabilities that will help us leverage the many opportunities that India presents.

A Land of Opportunities

One of the fastest growing economies in the world, India, is fast progressing on its 'Viksit Bharat 2047' roadmap, with an aim to become a developed nation by the 100th year of its independence. The plan, that was recently unveiled, chalks out actionable and measurable goals in the areas of economic growth, sustainability, ease of living, ease of doing business and social welfare. The Government is taking several steps in this direction including, making significant investment on infrastructure and providing impetus to manufacturing. Along with the India Stack, a one-of-its-kind digital public infrastructure, these present long-term growth opportunities for businesses. At the same time, low per capita FMCG consumption presents significant headroom for growth for companies such as ours. We need to leverage this opportunity and partner in the nation's growth journey.

At HUL, we have already embarked upon this journey and are building muscle for the future.

Transforming to Grow

The Beauty and Wellness space in India is evolving with rapid speed. With changing lifestyles, increasing disposable incomes and higher exposure to global trends, our consumers are looking for premium beauty products.

With one of the largest beauty and personal care businesses in India, we are at a unique position to leverage this premiumisation opportunity. We are extending our current brands into high-demand premium spaces by introducing new formats, and at the same time, launching brands to capture these new demand spaces. To bring more focus to our strong portfolio in the Beauty and Personal Care business, we have transitioned to two separate businesses – Beauty & Wellbeing and Personal Care from 1st April, 2024.

Riding the Digital Wave

India is the world's largest and fastest growing market for digital consumers. It is expected to grow further with its online shopper base overtaking that of the United States.

At HUL, we have been on a journey to strengthen our digital backbone and become an intelligent enterprise. For instance, our Agile Innovation Hub continues to leverage technology to gather information and identify trends or new demand spaces; it then enables us to use digital resources to launch on-trend innovations in record time. Similarly, our Supply Chain Nerve Center helps integrate the Plan, Source, Make and Deliver pillars to drive faster decision-making and action. We continue to create a more agile and responsive business through a variety of digital tools and technologies.

Innovating for the Future

We continue to innovate across the value chain to address the evolving needs of our customers and consumers. Based on our deep local understanding of consumers, we leverage our global repertoire of knowledge, to bring to them products that are superior and accessible. We have access to cutting-edge world class R&D and innovation capabilities including three R&D centres in India that provide deep science and technology expertise in emerging areas such as Renewable Ingredients, Next-Generation Biology and Positive Nutrition.

During the year, we have launched a range of innovative products that deliver on brand values, quality and sustainability. For example, we expanded our Horlicks Plus range with two new scientifically backed products focused on adult and child strength. To make our product packaging more sustainable, we innovated bottles with more recycled plastics for Comfort, Surf excel liquid and Vim liquid.

Our innovations were not restricted to product formulation alone. Our iconic tea brand Taj Mahal created a first-of-its kind billboard this year. The Taj Mahal Megh Santoor campaign won the Guinness world record for the world's largest environmentally interactive billboard. The billboard generated a rendition of the Raag Megh Malhar with the help of raindrops falling on it.

Focusing on Sustainability

We have always believed that to generate superior long-term value, we need to look beyond mere profits and care for all our stakeholders – our consumers, customers, supplier & business partners, people, shareholders and above all, the planet and society. We firmly believe that our future growth will depend on our multi-stakeholder model and embedding sustainability across the value chain is indeed non-negotiable.

Our approach to sustainability is four-pronged:

- We begin by driving change across our own operations and workforce. For instance, we are continuously working towards creating a greener and cleaner supply chain – be it by adopting non fossil fuel based energy solutions in our manufacturing or appointing electric vehicles for last mile delivery.
- Next, using our size and reach, we strive to influence our value chain to adopt sustainable solutions. For instance, this year, to strengthen our journey towards net zero, we announced a collaboration with key chemical companies to pilot the production of near-zero emissions, synthetic soda ash – a key ingredient in laundry powder. We also asked some of our key supply partners to work with us on reducing emissions by joining our global Supplier Climate Programme. Through the programme, we will provide tailored support to develop their emission reduction plans.
- We continue to leverage our purpose-driven brands to drive change in society. For example, Dove continued to challenge beauty stereotypes through the 'Stop The Beauty Test' campaign; Brooke Bond Red Label persevered to break social barriers and bring people together through its advertising and Surf excel leveraged its 'Dirt is Good' campaign to champion good behaviour in children.
- We strive to make a wider impact through initiatives aimed at catalysing change in communities. For instance, the Hindustan Unilever Foundation, our not-for-profit subsidiary working in the area of securing India's water future, has created a cumulative and collective water potential of over 3.2 trillion litres.

Creating a Future-Fit Workplace

Our people are our biggest asset, and we believe that investing in our people is an investment for the future. We continue to foster a culture that empowers our people to grow – both professionally and personally, alongside the business.

In our journey towards building a future-ready workforce, we invested over 1,00,000 hours in learning interventions for our people. We launched several policies and interventions that will help further our journey on being a truly inclusive and diverse workplace. In 2023, once again we retained our position as #1 Employer of Choice across sectors, and as a preferred employer for women.

Embedding Values at the Core

Underlying our actions are our values. The values of Integrity, Respect, Responsibility & Pioneering lie at the core of our business. And while we change to meet the needs of a fast-changing India, our values don't. Armed with future-fit capabilities and with our values embedded deeply into the business, we are well-placed to deliver growth in a transforming India.

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 (HUL) in Financial Year 2023-24, navigated a challenging macro-economic environment by focusing on key strategic thrusts - growing our core through Unmissable Brand Superiority, driving market-making, reshaping our portfolio into premium spaces and strengthening leadership in channels of the future. We remained focused on driving operational excellence and continued to build back our gross margins whilst stepping up investment in brands and long-term capabilities.

Our turnover was ₹59,579 crores with an Underlying Sales Growth of 3% and Underlying Volume Growth of 2%. We saw a Gross Margin improvement of 430 bps in the full year and crossed the milestone of ₹10,000 crore Net Profit. EBITDA margin remained healthy at 23.8% with an increase of 40 bps YoY. Profit After Tax before exceptional items (PAT bei) and EPS was up 4% and 2% respectively. The Board of Directors proposed a final dividend of ₹24 per share, subject to approval of shareholders at the AGM. Together with interim dividend of ₹18 per share, the total dividend for the year amounts to ₹42 per share, an increase of 8% vs FY 2022-23.

In our Beauty and Personal Care business, we led significant transformation across our iconic brands with refreshed products, packaging and communication. We advanced on our journey to transform our portfolio towards high growth spaces. Lakmē, our local jewel, further elevated its credentials with impactful launches like the MultiSlayer Face Sticks and the revolutionary Invisible Sunstick. In Skin Cleansing, our bodywash portfolio grew in high double-digits. In Skin Care, sun care and light moisturisers witnessed a similar success story, with the premium portfolio continuing to grow strongly. In Hair Care, our premium brands Dove and TRESemmé continued to grow steadily, while Clinic Plus crossed the ₹2,000 crore turnover mark. In our journey to becoming the 'beauty shapers of the country', we unveiled the Beauty Collective. Through this, we aim to strengthen beauty partnerships with e-Commerce and Modern Trade customers.

In Home Care, we witnessed volume growth powered by big strides in our brand superiority journey. We continued to drive market development through home trials and build premium formats such as liquids. In Vim liquids, for instance, we improved our product formulation, sharpened the proposition further, and modified the packaging to make it more aspirational & ergonomical. As a result, Vim liquids saw robust volume growth with significant penetration gains in over a decade and maintained its position as the market leader in the segment. In Surf excel liquid, we launched a new winning proposition of 'removes tough dried stains first time in the machine'. We saw growth in both Fabric Wash and Household Care, with our premium portfolio leading this growth.

With consumers increasingly looking for products that provide nutritional, long-term benefits, under our Foods and Refreshment business, we further strengthened our adult nutrition drinks portfolio by building condition awareness, from diabetes to women's health to bone strength. In Horlicks, we sharpened and fortified the proposition of 'Taller, Stronger, Sharper' through precise and focused communications, packaging redesign and promotions. The brand saw improvement in penetration, market share and brand power. In Tea, Brooke Bond Red Label extended its flagship 'Swad Apnepan Ka' campaign that reflects the brand's proposition of 'bringing people together'. In its latest rendition, the brand attempts an un-stereotypical portrayal of persons with disabilities. Ice Cream launched multiple innovations such as the Feast Crackle that took our partnership to co-create ice creams with Cadbury further. In Coffee, to cater to a rising coffee culture in India, we continued to premiumise our portfolio. For instance, we launched a range of flavoured coffee under Bru Gold. Similarly, Knorr launched Korean noodles in popular flavours, Kimchi and Jjajangmyeon, in the on-trend innovation space.

In a transforming distribution landscape, we saw rapid expansion in e-Commerce, quick commerce, e-B2B and Modern Trade retail. We worked closely with our partners to design specifically for different shopping missions in these channels. Our pioneering e-B2B digital application, Shikhar, continued to grow and elevate retailer engagement. We also invested significantly to make our distributors future-fit through training programmes and other interventions. In our journey to collaborate with the Indian Government's initiative Open Network for Digital Commerce (ONDC) and democratise digital commerce, we piloted an initiative on Shikhar through which, neighbourhood kiranas can now go live on ONDC seamlessly and sell their entire range of products online. We made significant progress towards building a more diverse frontline sales team and now have more than 1,400 women as part of our Ahilya initiative. Our Shakti network of women micro-entrepreneurs in rural India, is now over 2 lakh women strong.

Our Supply Chain network, with 28 owned factories and over 50 manufacturing partners, continued to be our source of competitive advantage. On our journey towards building a more agile and nimble supply chain, we instituted single minute changeovers and online changeover lines across several manufacturing sites. Our nano factories, which are small scale production lines, empowered us to reduce the batch size of production, thereby accelerating the launch of innovations. Currently, over 250 SKUs (Stock Keeping Units) are manufactured in our nano-factories. We further strengthened our quality norms across all manufacturing sites and even developed digital twins for few of our critical processes. At the same time, with access to cutting edge technical knowledge and world-class R&D capabilities, we continued to innovate to address the evolving needs of our consumers. As a result, we now have 3X superior products as compared to 2019, according to consumer tests.

We are digitising our manufacturing ecosystem and now two of our factories, Dapada and Sonepat, have the title of the prestigious 'End-to-End Lighthouse', awarded by the World Economic Forum for implementing advanced fourth industrial revolution solutions on shop floor.

We maintained steadfast focus on embedding sustainability across our own operations and value chain. We also drove initiatives in communities aimed at making a positive difference to the people and the planet. For instance, in our journey towards net zero, we announced our collaboration with key chemical companies to pilot the production of near-zero emissions, synthetic soda ash – a key ingredient in laundry powder. We also asked some of our key supplier partners to join our global Supplier Climate Programme through which we can help them develop their emissions reduction plan.

To reduce plastic in our packaging, we engaged with partners who can help build supplier capacity, and capability for PCR (Post-Consumer Recycled material), including rigids and flexibles.

Hindustan Unilever Foundation, our not-for-profit subsidiary that has been addressing India's water challenges since 2010, along with its partners, created a collective and cumulative water potential of over 3.2 trillion litres. This is equivalent to the drinking water needs of India for nearly two years.

Through Suvidha, our pioneering initiative, we continued to make safe hygiene and sanitation facilities available to people in informal urban settlements. We now have 16 Suvidha centres operational in Mumbai that provide over 4 lakh people access to safe sanitation. Through Prabhat, our community development initiative aimed at improving livelihoods, health, nutrition as well as protecting the environment, we have positively impacted nearly 10 million people till date.

Hindustan Unilever Limited, over its 90 years of corporate existence, has always believed in 'what is good for India, is good for HUL'. Going forward, we will operate with the twin agenda of outperforming in our current business, while accelerating transformation to serve India's evolving aspirations. I truly believe that our journey of 'transform to outperform' will take HUL to the next phase of growth by enabling us to better serve our consumers and win in the market.

I would like to thank our people who tirelessly work across our offices, factories, on the sales frontline and across our extended value chain, to support us on our journey to outperform. People are our strongest asset. I am proud of maintaining our position as the Employer of Choice, enabled by a strong sense of ownership by our leaders to build future talent.

Finally, I would like to thank all of you, our shareholders, for your trust, support, and confidence in Hindustan Unilever Limited.

Warm Regards,

Rohit Jawa

Chief Executive Officer and Managing Director

Financial Highlights (Standalone)
FY 2023-24

Turnover
₹59,579 Cr

EBITDA Margin
23.8%

PAT
₹10,114 Cr

EPS
₹43.05

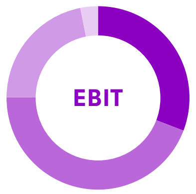
Cash from Operations
₹15,179 Cr

ROCE
96.3%

(₹ in crores)

Segmental Revenue

Home Care	21,900
Beauty and Personal Care	22,165
Foods and Refreshment	15,292
Others	1,112

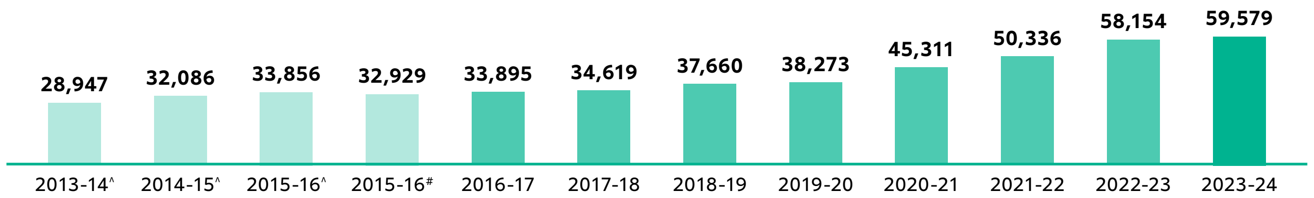


Segmental Results (EBIT)

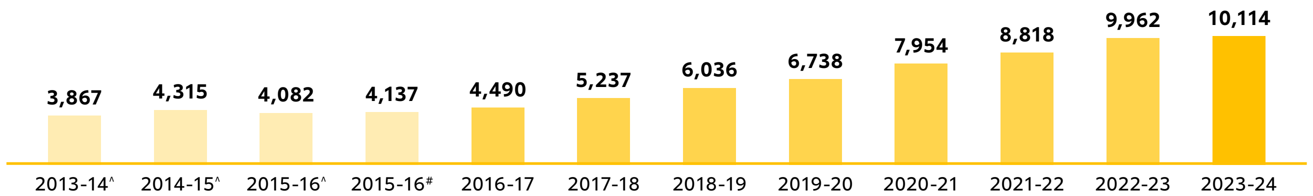
Home Care	4,033
Beauty and Personal Care	5,802
Foods and Refreshment	2,851
Others	407

Long-term Track Record

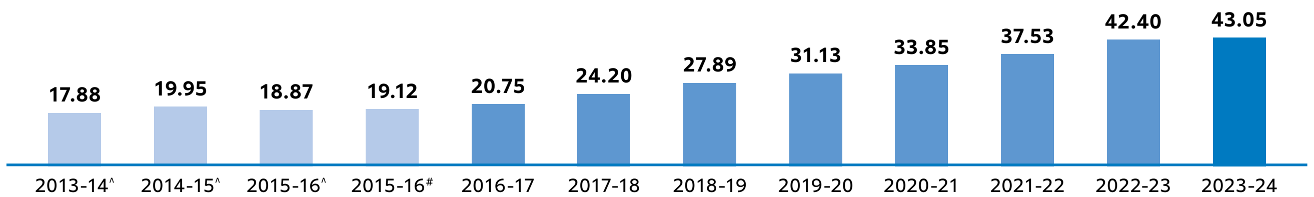
Turnover
(₹ in crores)



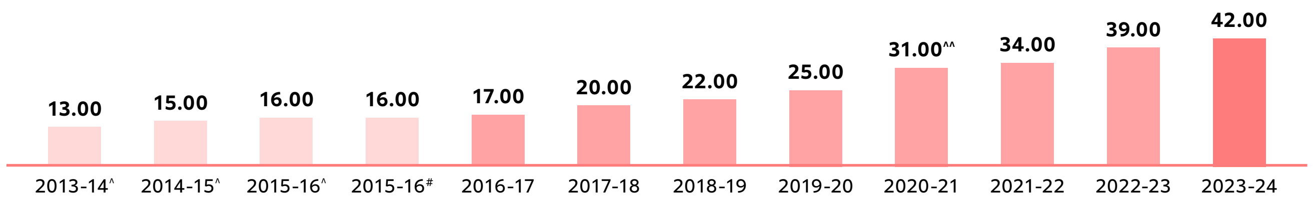
Profit After Taxation [PAT]
(₹ in crores)



Earnings Per Share (face value of ₹1) [EPS]
(₹)



Dividend Per Share (face value of ₹1)
(₹)



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

Long-term Track Record

(₹ in crores)

Balance Sheet	IGAAP 2013-14^	IGAAP 2014-15^	IGAAP 2015-16^	IND AS 2015-16#	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Property, Plant and Equipment	2,710	2,915	3,288	3,288	3,857	4,206	4,280	5,138	6,409	6,714	7,209	8,093
Intangible Assets	32	22	12	12	370	366	436	431	45,241	45,221	45,216	45,201
Other Assets	10,256	10,697	10,867	10,620	10,524	12,577	13,149	14,033	16,466	17,802	19,400	23,782
Total Assets	**12,998**	**13,634**	**14,167**	**13,920**	**14,751**	**17,149**	**17,865**	**19,602**	**68,116**	**69,737**	**71,825**	77,076
Share Capital	216	216	216	216	216	216	216	216	235	235	235	235
Other Equity	3,061	3,508	3,471	6,063	6,274	6,859	7,443	7,815	47,199	48,525	49,986	50,738
Other Liabilities	9,721	9,909	10,480	7,641	8,261	10,074	10,206	11,571	20,682	20,977	21,604	26,103
Total Equity and Liabilities	**12,998**	**13,634**	**14,167**	**13,920**	**14,751**	**17,149**	**17,865**	**19,602**	**68,116**	**69,737**	**71,825**	77,076

Key ratios and EVA	IGAAP 2013-14^	IGAAP 2014-15^	IGAAP 2015-16^	IND AS 2015-16#	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Fixed Asset Turnover (No. of times)	10.6	10.9	10.3	10 .0	8.0	7.6	8.0	6.9	0.9	1.0	1.1	1.1
PAT/Turnover (%)	12.3	12.0	12.0	12.5	12.5	14.8	16.1	17.6	17.6	17.5	17.1	17.0
Return On Capital Employed (ROCE) (%)##	129.9	133.0	147.2	86.6	92.3	101.3	112.3	103.4	113.0	107.8	101.9	96.3
Return On Net Worth (RONW) (%)##	130.0	123.3	110.2	82.5	70.0	77.0	81.9	84.8	17.0*	18.6	20.1	20.0
Economic Value Added (EVA) (₹ in crores)	3,147	3,380	3,526	3,438	3,498	4,258	5,291	6,085	3,810*	4,435	4,435	4,808

Others	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
HUL Share Price on BSE (face value of ₹1)**	604	873	870	910	1,336	1,708	2,298	2,431	2,049	2,559	2,268
Market Capitalisation (₹ in crores)	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	5,32,946

^ Based on Revised Schedule VI/ Schedule III

Figures are restated as per IND AS

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

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.

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

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

ESG Highlights

Environment

>3.2 trillion litres

Cumulative and collective water potential created by HUF along with its partners[1]

In Operations[2]

98%
Reduction in Scope 1 & 2 emissions in operations (Kg/tonne of production)

58%
Reduction in the total waste generated (kg/tonne of production) from factories

45%
Reduction in total energy consumption (GJ/tonne of production) from factories

47%
Reduction in total water consumption (Cubic metre/tonne of production) from factories

Across Value Chain

48%
Of 12 key agricultural crops sourced sustainably[3]

74%
Reusable, Recyclable or Compostable plastic packaging used[3]

>97%
Deforestation-free Supply Chain in palm oil, paper and board, tea, soy and cocoa

[1]Assured by external independent firm
[2]Against 2008 baseline
[3]For the calendar year 2023
All numbers are of HUL including subsidiaries, except 74% reusable plastic is excluding HUL subsidiaries

Social

>2 lakh

Women empowered in rural India through our Shakti Programme

>4 lakh
People have access to safe hygiene and sanitation through Project Suvidha

~10 million
People reached through Project Prabhat's initiatives that focus on economic empowerment, environment, health & nutrition in the last decade

5 million
Children educated via Swasthya Curriculum to promote good health and hygiene practices since 2018

Top ESG rated FMCG Company in India

S&P Global Sustainable1	MSCI	CDP	LSEG	CRISIL	SUSTAINALYTICS
#1 in personal products sector in India and among the top 10% companies globally[1]	Our rating has been upgraded from 'A' to 'AA'	Leadership across all 3 categories i.e. Climate, Water, and Forest	Ranked #1 in India in LSEG ESG ratings in the Personal & Household Products	Our ESG Score has been classified as a 'Strong' score	#11 globally in Household products category (Medium Risk)
75	AA	A/A-	83	63	21.4

[1]as per S&P Global's Sustainability Yearbook 2024

Segmental Highlights

Home Care

Home Care growth strategy is to deliver exceptional consumer experiences with unmissable brand superiority and innovations delivered through relentless focus on science and technology. We are committed to provide the consumers with the right price-value equation in the dynamic context of commodity cycles that will help drive competitive growth for us.

Performance Snapshot

Revenue	EBIT	Segment Margin
₹21,900 Cr	₹4,033 Cr	18%

We have a stable of leading Fabric and Household Care brands such as Surf excel, Wheel, Rin, Comfort, Vim, and Domex. Our aim is to offer brands that are:

- Superior
- Sustainable
- Provide great value

Review of the Year

Our Home Care business grew 3% in FY 2023-24, on a very strong base of 28% in FY 2022-23. Both Fabric and Household Care grew volumes in mid-single digit with a negative price growth. Our Water business grew in mid-single digit during the year. Within the segment, our premium portfolio consisting of premium washing powders, washing liquids and dishwash liquids have continued to clock strong growths on the back of sustained market development activities.

During the year, the business witnessed softening of commodities and we worked with agility to provide consumers with the right price-value equation. We continued to invest behind our brands to enhance brand superiority and strengthen brand power.

Growing the Core

Weaving purpose and brand superiority into our core values, we ensure every action and communication drives meaningful engagement, amplifying brand salience. Our tailored approach, guided by the 'Winning in Many Indias' (WiMI) strategy, addresses the specific consumer needs arising from factors including water quality, geographical variations, weather patterns, and washing methods.

In Fabric Care, Surf excel, our flagship brand, crossed the milestone of $1 billion-mark last year and in this year continued to be a trusted ally for parents, nurturing kids by instilling values such as kindness, empathy, and helpfulness, while advocating its philosophy of 'Daag achhe hain'.

Recognising the dynamic and competitive landscape of today's world, Surf excel with its purpose to 'enable kids to be their inner best' has moved beyond mere success to foster holistic growth.

Wheel, our mass-tier fabric cleaning brand, remains committed to its purpose of evoking freshness in both, thought and attire. With its latest communication titled 'Taqatvar', Wheel reinforces the message that real progress stems from the collaborative efforts of both partners in a household. The campaign charmingly portrays the joint involvement of husbands and wives in the laundry process while highlighting the brand's exceptional cleaning efficacy and fragrance.

Wheel has been honoured as one of the best Value for Money Brands in the country by Exchange4Media's Pitch Top 50 Brands of India.

Rin, our key mid-tier brand, moved from a world of showing progress-seekers to a world where we celebrate pathbreakers who shine limitlessly and who are creating their own unique identity. Our philosophy of 'Dress to Express' empowers individuality and embraces authenticity. Our narratives highlight how clean and bright clothes enable you to showcase the best version of yourself to the world.

Our leading dishwash brand, Vim, has embarked on a mission to democratise household chores, making dishwashing accessible to all. Last year, Vim initiated this journey with the campaign 'Nazariya Badlo, Dekho Bartano Se Aage'. This year, we continued to promote the idea of chore ownership through compelling narratives of 'Apne Bartan Apne Aap' and thought-provoking communications across media channels, showcasing boys and men independently engaging in dishwashing tasks.

Market Making and Premiumisation

The convergence of rising affluence, shifting demographics marked by an increase in nuclear families, and rapid urbanisation is driving demand for superior and convenient solutions for household chores. Over the years, we have witnessed great success in upgrading consumers and premiumising our portfolio. We continue to actively engage with consumers in their upgradation journey.

In Fabric Care, we have achieved a significant shift in consumer preferences, successfully transitioning them from mass detergent bars and powders to premium options, and from premium powders to liquid detergents. We are also upgrading our consumers via format disruptions like Smart shots laundry pods. We are further expanding their routine by introducing them to complementary products like Comfort fabric conditioners. Premiumisation remains integral to our strategy, and we continue to invest in creating categories of the future. These actions have led to sustained high growth in the premium portfolio.

Surf excel liquid continued to build superiority in the market through its new enhanced stain removal proposition of 'Removes tough dried stains, 1st time in machine'. Rin detergent liquid offers brightness & sensorial freshness as the key benefit. The brand has recently expanded its liquid portfolio beyond South India to further strengthen HUL's play in the rapidly growing liquid detergent segment. Comfort continued to expand its offering through innovations like 'Intense' fabric conditioner for athleisure wear and super sensorial range.

Vim liquid's relaunch emphasises superior odour removal with completely new packaging and strong and persuasive communication that 'Vim Liquid removes tough odour in one wash'. To accelerate the premiumisation task, Vim also launched two premium variants in its liquids portfolio, Pure Lemongrass and Tangerine, which are plant-based formulations with compelling communication and easy to use packaging. The new Vim Shudhham addresses the challenge of cleaning intricate corners of copper and brass vessels with a 100% perfect shine promise.

Pureit has expanded its portfolio with the introduction of the Pureit Revito Series, a premium offering in the RO+UV segment. Powered by DURAVivaTM – a best-in-class filtration technology certified by the Water Quality Association (WQA) for heavy metal removal – the Pureit Revito Series ensures maximum purification capacity, water conservation, and enrichment with essential minerals.

Channels of the Future

Winning in e-Commerce and Modern Trade is pivotal to winning with Indian affluent consumers. Hence, our portfolio this year boasts exciting, high potential innovations tailored to niche consumer demands while giving us a competitive edge in the market. Our focus during the year and the coming periods will be to continue scaling up future formats like liquid detergents and other premium innovations with the help of strategic partnerships with our customers as we co-create shopper events. In the booming e-Commerce landscape in India, winning in Home Care business entails strategic alignment with all customers, including quick Commerce (q-Commerce) partners.

Q-Commerce continues to be a key growth catalyst and our focus remains on expanding Home Care category profitably alongside our partners.

Collaborative category initiatives and curated events with key players has not only fostered stronger customer partnerships but also ensures we are able to follow the shopper seamlessly in their omni-channel purchase journey.

Towards a Clean Future

We are also leading our industry towards a cleaner future through the power of science and innovation. Driving multiple initiatives, we have continued our journey towards Clean Future, becoming a more sustainable and environmentally friendly segment.

In alignment with our climate action goals that include achieving net zero emissions for all our products from sourcing to the point of sale by 2039, we are collaborating with our partners to bring in the necessary changes.

We hosted a two-day event called 'Clean Future Summit' in August 2023 to foster industry-wide commitments on sustainable practices around emissions across the value chain. This event brought together high ranking Government officials, top industry players, sustainability think tanks, global management consultancies and many others. In a first, 18 of our partners signed the 'Climate Pledge', thus demonstrating their commitment to a net zero journey.

During this event we also revealed the results of successful scale up of low greenhouse gas emitting soda ash with near zero GHG emission compared to the existing alternative and a pilot scale demonstration of 'Near Net Zero' soda ash, in partnership with Tuticorin Alkali Chemicals and Fertilizers Limited.

We are also bringing robust innovations into our packaging materials. Currently, Comfort fabric conditioner and Rin Liquid is packed in bottles containing 70% recycled plastics (PCR). Similarly, Vim liquid dishwash bottles contain 50% recycled plastic.

We continue to invest in research and development to include recycled plastics in our flexible packaging that will take us another step closer to our ambition of Net zero.

Beauty and Personal Care

A Market Maker Heritage with a history of creating categories like moisturisers, shampoos, conditioners, soaps and colour cosmetics making us India's largest Beauty & Personal Care (BPC) business.

Performance Snapshot

Revenue	EBIT	Segment Margin
₹22,165 Cr	₹5,802 Cr	26%

With the rapidly evolving beauty landscape, we continued on our journey of transforming our portfolio aimed at progressing beyond meeting consumer needs, with aspirational and purposeful brands. In pursuit of this vision, we concentrated our efforts on:

- Future-fit innovations
- Superior products
- Channels of the future
- Re-imagining mental reach
- Future-proof supply chain

Review of the Year

Our BPC portfolio spans across 7 categories viz. Skin Care, Colour Cosmetics, Skin Cleansing, Hair Care, Oral Care, Deodorants & Male Toiletries and Health & Wellbeing. During the year, BPC turnover grew by 2%, driven by volume growth. Due to the discretionary nature of the category, it is more susceptible to the impact of macro-economic factors. After a period of significant inflation, commodity prices deflated during the year and we passed on the benefits of this lower cost to our consumers in the form of price drops and promotions. While premium portfolio within Hair Care and Skin Care led growth for the category, mass segment continued to witness subdued volume recovery. Mass demand was impacted on account of high cumulative inflation over the last 3 years and below par agricultural output due to uneven monsoons.

Given this context, during the year, we focused on stepping up investments behind our brands & innovations, enhancing product superiority and building formats of the future. These actions have reflected in early green shoots as we continue to strengthen our brand power.

Growing our Core

Our brands are not only iconic, well-loved and purposeful but they also span the price-benefit pyramid, making our Company well-placed to win in this growing market.

Cognisant of changing consumer needs, we continue to contemporise our core brands, keeping them relevant, accessible, aspirational, and purposeful while expanding them into new demand spaces and formats of the future.

Clinic Plus and Sunsilk continued to clock strong growth. While Clinic Plus achieved high brand power scores through effective communication and deployment, Sunsilk forayed into the post-wash hair serum segment through the launch of the Super Shine Serum, with a product, packaging and communication that won with consumers.

We have led significant transformations across our key brands like Lakmē and Vaseline, revamping them by refreshing product, packaging, communication and innovating into new demand spaces and formats. This keeps them aspirational and relevant for our evolving consumers.

Glow & Lovely (GAL) was relaunched with a sharper claim led proposition and modernised packaging. The brand also innovated to present the consumers with new formats of the likes of powder finish creme and sunscreen. Through our Glow & Lovely Careers foundation, we continue to equip women with the tools they need to succeed through training, career counselling, and online programmes, fostering their financial independence.

Leveraging our Winning in Many Indias (WiMI) strategy, we deaverage the country basis consumer preferences 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. For instance, Lux and Lifebuoy have curated winning products and tailored propositions by region, addressing local consumer needs.

Lifebuoy continued to be the No.1 soap brand in India and is building relevance of hygiene with its on-ground initiative 'H for Handwashing'. The campaign advocates for greater emphasis on handwashing education in curricula across schools by fundamentally changing the way the letter H is taught to millions of children around the world.

Closeup has expanded its offerings by introducing new variants in the naturals category. These are made with a 95% natural origin formula to cater to the naturals demand within the category.

Segmental Highlights

Market Making and Premiumisation

With changing lifestyles, increasing per-capita income, exposure to global trends through social media, and a growing emphasis on self-care and wellness, this segment is witnessing a transformational shift. The affluent households of India is set to grow exponentially in the next few years, providing an opportunity for the Company to accelerate market development across new demand spaces and formats. Premiumisation is one secular trend that will continue to further intensify. With the myriad brands straddling the price-benefit pyramid, our strong equity and access to Unilever brands, we are well-placed to win in this market.

Categories such as face wash, hair masks, serums, conditioners, body wash, sun care, light moisturisers have low penetration, providing us a long runway for growth. We are pivoting our portfolio to develop the market for emerging demand spaces and formats with our leading premium beauty brands TRESemmé, Vaseline, Lakmē, Pond's and Dove taking charge of the same.

We have ventured into on-trend, future formats like face and hair serums with exciting launches such as TRESemmé Ultra Shine Hair Serum and Lakmē Skin Ultime Collection while strengthening our presence in Hair Masks with a winning mix of Dove Hair Mask. We have stepped up our play in fast growing demand spaces such as sun care, light moisturisation, face cleansing and all season body care with Pond's Sun Miracle range, Pond's Pure Detox Facewash and Vaseline Gluta-Hya Serum in lotion.

Indulekha, our naturals brand, refreshed its packaging to project mastery and reinforced its expertise, alongside expanding its portfolio by venturing into the Anti-Dandruff demand space with the launch of Indulekha Svetakutaja Shampoo & Oil.

Our Premium Beauty Business Unit (PBBU) which was incubated to address the digital-first niche, has had an exciting year. Three years since its incubation, this Unit now boasts of an Annualised Run Rate (ARR) of ₹100 crores and above in its sales of 2 brands. With this Unit, our focus is on building digital capabilities over and above digital brands that include digital marketing, nano factories and influencer campaigns. We continue to scale up these brands through new offerings. For instance, we launched the Active Skin Barrier Care range in Simple, which is powered by ceramide boosters and hyaluronic acid to help restore a damaged skin barrier and soothe dry, sensitive skin.

In Skin Cleansing, we are driving market development at two levels, upgrading from mass to premium bars with Dove and Pears and accelerating conversion to higher order benefits with Liquids (Bodywash and Intimate Hygiene). We have strengthened the fundamentals on our premium brands, resulting in consistent penetration gains. We will continue to drive premiumisation by participating in the fast-growing demand spaces & trends such as skinification, exfoliation and dermatologists recommended soap bars. Bodywash accelerated its growth momentum and grew competitively at high double digits enabled by large scale sampling plans and highly persuasive communication.

OZiva, our Health & Wellness brand, doubled digital ARR from MQ'23 to MQ'24 by setting up a strong foundation for accelerated growth in 2024 with a promising innovation funnel.

Lakmē Fashion Week (LFW) is building advocacy in beauty and fashion with the world's largest fashion week, a platform that showcases the latest beauty trends and fashion excellence from leading global designers, brands, and industry stakeholders. This season, Lakmē positioned its fashion-forward ethos at the forefront by introducing a compelling new campaign at LFW, #UnapologeticallyMÉ, to celebrate Indian women from diverse backgrounds who embrace fashion and beauty without reservations.

Building a Greener Future

BPC has taken its sustainability agenda to new heights by achieving 100% sachet recyclability in hair care. One of our key thrusts is having a circular plastic economy. In that endeavour, we have now commercially established post-consumer recycled (PCR) plastic in rigid packs for large brands like Vaseline, TRESemmé and Sunsilk. By introducing the slim cap in GAL facewash, we also continued our progress towards innovative designs and new structures to reduce our virgin plastic consumption. We are committed to responsibly sourcing palm oil and aim to be 100% No Deforestation, No Peat (NDP) compliant in India.

Winning in Channels of the Future

Shopper journeys, specifically that for beauty, is expanding from grocers to specialised channels of the future viz. Modern Trade, Health & Beauty, and e-Commerce. They have increasingly become non-linear and on digital mediums and their choice of purchase channel and media consumption is changing rapidly, triggering a shift in gears. We increased our presence in high-affinity beauty channels, with specific focus on digital media and influencer marketing. We will continue to amplify these channels in the coming years.

By closely following our beauty enthusiasts, we ensure they find us at every touchpoint of their shopping journey. Stepping up our Design-for-Channel (D4C) strategy, we innovated to deliver channel targeted offerings and enhanced our in-store experience to build desire at the point of sale. For instance, we continued to strengthen our content platform 'BeBeautiful', which educates consumers on their BPC needs, sharing hacks, highlighting trends and providing virtual try on makeup for a holistic, customised experience.

In 2023, we set-up 'Beauty-verse' to redefine the beauty landscape and excel in Channels of the Future, blurring the lines between Sales and Marketing for a seamless buying experience. Our ambition is to lead every platform, deliver unparalleled consumer experiences, and pioneer with innovative launches at all beauty-shopper touchpoints to deliver market leading growths.

In a short period of time, we have already started witnessing a promising growth in our market shares and market position across beauty touchpoints.

Segmental Highlights

Foods and Refreshment

We have embarked on a mission to be a 'World-class Force for Good' in 'Foods and Refreshment' (F&R), through our iconic brands like Brooke Bond, Lipton, Horlicks, Boost, Bru, Kissan, Knorr, Hellmann's, Kwality Wall's and Magnum.

Performance Snapshot

Revenue	EBIT	Segment Margin
₹15,292 Cr	₹2,851 Cr	19%

Our endeavour, as one of the largest F&R businesses, is to address evolving consumer needs while making sustainable choices, as they increasingly seek:

- Healthier living
- Smart spending & affordable meals
- Indulgent experiences across ethnic cuisines & flavours
- Convenience, any-time any-where food

Review of the Year

In FY 2023-24, our Foods & Refreshment business reported an Underlying Sales Growth of 4%. Nutrition Drinks (Horlicks & Boost) and Tea continued its trajectory of gaining handsome market share during the year. Our Food Solutions Business saw strong high double-digit growth as it continues to scale up. The Ice Cream business faced unseasonal weather-related headwinds but still delivered strong growth for the year. Coffee continues to accelerate ahead of other categories, at double digit growth, driven by pricing.

With parts of the business i.e., Coffee and Nutrition Drinks continuing to see inflation or sustained high prices and Tea witnessing consumers downgrading, this year posed considerable challenges for the category. However, in this tough operating environment, our growth has been competitive, as we focused on providing better value to our consumers, market development and portfolio expansion.

Growing our Core

In FY 2023-24, we strengthened our core brands in Tea and Nutrition Drinks gaining both volume and value market shares. In Tea, we widened the market share gap vs our nearest competitor, gaining significant share. Nutrition Drinks continued to gain significant levels of market penetration and shares.

We also continued to keep our brands contemporary, through purposeful communications and impactful innovations delivering an unmissably superior product designed to win in taste, health and sustainability.

Leveraging our WiMI strategy, we have customised our tea blends basis unique tastes and preferences of consumers' across different parts of India. Continuing with its legacy of impactful campaigns, Brooke Bond Red Label launched a beautiful film called 'Tea: India's Favourite Social Network' as a reminder that Chai is India's original social network that brings people together.

For Horlicks, we rolled out differentiated communications basis nuanced insights from East and South and relaunched the brand with an all-new packaging. Our scientifically backed claim of 'Taller, Stronger, Sharper' has been boosted through strong impactful messaging and advertisements.

In the ever-evolving landscape of consumer engagement, our brands are constantly seeking innovative ways to connect with consumers meaningfully such as delivering a personalised experience tailored to their preferences, through interactive content formats. On Kissan, we introduced a first-of-its-kind on-pack augmented reality-based activation, which allows our consumers to connect to the world of our farmers. By scanning a QR code at the back of the pack, consumers can get a chance to experience the 'farm to fork' journey through interactive games. We also relaunched Kissan Jams with a formulation of 30% more fruit content.

Bru coffee was relaunched with enhanced taste, stronger aroma and with new packaging highlighting its South Indian heritage. In Ice Cream, we strengthened Cornetto with the re-launch of 'Double Chocolate', in a rich creamy chocolate flavour, topped with chocolate sauce and surrounded by the crunchiest cone.

Segmental Highlights

Market Making and Premiumisation

In the premium segment, we are witnessing resilient demand and growth acceleration, with consumers seeking new experiences, differentiated benefits and experimenting with new cuisines. The country also has a very large consuming class at the popular end.

Driven by the early success of last year's innovation in Coffee, namely, Freeze Dried Coffee, we further strengthened the portfolio this year. We augmented our premium Freeze Dried Coffee range with the launch of Bru Gold Vanilla, Caramel and Hazelnut flavours.

We also introduced a range of ready-to-drink cold coffee, which was incubated successfully through online channels.

In Tea, we accelerated our Green Tea portfolio with the launch of the 'Tastier and less bitter' clear and light green tea variant, supported with highly persuasive communication across mediums alongside in-home and in-store sampling.

In Horlicks, we introduced Strength Plus and Growth Plus variants. Strength Plus is a specialised nutritional supplement crafted for aging adults, designed to address the unique health challenges that come with aging. Growth Plus is a nutritional drink, designed to support optimal bone growth, healthy weight gain and immune function in toddlers, with nutrients like arginine, high quality protein and growth promoters.

In Foods, we continue to maintain growth momentum on Hellmann's Mayonnaise and Kissan Peanut Butter through a mix of market development actions and home-to-home sampling. Our newly introduced range of Korean meal pots continued to show significant consumer traction and the range was further augmented with the launch of Knorr K-Pot Korean Ramen.

Our premium Ice Cream continues to accelerate significantly ahead of the category on the back of Magnum and in-home ordering through e-Commerce and q-Commerce portals.

We introduced a premium range of ice cream 'Slow Churn', made with artisanal expertise, from handpicked fruits and fresh milk cream slowly churned together into creamy perfection. We also introduced the Chocolate Hazelnut and Feast Crackle in partnership with Cadbury, providing consumers diverse flavours and options to choose from.

As a result of all the above actions, our premium portfolio has grown handsomely over the year, leading growth for the category.

Channels of the Future

This year we saw an increase in shopping trips to Modern Trade, with purchases moving from General Trade to Modern Trade. Ready-to-eat food delivery has now become a significant channel, while consumers also increased spends on eating out. As more people stepped out, we saw growth in both Modern Trade and our out-of-home Unilever Food Solutions business.

Modern Trade and e-Commerce are extremely critical to driving our premiumisation agenda. We thus continued to leverage channels of the future, with products like Bru Freeze Dried Coffee, Knorr Korean meal pots and Kwality Wall's Slow Churn Ice cream, which were designed exclusively for these channels and allowed us to test our mix, while accelerating our premium portfolio at the same time.

Being Boldly Healthier, for People and the Planet

Recognising consumers' growing focus on healthier food options and sustainable consumption, we are actively evolving our portfolio and ways of working to offer choices that align with these values.

Our agenda of offering positive nutrition aims at making our products healthier by reducing sugar and calories.

92% of our F&R portfolio meets Unilever's science-based nutrition criterion with 100% of our Ice Creams containing less than 250 kcal and 22 grams of total sugar per serve.

More than 90% of our Nutrition Drinks portfolio contains lesser than one teaspoon of added sugar per serving, and our adult portfolio contains no added sugar. Over the years, we have continued to enhance our formulation, reducing added sugar.

The Unilever Sustainable Agriculture Code (SAC) presents best practices for farming, utilised by hundreds of thousands of farmers since 2010 for sustainable operations and Unilever Regenerative Agriculture Principles guide soil nourishment, carbon capture, and land restoration.

We continued to make progress on the agriculture commitments and are sourcing 79% of Tea and 81% of Tomatoes from sustainable sources.[1]

We are contributing to Unilever's waste-free world agenda through our actions on reducing plastic, with 64%[1] of our packaging being recycle ready.

[1] For Calendar Year 2023

Testimony to our journey as a purpose-led, future-fit business

Won silver award for excellence in BRSR Reporting at ICAI Sustainability Reporting Award 2022-23.

Awarded for extraordinary contribution in environmental sustainability at the Global Sustainability Summit 2023.

Recognised for 'Best collaboration in plastic waste' at the ISC-FICCI Sanitation Awards 2023.

FICCI awarded our Kandla and Doom dooma factories for IR 4.0 Smart operations and Sonepat for excellence in safety.

HUL's Prabhat initiative recognised for livelihood enhancement & nutrition at the CSR Times Awards 2023.

Prabhat was also recognised as the most innovative development sector project at the SABERA Awards.

Recognised as India's Top Value Creator 2023 in the FMCG category at the Dun & Bradstreet Awards 2023.

HUL's Sonepat factory joins World Economic Forum's end-to-end Lighthouse Network for implementing IR4.0 solutions.

Our Amli factory stood out as winner of IMexI 2023 across 35+ industries.

Our Gandhidham unit won three IMexI awards by Kaizen Hansei for manufacturing excellence, smart manufacturing and safety.

HUL Supply Chain bagged a prestigious award for Intelligent Manufacturing. We were one of the Top 3 across all applications from BRICS countries and only one from India on the podium.

Our Khamgaon and Doom Dooma factories won safety and environment best practices awards respectively by Greentech foundation.

Our Sumerpur factory awarded gold in Indian Green Manufacturing challenge by International Research Institute for Manufacturing.

HUL received the prestigious 'IISD-CMI National Sustainability Award 2023.

HUL's Haldia factory was awarded by Kaizen-Hansei Institute, South Asia for manufacturing excellence.

Highly Commended Winner of the Best-In-Class Treasury Solution in India at the Adam Smith Awards Asia 2023.

Won 3rd position in the Institutional Investor Survey of Consumer Staples Sector across Asia. Asiamoney poll rated us as the 'Most Outstanding Company in India – Consumer Staples Sector'.

Doom Dooma factory won sustainability award by OHSSAI Foundation.

HUL's Kolkata detergents factory won Gold by OHSSAI Foundation for excellence in health safety and environment.

Sonepat factory awarded by CII for best environment practices, best food safety kaizen & quality systems.

Rajahmundry unit awarded by CII for efficient use of energy, safety and optimal use of water in operations.

CII awarded our Hosur factory for excellence in energy efficiency and water management.

Received #1 performer in Environmental, Social and Governance in SKOCH India Involved Awards

Sonepat factory won SKOCH foundation gold category awards for achieving net zero through use of 100% biofuel and for excellence in air pollution control.

HUL's Mysore factory awarded Gold by SKOCH Foundation for adoption of sustainable practices in its operations.

HUL's Chhindwara unit awarded for excellence in water management by SKOCH Foundation.

Recognised for Risk Management practices in India Risk Management Awards by CNBC TV18 & ICICI Lombard

Chosen as the No. 1 Employer of Choice across all sectors.

Chosen as best HR team and for leading practices in diversity and inclusion initiatives at the People First HR Excellence Awards 2023.

Won for leading practices in ED&I and received the Best HR team award at PeopleFirst Awards.

Won a Gold for excellence in D&I Practices at the ET Human Capital Awards 2024.

Won the Exceptional Employee Experience Awards at ET HR World Ex awards.

Named best organisation for women in 2024 by Economic Times.

HUL recognised as the learning and development team of the year at the TISS LeapVaultAwards.

Won the HR Association of India DE&I Awards.

Deepak Subramanian declared the IAA Marketer of the Year for FMCG Homecare at the IAA Leadership Awards 2023.

Anuradha Razdan recognised as the HR Leader of the Year at the ET Prime Women Leadership Awards 2023.

Dev Bajpai won 'Legal Sutradhar' award for legal and policy initiatives at Legal Era Awards 2023-24.

Our Legal Team topped the list of best legal teams in FMCG Category at Legal Era Awards 2023-24.

Our brands won 100+ awards across platforms in FY 2023-24.

Dove #StopTheBeautyTest campaign won in the Personal Care category at the IBLA Awards.

HUL was declared Client of the Year at E4M ICM.

Brooke Bond Taj Mahal Tea's Megh Santoor campaign also won 3 golds and a silver, including a gold for the Best Media Strategy at the EMVIES.

Brooke Bond Taj Mahal Tea's Megh Santoor Campaign won the Grand Prix and two silvers at the Spikes Asia Awards, Singapore. The campaign also won a Silver and a Bronze statue at the prestigious CLIO Awards in USA.

Dove, Kwality Wall's and Bru won golds at the Abby's.

Dove won Media Lions - Excellence in Media Craft - Use of Data & Analytics at Cannes.

Horlicks, Dove and BeBeautiful won Golds at the EMVIES.

Commitment to Governance through Leadership

Our Values of Integrity, Respect, Responsibility and Pioneering are the simplest statement of who we are. They govern everything we do. Our Code of Business Principles defines the non-negotiables for all our employees. Through living our Code, we bring our values and purpose to life, everyday in everything we do and we expect our people to act as our ambassadors.

In this section

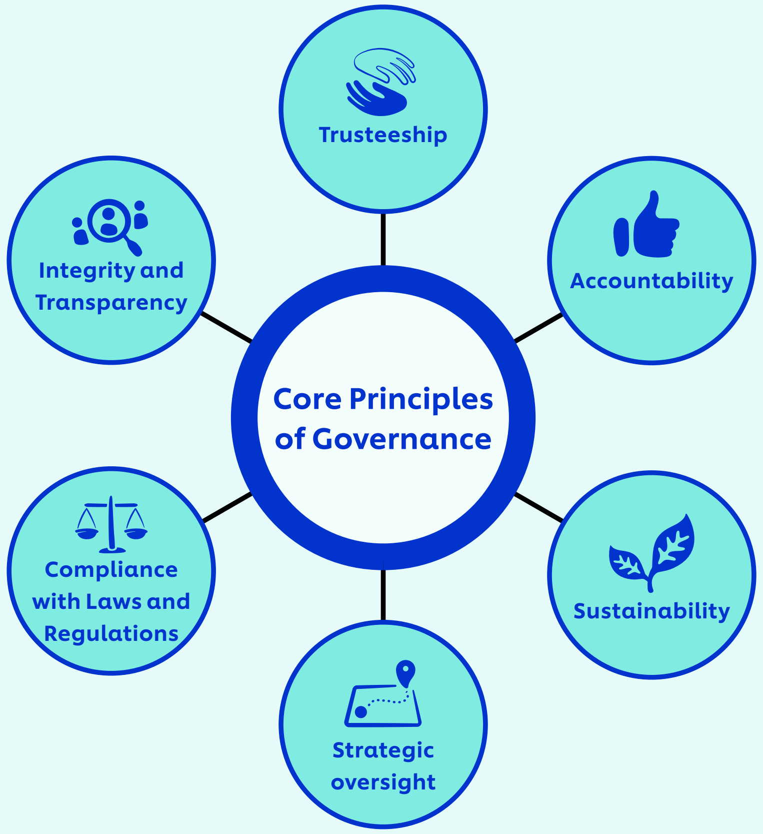
Governance Philosophy

Conducting our business with integrity and highest level of governance has been core to our corporate behaviour and forms its bedrock. Our business has always been driven by a sense of purpose and the belief that business must have purpose beyond profit. Our history is a story of growth powered by ideas and values.

Our Core Values

- Integrity
- Respect
- Responsibility
- Pioneering

Our Core Principles of Governance have been the guiding force for our corporate behaviour over the last ninety years and will continue to be so in years to come.



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 sustainable, profitable growth and creating long-term value for our shareholders, our people, and our business partners.

Governance: For the benefit of our Stakeholders

- Consumers
- Customers
- Suppliers & Business Partners
- Our People
- Planet & Society
- Shareholders

Governance Structure and Highlights

Our Governance Structure is multi-tiered, comprising the Board of Directors, Board Committees, CEO & MD and the Management Committee.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. It continues to set high standards of governance which not only meet the applicable legislation but go beyond in many areas of our functioning. The Board has ultimate responsibility for the development of strategy, material acquisitions and divestments, material capital expenditure, the Company's capital structure and other financing matters, oversight of policies, procedures and internal controls, setting and monitoring the Company's culture and promoting ethical behaviour.

The Board discharges some of its responsibilities directly and others through the six Board Committees. The Board is 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 and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Environmental, Social and Governance Committee

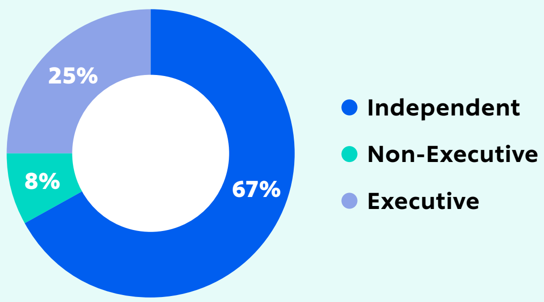
CEO & MD, Management Committee

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

Board Oversight

Management Accountability

Board Composition



100%

Board Committees led by Independent Directors

100%

Members in Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee are Independent Directors

Governance Overview

Board of Directors

For detailed profile of directors refer page 443

Mr. Nitin Paranjpe

Chairman and Non-Executive Director

S R E

Mr. Rohit Jawa

Chief Executive Officer and Managing Director

Mr. Ritesh Tiwari

Executive Director, Finance & IT and Chief Financial Officer

Mr. Dev Bajpai

Executive Director, Legal & Corporate Affairs and Company Secretary

S C A N E

Mr. O. P. Bhatt

Independent Director

N A C

Dr. Sanjiv Misra

Independent Director

A N C E

Ms. Kalpana Morparia

Independent Director

R A E

Mr. Leo Puri

Independent Director

E A N R

Ms. Ashu Suyash

Independent Director

C N S

Mr. Ranjay Gulati

Independent Director

A R N E

Ms. Neelam Dhawan

Independent Director

A C S R

Mr. Tarun Bajaj

Independent Director

Note:

1. Ms. Neelam Dhawan was appointed as the Independent Director of the Company w.e.f. 1st August, 2023
2. Mr. Tarun Bajaj was appointed as the Independent Director of the Company w.e.f. 1st December, 2023
3. Mr. B. P. Biddappa has been appointed as the Additional Director - Whole-time Director of the Company w.e.f. 1st June, 2024
4. Mr. Dev Bajpai acts as the Secretary to all the Committees of the Board
5. The Board Composition is as on 31st March, 2024

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

Chairperson Member

Management Committee

Mr. Rohit Jawa

Chief Executive Officer and Managing Director

Mr. Ritesh Tiwari

Executive Director, Finance & IT and Chief Financial Officer

Mr. Dev Bajpai

Executive Director, Legal & Corporate Affairs and Company Secretary

Mr. Madhusudhan Rao

Executive Director, Beauty and Personal Care

Mr. Srinandan Sundaram

Executive Director, Foods and Refreshment

Mr. Deepak Subramanian

Executive Director, Home Care

Ms. Anuradha Razdan

Executive Director, Human Resources

Dr. Vibhav Sanzgiri

Executive Director, Research and Development

Mr. Kedar Lele

Executive Director, Customer Development

Mr. Yogesh Mishra

Executive Director, Supply Chain

Mr. Arun Neelakantan

Chief Digital Officer

Note:

1. Mr. Arun Neelakantan was appointed as Chief Digital Officer w.e.f. 1st January, 2024
2. Ms. Harman Dhillon succeeds Mr. Madhusudhan Rao as the Executive Director, Beauty & Well-being w.e.f. 1st April, 2024
3. Mr. Srinandan Sundaram succeeds Mr. Deepak Subramanian as the Executive Director, Home Care w.e.f. 1st April, 2024
4. Mr. Shiva Krishnamurthy succeeds Mr. Srinandan Sundaram as the Executive Director, Foods and Refreshment w.e.f. 1st April, 2024
5. Mr. B. P. Biddappa will succeed Ms. Anuradha Razdan as the Executive Director, Human Resources w.e.f. 1st June, 2024
6. The Composition of the Management Committee is as on 31st March, 2024

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. In the last few years, the external environment in which the Company operates and the regulatory framework governing it have undergone significant changes. With an ever-increasing focus on cyber security, artificial intelligence, Environmental, Social and Governance (ESG) aspects, risk management, the skills/capabilities required of Directors in the context of business for efficient functioning of the Board has also evolved. In view of above, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee approved and adopted the revised Board Skill Matrix of the Company on 26th February, 2024.

Skill Matrix — % of Board possessing the skill

92%	Leadership Expertise	83%	Crafting Business Strategies	92%	Understanding of Emerging Markets and Consumer Insights
75%	Financial Expertise and Risk Management	75%	Experience of overseeing large and complex business operations requiring proven administrative & managerial skills	33%	Cyber Security, Digital / Information Technology & Data Governance
100%	Corporate Governance and Legal Framework	100%	Purposeful Business & Sustainability / ESG	100%	People & Talent Development

For further details on core skills/expertise/competencies identified in context of business, refer page 225

Director's Induction & Training and Familiarisation Programme

We believe that the provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Chief Executive Officer and Managing Director and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors.

Our Board Familiarisation Programme comprises the following:

1. Induction programme for new all Directors
2. Immersion sessions on business and functional issues
3. Strategy sessions

100%
Independent Directors covered by familiarisation training

Details on Director's Induction & Training and Familiarisation Programme can be accessed at www.hul.co.in

Board Activities and Key Discussions during the Year

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other businesses. The Board and Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings are circulated to the Directors in the beginning of the year to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board of Directors met 7 times in FY 2023-24, with a participation rate of 99%. The Board discussed and decided on a variety of matters ranging from succession planning, ESG to people development.

Insight into Board Discussions

Strategy	Governance	Financial Review	Sustainability & Risk Management	People & Talent	Operational & Functional
54%	13%	12%	8%	7%	6%

Key Decisions during the Year

- Appointment of Ms. Neelam Dhawan and Mr. Tarun Bajaj as Additional (Independent) Directors of the Company
- Strategic partnership with Brookfield for Green Energy to help the Company in its journey towards Net zero
- Amendment to the Policy on Determination of Materiality of Events
- Reconstitution of the Committees to increase the independence of the Committees
- Changes to the Management Committee of the Company
- Introduction of the HUL Performance Share Plan Scheme 2024

3 full day
Board Strategy Meeting in January 2024

99%
Average attendance in Board Meetings

For further details on Board Meetings refer page 215

Business Integrity & Compliance

We expect everyone at HUL to be an ambassador of our high ethical standards – what we call 'Business Integrity.' Behaving with integrity is part of who we are. We have strong values and clear policies and standards to ensure our employees not only do things right but also do the right thing.

Business Integrity Framework

Business Integrity is all about how we work. Our Business Integrity Framework ensures that how we do business is fully aligned with our values and applicable laws and regulations. It has three pillars:

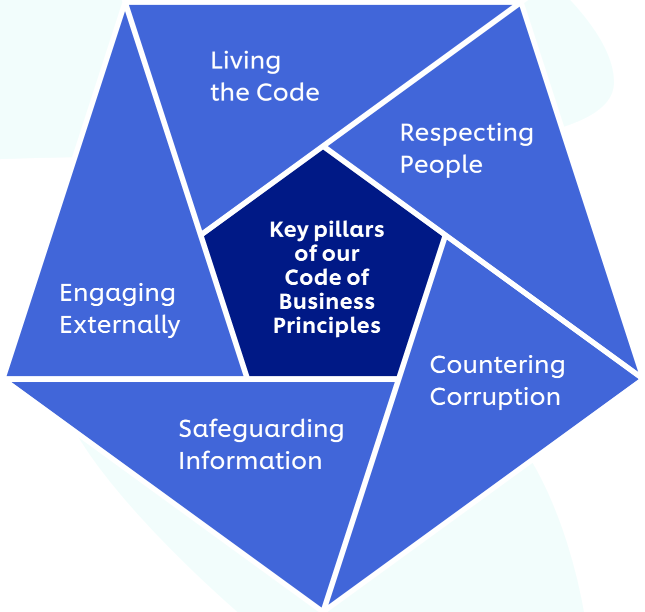
Prevention
We seek to embed a culture of integrity at all levels

Detection
We encourage employees to speak up and give voice to their values

Response
We have the tools to investigate and if necessary, sanction confirmed breaches, and use what we learn to continually improve

Code of Business Principles

Our Code of Business Principles is our guidebook for putting our values into practice. It sets out a clear standard of conduct to ensure that we make the right choice always. The Code and Code Policies provide a framework of simple 'Musts' and 'Must Nots' designed to be readily applied by employees in their day-to-day work. They are mandatory for all employees and others working for HUL.



100%
Employees trained on Code of Business Principles

Key Policies that Guide our 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 varied stakeholders.

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

Whistle Blower Policy
Our Whistle Blower Policy acts a mechanism to help alert the Management about any unethical behaviour, suspected fraud, abrasion or irregularity in the Company practices, without any fear or threat of being victimised, by responsible individuals.

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.

Affirmative Action Policy
Through our Affirmative Action Policy we ensure that we do not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.

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.

Safety & Health Policy
Through our Safety & Health Policy we aim to bring safety on top of mind for all employees and to integrate it with all business processes.

Policy for Supporting Survivors of Abuse
The Policy seeks to protect and grant relief to employees who are survivors of abuse, or acts of physical/emotional abuse beyond the workplace, i.e. in their personal (home) or other public spaces including online medium.

Environment Policy
Through our Environment Policy we 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.

Foster and Kinship Caregiver Leave Policy
In a first initiative of its kind for corporate India, we have introduced Foster and Kinship Caregiver Leave Policy, offering up to four weeks of leave to employees who opt for pre-adoption foster care or become legal guardians as per their familial requirements. The launch of the Foster and Kinship Caregiver Leave Policy is another milestone in our ongoing journey towards building a more equitable and supportive workplace for all.

ESG Governance

Sustainability is integrated 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. Our Board constituted an ESG Committee on 1st December, 2022, to discharge its responsibility to oversee the governance of ESG practices and ESG risks at the Board level, thereby ensuring that the ESG Agenda gets the requisite management attention and resources.

We continue to be well poised to retain our top position on ESG ratings in in the Indian FMCG sector. This is testimony to the thought-leadership that the Company has demonstrated over the years on sustainability and step-up in our reporting and governance in 2023.

ESG Governance Structure

Board of Directors
Responsible for formulating the Company's strategy relating to ESG and sustainability matters

ESG Committee
Responsible for overseeing the vision and focus on the Company's strategy relating to ESG and sustainability matters

ESG Functional Leads
Responsible for on-ground implementation and execution of HUL ESG Goals

Every ESG Goal has a dedicated Management Committee Sponsor and a Goal Leader who drives its delivery, working closely with Business Units and Functions

Interaction of the ESG Committee with other Board Committees

The ESG Committee works closely with other Board Committees, particularly in areas of ESG risk monitoring and reporting, to further our ESG ambitions.

ESG Committee + Risk Management Committee

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

ESG Committee + Audit Committee

Monitor Company's ESG ratings and statutory requirements for Sustainability reporting & disclosures e.g., Business Responsibility & Sustainability Reporting (BRSR)

For details on ESG Materiality Matrix, refer page 13 and for ESG Ratings, refer page 29

Risk Governance

We have an elaborate Risk Management Framework that aims to embed risk management in the normal course of business. Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment framework is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. This is an ongoing process to track the evolution of the risks and delivery of mitigating action plans. The Board has overall responsibility for the management of risks and for reviewing the effectiveness of the system of internal control and risk management approach.

Risk Governance Structure

Board of Directors
Highest governing body overseeing all aspects of risk management.

Risk Management Committee
Assists the Board in monitoring and reviewing the Risk Management Policy and carries out formal bi-annual review of risks.

Audit Committee
Responsible for Risk Identification, Risk Minimisation and Risk Mitigation as a part of Risk Management Framework. (jointly with the Board and Risk Management Committee)

Management Committee
Escalates any new or enhanced risks to the Risk Management Committee as soon as they are perceived in their business.

Members of the Senior Leadership provide an annual Positive Assurance confirming their understanding and adherence to the processes relating to risk management.

Internal Auditor provides an independent re-assurance to the Board, that all major risks affecting the achievement of Company's objectives are adequately understood and managed.

For details on Our Approach to Risk Management, refer page 104

Cyber Security

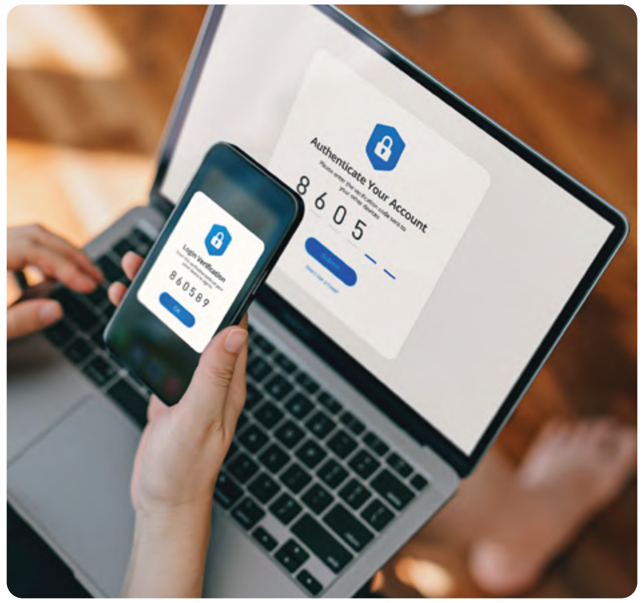
We recognise the importance of cyber security and take a risk-based approach to the defence and resiliency of critical assets, business operations, technology and data.

Governance	People	Process	Technology
Cyber security risk is a significant part of Unilever's 'Systems and Information' principal risk, indicating its importance to the Board of Directors.	Holistic cyber security strategy covers all aspects of workforce, services, functions, and regions.	Established Cyber Security Risk Management Framework aligned with industry-standard methodologies and control frameworks.	Tools for focused risk reduction across technology and manufacturing landscapes.
The Audit Committee oversees cyber security risk at HUL, maintaining regular focus on this area.	Comprehensive cyber security induction programme for new employees.	Promote company-wide culture of cyber security awareness and vigilance.	Tooling capability helps identify, protect, and apply security controls proactively.
The Chief Financial Officer (CFO) at HUL is responsible for cyber security risk, receiving regular briefings and updates.	Conduct targeted cyber awareness campaigns and provide regular training through various channels, including phishing awareness sessions and simulations.	Provide regular reporting on cyber security risk posture to operational and business leaders, leadership executives, and key non-executives.	Established security operations centre for timely detection, management, and response to incidents.
Cyber security Function is led by seasoned Chief Information Security Officer (CISO) globally, supported by Business Information Security Officer (BISO).	Integral to global cyber security initiatives.		Procedures detect/respond to cyber threats, minimising impact, ensuring rapid recovery, legal compliance, and protecting reputation.

Data Privacy

Importance of Privacy and Data Protection

The rapid digitalisation across the world and particularly in India is evident through digital transformation and initiatives occurring across public or private infrastructure and government, business and consumer ecosystems. This is coupled with the rapid pace of innovation leading to increased adoption of novel and emerging technologies along with reliance of data, including personal data. Every organisation today needs to embrace the digital transformation in their business and the external world so as to leverage data and technology to innovate, optimise, and personalise their products and services for its consumers and customers.



While increased digitisation, access to technology and unprecedented access to data is a boon, it also poses concerns on privacy and possible significant harm due to misuse, and hence for the right reasons, it has resulted into promulgation of Data Privacy regulations, including in India.

As organisations, it is important that we venture into our digitisation journey in a responsible manner protecting the interests of our consumers, employees, partners at large. It is therefore important to embed privacy, security and ethics into our digital and data strategy as a responsible organisation.

Our Fundamentals of Privacy

We respect the privacy of all individuals and their personal data, including digital information and will use personal data in accordance with our values, applicable laws and with respect for privacy as a human right. The Code Policy on Personal Data and Privacy is an integral part of our Code of Business Principles and guides our employees on responsible handling of personal data on behalf of the Company.

Unilever has further adopted five simple yet effective fundamentals of privacy which are at the heart of our Privacy Programme and provides a universal framework for addressing privacy issues across geographical location, type of data, scale, or function. This framework ensures we interact with personal data with integrity, transparency and adequate protection of their privacy, enabling us to build trust and long-lasting relationships not just with our consumers but also our employees, customers and suppliers.

Understand the Purpose and Objective

First, we understand the purpose and objective of the business activity that requires personal data.

Maintain Proportionality

Then we assess if there is proportionality for the type and amount of data we are attempting to collect/use.

Be Transparent

Ensuring transparency is of paramount importance to drive and maintain trust. This sits at the centre of our Five Privacy Fundamentals, and we expect everyone to go above and beyond legal requirements to achieve the highest levels of transparency.

Ensure Security and Protection of data

Securing and protecting the data is fundamental to maintaining compliance with laws and most importantly trust from those who have trusted us with their personal data.

Demonstrate Governance and Accountability

Finally, we must demonstrate good governance and accountability across Unilever, such as looking at the controls that are in place, and how we ensure that these principles are being met.

Our Privacy Programme

Our Strategy is to create a solid foundation through a comprehensive, risk-based programme, upon which we will build an offense and ethics agenda to unlock value and differentiate Unilever in the marketplace.

To further our vision of building a Culture of Privacy within our organisation, we have established a robust but evolving Privacy Programme towards a Privacy by design approach.

We will continuously evolve and strengthen our Privacy Programme in context of our evolving journey of digital transformation, use of technologies and data, as a responsible industry leader.

Establishing of a Privacy and Data Governance Office along with a Data Council chaired by the General Counsel, Chief Digital Officer and Chief Data Officer guiding the overall vision of fair, ethical and privacy centric approach in our digital transformation strategy.

We have deployed Privacy Risk Assessment process where the teams conduct assessments of possible risks and mitigations for any activity or technology interfacing with personal data.

Our evolving cyber security assurance programme and framework ensures appropriate and adequate protection of such personal data.

Building a culture of privacy is paramount. We have a robust training and awareness programme supplemented through gamified learning module systems, annual trainings and focused awareness sessions within the organisation.

We have proactively established a dedicated privacy grievance redressal mechanism for individuals to reach out for exercising their rights, queries or grievances pertaining to their data

We have appropriate privacy notices disclosing the purpose and scope of personal data processing to individuals, be it our consumers, employees or customers for utmost transparency.

We supplement the above with periodic independent assessments and audits by our audit teams and external organisations to continuously evolve and improve our privacy posture.

We aspire to become industry thought leaders in shaping legislative framework and responsible approach to digital ecosystem and technology for which we have and will continue engaging with government and industry stakeholders.

Creating Shared Value: Our Stakeholder-centric strategy

At HUL, we believe that businesses must focus on creating value for every stakeholder across the value chain – Consumers, Customers, Suppliers & Business Partners, Our People, Planet & Society and Shareholders. They are the heart of everything we do. We embrace continuous transformation, adapting to their evolving needs to deliver sustainable value for the long term.

In this section

Stakeholder Engagement

Our strategy and business model places stakeholders at the core, prioritising their evolving needs and expectations. This understanding empowers us to make informed strategic decisions that safeguard their interests, builds trust, and ensures sustained value creation across short, medium, and long-term.

Our stakeholder engagement framework outlines our approach to improving our understanding of stakeholder interests and concerns through tailored engagement strategies. This allows us to integrate stakeholder perspectives into our strategy development, solidify our mutually beneficial relationships and boost stakeholder confidence in the Company.

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

Consumers

9 out of 10 households in India use one or more of our brands. Deeply understanding, evaluating and staying ahead of consumers' evolving needs and expectations are critical to our success.

Customers

By fostering a win-win partnership with traditional trade distributors, retailers, organised trade and digital commerce platforms, we unlock mutual growth and enhanced customer value.

Suppliers and Business Partners

We build strong partnerships with suppliers and business partners, ensuring a reliable flow of materials and exceptional service delivery.

Our People

Investing in our people is an investment in the Company's future. By creating a positive workplace environment, we help our employees to be the best version of themselves.

Planet and Society

We recognise that a healthy business can only prosper in a healthy society and planet and continue to embed sustainability across our value chain.

Shareholders

Shareholders are crucial for our business. They provide us with capital to grow, hold us accountable for performance against our stated purpose and enhance our credibility.

Consumers

Capital Linkage

Key interests & Concerns	• Accessible, reliable and superior products • Superlative value at right price • Sustainable operations • Responsible and inclusive marketing • Product innovation catering to evolving needs of consumers • Transparency in product ingredients and claims
Engagements and Frequency in FY 2023-24	**Ongoing** • In-person consumer connects and virtual surveys to understand changing consumer preferences • Blind product testing for insights on consumer perception of product quality • Levercare helpline centre for consumers to raise concerns and share feedback • Communication through advertisements, product labelling, publications, corporate website, digital platforms and social media • Access to consumer research from partners like Kantar and Nielsen, who we engage with through regular surveys and panels • Market development activities undertaken at scale via engagement with millions of households

Customers

Capital Linkage

Key interests & Concerns	• Fair return on investments • Digital transformation to remain future-fit • Reliable service, differentiated portfolio • Knowledge and infrastructure support • Ease of doing business
Engagements and Frequency in FY 2023-24	**Once a year** • Distributor meet to discuss operational and strategic priorities • Customer voice survey to evaluate systems and processes **Ongoing** • Regular interaction between sales team and distributors to review performance • Levercare helpline centre for raising queries and concerns • Comprehensive induction sessions for new distributors • Customer inclusive digital transformation, empowering them to be future-fit • Collaborative Joint Business Planning sessions with our organised retail and e-Commerce partners • Customer meetings between representative distributors and teams to discuss feedback on operations and processes

Suppliers and Business Partners

Capital Linkage

Key interests & Concerns

- Fair and ethical business practices
- Developing mutually beneficial partnerships
- Synergising efficiencies
- Shared commitments on responsible sourcing, circular economy and resource efficiency
- Knowledge and infrastructure support

Engagements and Frequency in FY 2023-24

Ongoing

- Periodic supplier reviews, audits and evaluation of service level agreements
- Workshops to tackle shared challenges, drive channel innovations and realise competencies in end-to-end value chain
- Self-declaration, online assessments and third-party audit to ensure adherence to the Responsible Partner Policy's mandatory requirements
- Strategically located driver management centres to educate drivers on road safety and driving behaviours (Suraksha Sab ke Saath)
- Partner with suppliers to advance our sustainability agenda while also identifying and implementing efficiencies across the entire value chain

Our People

Capital Linkage

Key interests & Concerns

- Learning, development, and career growth opportunities
- Health, safety & well-being
- Safe and secure work environment
- Competitive reward
- Purpose at work
- Diversity, Equity & Inclusion

Engagements and Frequency in FY 2023-24

Once a year

- UniVoice: Annual employee engagement survey
- Annual CEO review to discuss yearly performance and strategic priorities for the coming year

Ongoing

- UniPulse: Regular employee engagement surveys
- Continuous learning and leadership development programmes for future-fit workforce
- Well-being workshops fostering mental, physical & psychological health
- Regular performance review and feedback sessions
- Townhalls, quarterly results communication by Management Committee
- Robust whistle-blowing policy empowering employees to speak up

Planet and Society

Capital Linkage

Key interests & Concerns

- Address climate change
- Protect and regenerate nature
- Address the issue of plastic waste
- Enhance livelihoods of people within our value chain and those in communities in which we operate

Engagements and Frequency in FY 2023-24

Ongoing

- ESG Committee chaired by an Independent Director forming a robust governance process
- ESG materiality process ensures we are focusing on the most important ESG issues
- Hindustan Unilever Foundation, our not-for-profit subsidiary works towards innovating scalable solutions to address India's water challenges
- Prabhat, our Sustainable Community Development programme, works across our manufacturing locations to uplift and empower the communities
- Separate register for grievances of local community maintained at factory locations
- Need assessment surveys carried out for key social and environmental projects

Shareholders

Capital Linkage

Key interests & Concerns

- Long-term value creation
- Sound Corporate Governance mechanisms
- Responsible and profitable growth
- Transparent and effective communication
- Business resilience and agility

Engagements and Frequency in FY 2023-24

Once a year

- Annual General Meeting to discuss business strategy and performance

Ongoing

- Earnings call to discuss quarterly financial performance and strategic priorities
- Analyst and investor meetings to discuss business performance, market trends and sustainability queries
- Management participation in events and conferences
- The Board and Management Committee's deliberations take into account shareholder feedback
- Invitation to Shareholders by Stakeholders Relationship Committee for feedback on investor service
- Engagement with our shareholders via email through our investor relations email IDs

The World We Operate In

In an ever-evolving global landscape, our company remains dynamic and agile. Our strategic approach continually evolves in tandem with the rapidly changing economy, consumer behaviours, and market channels. We prioritise maintaining our agility and responsiveness to seize emerging market prospects while effectively navigating through the challenges.

HUL operates in the FMCG industry which continues to be one of the biggest structural opportunities in the country. India boasts of a fast-growing FMCG market, yet per capita consumption remains low, presenting a significant long-term growth opportunity. However, just as with any evolving industry, the market's complexity and volatility is on the rise.

Operating Environment in the Year

During FY 2023-24, we navigated the transition from a high inflationary period to that of deflation across most of the commodities, except for some commodities in Foods and Refreshment. Following 3 years of high cumulative inflation, as commodity prices began to fall, the industry began passing on the pricing benefit to consumers. With this, we saw a gradual recovery in volume as consumption habits recovered with a lag. This gradual recovery was further exacerbated by weather uncertainties such as uneven rainfall impacting agricultural output. Together, this has resulted in sluggish volume recovery and weak consumer sentiment, more pronounced in rural markets. Over a 2-year period, FMCG market volumes have grown c.2% CAGR[1] i.e. volumes are only slightly ahead of FY 2021-22 levels. However, Urban market, Premium segment and Organised Trade have been resilient and have led growth for the market.

What HUL is Doing

We managed our business with agility and resilience to deliver sustained competitive growth. We continue to focus on strengthening the core, accelerating premiumisation and driving market development. In categories that saw input cost deflation, we passed on the benefit to consumers either through price reductions or increased promotional offers. In categories that continue to see increasing prices or sustained inflation, we have been measured in taking up prices, not pricing to the full extent of inflation. With rising competition, we have stepped up our investments behind brands and innovation and amplified our advertisement and promotion spends.

With urban markets and channels of the future driving growth for the industry, we have ensured we continue to win in these segments by premiumising our product offering through portfolio expansion, being available where the customer is and by investing in our design for channel strategy. We also keep harnessing our execution capabilities through sharper in-market activations, differentiated consumer insights and improved operational efficiencies.

[1] Market growth as per Nielsen FMCG Market Report, FY 2023-24 (HUL relevant categories)

Trends Shaping our Industry

Refer page 102 for further details

Delivering Exceptional Value

Consumers are at the centre of everything we do. Our focus is to deliver exceptional value that resonates with them. Empowering consumers through superior, affordable, aspirational products and exceptional experiences, is core to our value proposition.

Capital linkage

SDGs impacted

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

19
Brands with annual turnover >₹1,000 crores

>85%
Leadership in categories we operate in

3X
Product superiority compared to 2019[1]

[1] Calendar Year 2023 vs 2019

Leading with Innovations

Today's consumers are increasingly adopting a holistic approach, scrutinising product quality, its environmental and social impact, as well as the brand's underlying message. Meeting the evolving needs of our consumers, we have launched a range of innovative products that deliver on quality, sustainability, and brand values.

During the year, we re-launched Vim liquids with two distinct and superior formulations to meet the diverse needs of consumers in South and North India. In our endeavour of nourishing lives through our F&R portfolio, we expanded our Horlicks Plus range with 2 new scientifically backed products focused on adult and child strength. Building on its strong Ayurvedic credentials, Indulekha has launched a new anti-dandruff hair oil and shampoo.

We prioritise not only adhering to mandatory labelling requirements, but also informing consumers about safety, health, proper usage, and necessary precautions. This is done to ensure that consumers are provided with the necessary clarity and transparency. For instance, our F&R products include a nutrition table that provides on-label nutritional information, going beyond the mandatory nutrients. In addition, we offer QR codes for additional information and logos that highlight our commitment to sustainability, such as a recyclable logo. Our Home Care and Personal Care products come with detailed safety precautions, clear usage directions, and a complete ingredient declaration. Furthermore, all products provide detailed information about their advantages and any unique components that contribute to these advantages. This information is valuable for consumers to make an informed decision.

8
Most valued brands of India[2]

[2] India's Most Valuable Brands – Kantar BrandZ Report, 2023

Consumers

Consumer-centric R&D

Our business activities span a complex and cyclical value chain. The start of our value chain is consumer insight. Utilising our enhanced digital prowess, we analyse consumer trends in real time to proactively stay abreast of evolving consumer preferences. Through our WiMI strategy we deaveraged India into 16 consumer clusters, giving us the competitive edge to access granular level consumer trends. We analyse reviews, suggestions and enquiries we receive through our consumer care helpline as well as from our direct consumer surveys to understand what our consumers need. These insights are put together to curate our marketing strategy and product mixes to cater to specific consumer preferences. With close collaboration between Marketing and Research & Development (R&D) we use our insights to support innovations, product development and marketing strategies.

We have access to cutting-edge technical know-how, world class R&D and innovation capabilities including 6 global R&D centres in 5 countries with 5,000+ professionals, including 3 centres in India, 20,000+ patents and patent applications and deep science and technology expertise in emerging areas such as Renewable Ingredients, Next Generation Biology and Positive Nutrition.

We leverage this expertise to drive product superiority and scale multi-year innovations.

Marketing Campaigns

We continue to strengthen our connect with consumers through poignant and sincere campaigns. Building further on its purpose of owning chores, Vim's new activation 'Apne Bartan Apne Aap' is a call to action to men and society to own the chores. Red Label continued to win consumer hearts through its campaign on Social Media Day, 'Tea: India ka favourite social network'.

The Taj Mahal Megh Santoor Campaign won the brand a Guinness World Record for the world's largest environmentally interactive billboard. The billboard generated a rendition of the Raag Megh Malhar with the help of rain drops falling on it, creating a strong wave of social media interest in the brand.

We continued to push the barriers on socially constructed beauty standards through our Dove campaign 'Stop the Beauty Test'.

During the Men's International Cricket World Cup Series, we launched a variety of advertisement campaigns across different viewing platforms. Surf excel's World Cup Campaign leveraged the affinity towards cricket to convey the central message of 'Dirt is Good' within the context of the sport. Through marketing campaigns featuring both male and female cricket players, Boost continues to strengthen its messaging around the strong nutritional credentials of the brand at the same time expanding representation of women players.

Creating Categories of the Future

Rising affluence and awareness about global trends and brands through digital platforms is propelling creation of new demand spaces and future formats. We are forging the future through on-trend and relevant innovations designed specifically for consumers and future channels, driving adoption of key future formats through compelling communication that addresses category triggers & barriers and scaling up education-led sampling to further engage consumers. During the year, we used these levers to disproportionately invest in market making and premium cells. For instance, more than 75% of incremental media investments was spent on market making or premium cells. Similarly, more than 70% of our innovation turnover came from these cells. We continue to lean in on home-to-home connects to drive trials and usage.

Our dedicated efforts towards market development over the last decade has helped create new categories which now contributes to more than 25% of our turnover.

We have not only seeded categories and formats but have successfully built them to scale. Home Care liquids, Premium shampoos, International cuisines, Face cleansing, High science nutrition drinks, Light moisturisers are some examples of this.

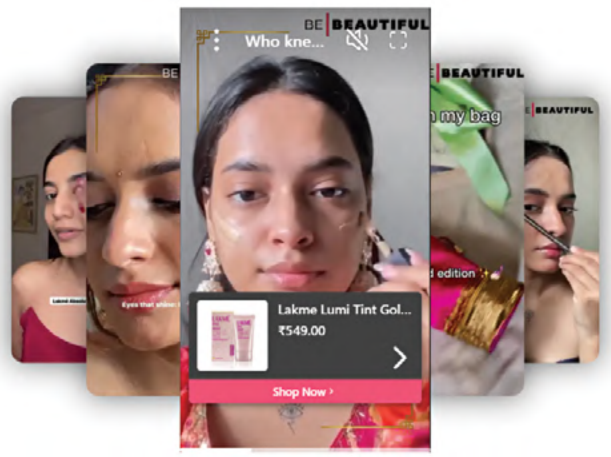
Hyperconnected Consumers

With the influx of digital technology, there has been a paradigm shift in the consumer purchase journey. The rise of digital platforms has empowered consumers with unprecedented access to global trends, products, and brands, making their purchase journeys dynamic and omni-channel. This seamless switching between channels and devices necessitates reaching consumers across multiple touchpoints with consistent messaging to create a lasting brand impression. They also have access to a wealth of information that they ingest before making any purchase decision.

We have extensively scaled up our digital marketing and influencer campaigns, reaching consumers through numerous digital media channels. Our advertisements are curated for each channel keeping in mind the customer profile and mindset and we have a dedicated influencer management team to handle this booming segment of marketing.

To meet consumers' evolving need of having elevated and customised shopping experiences, we have developed a suite of differentiated platforms.

For instance, our content hub 'BeBeautiful' is helping consumers understand the latest trends. Platforms such as Lakmē's 'Virtual Try-ons' and 'Skin Analyser' are helping consumers experience our products, get access to customised promotions and instant redemption, while online re-engagement ensures sustained consumer connect thus building consumer brand preference.



Nurturing Collaborative Partnerships

We are proud of our longstanding legacy of serving consumers for over 90 years, facilitated by our robust distribution system. We build and maintain partnerships across wide spectrum of channels, from multinational customers to multi-generational dealers, some of whom have collaborated with us for decades.

Capital linkage

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

3 Mn +

Direct Reach (including outlets reached by Shakti Ammas)

1,400 +

Ahilyas serving our frontline GT salesforce

70%

of Shakti Ammas onboarded on Shikhar

Evolving Distribution Landscape

Our diverse customer base includes traditional distributors, modern trade partners, digital commerce platforms and thousands of neighbourhood retailers. We proactively engage with our customers, nurturing collaborative partnerships and co-creating future-fit business models, to deliver maximum value and convenience. Our brands are accessible in over 9 million retail outlets and is managed through a network of over 3,500 distributors.

Our distribution landscape continues to undergo a transformative shift, driven by changing consumer behaviour and digital advancements. Traditional distribution or the 'kiranas' continues to remain our leading channel. However, we are seeing rapid expansion of e-Commerce, q-Commerce, e-B2B and Modern Trade. Today's consumers navigate a complex landscape of diverse channels and abundant product options. In such an environment, our goal is to ensure we are available wherever the shopper is. The proliferation of channels and products demands a flexible and customer-centric approach from businesses.

While we continue to innovate our traditional distributor ecosystem and partner our large, organised trade players with their omni-channel strategies, we are also fostering and building strong collaborations with the evolving B2B, e-Commerce and q-Commerce players.

We continue to amplify our D2C brands tailored to align with shopper preferences, convenience, and evolving retail experience. Our Design for Channel (D4C) approach has carried us in good stead, and we continue to design products to suit the different requirements across partners.

We are collaboratively working with our customers to create growth plans based on shopper centric innovations and activations. We maintain a relentless focus on comprehending emerging channels of the future by engaging with customers early. This collaborative approach fosters co-creation of value, giving us a competitive edge.

10

D2C websites

Customers

Pharma and beauty channels continue to offer a strategic growth opportunity for operating in the more premium and specialised Health and Beauty segment and we continue to invest in route-to-market and in-store execution interventions in these channels. Furthermore, our strategic investments in OZiva and Wellbeing Nutrition represent significant advancements in our Health and Wellbeing segment. These investments not only expand our product portfolio but also enhance the range of offerings available to our customers.

By diversifying our distribution channels and strategically targeting different market segments, we are poised to strengthen our presence in both traditional and emerging channels, driving growth in the competitive landscape.

Partnering for Growth

Our journey on distributor and customer inclusive digital transformation continues to be our key enabler for competitive growth. We are moving towards a digital future by embracing a data-driven approach and building and leveraging competitive moats across the three pillars of demand generation, demand capture and demand fulfilment of our distribution ecosystem.

Our in-house e-B2B digital application, Shikhar, has a strong footprint in the space of capturing demand. It is modernising the traditional sales value chain by enabling real-time information sharing with retailers. With the convenience of anytime ordering, competitive delivery service, and seamless credit facilities, we have successfully onboarded 1.3 million stores till now. To promote diverse assortment and elevate retailer engagement, we have significantly invested towards building enhanced functionalities which include loyalty programmes, interactive User Interface, AI led customised advertisements and customer relationship management tools. We are accelerating retailers' self-adoption and order frequency with superior analytics, best in class app features and innovative marketing campaigns.

We are also leveraging Shikhar's functionalities to reduce the launch time of innovative products within General Trade. Moreover, the app complements our distributor sales representatives ecosystem by unlocking time from routine order capturing tasks, allowing them to concentrate more on market development and innovation initiatives.

Through re-imagining demand capture and fulfilment processes for our distributors, alongside cutting-edge technological capabilities, we are fostering an entrepreneurial and service-oriented mindset. We are repositioning our distributors in large cities and towns to succeed in the rapidly evolving and dynamic distribution landscape.

With customer-centric processes, we are empowering our distributors with superior infrastructure, streamlined demand capture, and enhanced retailer service. Our innovative approach to upgrade our customers is centred on boosting sales growth, improving overall service efficiency, and maximising distributor earning potential. In our continuous efforts towards enabling our customers with future-fit capabilities to win competitively, we now have an enhanced people and tech ecosystem focused exclusively on ensuring best-in-class infrastructure and operations at the distributor point.

Fostering inclusivity and the participation of smaller distributors, we have further strengthened and expanded our tie-up with banks for our distributors to avail credit at attractive terms, truly demonstrating a spirit of collaborative growth.

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 D4C packs, customised activations and shopper-soulmate led market development activities across Modern Trade channel. Our e-Commerce business continued to grow rapidly led by customised innovation and strong partnerships with customers.

We also focused on creating capability in performance marketing to build and grow our brands digitally. Through our D2C business, we are actively reaching 19,000 pin codes, establishing a strong presence in the digital consumer space. By engaging directly with consumers online, we aim to provide customised solutions and elevate their shopping experiences. Our digital first brands, such as Simple and Love, Beauty & Planet, are offering personalised experiences tailored to meet the unique needs of our diverse customer base.

Further, leveraging our D2C presence, Shikhar and retail partnerships, we are actively collaborating with and promoting Indian Government's initiative ONDC to democratise digital commerce. With the help of an integrated module in Shikhar, neighbourhood kiranas can now go live on ONDC seamlessly and sell their entire range of products online. We are currently piloting this initiative across select stores and geographies. This is a step towards empowering kiranas with the tools and support they need to thrive and remain competitive in a changing retail landscape.

Selling with Purpose

In line with our motto of 'Doing well by doing good', our flagship Shakti initiative continues to empower and uplift women in rural communities across India by nurturing an entrepreneurial spirit and fostering financial independence. We have over 2 lakh Shakti Ammas of which 70% use Shikhar, our self-ordering app. This is a testimony of the digital advancement made through the upskilling efforts of our Rural Sales Promoters. Our health and nutrition initiative promotes improved health awareness through Shakti Ammas. Over 8 lakh rural households have benefitted already, and we aim to further scale this up.

With 1,400+ Ahilyas serving in our frontline General trade salesforce, we are actively promoting diversity and gender inclusivity, paving the way for a more equitable and empowered workforce. Ahilya has emerged as a pivotal force in driving women's participation in the labour force by creating sustainable livelihood opportunities and nurturing confidence among women.

Our customer centric initiatives, including the installation of fire safety equipment and the establishment of all our 3,500+ distributors as safe workplaces, aligns with our organisational thrust on safety.

Suppliers and Business Partners

Collaborating for a Future-Fit Supply Chain

With evolving consumer behaviour, we continue to increase our agility and resilience while investing in capabilities to enable us to remain future-fit, in line with our supply chain vision of 'Powering HUL to win with Next-Gen Capabilities'.

Capital linkage

SDGs impacted

7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

>99%
Suppliers trained in ESG awareness[1]

>75 Bn
Units produced annually[1]

96%
Renewable energy consumed[1]

Over the years, our supply chain has evolved as a source of competitive advantage for us. With an extensive network of 28 owned factories and 50+ manufacturing partners, we manufacture >75 billion units annually, reaching the shelves of over 9 million retail outlets through our chain of 35 distribution hubs and 3,500+ distributors.

We are committed to conducting business through an approach that embraces sustainability and increases our positive impact on the environment. This includes managing our operations, sourcing, manufacturing and distribution of our products, in ways that protect and preserve the environment.

We are accelerating digital transformation across our end-to-end supply chain to enhance Availability, Value, Product, and Care for People and the Planet. All this while ensuring safe operations.

Superior Availability
Agile and resilient supply chain

Superior Value
A digital-first, world-class value chain

Superior Product
Hero product quality, no exceptions

Superior Care for people and the planet
Sustainable value chain ensuring we win today and tomorrow

2

Lighthouse factories across India

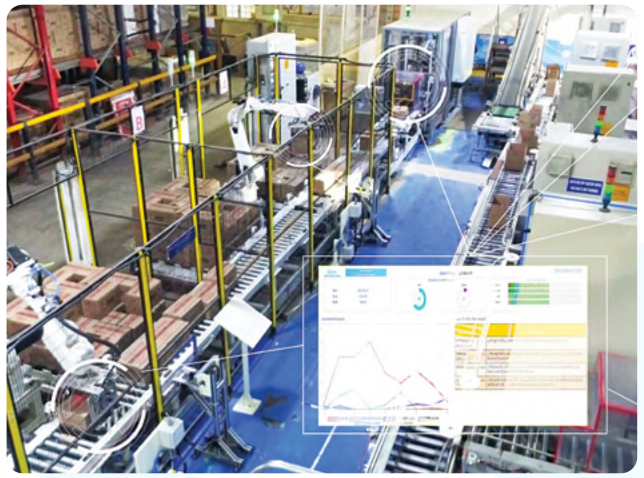
[1] HUL including subsidiaries

Suppliers and Business Partners

Superior Availability

We have seen acceleration in the pace of change; supply and demand imbalances, climate disruptions, social and geopolitical crisis have ruled the headlines across the world. At the same time, with the advent of e-Commerce, consumers expect faster delivery, more customised products and services. Agile and resilient supply chain has become the need of the hour.

We continue to fortify our resilience programme in collaboration with our suppliers to guarantee business continuity and respond expeditiously to the dynamic requirements of our consumers. We have mitigated risks associated with several of our high-risk and medium-risk materials by localising the procurement of our materials and identifying alternative suppliers.



We have instituted single minute changeovers and online changeover lines across numerous manufacturing sites. This has not only facilitated the unlocking of efficiency but also the enhancement of our supply chain's agility.

Our nano factories, which are small scale production lines, have empowered us to diminish the batch size of production, thereby accelerating the launch of innovations. This has enabled us to produce Stock Keeping Units (SKUs) more frequently while maintaining and improving our efficiency levels. At present, 250 SKUs are produced in nano units[1].

The agility in our manufacturing site is augmented by our planning ecosystem, where our sophisticated forecasting tools are enabling us to reduce our planning cycles and respond more effectively to market fluctuations. We have developed cognitive skills for real-time decision making and write-back to execution systems with minimal human intervention. This is done through dynamic modifications of ideal stocks. Currently 100% of our portfolio undergoes these changes every week.

Superior Value

In our pursuit of delivering products at competitive prices, cost management plays a pivotal role. We remain steadfast in our commitment to enhance asset utilisation and streamline manufacturing processes for greater efficiency.

Leveraging digital interventions, we now promptly identify and address real-time losses on production lines, leading to more effective corrective actions. Our energy management system ensures prudent energy consumption. Furthermore, we have successfully implemented a Manufacturing Control Tower for key production formats. This strategic initiative allows us to benchmark best practices across our factories and seamlessly implement them across various sites.

On the distribution front, we continue to optimise our cost-to-serve through an efficient network and streamlined operations.

Our supply chain transformation programme, Nakshatra, has achieved significant success in its initial phase. As we expand into additional categories, Nakshatra enables us to align production more closely with demand, minimising travel distances and enhancing agility.

Simultaneously, we are upgrading our warehouse infrastructure, transitioning from conventional setups to consolidated and automated facilities. We have set-up a highly intelligent and automated warehousing system in Chennai under our Project 'Samadhan' for reliable next day delivery and are in the process of expanding it to other geographies.

[1] HUL including subsidiaries

Superior Product

Our purpose is to protect and grow the business by driving superior consumer experience. We strive to receive insights from markets to excel in consumer satisfaction by focusing on product quality. We have leveraged next-gen technology (Gen-AI based Large Language Model) to generate better insights and accuracy of categorisation on consumer feedback.

We have continued to strengthen our quality norms not only in our own sites, but also at our suppliers' and manufacturing partners' end. Moreover, we are implementing digital solutions to ensure product standards, both on-pack and in-pack. We have developed digital twins for few of our critical processes to ensure consistency in product quality. Our end-of-line quality control measures are empowering us to deliver superior products. All these actions have been recognised by consumers.

Our blind tests indicate that we now have 3X more superior products compared to 2019.

Superior Care for People and the Planet

Care for People and Planet is the bedrock of our strategy. We were one of the first companies to achieve Plastic neutrality in 2021 i.e. collecting and responsibly processing more plastic than we used in packaging the products. This year, we have further increased the usage of recycled plastic in our packaging and moved ahead with our recyclable packaging agenda.

96% of energy consumed for our own operations is renewably sourced. We have also deployed 100+ EV vehicles in our last mile ecosystem.

We have taken a step ahead in improving the safety and security of our people. We have established 50+ driver management systems across our network that help ensure driver and vehicle fitness and provides telematics-tracked personalised counselling to drivers. We are also embracing digital interventions in our day-to-day operations by leveraging AI-based safety cameras to ensure safe operations across our value chain.

It has been 10 years since we started 'Prabhat', our sustainable community development initiative. Since its inception, Prabhat has left a profound mark on the lives of nearly 10 million people across 1,200 plus villages in the communities around our factory and depot locations.

Through a multifaceted approach to community development, Prabhat has showcased the tangible outcomes of economic empowerment, improved health and nutrition, and a commitment to environmental sustainability. The past decade has been all about the lives transformed, the communities uplifted, and the spirit of positive change that Prabhat embodies.

Suppliers and Business Partners

Partnering for Future

Our supply partners stand as crucial pillars in our pursuit of growth. We have developed action plans with our key partners to enable strategic capabilities and unlock incremental value.

Our partnership with Brookfield is a journey towards commoditising renewable energy to achieve our green ambitions. It will be generating fuel for growth by reducing electricity cost for our own and our partners' manufacturing ecosystem. We have also forged a partnership with Tuticorin Alkali Chemicals and Fertilizers Limited, which is helping us with low-carbon soda ash and thereby reducing the carbon footprint of our detergent business.

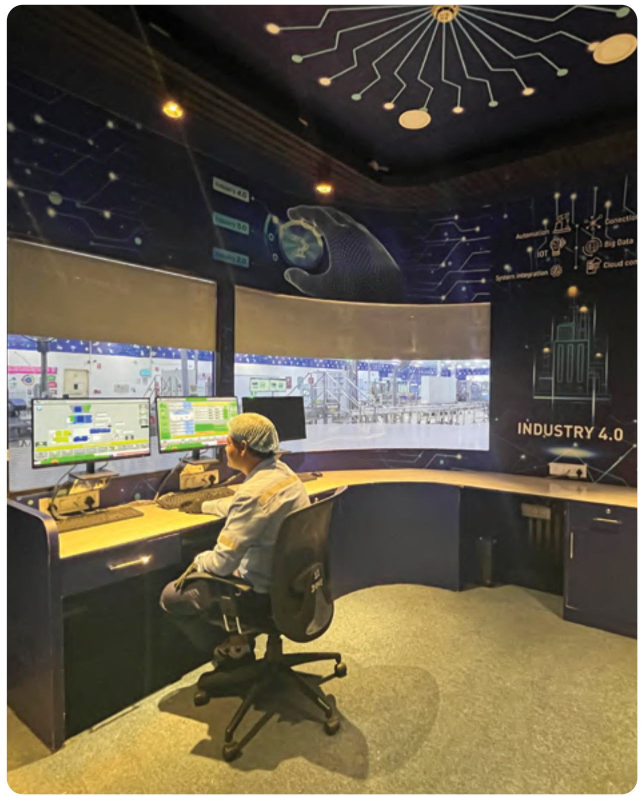
We have launched a quality upgradation programme with bought-leaf factories which is aimed at elevating the quality of tea production while enhancing the livelihoods of farmers.

For our agricultural commodities like tea, coffee, tomatoes, and dairy, we have embarked upon several strategic partnerships to implement regenerative agricultural practices with an aim to preserve natural resources and biodiversity, enhance yield, minimise GHG emissions and improve farmer livelihoods.

Our Responsible Partner Policy (RPP) and its Fundamental Principles reflect our dedication to responsible, transparent, and sustainable business practices. We ensure adherence to the RPP's Mandatory Requirements and Management Systems through self-declaration, due diligence, scanning, online assessments, and third-party audits, particularly in high-risk locations. We employ a 'mutual recognition' approach, which means recognising suppliers who have their own mature, comprehensive compliance and responsible sourcing programmes in place. For this reason, we do not expect our partners to 'sign up' to our RPP, or adopt our policies, but instead to confirm they can – and do – meet or exceed the RPP's Mandatory Requirements and Mandatory Management Systems through the application of their own policies and practices and, where necessary, validate these with industry-recognised auditing methodologies. We adopt a continuous improvement approach to our risk assessment, conducting regular risk-mapping to accurately identify risks across different geographic areas and supplier types which allows for targeted due diligence and auditing of the goods and services we source.

End-to-End Digital Supply Chain

We are on a mission to create an intelligent, customer-centric end-to-end integrated supply chain which prescribes actions based on real time predictions. Driven by the need to accelerate the pace of innovation and speed of response to changing consumer demand while augmenting cost competitiveness in an increasingly challenging market, we are deploying digital, automation and machine learning led solutions across the end-to-end value chain.



We are digitising our manufacturing ecosystem to improve quality, reduce cost and strengthen governance and controls. Two of our factories, Dapada and Sonepat, now have the title of the prestigious 'End-to-End Lighthouse', awarded by World Economic Forum for implementing advanced fourth industrial revolution solutions on shop floor.

We have transformed a soap cascade into 'Lights Off Manufacturing', by automating the entire process and packing and removing the need of physical interventions. We are building a unique capability of Manufacturing Control Tower to digitally connect all sites producing the same format for real time benchmarking and insight generation for performance improvement.

We are driving competitive buying through advanced Machine Learning enabled solutions which are aiding sourcing decisions by accurately predicting supplies and prices to drive profitability. Our distribution network is also undergoing a digital transformation to reset the warehousing and logistics footprint through intelligent automation.

Intelligent & Advanced Digitisation in all Supply Chain verticals is helping us achieve industry best goals. The 'Supply Chain Nerve Center' integrates the pillars of Plan, Source, Make and Deliver to drive intelligent decision making, end-to-end visibility, and automated actions.

Building a Diverse and Inclusive Talent Powerhouse that Delivers Consistent Superior Performance

Our Company brings together passionate individuals with a strong sense of purpose. We foster a culture that keeps well-being at the forefront of all our actions and empowers our talented people to grow personally and professionally, alongside the business. We continue to invest in people through continuous learning programmes to build a future-fit workforce.

Capital linkage

SDGs impacted

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

42%
Gender diversity in managerial positions[1]

40%
Skilled workforce on shopfloor

95%
Employees take pride in working at HUL

Safety at Work

Safety of our employees and people in our extended value chain is a core business value and is non-negotiable. We care deeply for our people and partners. We want no one to be injured at work, travelling to work or in any other activity outside of work.

Our safety and health-management system is based on the principle of plan, do, check, and act. This means that all safety risks are rigorously assessed at every stage of the process and proactive measures are implemented to mitigate these risks effectively. We conduct periodic training, capacity building sessions and regular mock drills at each unit. Safety induction is mandatory for all new employees and workers. Incidents are promptly reported, investigated, and learnings are shared and implemented across the organisation, reinforcing our commitment to continuous improvement.

Our Safety, Health & Environment (SHE) governance is driven by the Central Safety, Health and Environment Committee, which is chaired by our MD & CEO. This committee is further divided into eight sub-committees, each led by a member of our Management Committee. These sub-committees focus on various aspects of safety, health, and environmental practices. A robust audit and assessment framework verifies adherence to internal standards and regulatory mandates.

Fostering a culture of safety, we actively engage in behavioural interventions across all levels, emphasising the intrinsic value of safety. We also leverage technology to ensure the safety of our employees.

Zero

High consequence work-related injury

[1] HUL including subsidiaries

For instance, we deploy computer vision cameras that capture non-compliance in scenarios like PPE (personal protective equipment) usage, intrusion detection, and collision detection for MHE (material handling equipment). The system automatically activates safety interlocks and alarms to alert involved employees about unsafe behaviour. Simultaneously, supervisors receive alerts for spot intervention or counselling in case of recurring violations. This approach fosters a strong and interdependent safety culture across all levels of our organisation.

Our safety initiatives are extended to our partners with equal vigour. For instance, for our third-party manufacturing facilities we enforce a set of mandatory safety standards that help in mitigating and managing risks.

Under our 'Suraksha sab ke saath' program, we have deployed driver management centres across our factories and depots where drivers are trained on safe driving behaviours.

Our Total Recordable Frequency Rate (TRFR) for employees and workers put together was 0.32 accidents per million hours worked whereas our Lost Time Injury Frequency Rate (LTIFR) for employees and workers was 0.13[1].

Well-being for All

Supporting and creating an inclusive environment to openly discuss and protect employee physical, mental and emotional well-being has been a priority for the Company.

Our Health & Well-being philosophy has been to 'add healthy years to the lives of our people, unlocking untapped human potential'. Our dynamic team of doctors and paramedics believe that healthier workforce results in healthier business and we drive this through 'Healthier U', our Health and Well-being programme.

In India, over 15,000 employees received health risk assessments in 2023. Our continued and focused approach through risk-based interventions resulted in statistically significant improvement in health outcomes. We also ensured theme-based health drives including on-site health checkups, celebration of World Mental Health Day and organising onsite flu vaccination drive covering 3,000+ employees. Specifically, on mental well-being, we have a network of 800+ employees who have volunteered to be Mental Health Champions with the intention of extending support to colleagues in need.

Our sustained and focused efforts were reflected in our annual employee survey UniVoice, with 89% of our employees sharing their belief that the Company cares for their well-being.

Attract, Grow & Retain Superior Talent

In 2023, we have retained our position as #1 Employer of Choice[2] across sectors in top Business Schools in the country and as a preferred employer for women[3].

What enabled us to be an Employer of Choice is our employer brand strategy which has been implemented with rigor and consistency through pioneering and clutter breaking interventions.

[1]Total Recordables Frequency Rate(TRFR) is the combined number of lost time accidents (LTA), restricted work cases (RWC), all medical treatment cases (MTC) and fatalities class A, expressed as a rate per million hours worked. Lost Time Injury Frequency Rate (LTIFR) is injuries per million hours worked. For HUL including subsidiaries

[2] Based on brand perception study by InsideIIM at target B-schools 2023

[3] Recognised by the Economic Times as one of the Best Organisations for Women

Through an active social media strategy, we created 10X reach and positive engagement in Business Schools and delivered campaigns led by members of the Management Committee, key business leaders and youth icons. Notably, we continued to build meaningful and deep engagements with students through our signature case study competitions such as LIME, FINACE and Techtonic which saw a 2X uptake of applications and a 15% increase in followers on LinkedIn vis-à-vis the previous year.

We onboarded the largest batch of Management Trainees (through our Unilever Future Leaders Programme). The programme is a strong launching pad for future leaders across HUL and Unilever. Under this programme, the trainees benefit from getting formal and structured training, on the job, across functions and have access to a mentor for career guidance.

We have also strengthened our recruitment by leveraging processes, speed and technology, enabling us to meet the hiring requirements faster.

Building Distinctive Capabilities and Leadership Edge

We are committed to building a future-ready talent pool and to that end, we have invested over 1,00,000 hours on learning interventions across our offices, factories, and sales workforce.

Specifically, to win in frontline sales, we collaborated with external learning partners and internal line leaders to upskill our teams on data driven decision making and omni-channel. On the shopfloor, we continue to work towards our ambition of having over 50% of our workforce skilled and have transformed our skill mix to now have 40% skilled workforce by the end of 2023.

In addition, we curated and implemented a comprehensive marketing capability intervention where we adopted a multi-faceted approach, leveraging diverse learning vehicles like podcasts, e-modules, and expert learning series to enrich the learning experience.

To attract digital marketing and data science talent, we leveraged partnerships to create an extensive ecosystem to onboard digital talent for expertise roles in the Company. To build digital talent from within, a new Digital Commerce stream was launched within our Unilever Future Leaders Programme and our first batch of UFLPs were hired.

Through our signature leadership development programme, Leading the Unilever Way, we have enabled leaders through key inflection points and transitions in their careers by offering a suite of interventions to enhance their personal effectiveness, business acumen and leadership edge. Across 11 programmes, we have covered over 400 leaders, with a 100% advocacy on the programme.

Driving a Culture of Inclusion

Through consistent efforts, we have been able to make steady progress by moving from a representation-first to a true inclusion approach on Equity, Diversity and Inclusion. As on date, 42% of managerial positions is represented by women.

To build representation across the traditional male bastions of sales frontline and shopfloor, our transformational programme, Ahilya has empowered over 1,400 women to join our frontline sales roles. Equally, we are committed to ensuring a diverse and inclusive ecosystem in our factories and have over 1,300 women on shopfloor. We are also building our first gender-balanced site in Sumerpur and have 40% gender diversity in the site since its inception in 2021.

We have also provided support to men and women through different life stages and for different lived realities through our 20+ equitable policies. These range from providing flexibility to crèche facility to leaves for miscarriage or adoption care.

Recently, to add to the suite of progressive policies is the Foster Care and Kinship Leave that supports those eligible, irrespective of gender, with 4 weeks of leave.

This year, we strengthened our Persons with Disability (PwD) talent pool and through our pioneering programme which we have scaled across UniOps, R&D, Finance, HR and Marketing. We have successfully onboarded PwD interns with the aim of building a robust pipeline for vacancies.

We celebrated our support for diverse groups during PRIDE week, marking three years of solidarity towards the LGBTQI+ employees and allies through the HUL ProUd network. ProUd is the employee network within the organisation to build active local networks, enhance inclusion, psychological safety and share of voice of LGBTQI+ employees in the market.

Keeping our People Positive, Growth Focused and Future-Fit

Our people continue to be engaged. Our annual employee survey 'UniVoice' conducted during the year garnered a participation from 93% of our office-based employees.

Overall engagement stood at its highest level in the past 5 years at 88%. 95% of our employees are proud to work in HUL, 91% said that they believe we have the right strategy to win, 86% shared that we have a growth mindset and 84% of our people believe we have become simpler, faster and more agile in the last 12 months. Further, our attrition is half of the industry average.

As we continue to build organisational capabilities with a clear focus on functional learning to enable our people to upskill and reskill for their roles and help them prepare for the changing landscape of work, 87% of our people believe that the Company provides opportunities for skill development to advance them towards a successful future. The employee voice through these encouraging scores is testimony to our actions and how our employees experience our Company every day.

Implementing flexible and agile work models has unlocked new levels of employee capacity, empowering employees to find meaningful ways of working and enabling a healthier work-life

balance. We continue to experiment with different employment models to have access to different talent pools with diverse skills and experiences with speed at the same time providing employees the opportunity to augment their skillset. Some of the models employed includes Open2U, Flex projects and U-Work. Open2U targets external talent with niche skills looking to work flexibly, currently with a network of 2,000+ expert gig workers. U-work, an employment model for existing employees allows the flexibility to work on varied assignments and engage in a range of short-term assignments, basis individual capacity. Flex Experiences is an internal online marketplace, which helps employees push the boundaries of their career in line with their purpose. It uses an AI-powered platform to identify personalised open opportunities across the business, in real time and provides openings for employees to work with different teams/ functions.

Making Sustainable Living Commonplace

We continue to embed sustainability in the core of the business. We recognise that a healthy business can only prosper in a healthy society and planet. We will continue to focus on driving positive change in the areas of environment, livelihoods, health and well-being.

Capital linkage

SDGs impacted

98%

Reduction in CO_2 emissions per tonne of production[1]

47%

Reduction in water usage (Cubic metre/tonne)[1]

2 lakh +

Women empowered through Shakti Programme

Protecting the Planet

We are committed to taking steps to address the impact of climate change. We have taken several actions to reduce our energy consumption and our GHG (Green House Gas) footprint across the value chain.

We have been working towards eliminating fossil fuels and switching to renewable energy across our operations and today 100% of our electricity is from renewable sources with a combination of solar/ wind and IREC green certification. We have also seen a 45% reduction in total energy consumption (per tonne of production) from factories and a 98% reduction in CO_2 emissions (per tonne of production) against the 2008 baseline.

In order to expand our renewable energy footprint, we have Direct purchase agreements with small-scale hydropower schemes and large-scale hydro, wind, solar, and geothermal in areas where we do not generate our own renewable electricity. We have also been harnessing solar energy using on-and off-site solar panels and PPAs (power purchase agreements) among other initiatives.

Despite the continuous growth of our business, we have made sure that it does not come at the expense of the environment. To further demonstrate our commitment to environmental stewardship, we are aiming to achieve an ambitious goal of Net Zero emissions by 2039. This significant reduction will primarily be achieved by addressing Scope 3 emissions. In this journey towards net zero, we announced our collaboration with key chemical companies to pilot the production of near-zero emissions, synthetic soda ash – a key ingredient in laundry powder. We also asked some of our key supply partners to work with us on emissions reduction by joining our global Supplier Climate Programme. Through the programme, we will provide tailored support aligned with industry standards, and help upskill them and develop their emissions reduction plans, to measure and share footprint data for the products we buy.

74%

Of plastic packaging are recyclable/ recycle-ready[2]

[1] Against 2008 baseline

[2] for calendar year 2023

Regenerating Nature

Our business depends on nature, including land, forests and water systems. We also recognise biodiversity loss as an emerging risk, so protecting these systems is important to ensure the resilience of our business and the communities where we operate.

We are committed to sourcing our agricultural raw materials sustainably and ensure that at the same time we strive to protect and regenerate nature. We have been imparting knowledge and expertise in sustainable agricultural practices to our farmer partners. Over the years, these practices have not only helped improve soil quality, but also increased crop yield and, in turn, farmer incomes.

In 2021, Unilever introduced the Regenerative Agriculture Principles that provided guidance on how to nourish the soil, capture carbon and restore and regenerate the land. This year, we have partnered with the Tea Research Association (TRA) Tocklai, one of the oldest and largest tea research associations globally. Through this partnership we aim to address the challenges posed by climate change in the tea industry and improve its resilience and sustainability by promoting regenerative agricultural practices.

Being one of the largest tea businesses in India, we understand the importance of collaboration to drive sustainability and regenerative practices in the Indian tea industry. We have been one of the founding members of Trustea, an industry collaborative body that covers all aspects of tea manufacturing, supporting sustainability and competitiveness by improving productivity, quality, and safety standards. Through its Sustainable Tea Programme, both smallholder farmers and tea estates are encouraged to adopt more sustainable practices.

At the same time, we are committed to addressing the nation's water challenges. Hindustan Unilever Foundation (HUF) our not-for-profit subsidiary that was set up in 2010 to address India's water challenges, continues to support and amplify scalable solutions that not only secure our water future, but also positively impact the environment. HUF has created a cumulative and collective water potential of over 3.2 trillion litres through improved supply and demand water management. This is equivalent to the drinking water needs of the entire Indian population for nearly 2 years.

>3.2 trillion litres

Cumulative and collective water potential created by HUF along with its partners

Tackling Plastic Waste

As a packaged goods company, we realise the important role that plastic plays in our business. But at the same time, we realise the environmental damage it can cause. Hence, we have been on a journey to use more recycled plastic, make packaging reusable, recyclable and compostable, and at the same time, collect more plastic than we use in packing our products. In fact, 74% of our plastic packaging is recyclable or recycle-ready as we continue to work on partnerships that can help build supplier capacity, and capability for PCR, including rigids and flexibles.

In partnership with governments, other companies and NGOs, we have set up sustainable end-to-end plastic waste management projects enabling waste collection, segregation, recycling and driving behaviour change. Currently, there are seven fully operational Material Recovery Facilities that aim to recycle 5,000 metric tonnes of waste annually.

Realising the significance of behaviour change in driving plastic waste management, we have designed strategic interventions to advocate waste segregation. Start A Little Good is a door-to-door behaviour change campaign which encourages residents to segregate waste into dry, wet and hazardous categories. To instill the habits of segregation and recycling at a young age, we have developed an interactive curriculum called 'Waste No More' in partnership with Xynteo.

Enhancing Livelihoods

We have been working towards enhancing livelihoods of people within our value chain as well as of those in communities where we operate. Launched at the dawn of the new millennium, Project Shakti is our initiative that aims to financially empower and provide livelihood opportunities to women in rural India. The Shakti Entrepreneurs are given training for familiarisation with our products and basic tenets of distribution management. Till date, we have benefitted over 2 lakh women in rural areas across 22 states through the Shakti programme.

Through our Prabhat community development initiative that aims to create sustainable and inclusive communities, we have been training women and youth in vocational skills and entrepreneurship development. We have trained over one lakh individuals through the 18 Livelihood Centres that operate under Prabhat. Prabhat's farm-based value chain initiatives help women and marginal farmers to improve their income by deploying sustainable agricultural practices.

In our quest to generate livelihoods and drive equity, last year we had 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. Through this initiative, we aimed to give budding women cricketers access to world-class infrastructure and multi-year holistic cricket coaching to unleash their full potential under the guidance of renowned cricket professionals. In the first year of the programme itself, six players have been selected to represent the Senior State Women's Team, seven players have been chosen for the State U-23 Team, and 15 players have been selected for the State U-19 Team. From this programme, 2 cricketers went on to play for the Women's Premier League (WPL) and 1 cricketer played for the National Team.

Our purpose driven brands such as Kwality Wall's and Glow & Lovely have been working towards enhancing livelihoods through their initiatives 'I am Wall's' and Glow & Lovely careers respectively. Kwality Wall's mobile vending initiative, 'I am Wall's', provides employment opportunities by helping people become self-sufficient micro-entrepreneurs selling ice cream on the move. 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.

For more information, please refer to the CSR Report on pages 125 and the BRSR on page 138.

Delivering Consistent Performance

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

Capital linkage

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

₹59,579 Cr

Turnover: Added ₹1,400 Cr in FY 2023-24

₹10,114 Cr

Net Profit: Crossed a milestone of ₹10,000 Cr

23.8%

EBITDA: +40 bps YoY

Our Performance

FY 2023-24 has been a year of gradual market recovery post a period of sustained high inflation. Consumption habits recovered with a lag and this combined with uneven monsoons resulted in subdued demand, especially in rural areas. And hence while historically rural growth has been accretive to total growth, this year it lagged that of Urban.

Against this challenging backdrop, we have delivered a resilient performance. Our focus on providing the right consumer value, excellence in execution, increased investments behind brands and capabilities, premiumisation and market making activities continues to serve us well. Our turnover was ₹59,579 crores with an Underlying Sales Growth 3% and an Underlying Volume Growth of 2%. On bottom line, net profit at ₹10,114 crores increased by 2%. Our Earnings Per Share (EPS) at ₹43.05 grew 2%. We dynamically managed our business to grow the consumer franchise. We focused sharply on stepping-up investments behind our brands and future-fit capabilities, drove savings harder across all lines of the P&L and ensured right price-value equation for our consumers. Our EBITDA margins remained healthy at 23.8%, up by 40 bps year on year and cash from operations was ₹15,179 crores.

Keeping in view this performance, your directors are pleased to recommend a final dividend of ₹24/- per equity share of face value of ₹1/- for the year ended 31st March, 2024. Together with the interim dividend of ₹18/- per share paid on 16th November, 2023, the total dividend for the financial year ended 31st March 2024 amounts to ₹42/- per share of face value ₹1/- each, an increase of 8% versus FY 2022-23.

₹43.05

Earnings Per Share

Shareholders

Our Strategic Priorities

Our performance reflects the strength of our brands, execution prowess and the might of our talented purpose-driven people. Through our strategic priorities, we intend to leverage our strong business fundamentals to further unlock growth potential.

Growing the Core through Unmissable Brand Superiority

We have a wide and resilient portfolio that spans across 16 FMCG categories and straddles the price-benefit pyramid, giving our consumers the ability to choose their trusted brands at various price segments.

We are market leaders in more than 85% of our business. We have 19 brands with a turnover of greater than ₹1,000 crores each, in this financial year, which put together contributes to more than 80% of our turnover.

Consumers are becoming increasingly discerning and are making well-informed, holistic buying decisions. We started on our product superiority journey to provide best-in-class products and over the years have made very good progress in this space. With evolving consumer needs, we are now broadening the way we measure and deliver superiority. Under the framework of Unmissable Brand Superiority, we will measure our product against 6 tangible and distinct drivers, namely the 6P's of Product, Proposition, Packaging, Place, Promotion and Pricing, all of which are proven drivers of consumer preference. For instance, Horlicks was re-launched this year with outcome-driven 'Taller, Stronger, Sharper' proposition, expert cues on packaging and promotional plan to focus on highly relevant occasions like exams & monsoons.

Market Making and Premiumisation

Given the context of increasing affluence and under-indexed FMCG consumption, we have a huge opportunity to build categories of the future through market making and premiumisation. We are doing this through persuasive communications via the right medium, innovating in new demand spaces and formats of the future and educating consumers at scale. We have a strong track record of seeding and building scale in new categories through market development activities.

For instance, Bodywash has continued to clock strong double-digit growth for us, growing 4X in the last 4 years. Within Skin Care, in the sun care and light moisturising segments we have more than doubled the size of business in the last 4 years. Our Home Care liquids, at more than ₹ 3,000 crores is a category that has been built up over the last decade through dedicated efforts.

Our dedicated efforts over the past decade have yielded in creation of a significant portfolio, which did not exist a decade ago, and now, contributes over 25% to our turnover in FY 2023-24.

Reshaping Portfolio in High Growth and Premium Spaces

India has under-indexed FMCG consumption vs other South-East Asian peers. As the country's per capita GDP increases, increase in discretionary spends is likely to expand consumer repertoire of products. We are making choiceful bets in categories that are sitting at this inflection point and ensuring that we are re-shaping our portfolio to be fit to grow in this evolutionary context.

In beauty, we have identified key demand spaces where we expect disproportionate growth to occur. We already have a robust ₹2,000 crores portfolio across face cleansing, post wash hair treatment, light moisturisers, serums, sun-care and masstige and this portfolio continues to grow fast, ahead of the rest of the portfolio.

We have seen early success in two of the brands launched by the Premium Beauty Business unit (PBBU) – Simple and Love, Beauty & Planet with their combined ARR scaling ₹100 crores within 3 years of PBBU being set up. Since its inception, this unit has crafted and fine-tuned the brand-building model for new digital-first brands across influencer marketing, performance marketing, and search marketing.

Leadership in Channels of the Future

India's FMCG market relies heavily on traditional distributive trade, with more than 10 million outlets. India's retail landscape is experiencing rapid transformation. While traditional kirana stores continued to be vital, innovative digital platforms like e-Commerce, D2C, q-Commerce, omni-channel, and e-B2B are rapidly gaining ground. The rapid growth of e-Commerce is transforming traditional trade, presenting exciting opportunities for increased digitisation within our operations.

We continue to remain focused on ensuring that our brands are accessible wherever consumers choose to shop. This entails designing for channels we operate in, for instance having the right price-pack architecture for the channel or right packing solutions to suit last mile logistics through collaboration with our partners and customers.

Our e-B2B app Shikhar, is now used by 1.3 million retailers across the country, providing them the opportunity to place orders online without waiting for salesman to visit their stores.

Expanding our digital footprint, we continue to collaborate with our e-Commerce and omni-channel partners. Additionally, our 10 D2C platforms offer direct access to premium brands to our consumers, including convenient home delivery, for a unique shopping experience. All these initiatives have now enabled us to capture ~30% of our demand digitally and gives us a unique ability to run our demand generation and demand fulfilment activities in a disruptive way.

Our Performance, Approach to Sustainability and Risk Management

The statutory reports present a balanced and understandable assessment of the Company's position and prospects to shareholders and statutory authorities. This section includes reporting requirements under various regulations and statutes.

In this section

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, 2024.

ABOUT US

Hindustan Unilever Limited is India's largest 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 feel good and get more out of their lives. We have a wide and resilient portfolio of 50+ brands, spanning over 16 FMCG categories, which are a part of everyday life of millions of consumers across India.

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.

ECONOMIC OVERVIEW

Global

Global economy continues to present a mixed picture. Multiple factors like the on-going geopolitical conflicts, wide-spread elevation of debt, extreme weather conditions and elections in many parts of the world continue to contribute to the uncertainty of the Global Economic Outlook. Encouragingly, inflation has softened over the highs of the previous year and is expected to continue to moderate. Global GDP growth is expected to remain low at 3% for 2024[1]. Country variations will continue, with different parts of the world growing at varied pace.

India

Amidst these conditions, Indian economy has continued to grow with resilience. With a GDP growth of 7.8% in Calendar Year 2023[1], the fifth-largest economy was the fastest growing major economy. The biggest contribution to the GDP growth has come in the form of capital expenditure by the Government. At 3% of GDP, ₹10 lakh crore[2] was allocated towards capital expenditure, a record high. The Government's strengthened thrust on capex will augur well for the economy in mid to long term with the creation of employment opportunities, improved infrastructure, and elevated ease of doing business in the country.

[1] International Monetary Fund

[2] Press Information Bureau

Consumption has remained subdued in the year. This weak consumption is primarily on account of a muted agricultural growth. Agricultural production was disrupted during the year due to erratic weather patterns, triggered by El Niño. With agricultural outputs impacted, rural consumption has been weaker than usual, evident in sluggish FMCG volume recovery trends. Consumption patterns remain uneven with mass consumption showing sluggish growth and upper-end consumption driving growth. This trend is further amplified by a growing preference for premium products across all consumer categories.

India's digital transformation is surging ahead, fuelled by booming broadband access, affordable data plans, and a government push for digital infrastructure. The India Stack, is a one-of-its-kind digital scalable public infrastructure, based on identity, payments and consent-based data sharing. It is a global benchmark for most countries today. We have more than 130 crores Aadhar Card holders. In the years to come, applications based on this digital infrastructure, such as ONDC for digital commerce, Unified Logistics interface Platform (ULIP) for logistics, Ayushman Bharat for electronic health records among others, will spur innovations and new growth. Democratisation of Unified Payments Interface (UPI) or digital payments have enabled formalisation of the digital economy. This has resulted in the rise of the start-up economy in India with the country becoming the third largest ecosystem for ventures globally.

Despite a subdued consumption in the economy this year, economic activity indicators suggest underlying strength that will bode well for the economy in the medium term.

The consumer confidence levels, which look at consumer perceptions, current and for one year ahead, on general economic situation, employment scenario, overall price situation, income and spending, has returned to pre-covid levels[3]. The future perception scores have also registered a new peak suggesting high consumer confidence on the economic outlook. Inflation, which was a primary concern in the economy last year, has softened this financial year. Inflation has significantly moderated from the highs of 2022 with CPI inflation for FY 2023-24 projected at 5.3%[1].

[3] Consumer confidence survey, RBI

Infrastructure investment, pace of innovation and technology, best in class digital ecosystem and robust policies has led India onto a journey of transformative growth that is expected to continue for the foreseeable future.

Fast Moving Consumer Goods Sector in India

The FMCG industry is India's fourth-largest sector, making it a significant contributor to the country's economic growth by fuelling consumption, generating employment, and boosting manufacturing. Within the sector, about 50% of sale is comprised of products from the household and personal care category, while food & beverages contributes 31% and healthcare 19%, to the total FMCG sales in India[2]. Over the years, this sector has demonstrated remarkable agility in overcoming challenges and adapting to meet evolving consumer needs, shaping its trajectory for sustainable growth.

In FY 2023-24, the FMCG industry witnessed a challenging year due to weather vagaries impacting agricultural output and consumer sentiment. As a result of this, while the industry witnessed sequential easing of inflation, volumes have been recovering gradually albeit readjusting with a lag. Three continuous years of sustained inflation prior to FY 2023-24 has impacted disposable income, specially in rural areas. This has resulted in a slower pace of recovery in rural and mass segments while urban and premium segments have been resilient.

Notwithstanding the volume sluggishness seen in recent times, the Indian FMCG industry presents a compelling growth narrative. This is fuelled by several key factors:

Fastest growing major economy

At 7.8% GDP growth for Calendar Year 2023, India continues to showcase a strong and resilient performance. As per International Monetary Fund (IMF) estimates India will be the third largest economy before 2030 with its GDP projected to surpass both Japan and Germany. Both private consumption and investment are projected to rise steadily, contributing to GDP expansion. Backed by strong economy growth, FMCG consumption is expected to flourish.

[1] Centre for Monitoring Indian Economy

[2] India Brand Equity Foundation (IBEF)

Favourable Demographics

In the coming decades, India will continue to have one of the largest shares of working population amongst the major economies. With a working population of more than 1 billion people and a favourable demographic dividend for many decades to come, India will have significant advantage in the long run. India would remain the largest provider of human resources in the world. About 24.3% of the incremental global workforce over the next decade will come from India[3]. Young labour force and high working age population will lead to a rise in income levels and purchasing power which will drive growth and consumption momentum in the country.

Under indexed per-capita FMCG consumption and low penetration

Per-capita consumption for FMCG in India is low, within that rural being highly under-indexed to urban consumption. In fact, per-capita FMCG consumption in India remains disproportionately lower compared to economies like China, Philippines, Thailand, and Indonesia, even after adjusting for their per-capita income divergences.

This disparity, coupled with low category penetration rates across numerous categories within the industry, presents a great opportunity for FMCG companies to continue their strong growth trajectory.

Rising Affluence

India is witnessing a significant increase in its affluence levels. With increasing urbanisation and upward mobility in income, the opportunity to premiumise is immense.

Digital Revolution

India is leading the Digital revolution. While in several other, more developed nations, digitisation is a privilege, in India digitisation has been democratised to reach even the grassroot levels, with initiatives such as the Aadhar, Jan Dhan Yojana and UPI. With affordable data plans, India has witnessed a surge in mobile phone usage and internet penetration, which is fuelling the growth of e-Commerce, online payments, and other digital services.

[3] EY:India@100; Reaping the demographic dividend

Trends shaping our industry

A. Premiumisation

India is seeing a rapid rise in affluent households, providing us with a huge opportunity to grow. Naturally, these households will have a much higher per-capita FMCG consumption. These consumers are becoming more discerning, looking for superior products that promote sustainable living, hyper-personalisation and an elevated shopping experience, even if that would mean paying a premium for products. With changing lifestyles, increasing disposable income and higher exposure to global trends, India is expected to see a dramatic increase in per capita consumption of beauty products. Like China, Indonesia, Philippines, we expect to see a similar trend of multi-fold increase in beauty consumption once the per capita income of the country crosses an inflection point. With growth in digital technologies and changing consumers behaviours, India is seeing an unprecedented influx of digital first beauty brands and innovative methods of brand building.

What HUL is doing

Foreseeing this trend, we are consistently investing in market development and product premiumisation over the years. As a result, we now enjoy an over-indexed position in the premium segment compared to the broader market. During the year, we continued to double down on our premiumisation agenda – we have expanded our premium product footprint through innovations and brand extensions into new demand spaces and formats of the future. As a result of focused interventions and continued investments, our premium portfolio delivered strong growth during the year. We continue to build capabilities towards mass customisation, precision marketing and better shopper experience to appeal to the consumers.

When it comes to Beauty and Wellbeing, as the largest beauty company in India, HUL is in a unique position to take advantage of its deep strengths and emerge stronger through this journey. We have large masterbrands that have great equity and salience amongst consumers and can be expanded to play in new demand spaces and formats. At the same time, through our Premium Beauty Business Unit, we have the proven capability of launching digital first brands much faster. With our strong distribution moat, scaling up these successful digital first brands is an area we have competitive advantage in. We also have a rich stable of premium & masstige brands in Unilever that we will dip into when we believe the time is right.

The innovation rhythm and competitive landscape in Beauty and Personal Care category is diverging. To bring more focus and leverage our strong portfolio, we transitioned into 2 independent business units namely Beauty & Wellbeing and Personal Care from 1st April, 2024. It will help us seed new brands, rapidly scale digital first innovations and craft curated In-Store experiences.

B. Digital transformation

Technology continues to transform every aspect of our life and business. Rapid digital transformation has changed the way of life for consumers, customers, and suppliers. Consumers are increasingly aware of global trends through social media, they navigate between multiple channels and multiple devices to make buying decisions. Traditional trade customers are adopting technology and digital interventions to improve operational efficiency and become future fit while newer channels are leading technological disruption from the front. Suppliers across the industry are leveraging technology to substantially elevate product availability, quality, and operations. Digital is opening new opportunities, from digital marketing to emergence of digital first brands and use of data analytics in the business.

What HUL is doing

Through our agenda of 'Re-Imagine HUL', we have been at the forefront of this digitalisation journey. Under this program, we are embedding technology across the length and breadth of our company to build distinctive capabilities. For instance, our Agile Innovation Hub that uses technology to scrub data, identify trends and new demand spaces, enables for quick digital prototyping and deployment, and has significantly helped reduce the cycle time from ideation to product launch. Similarly, our 'Supply Chain Nerve Center' that will integrate the Plan, Source, Make and Deliver pillars by building an intelligent layer, will drive faster decision-making, better visibility and automated actions. We continue to make significant strides in our digitalisation journey of demand generation, capture and fulfilment through a variety of tools and technologies that include nano factories, machine learning, digital marketing, D2C channels and end-to-end automated warehouses. To seize the digital opportunity and to continue to win competitively with consumers, we have appointed a Chief Digital Officer who will steer the next phase of HUL's digital transformation journey focusing on enhancing consumer and customer experience through digitalisation.

C. Sustainable living

Extreme fluctuations in weather conditions resulting from greenhouse gas emissions, plastic usage, unsustainable sourcing and water crises are impacting consumer sentiments, livelihoods and safety. Society demands a more proactive response from businesses. Consumers are rapidly shifting towards sustainable choices, driving a global movement for change. With rising public consciousness, businesses are expected to shift to sustainable operations to protect our planet. The cost of inaction far outweighs the cost of action.

What HUL is doing

HUL has been a pioneer in campaigning for the cause of sustainable business operations in India. Guided by our purpose of 'making sustainable living commonplace', sustainability is deeply ingrained in all our operations here at HUL. We have outlined our Environmental, Social and Governance (ESG) goals (refer page 14) against which we have made significant progress. We are a recognised industry leader with one of the best ESG ratings in the Indian FMCG industry. In our manufacturing operations, we have reduced our CO_2 emissions by 98% (per tonne of production), water usage by 47% (cubic meter per tonne of production) and total waste generated from our factories by 58% (per tonne of production) in FY 2023-24, compared to 2008 baseline. We are working to reach 100% sustainable sourcing of our key crops. Through focused programmes, we have achieved sustainable sourcing for 94% of our total paper and board, 81% of our total tomatoes and 79% of our total tea procured during the calendar year 2023. We are committed to responsibly sourcing palm oil and aim to be 100% No Deforestation, No Peat (NDP) compliant in India.

Through Hindustan Unilever Foundation (HUF), a not-for-profit subsidiary, we are driving water management related community development initiatives. HUF's water potential created stood at over 3.2 trillion litres which is sufficient water to meet the drinking needs for all Indians for nearly 2 years.

D. Healthy living

Consumers are becoming increasingly conscious of their consumption choices and its impact on their holistic health and wellness. When it comes to Foods & Refreshment, consumers are opting for products that provide nutritional, long-term benefits. They are also foraying into health supplements and science-backed brands. Within Home and Personal Care, clean, natural products free from harmful toxins and chemicals are increasingly becoming popular. Consumers want to know the ingredients used to make products they consume and seek products with transparent labelling.

What HUL is doing

With nutrition drinks, HUL is addressing the prevalent micro-nutrient deficiency in the country. We have strengthened our adult nutrition drinks portfolio, focusing on specific health concerns ranging from diabetes to women's health to bone strength through scientifically backed brands. Through our strategic partnerships with OZiva and Wellbeing Nutrition, we have increased our presence in the health and well-being segment with clean, plant based, organic nutritive choices and continue to scale these businesses, leveraging our existing capabilities. We continue to expand our play in the clean and naturals segment across beauty and personal care, be it via Simple, Love, Beauty and Planet or Indulekha or in home care through our plant-based, paraben-free dishwash formulations.

Report of Board of Directors and Management Discussion and Analysis

OUR 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 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 (Code) 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 climate change and increased vulnerability of systems and information 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	Risk Description	Management of Risk	Level of Risk
Brand Preference	**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.	No Change
Legal & Regulatory	**Compliance with laws and regulations is an essential part of HUL's business operations.** Increase in and changes in regulations, that have applicability at both Central and State level, related to levy of direct/ indirect taxes, data privacy, corporate governance, listing and disclosure, food standards compliance, packaged commodities, labour laws, consumer communications and advertising, imports, among others, and manner of enforcement 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 multistakeholder model in mind.	No Change

Risk	Risk Description	Management of Risk	Level of Risk
Supply Chain	**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. 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.	No Change
Business Transformation	**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.	No Change

Risk	Risk Description	Management of Risk	Level of Risk
Macro Economic Volatility	**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 commodity price increases; 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.	No Change
Plastic Packaging	**We use 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, putting in place a National Framework on Extended Producers Responsibility (EPR), harmonisation of regulations on plastic waste management between the Central & State Regulations, improving recycling infrastructure for plastics. **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.	No Change

Risk	Risk Description	Management of Risk	Level of Risk
Systems & Information	**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 Al, 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.	Increase
Quality and Safety	**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.	No Change

Risk	Risk Description	Management of Risk	Level of Risk
Talent	**Ensuring employee safety and well-being 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.	No Change
Ethics	**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.	No Change

Risk	Risk Description	Management of Risk	Level of Risk
Climate Change	**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.	Increased

Opportunities

	Opportunities	What we are doing to respond
Growing in Channels of the 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 including q-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 under-penetrated 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. 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.

Results

(₹ crores)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Turnover	59,579	58,154
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	14,190	13,632
Profit before exceptional items and tax	13,764	13,141
Profit for the year	10,114	9,962

Division Wise Turnover

(₹ crores)

	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	Sales	Other Operating Income	Sales	Other Operating Income
Home Care	21,767	133	21,103	127
Beauty & Personal Care	21,864	301	21,498	333
Foods & Refreshment	15,153	139	14,744	132
Others (including consignment sales)	795	317	810	397
Total	**59,579**	**890**	**58,154**	**990**

Summarised Profit and Loss Account

(₹ crores)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Turnover	59,579	58,154
Other Operating Income	890	990
Total Revenue from operations	**60,469**	**59,144**
Operating Costs	46,279	45,512
EBITDA	14,190	13,632
Depreciation and amortisation	1,097	1,030
Earnings Before Interest & Tax (EBIT)	13,093	12,602
Other Income (net)	671	539
Profit before exceptional items	13,764	13,141
Exceptional items	(89)	(62)
Profit Before Tax (PBT)	13,675	13,079
Taxation	3,561	3,117
Profit for the year	10,114	9,962
Basic EPS (₹)	43.05	42.40

Key Financial Ratios

Particulars	2023-24	2022-23
Return on Net Worth (%)	20.0	20.1
Return on Capital Employed (%)	96.3	101.9
Basic EPS (after exceptional items) (₹)	43.05	42.40
Debtors Turnover (no. of times)	22.0	24.9
Inventory Turnover (no. of times)	15.2	14.7
Interest Coverage ratio	118.3	143.9
Debt Service Coverage ratio	23.6	21.8
Current ratio	1.6	1.4
Debt Equity ratio	0.0	0.0
Operating profit margin (%)	22.0	21.7
Net profit margin (%)	17.0	17.1

Increase in Debt Equity ratio is on account of higher lease liabilities during the year
There is no significant change (i.e. change of 25% or more as compared to the FY 2022-23) 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 liabilities.

(iii) Basic EPS

Earnings Per Share (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 Company is managing the receivables. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly 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

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 EBIT 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

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 7.69%.

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 = 10.70%.

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 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

At 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.

(₹ crores)

		IGAAP	IND AS								
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Cost of Capital Employed (COCE)											
1	Average Debt	0	0	0	0	0	0	0	0	0	0
2	Average Equity	4,338	5,664	5,831	6,181	6,668	7,227	46,890	47,156	48,486	49,508
3	Average Capital Employed: (1)+(2)	**4,338**	**5,664**	**5,831**	**6,181**	**6,668**	**7,227**	**46,890**	**47,156**	**48,486**	**49,508**
4	Cost of Debt, post-tax %	5.56	5.43	4.90	5.21	5.77	5.25	4.70	4.81	5.87	5.75
5	Cost of Equity %	10.91	11.98	12.85	14.19	11.84	9.11	8.86	9.09	10.90	10.70
6	Weighted Average Cost of Capital % (WACC)	10.91	11.98	12.85	14.19	11.84	9.11	8.86	9.09	10.90	10.70
7	COCE: (3)x(6)	**474**	**679**	**749**	**877**	**789**	**658**	**4,153**	**4,289**	**5,285**	**5,297**
Economic Value Added (EVA)											
8	Profit after tax, before exceptional items	3,843	4,116	4,247	5,135	6,080	6,743	7,963	8,724	9,720	10,105
9	Add: Interest, after taxes	11	0	0	0	0	0	0	0	0	0
10	Net Operating Profits After Taxes (NOPAT)	3,854	4,117	4,247	5,135	6,080	6,743	7,963	8,724	9,720	10,105
11	COCE, as per (7) above	474	679	749	877	789	658	4,153	4,289	5,285	5,297
12	EVA: (10)-(11)	**3,380**	**3,438**	**3,498**	**4,258**	**5,291**	**6,085**	**3,810**	**4,435**	**4,435**	**4,808**

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 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 Reserves.

Capital Expenditure (including Intangible Assets) during the financial year was at ₹1,318 crores (₹1,042 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 ₹7,216 crores (FY 2022-23: ₹4,422 crores), as on 31st March, 2024. 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 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:

(₹ crores)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Foreign Exchange earnings	1,497	1,574
Foreign Exchange outgo	4,463	3,695

Includes all Indian subsidiaries, except Unilever Nepal Limited

Performance of Subsidiaries

The summary of performance of the Company's subsidiaries is provided as below:

Unilever India Exports Limited

Unilever India Exports Limited (UIEL) 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, Lakmē, Sunsilk, Horlicks and Boost and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.

The turnover of UIEL was driven by products in Skin Care, Nutrition Drinks, Hair Care and Personal Wash. Brands like Dove, Horlicks, Vaseline, Pears, Bru, Sunsilk, Glow and Lovely, Pond's, Lakmē, Lifebuoy have contributed in the focused markets.

Lakme Lever Private Limited

Lakme Lever Private Limited (LLPL) is a wholly owned subsidiary of the Company. LLPL is engaged in Salon business and also operates a manufacturing unit at Gandhidham, Gujarat which carries out job work operations for HUL.

LLPL delivered resilient top line growth. With focus on quality of operations, expert treatments and prudent cost optimisation, the salon business continued to perform well in the beauty services category. Job work business continued to do well.

LLPL has over 450 owned and managed & franchisee Salons. The extended team comprising the housekeeping staff, experts, salon managers and business partners were trained and audited continuously to ensure complete adherence to protocols. LLPL has also dialled up expertise by enhancing training and launching its flagship Salon at Powai, Mumbai. By ensuring safety and keeping customer satisfaction as focus, LLPL's Net Promoter Score continued to be above 90%. Lakmē Salons continued to improve quality and expertise across all touch points in customer journey with trendsetting look & #UnapologeticallyMÉ campaign.

Innovations like Quintessential bridal looks, Tressplex Collagen Treatment for normal & curly hair, Cappuccino Spa added excitement to Lakmē Salon's comprehensive Runway Secrets portfolio. Thematic campaigns – Good Hair Day and Happy New You continued helping gain new clients and sustain existing ones. Lakmē Salon continues to be the preferred option for franchisees in the beauty and wellness category attracting several professionals and entrepreneurs.

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.

HUF 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.

HUF 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 3.2 trillion litres through improved supply and demand water management, over 2.1 million tonnes of additional agricultural and biomass production, and over 114 million person-days of employment due to project interventions*. Till now, HUF's programmes have reached more than 15,000 villages across India.

*Assured by an independent external firm.

Unilever Nepal Limited

Unilever Nepal Limited (UNL) is a subsidiary of the Company listed on Nepal Stock Exchange and is engaged in marketing and manufacturing products related to Beauty & Wellbeing, Personal Care and Home Care in Nepal for the past 30 years.

Despite a challenging business environment in Nepal, (impacted by national liquidity crunch, low foreign reserves and rising migration), UNL has demonstrated resilient performance with flat growth for this year and held its profitability on par with past years performance. To boost consumer franchise, UNL has invested in advertising and promotion spends across various mediums in Nepal.

Unilever India Limited

Unilever India Limited (UIL) is a wholly owned subsidiary of the Company incorporated to leverage the growth opportunities in a fast-changing business environment. UIL has a Home Care factory in Sumerpur, Uttar Pradesh.

The state-of-the-art spray dried detergent factory manufactures Home Care products for Company. It is designed to make the best use of digital 4th industrial revolution, 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 supply chain integration.

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.

In the current Financial Year, UIL has ramped up its operations and has delivered robust volume growth. The top-line and bottom-line growth is in line with the growth in volumes.

Zywie Ventures Private Limited

Zywie Ventures Private Limited (ZVPL) is a subsidiary of the Company engaged in the business of Health and Well-being 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 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. ZVPL has a strong inhouse R&D team comprising Ph.D.s, Phyto-chemists and Biotechnologists.

This investment is in line with the Company's strategy to enter fast evolving growth space of Health and Well-being.

Other Subsidiaries

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.

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

The National Company Law Tribunal, Mumbai Bench (Tribunal) vide its order dated 18th December 2023, approved the voluntary liquidation of **Bhavishya Alliance Child Nutrition Initiatives** (BACNI) a not-for-profit subsidiary of the Company. BACNI was liquidated with effect from 27th December, 2023.

Further, vide its order dated 16th January, 2024, the Tribunal approved the Scheme for merger of **Pond's Exports Limited and Jamnagar Properties Private Limited** into **Unilever India Exports Limited**. The amalgamation was effective from 13th February, 2024.

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 M/s. BSR & Co. LLP, on the financial statements of the Company for the FY 2023-24 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, M/s. BSR & Co. LLP has filed a report under Section 143(12) of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. However, they have not reported any instances of frauds committed in the Company by its officers or employees involving an amount of less than ₹1 crores to the Audit Committee or Board under Section 143(12) of the Act. Therefore, no detail is required to be disclosed in the Director's Report under Section 134(3)(ca) of the Act.

As the term of M/s. B S R & Co. LLP as the Statutory Auditors of the Company expires at the conclusion of 91st AGM, the Board of Directors of the Company at their meeting held on 24th April, 2024, based on the recommendation of the Audit Committee, has recommended to the Members the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company, for a term of 5 (five) consecutive years from the conclusion of 91st AGM till the conclusion of the 96th AGM. Accordingly, an Ordinary Resolution, proposing appointment of M/s. Walker Chandiok & Co. LLP, as the Statutory Auditors of the Company for a term of five consecutive years pursuant to Section 139 of the Act, forms part of the Notice of the 91st AGM of the Company. The Company has received the written consent and a certificate that M/s. Walker Chandiok & Co. LLP satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

M/s. Walker Chandiok & Co. LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients.

Secretarial Auditors

The Board, at its meeting held on 27th April, 2023 had appointed M/s. S. N. Ananthasubramanian & Co., (ICSI Unique Code: P1991MH040400) Company Secretaries to conduct Secretarial Audit for the FY 2023-24. 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.

In line with the best governance practices codified under our Corporate Governance Code, the Secretarial Auditor must be rotated every ten years and a cooling off period of three years must have elapsed to be re-appointed by the Company. Accordingly, 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 19th January, 2024 had appointed M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) to conduct Secretarial Audit for the FY 2024-25.

M/s. Parikh & Associates is a firm of Practising Company Secretaries founded in 1987. The firm provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

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, 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.

The Board, at its meeting held on 27th April, 2023 had appointed M/s. R A & Co., Cost Accountants (Firm Registration No. 000242) to conduct Cost Audit for the FY 2023-24. During the year under review, M/s. R A & Co. has not reported any fraud under Section 143(12) of the Act.

During the year, due to a casual vacancy in the office of the Cost Auditors, pursuant to disqualification incurred by M/s. R A & Co., Cost Accountants, the Board, at its meeting held on 24th April, 2024, based on the recommendation of the Audit Committee, has appointed M/s. R Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010) as the Cost Auditors of the Company for FY 2023-24 and FY 2024-25. M/s. R Nanabhoy & Co., Cost Accountants, being eligible, have consented to act as the Cost Auditors of the Company for FY 2023-24 and FY 2024-25 and are in the process of carrying out the cost audit for applicable products for the FY 2023-24. The following remuneration is proposed to be paid to the Cost Auditors, subject to ratification by the Members of the Company at the ensuing Annual General Meeting:

Period	Remuneration *
FY ending 31st March, 2024	₹14 lakhs
FY ending 31st March, 2025	₹15 lakhs

* Exclusive of taxes and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

M/s. R. Nanabhoy & Co, Cost Accountants was established in the year 1948. It has its registered office at 1st Floor, Sadhana Rayon House, 221, Dadabhai Naoraji Road, Borabazar Precinct, Fort , Mumbai – 400001. It is primarily engaged in providing wide spectrum of services in the areas of Cost and Management Accounting.

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.

Material Developments In Human Resource Front

The Company recognises that building a culture that prioritises well-being and empowers people to learn and develop is critical to its long- term success.

During the year, the Company has continued to invest in people through learning and development sessions of over 1,00,000+ hrs. Through well-defined policies, we foster a culture of positive work environment enabling employees to perform at their highest potential and consistently deliver results. The Company continues to make inroads in inclusion through multiple pioneering programmes and policies. As a result of our leading practices, the Company has continued to retain its position as #1 Employer of Choice across sectors in top Business schools as well as the preferred employer of women title. For further details please refer page 84.

Employee Stock Option Plan (ESOP)

The employees of the Company are eligible for Unilever share award plans, namely Annual Share Plan (ASP), Performance Share Plan (PSP) and the SHARES plan.

Starting 2024, Unilever is moving away from Performance Share Plan to Annual Share Plan for its junior and middle management talent. Under the scheme eligible employees will receive shares of the holding company. For 2024 Personal Differentiation Factor will be awarded for the impact, leadership and future fitness of an individual with a range of 0 – 200%. Vesting period would be 3 years with no business performance conditions being applied at the time of vesting. The Target ASP share award is equivalent to 50% of the Target Bonus for junior management and 100% of the Target Bonus for middle management.

The Senior Management are eligible to receive a conditional grant of Unilever shares under the Performance Share Plan (PSP) on an annual basis. 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. The performance measures for PSP for grants being made effective 2024 are Underlying Sale Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and Sustainability Progress Index. The awards under PSP plans will vest after 3 years between 0% and 200% of grant level, depending on the achievement against the performance metrics.

During the year under review, the Company has introduced the Hindustan Unilever Limited Performance Share Plan Scheme, 2024 (Scheme). Under the Scheme eligible employees would receive 62% of their ASP Award or PSP Award denominated in Unilever PLC Shares and the remaining 38% of the award value would be denominated in HUL Shares. Other terms and conditions on determination of value of grants for the award and vesting conditions continue to remain the same as under the Unilever Annual Share Plan and Performance Share Plan Scheme. The Scheme was considered and duly approved by the Shareholders on 5th March, 2024 vide Postal Ballot. The grants under the Scheme are further subject to necessary statutory approvals and would be made in conformity with the applicable laws. No shares were awarded to employees under the Scheme during the FY 2023-24.[1]

Further, 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.

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

Disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, are uploaded on the website of the Company at www.hul.co.in.

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 www.hul.co.in.

Dividend

Your Directors are pleased to recommend a Final Dividend of ₹24/- per equity share of face value of ₹1/- each for the year ended 31st March, 2024. The Interim Dividend of ₹18/- per equity share was paid on Thursday, 16th November, 2023.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on Friday, 21st June, 2024, will be paid on or after 25th June, 2024, to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e. from Saturday, 15th June, 2024 to Friday, 21st June, 2024 (both days inclusive). The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹42/- per equity share and will absorb ₹9,868 crores. In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend 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 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹13.77 crores of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund.

Mergers, Acquisitions & Divestments

During the year under review, the Company has entered into a strategic partnership with Brookfield to set up a solar energy park with 45 MW capacity in Rajasthan. This will help the Company in its journey towards Net zero commitment. The project is being developed at the site of Brookfield's solar park, being undertaken as a part of Brookfield Global Transition Fund (Brookfield). The Board, at its meeting held on 1st December, 2023, approved an equity investment of up to 27.73% in Transition Sustainable Energy Services One Private Limited, a Special Purpose Vehicle (SPV) incorporated by Brookfield, a leading global alternative asset manager with one of the world's largest renewable power platforms. The SPV is formed under the Government's Group Captive Open Access Renewable Energy Scheme. This is seen as a transformative partnership that aligns with environmental and economic sustainability and will help stakeholders across the value chain. As on the date of this Integrated Annual Report, the Company has completed the acquisition of 22.33% of equity share capital of the SPV.

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 the SPV.

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Act, during FY 2023-24 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 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.

The Company is 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. We 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 year under review, 87 incidents were reported across all areas of our CoBP and Code Policies, with 41 confirmed breaches. During the year, we terminated employment of 16 employees and issued 20 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. The Code Policies have also been reviewed to align them with the changes in the internal and the external environment.

Our Responsible Partner Policy helps 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 the 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 Listing Regulations. A Certificate of the CEO and CFO 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.

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 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.

During the year, 7 (seven) complaints with allegations of sexual harassment were received by the Company, all of which 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 on a continuous basis. During the year, the Company organised offline training sessions on the topics of Gender Sensitisation and Code Policies including POSH for all office and factory based employees.

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 Related Party Transactions which is also available on the Company's website at www.hul.co.in. 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 RPT 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 Related Party Transactions are subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions 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 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 2023-24, is available on the Company's website at www.hul.co.in.

Board of Directors and Key Managerial Personnel

Change in Directorate

During the year, Dr. Ashish Gupta (DIN: 00521511), tendered his resignation as the Independent Director of the Company, with effect from close of business hours on 26th June, 2023, citing pre-occupation and other personal commitments.

The Board places on record its appreciation for the leadership and invaluable contribution made by Dr. Gupta whose extensive knowledge and understanding of the digital ecosystem, coupled with his entrepreneurial experience played an important role in the Company's transformation journey.

The Board, at its meetings held on 20th July, 2023 and 1st December, 2023, based on the recommendation of the Nomination and Remuneration Committee of the Company, approved the following appointments / re-appointment to the Board:

(a) the appointment of Ms. Neelam Dhawan (DIN: 00871445) as an Additional Director – Independent Director of the Company for a term of 5 (five) consecutive years with effect from 1st August, 2023.

(b) the re-appointment of Mr. Leo Puri (DIN: 01764813) as an Independent Director of the Company for a further term of 5 (five) consecutive years with effect from 12th October, 2023.

(c) the appointment of Mr. Tarun Bajaj (DIN: 02026219) as an Additional Director - Independent Director of the Company for a term of 5 (five) consecutive years with effect from 1st December, 2023.

The above-mentioned appointments / re-appointment were duly approved by the Members of the Company vide Postal Ballot(s) on 7th September, 2023 and 9th January, 2024, respectively.

Further, at its meeting held on 24th April, 2024, the Board approved the appointment of Mr. Biddappa Bittianda Ponnappa (Mr. Biddappa) (DIN: 06586886) as an Additional Director - Whole-time Director of the Company for a term of 5 (five) consecutive years with effect from 1st June, 2024. The appointment is subject to approval of the Shareholders at the ensuing AGM.

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. Rohit Jawa (DIN: 10063590), Chief Executive Officer and Managing Director (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, 2024. During the year, Mr. Rohit Jawa succeeded 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.

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 and Business Heads as its members.

During the year, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, approved the following changes to the Management Committee:

(a) the appointment of Mr. Arun Neelakantan as the Chief Digital Officer with effect from 1st January, 2024.

(b) the appointment of Ms. Harman Dhillon as the Executive Director, Beauty & Well-being, in succession to Mr. Madhusudhan Rao, with effect from 1st April, 2024.

(c) the appointment Mr. Srinandan Sundaram as the Executive Director, Home Care in succession to Mr. Deepak Subramanian with effect from 1st April, 2024.

(d) the appointment of Mr. Shiva Krishnamurthy as the Executive Director, Foods and Refreshment in succession to Mr. Srinandan Sundaram with effect from 1st April, 2024.

Further, Mr. Biddappa will succeed Ms. Anuradha Razdan as Executive Director, Human Resources and Member of Management Committee of the Company with effect from 1st June, 2024.

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 the SEBI 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, seven 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

HUL has a long tradition of being a responsible and pioneering business. Innovations for our great brands powered by deep consumer understanding combined with Science & Technology expertise are at the heart of HUL's ambition of sustainable growth.

Unilever R&D is known for innovating boldly for people and planet. It has 6 global R&D labs and 10 regional R&D hubs including 3 in India located at Mumbai, Bengaluru (both global R&D Centres), and Gurugram (Regional Hub). Through these, HUL business has access to more than 20,000 international patents, and more than 5,000 leading edge scientists and technology experts working across all business groups and critical R&D capabilities of Regulatory, Clinicals & Digital R&D. HUL business benefits from constant flow of new products designs, novel product & processing technologies from the work done across the global R&D centres.

Our commitment towards 'Ending Animal Testing Globally' is a great example of how Unilever R&D uses new age science, not animals, to assure safety of our products and ingredients. HUL business directly benefits from the Unilever's Safety and Environmental Assurance Centre (SEAC), which assess all our products from the lens of safety impact on People and Environment. Scientists at SEAC partner with Unilever R&D Scientists and use internationally recognised safety approaches, and authoritative scientific evidence, to ensure that people are safe when they use our products and we do not negatively impact the environment. SEAC team have world leaders who are advocating elimination of animal testing for product evaluation and have been able to develop animal testing alternatives to influence regulatory agencies across the globe and bring in regulation changes.

HUL derives 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. Through these partners HUL is working on developing next generation sustainable materials and products with lower Carbon Footprint that will enable us to achieve our Net zero goal by 2039.

HUL also benefits from Unilever's continued capital investments into critical R&D capabilities and infrastructure in India, including setting up of 'Agile Innovation Hub' and 'Advanced Manufacturing Centre', robotics led high throughput technology screening and product validation capabilities to step up innovation, speed & impact by leveraging data science, technology & automation.

The above flow of benefits to HUL have been enabled through a Technical Collaboration Agreement (TCA) and a Trademark License Agreement (TMLA) between HUL & Unilever since 2013. 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'. With the aid of these agreements HUL business has been able to bring in bigger, better, and faster innovations to Indian consumers from the global R&D teams.

The Company continuously imports technology from Unilever under the TCA, which is fully absorbed in our products. One such recent example among many others includes Novology Hyper Pigmentation Serum that was launched in 2023 with triple action technology. This technology has been clinically proven to act on multiple pathways of melanogenesis to reduce hyper pigmentation. Similarly, Novology Acne Range was launched in 2023 which was clinically proven technology to reduce acne and restore skin microbiome. We have adopted multiple technologies containing natural, nature identical and naturally cultivated molecules in our beauty and personal care products that provide skin benefits like better hygiene, naturally glowing skin, etc.

In 2023, our Home Care category has adopted various polymer technologies for superior cleaning, foam, and whitening benefits as well as functional materials for improved processing of fabric care formulations. We have also adopted biosurfactant technologies to design new variant of dishwash liquid.

In line with our global commitments on plastic waste reduction, we have adopted technologies that allow us to use less, better and no plastic in our packaging e.g., 20% to 70% PCR in various Home Care, Beauty and Personal Care products under Vim, Surf excel, Comfort, Lux, Pears, Lifebuoy, Dove, etc.

The Company leverages Unilever R&D's digital capabilities to fast-track innovations. For instance, in our Foods and Refreshment category we have adopted digital tools like MINERVA and PHAROS for fast-tracking product design and safety assessment.

We also receive 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 our 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 HUL 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 the Company's business and to reach the ambitious targets set out in the ESG Goals. The 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, the Company is committed to transparency, honesty, integrity and openness in all its engagements with the various stakeholders.

Outlook

In FY 2023-24, we delivered a resilient performance led by our focus on providing the right consumer value, excellence in execution, increased investments behind brands and capabilities, premiumisation and market development.

In the near term, we expect FMCG demand to continue improving gradually. Forecast of above normal monsoons and improving macro-economic indicators augur well. In this context, our focus remains on driving competitive volume led growth across our business. We will continue to generate savings through our productivity programme and re-invest it behind our brands and long-term strategic capabilities while maintaining EBITDA margin at the current levels.

We remain confident of the mid to long term potential of Indian FMCG sector given rising affluence, under-indexed FMCG consumption and a strong digital infrastructure. To serve the evolving aspirations of Indian consumers, we have embarked on a journey of 'Transform to Outperform'. Our key thrusts of Growing our Core through Unmissable Brand Superiority, Market making and Premiumisation, Re-shaping our portfolio to high growth spaces and Leadership in Channels of the future, backed by our distinctive capabilities will enable us to continue winning competitively in the Indian FMCG sector.

Responsibility Statement

Pursuant to Section 134 of the Act, the Board of Directors confirms 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 Acknowledgment

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

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

Your Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's 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.

Your Directors 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, 24th April, 2024

Annexure to the Report of Board of Directors

Statement of Disclosure of Remuneration under Section 197 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 FY 2023-24, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the FY 2023-24.

Sr. No	Name of Director / KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Rohit Jawa	Chief Executive Officer and Managing Director	153.03	Refer Note iv.
2	Sanjiv Mehta[1]	Chief Executive Officer and Managing Director	48.33	
3	Ritesh Tiwari	Executive Director, Finance, IT and CFO	58.47	
4	Dev Bajpai	Executive Director, Legal and Corporate Affairs and Company Secretary	70.93	

ii. The percentage increase in the median remuneration of employees for the financial year was 7.38%.

iii. The Company has 7,215 permanent employees on the rolls of Company as on 31st March, 2024.

iv. Average increase made in the salaries of employees other than the managerial personnel in the financial year was 4.4%.

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

Note:

a) The Non-Executive Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Members. The remuneration of Non-Executive 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 Non-Executive 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 FY 2023-24.

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

[1]Mr. Sanjiv Mehta ceased to be an Executive Director of the Company with effect from close of business hours on 26th June, 2023

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 24th April, 2024

Particulars of Loans, Guarantees or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Companies Act, 2013, during the FY 2023-24 are given below:

Amount outstanding as at 31st March, 2024

(₹ crores)

Particulars	Amount
Loans given	302
Guarantee given	-
Investments made	5,493

Loan, Guarantee and Investments made during the FY 2023-24

Name of Entity	Relation	Amount (₹ crores)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilised
Lakme Lever Private Limited	Subsidiary	18	Loan	Business purpose
Unilever India Exports Limited	Subsidiary	385	Loan	Business purpose
Unilever India Limited	Subsidiary	28	Loan	Business purpose
Transition Sustainable Energy Services One Private Limited[1]	-	0	Investments	Business purpose
Mutual Funds+T-bills[2]	-	1,699	Investments	Cash Management

[1] Investment in 22,330 equity shares of ₹10 each

[2] For details refer to Note 6 of Notes to the financial statements

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 24th April, 2024

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 (HUL / the Company). We seek to deliver long-term sustainable growth while driving change for People and the Planet. 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.

We will continue to focus our resources on accelerating progress against these priorities with short-term actions to deliver impact. At the same time, we will take long-term actions that will help protect the environment. Our plans are now fully integrated into our business strategy, which we believe will enable us to make progress on sustainability while also delivering better performance.

Our sustainability 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, waste management, regenerative agriculture, skill development, education, social advancement, gender equality, women empowerment and rural development.

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. Since 80% of water is used in agriculture, HUF's work focuses on helping rural communities, especially those that depend on agriculture for their core livelihood. 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 improve water security through a partnership approach involving the Government, communities, experts, and mission-based organisations.

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 3.2 trillion litres through improved supply and demand water management, over 2 million tonnes of additional agricultural and biomass production, and over 114 million person-days of employment due to project interventions[1]. To underscore the importance of the water potential created by HUF, 3.2 trillion litres of water can meet the drinking water needs of the total population of India for nearly 2 years.

Till now, HUF's programmes have reached more than 15,000 villages in 13 States and 2 Union Territories.

Across diverse river basins and hydrogeological zones, three core pillars define HUF's work with rural communities. The key highlights under HUF's three strategic pillars in 2023-24 are:

- **Know More (water numeracy):** The focus of this pillar is to build water numeracy to help quantify availability, budget and allocate water use. In Dhule district, Maharashtra, where rainfall is irregular and groundwater is overexploited, HUF supports the Sanjeevani Institute for Empowerment and Development (SIED) to engage the community in understanding and addressing

[1] Assured by an external independent firm

the groundwater situation. The programme aims to enhance irrigation access, promote self-measurement of water usage, and encourage the community to make informed decisions regarding water usage, farming practices, and crop selection through incentives and market-based interventions.

- **Save More (citizen-led scientific water conservation and governance efforts):** In 5 districts of Chhattisgarh, HUF, through its partner Transform Rural India Foundation (TRIF) is developing sustainable water security models by converging two flagship national programmes, the National Rural Employment Guarantee Scheme (NREGS) and National Rural Livelihoods Misson (NRLM). This integration, a first-ever, will deliver better water outcomes for communities through improved water infrastructure, extensive tree plantation for soil and water conservation and promotion of water-responsible crops and practices.
- **Use Less (behaviour change in water use):** In Banswara, Rajasthan, HUF's programme with Vaagdhara, reaches small and marginal tribal farmers. The programme enhances water accessibility by constructing water conservation structures through Gram Sabha involvement and advocating for water-efficient agricultural practices. Implemented by local community members, the programme aims to bring transformative change within tribal communities by focusing on water literacy, conservation, and reviving their traditional multi-cropping system.

During the year, HUF completed its first formal codification, led by Oxford Consulting, a firm with significant experience in developing toolkits and Do It Yourself (DIY) manuals on behaviour change and capability transition. A well-built and capable cadre of local resources will help handhold farmers through the behaviour change process.

ii. Suvidha – Community Hygiene Centres

Suvidha our urban water, hygiene and sanitation community centre, was first set up in Ghatkopar, Mumbai in 2016. The biggest Suvidha centre is in Dharavi, Mumbai and is one of the largest community toilet blocks in India. This year, the Company built 4 new Suvidha centres.

The Company has established 16 Suvidha centres in Mumbai in partnership with the Brihanmumbai Municipal Corporation, out of which 15 are in partnership with HSBC India. The centres are self-sustainable and provide people with access to clean water, sanitation and laundry facilities. The Company also announced a strategic partnership with JSW to build 10 more Suvidha centres.

- Over 4 lakh people have access to safe and dignified hygiene and sanitation services
- The centres cumulatively save over 130 million litres of water through water-saving technologies[2]
- There has been a ~50% reduction in the incidences of illnesses like gastrointestinal, diarrhoea, and Urinary Tract Infection (UTIs) in Suvidha users[3]
- Previously, there was a practice of limiting children's meal portions due to lack of access to toilets at night in the communities. Now, 100% of children consume full evening meals[3]
- 100% of Suvidha's Persons with Disabilities (PwDs) users attest to the inclusivity of the centres[3]
- The estimated return on investment for time saved by using Suvidha's services is ₹15 for every rupee invested in the centres[3]
- The locations in which Suvidha centres are situated, previously experienced water shortages due to the impacts of climate change. Now, 100% of Suvidha users avail purified and clean drinking water and other WASH (water, hygiene and sanitation) services at the centres at all times thereby building community resilience against climate change[3]

Suvidha's model has been recognised by the World Economic Forum (WEF) as an example of a 'Public-Private' collaboration that can improve the health of cities. A playbook which documents the model's best practices has also been developed.

The Company is implementing an extensive behaviour change programme around its Suvidha centres to encourage people to adopt 4 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. Through door-to-door interventions, the programme has reached over 7 lakh people across Mumbai.

iii. Project Shakti

Project Shakti aims to financially empower and provide livelihood opportunities to women in rural India.

The Company has always believed that:

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

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

[2] Calculations based on 16 Suvidha centres built till date

[3] As per the impact assessment conducted by Deloitte Touche Tohmatsu India LLP

Keeping this in mind, the Company launched the Shakti programme. Shakti Entrepreneurs are given training for familiarisation with the 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 business. Across 22 States, Project Shakti has over 2 lakh Shakti Entrepreneurs whom we call 'Shakti Ammas'. This programme has helped them 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 empowering Shakti Entrepreneurs with information on health and nutrition. Through this initiative, RSPs conduct sessions on nutrition awareness and enable Shakti Entrepreneurs to take the message further to beneficiaries in the villages. The initiative has achieved substantial progress reaching over 8 lakh households. These training sessions will help Shakti Entrepreneurs drive social change at a grassroot level 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 past decade, Prabhat has positively benefitted nearly 10 million lives across 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 7X[4].

The key pillars of Prabhat include:

Livelihoods

Through Prabhat's 18 livelihood centres, women and youth are trained in vocational skills and entrepreneurship development. In order to make them future-fit, training is provided in areas like data entry operator, Information Technology, electrical, plumbing, tailoring, beauty, mechanics and more. Inclusivity is built by involving Persons with Disabilities (PwDs), transgenders and other vulnerable communities. Nearly 1,30,000 people have been imparted skill development and training through Prabhat's livelihood centres and over 75,000 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. Farmers are organised into Self Help Groups (SHGs), Farmer Interest Groups (FIGs) or Farmer Producer Organisations (FPOs), so that their produce is linked to markets easily. Farmers are also provided with relevant skills to help them continue sustainable agricultural practices. More than 24,000 farmers have positively benefitted through Prabhat's farm-based value chain initiatives.

Health and nutrition

Aligning with the National Nutrition Mission, Prabhat's nutrition 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 five years. Using a life cycle approach, a cadre of outreach workers are trained to buddy rural women in their nutrition journey, thereby reducing anaemia and malnutrition. Nutrition buddies are trained on topics like diet diversity, supplements for pregnant mothers, feeding practices, the importance of hygiene, and the creation of nutri-gardens. The programme is live in 13 locations, benefitting nearly 26 lakh women and children.

Prabhat's Healthcare Service runs a mobile medical unit across villages. The mobile medical unit provides routine health check-ups with qualified doctors for on-site consultation and diagnosis, internet-enabled video conferencing for consultation with specialised doctors, free medicines, routine health check-ups, follow-up consultations and bi-monthly health camps. The programme is live in 3 locations and over 1,40,000 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. Village level door-to-door waste collection mechanisms are implemented to help households segregate wet and dry waste. Collected waste is then processed and recycled or upcycled into value-added products such as handwashing stations and benches. Wet waste collected is converted into biogas as a source of renewable energy for the community. Till now over 7 lakh kilograms of

[4] An impact assessment by EY showed a social return on investment (SROI) of ₹7.76 (for every ₹1 invested).

waste have been collected under Prabhat's waste management programme across 7 sites.

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. The programme focuses on ensuring water security and governance at a community level. Prabhat is working towards becoming Alliance for Water Stewardship (AWS) compliant.

v. Asha Daan

Asha Daan is a home for sick and destitute people in Mumbai. It is run by the Missionaries of Charities (MoC) which was founded by Mother Teresa. 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 around 350 inmates at Asha Daan.

Asha Daan's redevelopment work is underway. The home's superstructure has been completed with internal civil work in progress. The redevelopment is expected to be completed by the end of 2024. The Company has proposed to set up proper drainage and ventilation systems, a water treatment plant, a solar-based lighting system, a courtyard for inmates to walk and develop a play area for children.

vi. Health and Nutrition

Swasthya Ki Baat

The Company is driving an on-ground programme on diet diversity that focuses on spreading awareness about iron and protein deficiencies in mothers. A strategic intervention to include mother-in laws and spouses is integrated to create an enabling environment at home that can support the right nutrition practices. The programme has been successfully rolled out in 2 districts of West Bengal and Bihar and will improve the awareness and knowledge of over 3 lakh mothers.

The Company's partnership with 'Power of Nutrition', an independent charitable foundation and innovative platform, is scaling up the 'Swasthya Ki Baat' programme in rural Uttar Pradesh and Gujarat. With a mix of community and digital interventions, the partnership works with pregnant and new mothers to shape life-saving behaviours such as complementary feeding, breastfeeding, and knowledge on diet diversity to address both macro and micro nutrition at a household level. The programme has reached nearly 7 lakh mothers in the intervention states.

Swasthya Curriculum

The Company created the Swasthya Curriculum that teaches children in classes 1-5 the importance of adopting 4 key habits: eating nutrition-rich meals; washing hands with soap; 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, Madhya Pradesh and Uttar Pradesh. Previously, 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, 5 million children have been educated through the curriculum.

vii. Waste-Free World

The Company aims to build an integrated waste management ecosystem by connecting 3 critical levers essential to accelerate circularity:

Decentralised Waste Management Eco-System

The Company has set up sustainable end-to-end waste management projects enabling waste collection, segregation, processing, and recycling. The projects have been set up in partnership with the Brihanmumbai Municipal Corporation (BMC), State Bank of India, Aurangabad Municipal Corporation (AMC), United Nations Development Programme (UNDP) and Xynteo. UNDP and Xynteo are the Company's design, monitoring and evaluation partners. There are 7 operational Material Recovery Facilities (MRFs): 5 in Mumbai and 2 in Aurangabad, that collectively recycle over 5,000 metric tonnes of waste annually.

Driving Behaviour Change

The Company has designed a strategic behaviour change intervention to address the critical issue of waste segregation at source. 'Start A Little Good' is a door-to-door campaign which encourages citizens to segregate waste into dry, wet and hazardous categories. The programme enrolls college students as ambassadors of change to demonstrate how a simple act of segregation can create a big impact. Currently, the programme has reached over 2 lakh citizens in Mumbai and Aurangabad.

To instil the habits of segregation and recycling at a young age, the Company developed an interactive curriculum called 'Waste No More' in partnership with Xynteo. This is deployed in partnership with the state's Education Department by leveraging the government's e-learning platforms such as Diksha in Maharashtra, Rajasthan and Haryana.

Improving Lives of Waste Workers (Safai Saathis)

Through Project Utthaan, the Company aims to improve the lives of waste workers (Safai Saathis) by enabling their access to government social protection schemes covering food, health, safety, security and financial inclusion. Through partnerships, the Company has successfully linked over 5,000 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.

viii. 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 programme. In the last phase, training will begin as a part of the HUL scholarship, spanning 3 years.

This year, 6 players have been selected to represent the Senior State Women's Team, 7 players have been chosen for the State U-23 Team, and 15 players have been selected for the State U-19 Team. From this programme, 2 cricketers went on to play for the Women's Premier League (WPL) and 1 cricketer played for the National Team.

ix. SAFAL

Guided by the commitment to enhance livelihoods, the Company has initiated pilots on skilling, entrepreneurship and empowering Persons with Disabilities (PwDs). Encouraged by the promising results of the pilots, the programme was renamed as SAFAL (Skills Academy For Advancement of Livelihoods) and the partnership with National Institute of Entrepreneurship and Small Business Development (NIESBUD) was scaled up to cover 1 lakh youth through an Entrepreneurship Awareness Programme (EAP). The other partners include LabourNet which imparts youth skilling using UNICEF's YuWaah's Passport 2 Earning (P2E) programme, Sarthak Educational Trust and Cheshire Disability Trust.

Under the SAFAL programme, 2 new projects were introduced. The SAFAL Sales Pro Academy aims to create a pool of trained youth in frontline sales jobs. In the first year, 5,000 youth and women will be trained in frontline sales roles across Chennai, Hyderabad, and Mumbai. SAFAL's Retailer Strengthening Project will help strengthen the retail ecosystem by training young retailers on various government schemes which can help them expand their business. Every year, 20,000 youth will be trained and handheld to avail of formalisation and credit linkage services.

x. Regenerative Agriculture

HUL has partnered with the Tea Research Association (TRA) Tocklai, one of the oldest and largest tea research associations globally. The partnership aims to address the challenges posed by climate change in the tea industry and improve its resilience and sustainability by promoting regenerative agricultural practices. HUL along with TRA will conduct a detailed Lifecycle Analysis for Indian tea and work on strategies that can help reduce carbon impact across the value chain.

xi. The Centre for Sustainability Leadership

The Company has partnered with the Federation of Indian Chambers of Commerce and Industry (FICCI) to launch the Centre for Sustainability Leadership (CSL). The ambition of CSL is to help accelerate the Indian corporate sector's climate action by institutionalising sustainability leadership across FICCI members.

The centre focuses on decarbonisation, green entrepreneurship, and nature-based solutions. It is helping sustainability startups in India showcase their innovations and bring forward technological solutions to combat climate change. It aims to reach out to Small and Medium Enterprises (SMEs) and Micro Small & Medium Enterprises (MSMEs) with climate-tech courses and events to help ease the sustainability transition at an industry scale.

xii. 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.

xiii. Sanjeevani

The Company runs a free mobile medical service facility 'Sanjeevani' for the local community near its Doom Dooma factory in Assam. There are 2 mobile vans dedicated to the project. Each vehicle has a male and female doctor, a 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. Over 7,000 camps have been organised in villages so far. More than 3.8 lakh patients have been treated through these service camps since its inception.

xiv. Suprabhat Industrial Training Institute

The Company's Suprabhat Industrial Training Institute in Doom Dooma promotes vocational education to the economically backward communities of the area. It is equipped with a modern lab, smart classroom and competent teaching staff. The institute has curriculums that are approved by the National Council for Vocational Training for 4 trades - Fitter, Electrician, Welder, Computer Operator and Programming Assistant. LabourNet Livelihood Foundation (LLF) is the academic partner for the programmes. Over 150 students are studying at the institute.

SECTION B:

i. Climate Action and Sustainable Sourcing

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.

ii. Well-being and Nutrition Initiatives

The Company's 'Positive Nutrition' 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 offering products that carry positive nutrition. Foods that deliver positive nutrition are defined as products containing impactful amounts of vegetables, fruits, proteins, fibre, unsaturated fatty acids or micronutrients such as vitamins, zinc, iron and iodine. Globally, we are on a journey to make 85% of our portfolio meet Unilever's Science-based Nutrition Criteria (USNC) by 2028. These product-specific criteria set thresholds for nutrients to limit such as calories, sugar, sodium and saturated fat. We have made steady progress in India and by the end of 2023, 92% of India's Nutrition and Ice Cream (N&I) portfolio was USNC compliant.

We are committed to enhancing the delivery of positive nutrition through our portfolio. The Company launched Brooke Bond Red Label Sugar Free Care, a carefully crafted mix of tea and spices that offers the great taste of tea without adding any sugar to the cup. The sweetness is achieved by the right blend of spices and natural sweet note flavours used and has no artificial sweeteners. Our high science 'Plus' range in Horlicks, has product offerings for diabetes, women's bone health, pregnant and lactating mothers, and adult well-being. The year 2023 which was declared the International Year of Millets, brought millets to the forefront. The Company's Millet Chocolate Horlicks champions this. It is made with a unique blend of millets that are a great source of calcium, iron, protein and fibre critical for child growth.

In 2023, the Company continued its partnership with the Zilla Parishad of Pune and supported the district government's mid-day meal programme under which Horlicks' ready mix was added to take-home rations. These were served to over 1.4 lakh children (aged 3 to 6) across 4,600 anganwadi centres in the district.

iii. 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 2023, Lifebuoy collaborated with Imagimake, a toy design company, to launch the 'H for Handwashing' Games. Guided by Lifebuoy's behaviour change model these games are designed to engage and educate young Indian minds by blending the joy of play with the essential practice of hand hygiene. The initiative received significant endorsement from the state governments of Delhi, Punjab, and Haryana. The games are in government schools across these states, encouraging over 75,000 children to cultivate the habit of handwashing with soap and lead a healthier life.

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.

iv. Dove Self-Esteem Programme

Globally 8 out of 10 girls[5] opt out of key life activities when they do not feel good about the way they look. In India, 6 out of 10 girls[5] say they do not have high body esteem. Dove's mission is to ensure that, 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 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 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.

The partnership funding is being directed to UNICEF[6] 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 material, under the agreement with the Government of India. The programme has reached 7.2 million lives.

v. 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. In 2023, Glow & Lovely Careers partnered with TimesJobs, a top job provider in India to help women get access to job opportunities across various fields. 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 1.9 million users have registered under the programme till the end of 2023. Till now, the programme has facilitated over 5 lakh course enrollments and supported over 4.3 lakh users in accessing relevant career guidance.

vi. 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. 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.

vii. TRANSFORM

The Company's TRANSFORM programme is an impact accelerator that unites corporates, donors, investors and academics to support enterprises across Africa, Asia and beyond. It was established in 2015 and is led by Unilever, the UK's Foreign, Commonwealth and Development Office, and Ernst & Young (EY).

Combining grant funding, business insight and research, TRANSFORM tests and scales new solutions and innovative business models to help increase livelihoods, improve health, implement regenerative agriculture, and create new models for plastic recycling and refilling. Since its inception, TRANSFORM has supported over 100 projects in 17 countries.

In India, the programme has funded 16 enterprises that have positively impacted the lives of over 3 million people. TRANSFORM-funded enterprise

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

[6] UNICEF does not endorse any company, brand, product or service

Hasiru Dala Innovations works with waste workers to collect, segregate, and sell Fair Trade-guaranteed plastic waste. They have scaled their operations to become a Unilever supplier, providing their fair trade post-consumer recycled plastic for Sunsilk's Naturals bottles. The programme worked with Reach52, a healthcare enterprise, to expand its network of health entrepreneurs to rural areas in Karnataka where they have run education, awareness and referral campaigns for Horlicks and Lifebuoy.

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:

Sr. no	Name of the Members	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	O. P. Bhatt - Chairperson	Independent Director	2	2	2
2	Sanjiv Misra - Member	Independent Director	2	2	2
3	Kalpana Morparia - Member	Independent Director	2	2	2
4	Ranjay Gulati – Member@	Independent Director	2	1	0
5	Tarun Bajaj – Member*	Independent Director	2	-	-

@Mr. Ranjay Gulati was appointed as a Member of the Committee with effect from 21st July, 2023 and therefore he was eligible to attend only 1 meeting during the year.

*Mr. Tarun Bajaj was appointed as a Member of the Committee with effect from 2nd December, 2023.

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/

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 the below mentioned projects are available on the website at https://www.hul.co.in/investor-relations/corporate-social-responsibility/

- Project Suvidha
- Project Water Conservation
- Project Prabhat
- Waste Free World
- Swasthya Curriculum
- Swasthya ki Baat (Partnered by Power of Nutrition)
- Project Shakti
- Suprabhat ITI

A brief outline of the aforesaid Impact Assessment is given below: -

1. Project Water Conservation

Overview of the Project

HUF's mission is to make water security commonplace in India by catalysing and amplifying effective solutions to India's water challenges. This is achieved through partnerships with non-profit organisations sharing a common mission and collaboration with other co-funding and government agencies. HUF implements projects focusing on both groundwater and surface water management across the country's diverse regions, river basins, and hydrogeological zones.

Key Objectives

The Company engaged EY (Ernst & Young Associates LLP) to assess and review the impact on the indicators provided by its project implementing agencies for the FY 2022 - 23.

- To assess the creation and operational success of water conservation structures and community institutions geared towards water governance.
- To evaluate the impact of agricultural and water interventions on small, marginal, and women farmers.
- To quantify the additional employment and income generated from agricultural improvements and supply-side work.
- To measure the effectiveness of community institutions in fostering sustainable water and agricultural practices.
- To ensure the interventions align with the overarching goals of enhancing agricultural sustainability and water conservation in challenging environments.

Methodology used:

The comprehensive impact review was conducted based on a robust framework provided by **OECD DAC6**[1] criteria, focusing on relevance, effectiveness, efficiency, impact, and sustainability.

The approach involved extensive stakeholder engagement, encompassing field visits and virtual reviews. The stakeholder consultation covered interactions with panchayat members, user groups, government officials, and community cadres, alongside a thorough review of relevant documentation and reporting mechanisms.

The documents assessed included the Memorandum of Understanding (MoU) signed with HUF for the projects, water calculation sheets, farmers' lists, training records, and minutes of Focus Group Discussions (FGD), among others.

Outcome

- 22,771 Water Conservation Structures Created
- 9,589 Villages benefited from Water Conservation work and demand side management
- 3,01,861 Farmers benefited from agriculture interventions
- 31,631 Hectares of plantations completed
- ₹498.78 crores additional income generated from Agriculture & MGNREGS

2. Project Suvidha

Overview of the Project

Suvidha is a first-of-its-kind urban hygiene and sanitation community centre providing affordable access to clean toilets, purified drinking water, showers, and laundry services to over 4 lakh people residing in informal settlements in Mumbai. The Company has built 16 Suvidha centres as of today, through a public-private partnership with the Brihanmumbai Municipal Corporation, and HSBC India and has been joined by JSW Foundation in 2023 for future centres.

Key Objectives

Deloitte Touche Tohmatsu India LLP conducted an impact assessment for FY 2022-23 with the following objectives:

- To study the direct/indirect impact of the Suvidha Centres on the lives of the communities and beneficiaries who benefitted from the project.
- To analyse the strategic strengths of the project, model of implementation, and performance of the project through interaction with the implementation agencies and other stakeholders.

Methodology Used

The data for the impact assessment was collected by using customised data collection tools through document/reports review, and key stakeholder and beneficiary interactions. The primary data collection was conducted with 52 key stakeholders and 502 Suvidha users (through semi-structured sample surveys and focused group discussions).

Outcome

- ~50% claimed reduction in the incidences of illnesses like gastrointestinal, diarrhoea, UTIs, post-Suvidha intervention, as per the communities using the centres.
- Practice of limiting meals / portions due to lack of access to toilets at night entirely discarded with; 100% children now consume full evening meals.
- 100% Persons with Disabilities (PwDs) users attest to the inclusivity of Suvidha centres that enhance comfort and safety.
- The centres have also cumulatively saved over 40 million litres of water every year through water saving technologies.
- Suvidha geographies previously experienced water shortage due to issues that can be attributed to climate change. Now with the centres, 100% users avail purified and clean drinking water and other WASH services at Suvidha centres thereby building resilience in the community to fight climate change impact.
- The estimated return of investment basis time saved by using Suvidha services is ₹15 for every rupee invested in Suvidha centres.

3. Project Shakti

Overview of the Project

Launched in 2001, Project Shakti is an initiative by HUL which aims to empower underprivileged rural women by creating livelihood opportunities. Under this programme the Company has trained thousands of Shakti Entrepreneurs (SE) across villages to help them develop an entrepreneurial mindset and make them financially independent and more empowered.

Key Objectives

To assess the impact, Kantar Republic was engaged to conduct a comprehensive review of the impact indicators for the FY 2022-23

- Create economic impact for SE and her family.
- Making SEs socially empowered.
- Direct Benefit Transfer (DBT) of incentive amount in SEs' bank accounts.

Methodology Used

- Cross-sectional surveys with SEs.
- Qualitative discussions with family members and SEs.
- Quantitative surveys with SEs.

[1] OECD (The Organisation for Economic Co-operation and Development) DAC (Development Assistance Committee)

Outcome

- Over 95% SEs reported increased income.
- Improvements in social empowerment indicators were observed for 9 out of 10 and SEs can take independent financial decisions.
- Over 90% are able to purchase items they could not afford earlier.
- Over 95% are able to contribute to the decisions related to their children's education.
- Over 95% feel confident in dealing with people as Shakti.

4. Project Prabhat:

Overview of the Project

Prabhat, the sustainable community development initiative of HUL, started in 2013 to uplift and empower the communities around HUL's manufacturing sites in India. It contributes to a fairer, more socially and environmentally inclusive world while using HUL's scale for good. Over the past decade, Prabhat has positively impacted nearly 10 million lives in 21 States and 2 Union Territories.

Key Objectives

To assess the impact, EY (Ernst & Young Associates LLP) was engaged to conduct a comprehensive review of the impact indicators for the FY 2022-23.

- To assess the overall and thematic-wise impact of Prabhat in enhancing the lives of the communities around HUL's factory locations.
- To determine pillar-wise and overall Social Return on Investment (SROI) to measure and account for social, environmental, and economic value generated.
- To verify the achieved outcomes generated within each thematic to ensure effectiveness.
- To capture and document the impact stories to demonstrate Prabhat's impact on individuals and communities.
- To provide recommendations for further improvement in scaling up the Prabhat's initiatives.

Methodology Used

A three-phased methodology was deployed for the impact assessment study.

- Meticulous inspection of program-related documents to understand the stated interventions and compile the toolkits for the impact surveys.
- Deployment of the toolkits for field-based data collection with direct and indirect beneficiaries as well as on call / in-person discussions with other senior project stakeholders to understand their perspective and suggestions for their program.
- A comprehensive data analysis exercise was undertaken, followed by a detailed report highlighting the findings, conclusion and recommendations.

Outcome

- The livelihood centres achieved an impressive placement rate of 80% among our beneficiaries.
- Beneficiaries experienced a staggering 377% increase in their monthly income within just over a year of course completion.
- A substantial ₹70.8 crore new income was added to local economies annually.
- Post-intervention, 99% of beneficiaries experienced an improved understanding of nutrition.
- 97% of beneficiaries reported a decrease in out-of-pocket expenses while accessing primary healthcare services.
- 72,553 kilograms of waste collected and segregated.
- 1.46 billion litres of water conserved at one site.
- 390.75 tonnes of agricultural production generated at one site.

5. Swasthya ki Baat (Partnered by Power of Nutrition)

Overview of the Project

HUL is committed to ensuring universal access to diverse, nutritious food under the umbrella of Swasthya Ki Baat. One notable partnership to materialise our commitment is between The Power of Nutrition (TPoN) and HUL, implemented in partnership with state governments. Together, these alliances have devised an innovative model aimed at reducing undernutrition and enhancing hand hygiene of families by educating mothers of children under 5 across various states.

Key Objectives

To assess the impact, Brand Eigen was engaged to conduct a comprehensive review of the impact indicators for the FY 2022-23

To drive a transformation in the Knowledge and Attitudes thereby impacting everyday Practice related to nutrition and hygiene among mothers of children under 5, focusing on two primary target groups:

- New Mothers: includes women who are currently pregnant or have a child under two years of age.
- General Mothers: women with children above two years but below six years of age.

Methodology Used

- A quantitative module, with in-depth qualitative discussions to understand the impact that the project has been able to drive on-ground.
- A test/control methodology with a sample size of 400 new and general mothers each to identify uplifts in knowledge/attitudes/practice in the key areas of Nutrition and Hand Hygiene.
- In-depth discussions further enable us to understand the reasons behind the observed shifts.

Outcome

Driving Behaviour Change by impacting practices in Uttar Pradesh and Gujarat

- Improved dietary practices amongst mothers in Uttar Pradesh
  - A 21% reported rise in the inclusion of thick dal in diets of new mothers
  - 12% reported increase in inclusion of iron-rich vegetables in diets of general mothers
- Improved Micronutrient Sufficiency: Reported 34% rise in the inclusion of mashed vegetables in infants' diets in Uttar Pradesh and 12% reported increase in Gujarat.
- Timely Initiation of Complementary Feeding: There has been a 15% improvement reported in adhering to the right age of initiating complementary feeding in Gujarat.
- Promoting Hand Hygiene: A 13% increase in handwashing with soap before feeding a child in Uttar Pradesh.

6. Swasthya Curriculum

Overview of the Project

In line with the Government's Swachh Bharat Abhiyaan and Poshan Abhiyaan, the Company created the Swasthya Curriculum to promote good health and hygiene practices. Implemented in partnership with state governments, the curriculum educates children in classes 1-5 the importance of adopting the following key habits over a 24-day period.

Crafted by experts in children's education, this curriculum not only makes learning enjoyable but also integrates a habit tracker to actively monitor and encourage the widespread adoption of healthy habits. Till date, the Swasthya curriculum has been rolled out in over 50,000 Government schools in Bihar, Gujarat, Madhya Pradesh, and Uttar Pradesh and has educated over 5 million students since 2018.

Key Objectives

Axis My India conducted an Impact Assessment for the FY 2022-23 with the following objectives:

- Assessing the impact of the Curriculum on students in classes 3rd, 4th and 5th of Government schools, with a focus on knowledge and attitudes around the four thematic areas.
- To solicit directional feedback from teachers gauging their perspective on the curriculum's effectiveness, implementation, student engagement, and comprehension, and potential areas for improvement.

Methodology Used

The assessment was conducted using a test and control methodology to determine the impact of the intervention on Government school children from classes 3rd, 4th and 5th in Madhya Pradesh and Gujarat. The data for the impact assessment was collected using surveys and semi structured interviews. 600 students and 16 teachers from 32 schools across 8 Districts of 2 States participated in the study.

Outcome

- ~17% increase reported in children now adhering to all the four healthy habits of washing hands with soap; eating nutrition-rich meals drinking safe water; and using clean toilets.
- 25% rise reported in usage of toilets for defecation instead of defecating in the open.
- With a 50% rise, children now accurately identify all crucial moments for washing hands with soap.
- 32% more children now grasp the critical significance of using and maintaining a clean toilet.
- 21% more children demonstrated a heightened awareness of the benefits of consuming healthy foods.
- With a 12% rise, children are now more adept at identifying safe drinking water sources.
- 100% teachers noted a significant increase in student engagement with Swasthya Curriculum in comparison with the typical coursework.
- 88% teachers attested that the curriculum is easy to understand and resonates with the primary school children.

7. Waste Free World

Overview of the Project

Following the Company's ESG Goals and in line with the vision of a waste-free world, the Company has spearheaded 3 interventions focusing on plastic circularity. Implemented in partnership with state governments, United Nations Development Programme (UNDP) and Xynteo, these include:

- Decentralised Material Recovery Facilities (MRFs) to create accessible infrastructure for dry waste management at a ward level.
- Driving Behaviour Change by encouraging citizens to segregate waste at home, while concurrently implementing a digital curriculum to educate students on waste segregation and recycling.
- Linking sanitation workers with government social protection schemes, thereby fostering their social inclusion.

Key Objectives

Samhita Social Ventures conducted an Impact Assessment for the FY 2022-23 with the aim to assess the following:

- The environmental impact, financial viability, scalability, and replicability of the decentralised MRFs in Mumbai and Aurangabad by assessing the total plastic and dry waste processed.
- The effectiveness of behavioural change campaign in driving awareness and urgency to act for waste segregation.
- The impact of Utthaan in enabling access to Government social security schemes for Safai Saathis, thereby enhancing their social inclusion.

Methodology Used

The assessment was conducted using a qualitative research design including primary research methods such as Key Informant Interviews, Focus Group Discussions, and Observations, as well as secondary research.

Outcome

- The MRFs have processed 4,477 metric tonnes of dry waste with 2,417 metric tonnes of plastics being segregated and processed responsibly in Mumbai and Aurangabad.
- 3,300 Safai Saathis have gotten access to Government documents and social protection schemes covering food, health, safety, security, and financial inclusion.
- 16,907 households were reached in Mumbai through the behaviour change campaign.
- The 'Waste No More' curriculum digitally reached 100,000 students to educate them on source segregation and recycling importance.

8. Suprabhat Industrial Training Institute

Overview of the Project

Suprabhat Industrial Training Institute (ITI) in Doom Dooma, Assam, promotes vocational education for economically backward communities and is equipped with modern lab, smart classroom and competent teaching staff. The institute prioritises employability, and the curriculum is structured to bridge the gap between theoretical knowledge and practical application.

Key Objectives

EY (Ernst & Young Associates LLP) was engaged to assess and review the impact for the FY 2022 – 23.

- Offer quality vocational education opportunities to youth from all sections of the society.
- Work with industry partners to bridge skill-gap and increase employability of students.
- Empower students to contribute positively to the society and economy.

Methodology Used

- Quantitative Surveys conducted with 36 beneficiaries selected through random sampling.
- Qualitative Interviews conducted with beneficiaries.

Outcome

- 60% respondents were employed post the intervention, as compared only 5% of the respondents were employed prior to the intervention.
- Respondents rated their confidence as 3.9 on average before the intervention and 4.3 on average after the intervention highlighting a positive impact on personality development.
- Increase of average income per month post the intervention.

5)

Sr. No.	Particulars	Amount (₹ in crores)
a.	Average net profit of the Company as per section 135(5)	11,531.08
b.	Two percent of average net profit of the Company as per Section 135(5)	230.62
c.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
d.	Amount required to be set off for the financial year, if any	Nil
e.	Total CSR obligation for the financial year (5b+5c-5d)	230.62

6)

Sr. No.	Particulars	Amount (₹ in crores)
a.	Amount Spent on CSR Projects – Including actual spent (₹204.52 crores) and amount transferred to unspent CSR account for ongoing projects (₹17.60 crores) (both Ongoing Project and other than Ongoing Project):	222.12
b.	Amount spent in Administrative Overheads	10.50
c.	Amount spent on Impact Assessment, if applicable	1.11
d.	Total amount spent for the financial year (6a + 6b + 6c)	233.73

Note: Amount of ₹216.13 crores was spent during the FY 2023-24 and amount of ₹17.60 crores was transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6).

The total CSR spend during the FY 2023-24 amounts to ₹233.73 crores which includes the amount transferred to unspent CSR account for the ongoing projects.

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

Total Amount Spent for the FY (in crores.)	Amount Unspent (₹ in crores)				
	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
216.13	17.60	3rd April, 2024		NIL	

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

Sr. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	230.62
(ii)	Total amount spent for the Financial Year	233.73
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3.11
(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)]	Refer Note

Note: Amount of ₹216.13 crores was spent during the FY 2023-24 and amount of ₹17.60 crores was transferred to the unspent CSR Account for the ongoing projects, as per Section 135(6).

The total CSR spend during the FY 2023-24 amounts to ₹233.73 crores against an obligation of ₹230.62 crores. Hence, there is an excess spend of ₹3.11 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)
Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2022-23	7,00,00,000	-	7,00,00,000	N.A.		-	-
2	FY 2021-22	28,14,87,646	10,286	28,14,77,360	N.A.		-	-
3	FY 2020-21	-	-	-	-		-	-

Note – ₹10,286/-, the balance unspent amount for the FY 2021-22 has been spent during the FY 2022-23

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)

Rohit Jawa
Chief Executive Officer
and Managing Director
(DIN: 10063590)

Mumbai, 24th April, 2024

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Our Online Business Responsibility and Sustainability Report - FY 2023-24

Dear Stakeholders,

I am pleased to share our Business Responsibility and Sustainability Report (BRSR) for the FY 2023-24. The Report aims to inform you of our sustainability performance. Our purpose is 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 business strategy charts a clear pathway for us to embed sustainability into our multi-stakeholder model. We have set forth a series of multi-year, time-bound commitments focused on vital areas such as driving climate action, protecting and regenerating nature, waste-free world, positive nutrition, health and well-being, 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 well-being, and contribute to a fairer, more socially inclusive world.

We believe that corporates will need to play an important role and partner in the nation's growth by integrating environmental and societal actions into the very fabric of their business. In fact, the job to be done for India Inc. today – goes far beyond business growth. We must protect the planet, the people – in our value chain and the communities in which we operate.

At HUL, we have made significant progress against 'HUL ESG Goals'. In our manufacturing operations, we have reduced our CO_2 emissions by 98% (per tonne of production), water usage by 47% (cubic metre per tonne of production) and total waste generated from our factories by 58% (per tonne of production) in FY 2023-24 compared to 2008 baseline. We are committed to Sustainable sourcing of our key crops; in this fiscal, 94% of our paper and board in packaging, 81% of our tomatoes and 79% of tea came from sustainable sources.

We are continuously trying to ensure that the growth of the business does not adversely affect the environment. In our journey towards net zero, we recently announced our collaboration with key chemical companies to pilot the production of near-zero emissions synthetic soda ash – a key ingredient in laundry powder. We also asked some of our key supply partners to pledge to work with us on emissions reduction by joining our global Supplier Climate Programme. Through the programme, we will provide tailored support aligned with industry standards, help upskill them, and develop their emissions reduction plans, to measure and share footprint data for the raw materials we buy.

We have been taking steps to address the problem of plastics as well. As a packaged goods company, we are cognisant of the significant role plastic plays in our business. But simultaneously, we realise the environmental damage it can cause. We are committed to using more recycled plastic. We aim to bring plastics into the circular economy, allowing plastic packaging to be recycled and reused.

Rohit Jawa

Chief Executive Officer and Managing Director

Securing the future of water is a crucial aspect of fighting climate change. At HUL, we are determined to play our part. Through the Hindustan Unilever Foundation's 'Water for Public Good' programme, we continue to build water conservation potential and enhance water-dependent livelihoods along with our partners. Since 2010, we have created a cumulative water conservation potential of over 3.2 trillion litres.

We have also been working towards creating a positive social impact, not just on the environment. Project Shakti, launched at the dawn of the new millennium with the vision of empowering women in rural areas, has been a resounding success. Project Prabhat, a comprehensive community development programme focused on improving the lives and livelihoods of people living in and around HUL factories, has, to date, positively impacted the lives of nearly 10 million people.

We realise that sustainability is a continuous journey, and we all are responsible for ensuring that our growth is sustainable and inclusive. I look forward to everyone's support in this journey to make a meaningful difference.

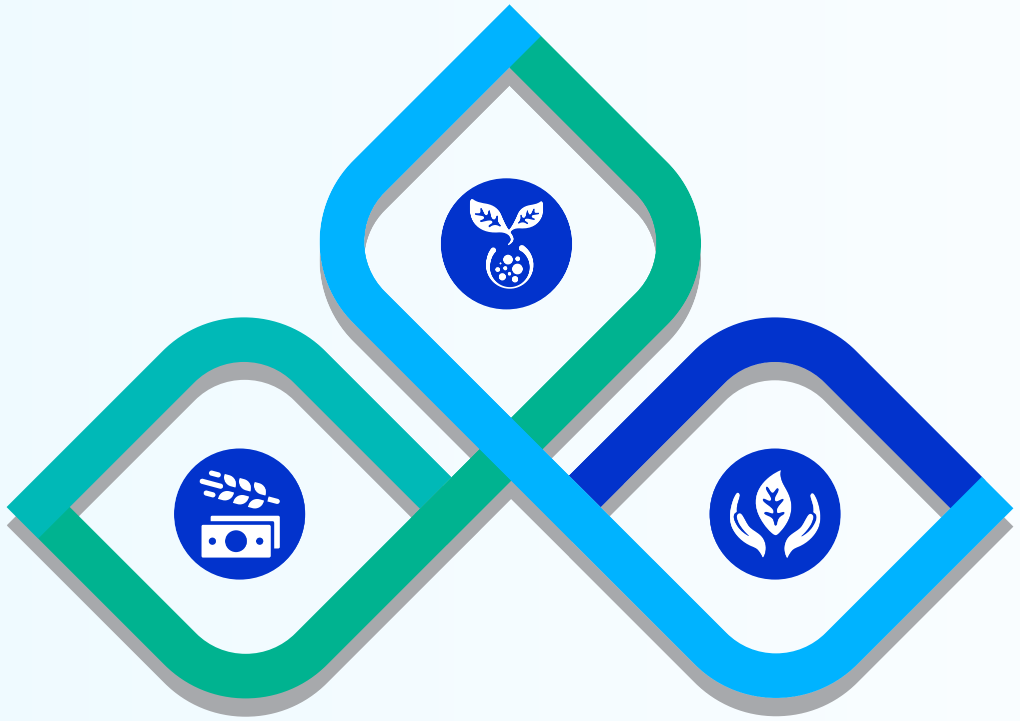
Executive Summary

At Hindustan Unilever Limited (HUL), our Business Responsibility & Sustainability Report adheres to the nine principles of the SEBI framework on sustainability reporting, informing stakeholders of our sustainability endeavors. HUL is dedicated to sustainable growth by providing products that meet consumer needs while minimising environmental impact.

Our ESG Committee, constituted in 2022, oversees ESG strategy and performance, ensuring alignment with the company's purpose and progress towards 'HUL ESG Goals.' Our approach to sustainability is evolving to accelerate progress on three key priorities: Improve the health of the planet; Improve people's health, confidence and well-being; and Contribute to a fairer, more socially inclusive world.

ALIGNED TO OUR SUSTAINABILITY GOALS HUL DEMONSTRATES ITS KEY ESG FOCUS AREAS

Improve the health of the planet



Contribute to a fairer, more socially inclusive world

Improve people's health, confidence and well-being

Contents

Independent Practitioners' Reasonable and Limited Assurance Report

To the Board of Directors of Hindustan Unilever Limited

Assurance Report on select sustainability disclosures in the Annual Report prepared in accordance with the Business Responsibility and Sustainability Reporting (BRSR) framework (together called 'Identified Sustainability Information' (ISI)) of Hindustan Unilever Limited and its wholly owned subsidiaries (together called as 'HUL Group' or 'the 'Company') for the period from 1st April, 2023 to 31st March, 2024 .

Opinion

We have performed an assurance engagement on the Identified Sustainability Information (ISI) as detailed in the table below:

Identified Sustainability Information subject to assurance	Period subject to assurance	Level of assurance	Reporting criteria
BRSR Core (Refer to Appendix A)	From 1st April, 2023 to 31st March, 2024	Reasonable assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI • World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standard) (Revised)
Select sustainability disclosures in the BRSR Report (which are not part of the BRSR Core) (refer Appendix B)	From 1st April, 2023 to 31st March, 2024	Limited Assurance	• Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) • Guidance note for BRSR format issued by SEBI

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, environmental and social professionals.

For the purposes of the remainder of our assurance report:

- 'Information subject to Reasonable Assurance' refers to the Identified Sustainability Information identified above that was subject to reasonable assurance;
- 'Information subject to Limited Assurance' refers to the Identified Sustainability Information identified above that was subject to limited assurance;
- 'Assured Sustainability Information' refers to all Identified Sustainability Information subject to assurance (both reasonable assurance and limited assurance); and
- 'Applicable Criteria' refers to the reporting criteria relevant to the information subject to assurance as identified above.

Reasonable assurance opinion

In our opinion, the HUL Group's Identified Sustainability Information in the Business Responsibility and Sustainability Reporting for the period 1st April, 2023 to 31st March, 2024, subject to reasonable assurance is prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards) (Revised).

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the HUL Group's Identified Sustainability Information in the Business Responsibility and Sustainability Reporting section (which are not part of the BRSR Core) relating to disclosures in the BRSR Report for the period from 1st April, 2023 to 31st March, 2024, subject to limited assurance is not prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR).

Basis for opinion and conclusion

We conducted our engagement in accordance with Standard on Sustainability Assurance Engagements (SSAE) 3000, 'Assurance Engagements on Sustainability Information' and SAE 3410 'Assurance Engagements on Greenhouse Gas Statements' issued by the Sustainability Reporting Standards Board of the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those standards are further described in the 'Our responsibilities' section of our report.

We are required to comply with the independence and other ethical requirements of the Code of Ethics issued by the ICAI.

Our firm applies 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' issued by the ICAI. This standard requires the firm to maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Other information

Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the ISI and assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance on BRSR Core attributes and limited assurance conclusion on the select BRSR attributes does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our assurance on the ISI, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the ISI, or our knowledge obtained in the assurance, 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.

Other matter

The reporting boundary of the ISI in the BRSR attached herewith is based on the sustainability information for entities considered for preparation of consolidated financial statements, other than two partly owned subsidiaries and a joint venture. In our opinion and according to the information and explanations given to us by the Management, the sustainability information relating to these entities is not qualitatively and quantitatively material for the BRSR.

Select BRSR attributes of the Company for the year ended 31st March, 2023 were assured by the previous assurance practitioner who had expressed an unmodified conclusion on 27th April, 2023.

Our opinion is not modified in respect of these matters.

Intended use or purpose

The ISI and our reasonable and limited assurance report are intended for users who have reasonable knowledge of the BRSR attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Responsibilities for the Assured Sustainability Information

The management of the Company are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Assured Sustainability Information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Assured Sustainability Information and appropriately referring to or describing the criteria; and
- preparing the Assured Sustainability Information in accordance with the Applicable Criteria.

Those charged with governance are responsible for overseeing the reporting process for the Company's Assured Sustainability Information.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the HUL Group other than those mentioned in the 'Scope of Assurance';
- Aspects of the BRSR attributes and the data/information (qualitative or quantitative) other than the ISI;
- Data and information outside the defined reporting period i.e., 1st April, 2023 to 31st March, 2024; and
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the HUL Group.

Inherent limitations

The preparation of the HUL Group's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amount and metrics.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain reasonable/limited assurance about whether the Assured Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent reasonable assurance opinion and limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our reasonable assurance opinion and limited assurance conclusion to the Board of Directors of HUL.

Summary of the work we performed as the basis for our opinion/conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion.

Reasonable assurance opinion

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the information subject to reasonable assurance and the engagement

Independent Practitioners' Reasonable and Limited Assurance Report (Contd.)

circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the suitability of the criteria used by the entity in preparing the reasonable assurance information;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the entity; and
- evaluated the overall presentation of the information subject to reasonable assurance.

Limited assurance conclusion

Our procedures selected depended on our understanding of the information subject to limited assurance and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we:

- assessed the suitability of the criteria used by the entity in preparing the information subject to limited assurance;
- interviewed senior management and relevant staff at corporate and selected locations concerning policies for environmental, social and occupational health and safety, and the implementation of these across the business;
- through inquiries, obtained an understanding of HUL Group's control environment, processes and information systems relevant to the preparation of the information subject to limited assurance, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- made inquiries of relevant staff at corporate and selected locations responsible for the preparation of the information subject to limited assurance;
- undertook site visits at 7 plants of HUL Group and Corporate office; we selected these sites based on the relative size of the GHG emissions, water footprint, energy footprint of these locations to the total and unexpected fluctuations in the information subject to limited assurance since the prior period;
- inspected, at each site visited, a limited number of items to or from supporting records, as appropriate;
- applied analytical procedures, as appropriate;
- recalculated the information subject to limited assurance based on the criteria; and
- evaluated the overall presentation of the information subject to limited assurance to determine whether it is consistent with the criteria and in line with our overall knowledge of, and experience with, the entity's occupational health and safety.

The procedures performed when obtaining limited assurance vary in nature and timing from, and are less in extent than for, reasonable assurance. Consequently, the level of assurance obtained over the information subject to limited assurance is substantially lower than the assurance that would have been obtained had the information been subject to reasonable assurance.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No.: 105149
ICAI UDIN: 24105149BKEXCV6221

Appendix A – BRSR Core attributes - Reasonable assurance for FY 2023-24

Sr. No.	BRSR Core Indicator	Description of Indicator
1.	Section C – Principle 1 – E8	Number of days of accounts payable
2.	Section C – Principle 1 – E9	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
3.	Section C – Principle 3 – E1(c)	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company
4.	Section C – Principle 3 – E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities
5.	Section C – Principle 5 – E3(b)	Gross wages paid to females as % of wages paid
6.	Section C – Principle 5 – E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld
7.	Section C – Principle 6 – E1	Details of total energy consumption (in Joules or multiples) and its intensity
8.	Section C – Principle 6 – E3	Total volume of water withdrawal by source in Kilolitres and its intensity
9.	Section C – Principle 6 – E4	Water discharge by destination and level of treatment (in kilolitres)
10.	Section C – Principle 6 – E7	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity
11.	Section C – Principle 6 – E9	Details related to waste generated by category, waste recovered through recycling, re-using or other recovery operations, waste disposed by nature of disposal method and its intensity
12.	Section C – Principle 8 – E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/small producers and from within India
13.	Section C – Principle 8 – E5	Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
14.	Section C – Principle 9 – E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events

Appendix B – BRSR attributes (not part of BRSR Core) - Limited assurance for FY 2023-24

Sr. No.	BRSR Indicator reference ('E' indicates Essential Indicator & 'L' indicates Leadership Indicator)	Description of Indicator
1.	Section A – 20a	Employees and workers (including differently abled)
2.	Section A – 20b	Differently abled Employees and workers
3.	Section A – 21	Participation/Inclusion/Representation of women in BoD/ KMP
4.	Section A – 22	Turnover rate for permanent employees and workers
5.	Section A – 25	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)	Percentage of inputs were sourced sustainably (For Calendar Year 2023)
10.	Section C - Principle 2 – L3	Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)
11.	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
12.	Section C – Principle 2 – L5	Reclaimed products and their packaging materials (as percentage of products sold) for each product category
13.	Section C – Principle 3 – E1	Details of measures for the well-being of employees and workers
14.	Section C – Principle 3 – E2	Details of retirement benefits, for Current Financial Year (excluding amounts deducted and deposited with the authority)
15.	Section C – Principle 3 – E5	Return to work and Retention rates of permanent employees and workers that took parental leave
16.	Section C – Principle 3 – E7	Membership of employees and worker in association(s) or Unions recognised by the listed entity
17.	Section C – Principle 3 – E8	Details of training given to employees and workers
18.	Section C – Principle 3 – E9	Details of performance and career development reviews of employees and workers
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 (median remuneration)
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 – E10	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 – E6	Details of air emissions (other than GHG emissions) by the entity
28.	Section C – Principle 6 – L1	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)
29.	Section C – Principle 8 – E2	Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity
30.	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, Others
31.	Section C – Principle 9 – E4	Details of instances of product recalls on account of safety issues

Section A: GENERAL DISCLOSURES

We are a Company of brands and people driven by our purpose of making sustainable living commonplace. Our business strategy integrates sustainability across business operations, enabling us to deliver consistent competitive performance and create long term value for our stakeholders. 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.

8,655
Employees[1]

100
Differently abled Employees and Workers

19,109
Workers[1]

1,300+
Women on Shopfloor

[1]Includes permanent and other than permanent

"We have always believed in 'Doing well by Doing good'. We aim to deliver competitive performance by being the leader in sustainable business through our purpose-led and future-fit business model."

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–400099
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, 2023 to 31st March, 2024
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 2790/32516/32754 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-23. (a) for list of wholly-owned subsidiaries)
14.	Name of assurance provider	M/s B S R & Co. LLP, Chartered Accountants
15.	Type of assurance obtained	Reasonable assurance on BRSR Core parameters and Limited assurance on other parameters. Refer to the Independent Practitioners' Reasonable and Limited Assurance Report for the list of identified sustainability indicators covered under the assurance.

Reporting boundary is consolidated basis covering wholly owned subsidiaries

II PRODUCTS/SERVICES

II-16. 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, and packaged foods	100.0%

II-17. 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	36.5%
2.	Home Care	20233 Detergents 27501 Water purifiers 28195 Air purifiers 20239 Surface and bathroom cleaners	35.7%
3.	Foods and Refreshment	10791 Tea 10792 Coffee 10750 Packaged foods (including frozen desserts) 10794 Malt-based foods	25.0%

III OPERATIONS

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	28	10	38
International	-	-	-

III-19. Markets served by the entity:

a. Number of locations

Location	Number
National	28 states and 8 union territories
International	58 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?

Exports contribute to 2.9% of our total turnover. We aim to expand global presence of our brands, such as Vaseline, Dove, Pears, Bru, Red Label, Lakmē, 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 Indian households use one or more of our brands. Our brands are present in over 9 million retail outlets spread across the country through a network of 3,500+ distributors, the backbone of our retail reach. We also help our retail partners to grow sustainably. The longstanding relationships with our customers are based on trust and mutual understanding. 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 has always been to ensure that our brands are readily available wherever consumers shop.

IV EMPLOYEES

IV-20. Details as of the end of the financial year:

a. Employees and workers (including differently abled):

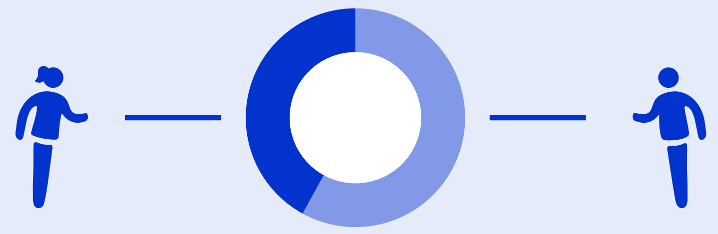
We are committed to drive equity, diversity, and inclusion across our workforce. As of March 2024, we have achieved 42% gender diversity across our managerial base. Through several programmes, such as 'Samavesh' and 'Ahilya', we strive to enhance women's representation in our factories and salesforce. We have over 1,300 women as shopfloor employees across our manufacturing locations and have onboarded over 1,400 women in sales.

We are committed to include persons with disabilities (PwDs) in our employment ecosystem and workforce. Our experiential learning programme 'Saksham' helps in hiring Persons with Disabilities. We allow voluntary self-disclosure and reasonable accommodation policy to enable employees to disclose their disability and avail support discreetly. Refer to our page for more details on https://www.hul.co.in/planet-and-society/equity-diversity-and-inclusion/.

No.	Particulars	Total (A)	Male Nos. (B)	Male % (B/A)	Female Nos. (C)	Female % (C/A)
Employees						
1.	Permanent (D)	8,245	5,945	72.1%	2,300	27.9%*
2.	Other than permanent (E)	410	234	57.1%	176	42.9%
3.	**Total employees (D + E)**	**8,655**	**6,179**	**71.4%**	**2,476**	**28.6%**
Workers						
4.	Permanent (F)	11,182	10,524	94.1%	658	5.9%
5.	Other than permanent (G)	7,927	7,266	91.7%	661	8.3%
6.	**Total workers (F + G)**	**19,109**	**17,790**	**93.1%**	**1,319**	**6.9%**

*As of March 2024, we have achieved a gender diversity of 42% at our managerial base.

42%
gender diversity across our managerial base



IV-20. Details as of the end of the financial year:

b. Differently abled employees and workers:

No.	Particulars	Total (A)	Male Nos. (B)	Male % (B/A)	Female Nos. (C)	Female % (C/A)
Differently abled employees						
1.	Permanent (D)	19	15	78.9%	4	21.1%
2.	Other than permanent (E)	1	-	-	1	100%
3.	**Total differently abled employees (D + E)**	**20**	**15**	**75.0%**	**5**	**25.0%**
Differently abled workers						
4.	Permanent (F)	78	71	91.0%	7	9.0%
5.	Other than permanent (G)	2	2	100.0%	-	-
6.	**Total differently abled workers (F + G)**	**80**	**73**	**91.2%**	**7**	**8.8%**

IV-21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors (BoD)	12	3	25.0%
Key Management Personnel (KMP)*	3	-	-

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 and Corporate Affairs & Company Secretary are on our Board of Directors

IV-22. Turnover rate for permanent employees and workers

HUL, often referred to as the 'leadership factory', is known to attract and develop the best talent in the industry. Recognised as one of the best companies to work for, we continue to be the 'No. 1 Employer of Choice' across sectors, based on a brand perception study by InsideIIM at target B-Schools in 2023 and 'One of the Best Organisations for Women in 2023' by Economic Times.

'No. 1 Employer of Choice'
across sectors, based on a brand perception study by InsideIIM at target B-Schools in 2023

'One of the Best Organisations for Women in 2023'
by Economic Times

	FY 2023-24 Turnover rate (%)			FY 2022-23 Turnover rate (%)			FY 2021-22 Turnover rate (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	15.9%	21.6%	**17.4%***	17.7%	25.3%	**19.6%**	17.3%	21.9%	**18.3%**
Permanent workers	6.0%	13.1%	**6.3%@**	7.9%	11.1%	**8.0%**	3.7%	2.0%	**3.7%**

Turnover rate includes voluntary and involuntary attrition

* Voluntary: 13.1%; Involuntary: 4.3%

@ Voluntary: 4.1%; Involuntary: 2.2%

V HOLDING, SUBSIDIARY, AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

V-23. (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.	Lakme Lever Private Limited	Wholly-owned subsidiary	100.0%	Yes
10.	Daverashola Estates Private Limited	Wholly-owned subsidiary	100.0%	Yes
11.	Levers Associated Trust Limited	Wholly-owned subsidiary	100.0%	Yes
12.	Levindra Trust Limited	Wholly-owned subsidiary	100.0%	Yes
13.	Hindlever Trust Limited	Wholly-owned subsidiary	100.0%	Yes
14.	Hindustan Unilever Foundation	Wholly-owned subsidiary	76.0%	Yes
15.	Unilever India Limited	Wholly-owned subsidiary	100.0%	Yes
16.	Unilever Nepal Limited	Subsidiary	80.0%	No
17.	Zywie Ventures Private Limited	Subsidiary	51.0%*	No
18.	Nutritionalab Private Limited	Joint Venture	19.8%*	No

* On a fully diluted basis

The National Company Law Tribunal, Mumbai Bench (Tribunal) vide its order dated 18th December, 2023, approved the voluntary liquidation of Bhavishya Alliance Child Nutrition Initiatives (BACNI) a not-for-profit subsidiary of the Company. BACNI was liquidated with effect from 27th December, 2023.

Further, vide its order dated 16th January, 2024, the Tribunal approved the Scheme for merger of Pond's Exports Limited and Jamnagar Properties Private Limited into Unilever India Exports Limited. The amalgamation was effective from 13th February, 2024.

VI CSR DETAILS

VI-24. (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 before it was made a regulation. We have a dedicated CSR Policy focused on People and Planet and lays down the approach towards community development in 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-24. (ii) Turnover: ₹60,469 crores

VI-24. (iii) Net worth: ₹50,973 crores

VII TRANSPARENCY AND DISCLOSURE COMPLIANCE

VII-25. 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 2023-24			FY 2022-23		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	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 do not 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/	242	-	-	186	6	-
Employees and workers	Yes https://app.convercent.com/en-us/LandingPage/99b958aa-55a1-e611-80d3-000d3ab1117e and manual registers at factories	89	21	-	79	12	-
Customers*	Yes https://www.hul.co.in/contact/	3,583	225	-	3,411	100	-
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.

VII-26. 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. 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. First, 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 our people, consumers, customers (retailers), suppliers and business partners, planet and society (citizens, NGOs, governments) and our employees. We use our sustainability materiality assessment to identify priority sustainability issues across our value chain so that we can report on the issues of most interest to our stakeholders. The following table 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 impending physical environment risks from the effects of climate change on our business, including extreme weather and water scarcity. Responsible business practices are critical to generating long-term value. As the world shifts to a low-carbon economy, the probable regulatory and transition market risks which could take centre stage include changing consumer preferences, increased product cost, and future government policy and regulation.	We are committed to taking steps to collectively and positively address 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 45% over 2008 baseline. At the same time, we have increased our renewable energy footprint by installing additional solar plants at our factory and office locations.	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 utilised via 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 are transforming our packaging and calling for action to create a circular economy for waste. - **Collection and recovery:** Extended Producer Responsibility (EPR) is applicable to HUL and we are fully compliant with the prevailing EPR rules and regulations. Our EPR credit purchase plan is fully aligned with the EPR guidelines and the plan submitted to the Central Pollution Control Board (CPCB). W.e.f. FY 2023-24, we have registered on the CPCB online portal dedicated to EPR Credit exchange and ensure timely submissions of our plastic footprint and corresponding EPR credits purchased. We are driving end to end waste management programmes through tie-ups with various companies/NGOs driving collection, segregation, and processing including behaviour change among consumers. - **Design and development of alternative packaging:** We are working on innovative solutions for the accelerated development of alternative packaging and strengthen the associated Supply Chain capabilities in order to reduce the usage of virgin plastic. We will also continue to maximise the usage of recyclable plastic in packaging. - **Advocacy:** Our advocacy efforts in the area of plastic waste management have been ongoing for the last several years. Recently, there have been various amendments to the Plastic Waste Management Rules and the Central Pollution Control Board has also been active in creating a central portal for compliances. We are an active member of industry forums that engage with Government on any advocacy as and when required.	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 virgin plastic used, use of recycled plastic and alternative packaging considering the evolving regulatory landscape.

Section A: GENERAL DISCLOSURES

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)
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 interrupt our production schedules, affecting our operations and at the same time impact the 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 also impact the business adversely.	We have taken steps to reduce and conserve water across our manufacturing operations. We have delivered a 47% reduction in water usage (cubic metre per tonne of production) in our own manufacturing operations in FY 2023-24 as compared to the 2008 baseline. We could achieve this by focusing 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 the Hindustan Unilever Foundation (HUF) in 2010, a wholly-owned subsidiary, to create capacity to conserve water. HUF focuses on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods by adopting judicious water practices. So far, HUF along with its partners, has created a cumulative and collective water potential of over 3.2 trillion litres* since its inception over the last decade. To underscore the importance of the water potential created by HUF, 3.2 trillion litres of water is more than the quantity required to meet the drinking water needs of India's population for nearly two years.	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 (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, reduce our environmental impact, and make a positive difference to the lives of millions of people in supply chains around the world.	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.
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, distributors and other third parties, who work with us. Processes for identifying and resolving breaches of CoBP 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 operations.	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.	Respect for human rights is a key priority for us. Our aim is to advance and promote respect for human rights in everything we do – the workplace, through our supply chain, distribution chain and through brands. With our suppliers, peers, industry bodies, trade unions and civil society, we are working to address 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.	We continue to progress on our Diversity, Equity and Inclusion journey. Diversity, Equity and Inclusion have been core elements of our culture and values. 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 ensure 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.	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.

* Assured by an external independent firm.

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 ESG Goals' form a part of the Integrated Annual Report.

Section B: MANAGEMENT AND PROCESS DISCLOSURES

Our multi-year environment, social, and governance commitments help us win with our brands as a force for good powered by purpose and innovation. Through our robust governance framework, we strive to achieve our ESG objectives, spearhead transformative change, and contribute positively to society and the environment. We are committed to using our scale and reach for good by conducting business practices that are responsible, transparent, and sustainable.

ESG Committee
at Board level

83%
Independent Directors on ESG Committee

CoBP
aligning with UNGC principles and ILO guidelines

ESG Policy
approved by the Board

"Our history embodies a narrative of growth fuelled by innovative ideas and enduring values. Our processes and policies exemplify resilience through strategic foresight, decisive decision-making, and a steadfast dedication to sustainable business practices, ensuring our long-term success."

Srinandan Sundaram
Executive Director, Foods and Refreshment

POLICY AND MANAGEMENT PROCESSES

National Guidelines on Responsible Business Conduct Principles

PRINCIPLE 1
Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

PRINCIPLE 2
Businesses should provide goods and services in a manner that is sustainable and safe.

PRINCIPLE 3
Businesses should respect and promote the well-being of all employees, including those in their value chains.

PRINCIPLE 4
Businesses should respect the interests of and be responsive to all its stakeholders.

PRINCIPLE 5
Businesses should respect and promote human rights.

PRINCIPLE 6
Businesses should respect and make efforts to protect and restore the environment.

PRINCIPLE 7
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8
Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9
Businesses should engage with and provide value to their consumers in a responsible manner.

Section B: MANAGEMENT AND PROCESS DISCLOSURES

Management and Process Disclosures	P1 Ethics & integrity	P2 Sustainable products	P3 Employee well being	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 National Guidelines on Responsible Business Conduct ('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	The policies can be accessed via the link https://www.hul.co.in/investor-relations/corporate-governance/ and some internal policies 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, TrustTea, Forest Stewardship Council, Roundtable on Sustainable Palm Oil, 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, which serve as our strategy to deliver consistent competitive performance and create long term value for our stakeholders. We have set an ambitious sustainability agenda to tackle the issues that our consumers and stakeholders care deeply about, such as climate action; protect and regenerate nature; waste-free world; positive nutrition; health and well-being; equity, diversity, and inclusion; raise living standards; and future of work. The 'HUL ESG Goals' form a part of the Integrated Annual Report.								
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 ESG Goals' and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of our sustainability goals. The leadership team reports the progress to the Chief Executive Officer & Managing Director, and Management Committee quarterly. Our ESG Committee, chaired by an Independent Director and comprising of 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 about ESG, ensuring that they remain effective. For details, refer to the ESG highlights section of the Integrated Annual Report.								

* The other policies relevant to the respective NGRBC Principles are listed below:

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

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Dear Stakeholders,

I am pleased to share our Business Responsibility and Sustainability Report (BRSR) for the FY 2023-24. The Report aims to inform you of our sustainability performance. Our purpose is 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 business strategy charts a clear pathway for us to embed sustainability into our multi-stakeholder model. We have set forth a series of multi-year, time-bound commitments focused on vital areas such as driving climate action, protecting and regenerating nature, waste-free world, positive nutrition, health and well-being, 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 well-being, and contribute to a fairer, more socially inclusive world.

We believe that corporates will need to play an important role and partner in the nation's growth by integrating environmental and societal actions into the very fabric of their business. In fact, the job to be done for India Inc. today – goes far beyond business growth. We must protect the planet, the people – in our value chain and the communities in which we operate.

At HUL, we have made significant progress against 'HUL ESG Goals'. In our manufacturing operations, we have reduced our CO_2 emissions by 98% (per tonne of production), water usage by 47% (cubic metre per tonne of production) and total waste generated from our factories by 58% (per tonne of production) in FY 2023-24 compared to 2008 baseline. We are committed to Sustainable sourcing of our key crops; in this fiscal, 94% of our paper and board in packaging, 81% of our tomatoes and 79% of tea came from sustainable sources.

We are continuously trying to ensure that the growth of the business does not adversely affect the environment. In our journey towards net zero, we recently announced our collaboration with key chemical companies to pilot the production of near-zero emissions synthetic soda ash – a key ingredient in laundry powder. We also asked some of our key supply partners to pledge to work with us on emissions reduction by joining our global Supplier Climate Programme. Through the programme, we will provide tailored support aligned with industry standards, help upskill them, and develop their emissions reduction plans, to measure and share footprint data for the raw materials we buy.

We have been taking steps to address the problem of plastics as well. As a packaged goods company, we are cognisant of the significant role plastic plays in our business. But simultaneously, we realise the environmental damage it can cause. We are committed to using more recycled plastic. We aim to bring plastics into the circular economy, allowing plastic packaging to be recycled and reused.

Securing the future of water is a crucial aspect of fighting climate change. At HUL, we are determined to play our part. Through the Hindustan Unilever Foundation's 'Water for Public Good' programme, we continue to build water conservation potential and enhance water-dependent livelihoods along with our partners. Since 2010, we have created a cumulative water conservation potential of over 3.2 trillion litres*.

We have also been working towards creating a positive social impact, not just on the environment. Project Shakti, launched at the dawn of the new millennium with the vision of empowering women in rural areas, has been a resounding success. Project Prabhat, a comprehensive community development programme focused on improving the lives and livelihoods of people living in and around HUL factories, has, to date, positively impacted the lives of nearly 10 million people.

We realise that sustainability is a continuous journey, and we all are responsible for ensuring that our growth is sustainable and inclusive. I look forward to everyone's support in this journey to make a meaningful difference.

Rohit Jawa

Chief Executive Officer and Managing Director

*Assured by an external independent firm.

Section B: MANAGEMENT AND PROCESS DISCLOSURES

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)

Our Chief Executive Office & Managing Director is responsible for the implementation and oversight of our 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 of sustainability-related matters. The ESG committee of the Board comprises six directors (five 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.	Leo Puri	01764813	Independent Director	Member
5.	Neelam Dhawan	00871445	Independent Director	Member
6.	Rohit Jawa	10063590	Executive Director	Member

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 by an 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 the 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 DISCLOSURE

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

We want to create an environment where employees not only live our values of integrity, respect, responsibility and pioneering, but are vigilant in identifying potential concerns and confident about speaking up in such situations.

We have a pivotal role in embedding an enduring business integrity culture across all our operations. Our Business Integrity framework ensures that the way we do business is fully aligned with our values and applicable laws and regulations in the countries where we operate. The framework consists of simple 'Musts' and 'Must Nots' designed to be readily applied by employees in their day-to-day work. We are committed to eradicating any practices or behaviours not in line with our Code Policies through our zero-tolerance approach to such practices.

Nil
Bribery/corruption charges against our BoD/KMPs/employees/workers by law enforcement agency

Nil
Corruption/conflicts of interest complaints against the Director/KMPs

Nil
Material fines/penalties/punishments as per regulation 30 of SEBI LODR

99.2%
Value chain partners covered by the awareness programmes

"Each of us at HUL is governed by our Code of Business Principles, which serves as a manual to help us put our values into practice. It ensures that our business operations are conducted with honesty, integrity, and openness and with respect for the human rights and interests of our employees."

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 ESG Goals, National Guidelines on Responsible Business Conduct (NGRBC) principles, Building Talent and Capabilities, Customer Development, Consumer and Market Insights, Research & Development, Code of Business Principles (CoBP), and Policy Advocacy	100.0%
Key Managerial Personnel	6		100.0%
Employees other than BoD and KMPs##	1@	Introduction to Sustainability, HUL ESG Goals, Climate Change, Human Rights, Health and Safety, and Skill Upgradation	92.2%
Workers##	1@		94.4%

Above table represents HUL's Board of Directors and Key Managerial Personnel.

@During the year, we rolled out a comprehensive training module to drive awareness among our employees and workers on the above topics, as represented in the table. In addition to this, we undertook various thematic training programmes across the organisation during the year.

##Employees and workers include both permanent and other than permanent/contractual (including part time).

100%
BoD and KMP covered by ESG awareness programme

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 2023-24, 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, one of the five pillars of our code policy focuses on countering corruption. Under this pillar, various policies address bribery, money laundering, gifts and hospitality, conflicts of interest, and more. All these policies can be referred at https://www.hul.co.in/planet-and-society/responsible-business/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 are responsible for protecting 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 the 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 2023-24, there were no charges of bribery/corruption by any law enforcement agency against our Directors/KMPs/employees/workers.

Category	FY 2023-24	FY 2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

EI-6. Details of complaints with regard to conflict of interest:

During FY 2023-24, there were no complaints concerning conflicts of interest against the Directors and KMPs.

Category	FY 2023-24	Remarks	FY 2022-23	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.

EI-8. Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	85 days	80 days

EI-9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	22.8%	23.0%
	b. Number of trading houses where purchases are made from	296	246
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	51.9%	59.6%
Concentration of sales	a. Sales to dealers/distributors as % of total sales	69.6%	71.0%
	b. Number of dealers/distributors to whom sales are made	4,394	4,455
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	4.9%	5.0%
Share of RPTs* in	a. Purchases (Purchases with related parties/Total purchases)	6.2%	3.4%
	b. Sales (Sales to related parties/Total sales)	1.0%	1.0%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	69.2%	66.0%
	d. Investments (Investments in related parties/Total investments made)	17.9%	25.9%

*Related party transactions are as per the standalone financial statements of HUL.

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 guides 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 independent verification, including third-party audits for designated high-risk countries and supplier types.

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.	One programme (total of 5,301 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	99.2%

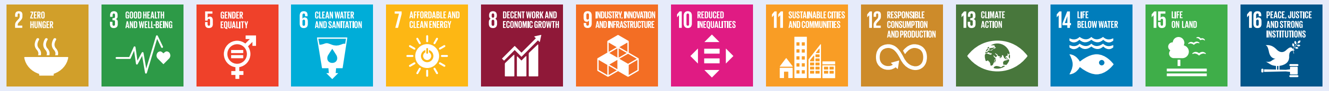
LI-2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, we have adopted the 'Code of Conduct' for the Board of Directors, which sets clear guidelines for avoiding and disclosing actual or potential conflicts 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/.

5,301
Vendors trained through Digital medium

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE



When the planet thrives, so do we. The only way to grow our business is to help address the climate crisis by protecting and restoring our natural environment. We envision a world where forests are safeguarded, agricultural systems are rejuvenated, water systems are preserved, and smallholder farmers are empowered. At Hindustan Unilever, we aim to build a planet-positive future through our supply chain and beyond by regenerating the land, forests, and water systems we depend on.

9.5%
R&D Investments in technologies to improve the environmental and social impacts of product and processes

25%
Capex Investments in technologies to improve the environmental and social impacts of product and processes

4.4%
Recycled plastic procured as a % of total plastic footprint in finished goods sold

48.1%
Key crops sustainably sourced

"As pioneers in the Indian FMCG industry, we are dedicated to embracing safe, superior, and low/net zero-carbon technologies. These technologies are integral in our efforts to design, manufacture, procure and supply goods and services to our constantly evolving consumer base, while delighting them with sensorials and benefits, and actively addressing environmental challenges."

Vibhav Sanzgiri
Executive Director, Research and Development

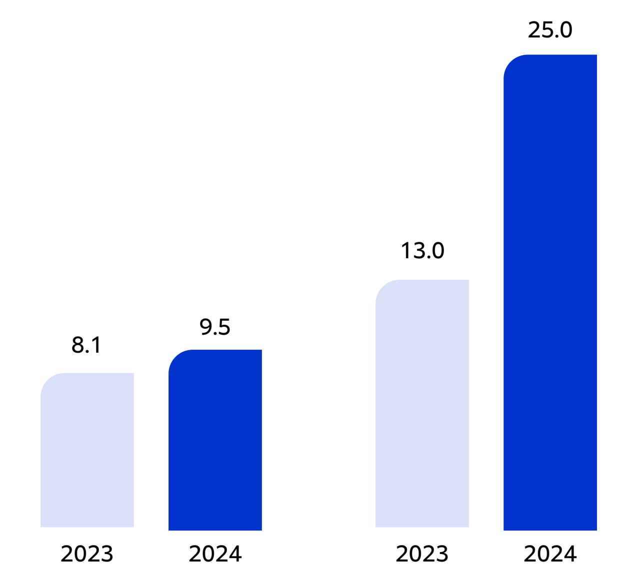
ESSENTIAL INDICATORS

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 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	9.5%*	8.1%*	During the year, we have undertaken research and development on various sustainability projects like Deforestation Free Palm, replacing non-recyclable plastics with recyclable plastics and GHG reduction through eco-design projects. Apart from these projects, we work towards water conservation, energy conservation, social responsibility under the PwD, employee well-being, and waste management.
CAPEX	25.0%	13.0%	During the year, we have undertaken capital expenditure on various sustainability projects like setting up machinery to replace palm fatty acids with starch, heat pump for hot water application, magnetic chiller for chiller application, enhancement of solar plant & windmill footprint, water conservation & harvesting, and occupational health & safety improvement programmes.

*In addition to this, we benefit from the extensive R&D work undertaken by the 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.

R&D investment (%) **CAPEX investment** (%)



Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

EI-2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, our Responsible Partner Policy (RPP) outlines mandatory supplier requirements for ethical and sustainable business practices. It reflects our commitment to responsible, transparent, and sustainable operations, central to our core sustainable business strategy. In addition to RPP, The Unilever Sustainable Agriculture Code (SAC) and the Unilever Regenerative Agriculture Principles (RAPs) also provide the basis for our sustainable sourcing programme. The Unilever Sustainable Agriculture Code (SAC) presents best practices for farming, utilised by hundreds of thousands of farmers since 2010 for sustainable operations and Unilever Regenerative Agriculture Principles guide soil nourishment, carbon capture, and land restoration. These principles inspire our business, brands, suppliers, and peers, forming the foundation for regenerative programmes in our supply chain.

In our revised Sustainable Sourcing programme, we concentrate on 12 key crops and agricultural commodities, prioritising their significance to our business and brands.

We believe that certification is one of the vital 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/partner), the Indian tea industry collaboration on sustainability.

The RPP and Sustainable Agriculture Code and Regenerative Agriculture Principles (RAPs) 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/ respectively.

Founding member of Trustea

EI-2. b. If yes, what percentage of inputs were sourced sustainably?

48.1%* of key crops were sourced sustainably.

These crops include tea, palm oil, paper and board, cereal, sugar, dairy, cocoa, coconut oil, soy, starches, and vegetables & herbs, comprising more than two-third of our agricultural raw material volumes. Through focused programmes, we have achieved sustainable sourcing for 94% of our total paper and board, 81% of our total tomatoes and 79% of our total tea procured during the calendar year 2023.

81%
Sustainable sourcing of tomatoes

* This indicator is for Calendar Year 2023 which consists of percentage of inputs sourced sustainably for 12 key crops.

79%
Sustainable sourcing of tea

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 a comprehensive standard operating procedure (SOP) for safely handling and disposing of expired/damaged stocks returned from the market and depots. These goods are either safely disposed of or recycled or reused.

b) **Plastic waste as part of Extended Producer Responsibility (EPR):** We follow the new national EPR Framework notified by CPCB that has become operational since April 2023 wherein an EPR wallet credit system has been created by CPCB. We undertake EPR credit purchases based on our plastic footprint / consumption and fully meet the EPR obligation.

94%
Sustainable sourcing of paper and board

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, Extended Producer Responsibility (EPR) is applicable to HUL, and we comply with the prevailing EPR rules and regulations. Our waste collection plan aligns with the EPR guidelines and the plan submitted to the Central Pollution Control Board (CPCB). W.e.f. FY 2023-24, we have been registered on the CPCB online portal dedicated to EPR Credit exchange and ensure timely submissions of our plastic footprint and corresponding EPR credits purchased.

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?

Life Cycle Assessments (LCA) on our products are conducted by our Parent Company i.e. Unilever plc, either internally with in-house LCA experts or with the help of external partners and in compliance with ISO 14040. Unilever applies internationally accepted impact assessment methods, such as the harmonised life cycle impact assessment method (ReCiPe) and the European International Reference Life Cycle Data System (ILCD 2011) midpoint methods for studying the environmental impacts of a product – from the sourcing of raw materials to product manufacture, distribution, consumer use and safe disposal.

Unilever 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 to achieve Net Zero emissions for all our products from sourcing to point of sale. A key area of focus was the raw material footprint (Scope 3 emissions – purchased goods), which is 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).

Unilever is co-funding a second LCA on sustainable palm oil and the World Foods Life Cycle Database Initiative. Unilever is a sponsor of the United Nations Environment Programme (UNEP) Life Cycle Initiative (LCI), which aims to support the application of LCA for policymaking and decision-making.

Name of Product/Service	All major brands across Home Care, Beauty and Personal Care, Foods 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 conducted a detailed analysis to identify inherent ESG risks for our business, considering issues significant to our stakeholders. And the key risks identified, inter alia, are climate change, water management, packaging and waste, and sustainable sourcing. Our Life Cycle Assessments have highlighted Scope 3 emissions as a notable factor in our overall emissions footprint.

Raw material sourcing and production represents a significant contribution to the total life cycle impact of our products. The GHG emissions from the production of our key forest-risk commodities (i.e. palm oil, paper and board, tea, soy and cocoa) arise from land use change (e.g. deforestation), agricultural practices and downstream processing and hence our focus is on using non-deforestation materials – including in the case of palm, for example, NDP (No deforestation, no use of peat land).

In our Home Care business, we are committed to reducing our virgin fossil-based ingredients in our formulations by using renewable and recycled carbon sources. We are working closely with our strategic suppliers and bringing pathbreaking innovations through our Small and Medium Enterprises ecosystem. For example, we partnered with Tuticorin Alkali Chemicals and Fertilisers Limited (TFL) and Carbon Clean Solutions Limited (CCSL) who have developed cutting-edge technologies to capture the CO_2 from the use of energy in their production processes and turn it into a type of soda ash which is significantly low in its GHG impact compared to normally produced soda ash/Sodium Carbonate. Soda ash is a key ingredient in our detergent products like Rin, Wheel, Surf and Vim.

We are working on creating industry consent on 'Biomass to Chemicals' and 'CCU' as two major focus areas along with already emphasised 'sustainable energy' for decarbonising the chemical industry. In August 2023, we hosted the 'Clean Future Summit' in our effort to mobilise our partners and take collective action towards net zero emissions.

Clean Future Summit
to mobilise our partners and take collection action towards net zero emissions

Sustainable palm

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. Our R&D is committed to and has developed novel and proprietary technologies to manufacture soap bars that meet the desired functionality, while reducing the palm footprint significantly, and helping address climate change through lowering greenhouse gas emissions and the carbon footprint of our products. Further, from a consumer point of view, these products allow for better affordability and sensory properties, which are desired by consumers. Today, soap bar manufacturers mainly use palm oil 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-sequestration, 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 the displacement and disruption of human & animal populations and exploitation of indigenous populations due to palm oil cultivation. In 2024, Unilever will target to both move to 100% NDP (No deforestation, no peat land use) Palm and also reduce the palm oil usage in its soap bars thereby affording a significant sustainability and positive consumer impact.

Water

With regard to the use of water in the life cycle of our products, the consumer use phase represents the majority of our product's water footprint (i.e., detergent products). Our product innovations include 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 handwashing process, thereby reducing the 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 were one of the first companies to achieve Plastic neutrality in 2021 collecting and responsibly processing more plastic than we used in packaging the products. We are also committed to fulfilling our EPR obligation as per Government regulations. 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.), have moved into 100% technically recyclable plastic for our sachets and soap bars, and have eliminated plastic from all our soap cartons. Currently, we use 80% PCR in blister domes used in Pepsodent toothbrush, 50% PCR in shrink film for bundling, 50% PCR in Axe talc & Rexona men roll-on and likewise majority of PCR in many of our categories.

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/).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Plastic packaging	4.4%*	2.9%*

*% 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:

Product	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely disposed	Re-used	Recycled	Safely disposed
Plastics (including packaging) (MT)*	-	-	88,294**	-	-	1,12,802**
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste – Expired and damaged products (MT)	1,909	539	6,352	-	207	9,288

* Since April 2023, EPR for Plastics is carried out by purchase of EPR credits from Plastic Waste Processors (PWPs) via portal maintained by Central Pollution Control Board (CPCB), in line with applicable guidelines. HUL is not collecting any branded plastic waste directly. On-ground plastic waste collection & disposal is carried out by PWPs authorised & monitored by CPCB/ State Pollution Control Board (SPCB).

** A part of the safely disposed plastic is also recycled, however, due to practical difficulties in traceability of such recycled plastics, the 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	72.2% of total plastic packaging material*

* In addition to the significant 88,294 tons of actual credit receipts highlighted in LI-4, constituting 72.2% of our total plastic packaging material, we proactively sought additional EPR credits during Jan-Mar'24 to meet the EPR commitment of buying credits equal to 100% of plastics used in our products. Despite encountering a temporary system glitch on CPCB's EPR portal, we maintained our commitment to environmental responsibility by placing orders for these credits. The purchase orders for these additional credits have been extended, and we anticipate securing the corresponding credits once the portal is fully operational, ensuring seamless compliance with our EPR obligations.

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

At HUL, we help our employees be the best version of themselves by empowering them to enjoy a healthy, safe, high-quality work-life balance. We know that when people are healthy and living their life's purpose, they can contribute more – whether that's towards their families, work, or society. We continue to create a positive workplace environment to support people's physical, mental, social, and emotional well-being and help them fulfil their purposes.

94.4%
Workers covered under training programme

82.7%
Value chain partners assessed on health and safety and working conditions

100%
Plants and offices assessed on health and safety and working conditions

82.9%
Permanent workers associated with the union

"We celebrate the diversity of people and value individuals for who they are and what they bring. Alongside safety at work, supporting the holistic well-being of our teams and covering physical, mental, and emotional health will always be our priorities."

Anuradha Razdan
Executive Director, Human Resources

ESSENTIAL INDICATORS

EI-1. a. Provide details of measures for the well-being of employees.

Category	% of employees covered by										
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
	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	5,945	5,945	100%	5,945	100%	NA	NA	5,682	95.6%	5,541	93.2%
Female	2,300	2,300	100%	2,300	100%	2,300	100%	NA	NA	1,812	78.8%
Total	**8,245**	**8,245**	**100%**	**8,245**	**100%**	**2,300**	**100%**	**5,682**	**95.6%**	**7,353**	**89.1%**
Other than permanent employees											
Male	234	207	88.5%	206	88.0%	NA	NA	209	89.3%	7	3.0%
Female	176	159	90.3%	158	89.8%	176	100%	NA	NA	7	4.0%
Total	**410**	**366**	**89.3%**	**364**	**88.8%**	**176**	**100%**	**209**	**89.3%**	**14**	**3.4%**

EI-1. b. Details of measures for the well-being of workers

Category	% of workers covered by										
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
	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	10,524	10,524	100%	10,524	100%	NA	NA	10,524	100%	10,499	99.8%
Female	658	658	100%	658	100%	658	100%	NA	NA	658	100%
Total	**11,182**	**11,182**	**100%**	**11,182**	**100%**	**658**	**100%**	**10,524**	**100%**	**11,157**	**99.8%****
Other than permanent workers											
Male	7,266	7,266	100%	7,266	100%	NA	NA	-	0.0%	7,254	99.8%
Female	661	661	100%	661	100%	661	100%	NA	NA	654	98.9%
Total	**7,927**	**7,927**	**100%***	**7,927**	**100%**	**661**	**100%**	**-**	**0.0%**	**7,908**	**99.8%****

* Health insurance coverage as per Employees State Insurance (ESI) for other than Permanent Worker is 100% in all locations where ESI is applicable as per statutory requirements. Of the 28 operating factories under the scope of reporting, 7 factories are in locations where there is no ESI coverage.

** One of our site i.e. Tatapuram has less than 50 workers which does not meet the minimum threshold for running a day care centre. This is also in line with the requirements of Section 11A of Maternity Benefit (Amendment) Act, 2017.

EI-1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Parameter	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company*	0.2%	0.2%

* Following costs are considered: Health and accident insurance premium, maternity and paternity leave cost, day care cost and staff welfare expenses relating to well-being.

EI-2. Details of retirement benefits, for current and previous financial years

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
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%	1.2%	Yes	1.9%	0.9%	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 disabled-accessible infrastructure. In our various factories and offices, we have installed:

- Ramps
- Lowered reception desk for wheelchair access
- Elevator voice annunciator
- Evacuation chair
- Automated sliding doors to support mobility
- Tactile flooring and Braille signages
- Induction loop system
- All gender accessible toilets, fire alarm freshers and accessible guest rooms

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 bias and discrimination in our policies and practices, accelerate diverse representation in our workforce, and remove barriers for people with disabilities.

Equal Employment Opportunity Policy

promoting Equity and Dignity at work

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 legally adopting a child. We also extend this benefit to same-sex partners, where the partner who is a primary caregiver is eligible for paid leave and benefits as applicable for maternity, and the secondary caregiver is eligible for paid leave and benefits as applicable for paternity.

Gender	Permanent employees (FY 2023-24)		Permanent workers (FY 2023-24)	
	Return-to-work rate	Retention rate	Return-to-work rate	Retention rate
Male	100.0%	91.2%	100%	98.8%
Female	95.0%	82.4%	100%	89.5%
Total	**98.2%**	**89.1%**	**100%**	**97.9%**

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	Details of the mechanism in brief
Permanent workers	Yes	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 website (https://www.hul.co.in/investor-relations/corporate-governance/), a dedicated hotline (000 800 100 7096), and an e-mail ID (cobp.hul@unilever.com) for raising code* and non-code related breaches.
Other than permanent workers	Yes	
Permanent employees	Yes	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 website (https://www.hul.co.in/investor-relations/corporate-governance/), a dedicated hotline (000 800 100 7096), and an e-mail ID (cobp.hul@unilever.com) for raising code and non-code related breaches.
Other than permanent employees	Yes	

* The Code of Business Principles (CoBP) can be referred to on: https://www.hul.co.in/files/8da5bc9c-f79a-4c6c-b1cd-b1fae8acfb9a/db2d2fdb318d8603c25ebe4e018a3b87e904a3b8.pdf

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 freedom of association also ensures fair compensation and that long-term settlements cover all the factories and offices.

Category	FY 2023-24			FY 2022-23		
	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	**8,245**	**-**	**0.0%**	**7,719**	**-**	**0.0%**
- Male	5,945	-	0.0%	5,700	-	0.0%
- Female	2,300	-	0.0%	2,019	-	0.0%
Total permanent workers	**11,182**	**9,272**	**82.9%**	**11,251**	**9,546**	**84.8%**
- Male	10,524	8,947	85.0%	10,900	9,330	85.5%
- Female	658	325	49.4%	351	216	61.5%

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.

Category	FY 2023-24					FY 2022-23				
		On health and safety measures		On skill upgradation			On health and safety measures		On skill upgradation	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	6,179	5,762	93.3%	5,762	93.3%	5,890	5,410	91.9%	5,410	91.9%
Female	2,476	2,222	89.7%	2,222	89.7%	2,140	1,779	83.1%	1,779	83.1%
Total	**8,655**	**7,984**	**92.2%**	**7,984**	**92.2%**	**8,030**	**7,189**	**89.5%**	**7,189**	**89.5%**
Workers										
Male	17,790	16,935	95.2%	16,935	95.2%	19,206	18,491	96.3%	18,491	96.3%
Female	1,319	1,094	82.9%	1,094	82.9%	901	842	93.4%	842	93.4%
Total	**19,109**	**18,029**	**94.4%**	**18,029**	**94.4%**	**20,107**	**19,333**	**96.1%**	**19,333**	**96.1%**

92.2%
Employees covered under training

26,000+
People trained

EI-9. Details of performance and career development reviews of employees and workers

We are a performance-driven organisation with a robust Performance Management System. At the start of every performance year, based on business priorities, each unit/function crafts its flexible goals, which include business and development-related objectives. We assess the achievements against these goals at the end of the year with regular feedback throughout the year to ensure that people deliver their best. We provide our employees with versatile horizontal and vertical exposure to chart a course for developing leaders for the future. For factory workers, performance is evaluated annually through our in-house Performance Appraisal System. We assess workers based on their performance for their assigned jobs against set standards and ensure communication.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	5,945	5,670	95.4%	5,700	5,321	93.4%
Female	2,300	2,060	89.6%	2,019	1,721	85.2%
Total	**8,245**	**7,730**	**93.8%**	**7,719**	**7,042**	**91.2%**
Workers						
Male	10,524	10,522	99.9%	10,900	10,896	99.9%
Female	658	658	100.0%	351	351	100.0%
Total	**11,182**	**11,180**	**99.9%**	**11,251**	**11,247**	**99.9%**

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 2024 to March 2024 as they would 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?

We have established a robust health and safety management system for all employees and workers. Our occupational health and safety system 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 employees' and workers' occupational safety and health performance.

During FY 2023-24, our factory in Amli was awarded the 'FICCI Gold Award for Excellence in Safety Systems', while the Greentech Foundation recognised our factory in Doom Dooma for its 'Safety Excellence'.

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. We conduct a thorough risk assessment exercise for routine tasks and implement adequate controls to mitigate the identified risks. 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 the introduction of a 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 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. We take adequate measures to mitigate these hazards and communicate the same 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 on-site medical and healthcare services for common health conditions and emergency management. In addition, employees and workers can avail medical services from a chain of hospitals across the country through the insurance coverage extended by the organisation.

Nil
High consequence work-related injury or ill-health

EI-11. Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.13	-
	Workers	0.13	0.13
Total recordable work-related injuries	Employees	3	2
	Workers	21	19
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including in the contract workforce

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. We evaluate credible risks and take adequate steps to mitigate these risks. We conduct periodic training, capacity-building sessions, and regular mock drills at each unit. Safety induction is mandatory for all new employees and workers, including contractor workers, security, and staff.

Safety incidents are reported and investigated, and lessons learned are communicated widely within the organisation. We underpin this approach with continuous improvement objectives and periodic reviews through the Safety and Health Sub-Committees, each headed by a Management Committee Member, to ensure we achieve our targets. A robust audit mechanism is in place to verify compliance with internal standards and statutory requirements. A safety culture is promoted by undertaking behavioural interventions at all levels and disseminating the importance of safety as a personal value. We encourage positive safety behaviours and correct unsafe behaviours through established procedures.

We maintain a comprehensive emergency response plan and related facilities at all sites and train employees to respond accordingly. Our team, comprising over 150 experienced and well-trained medical professionals (including physicians and nursing staff), is committed to maintaining a safe and healthy working environment. For instance, all employees can benefit from periodic health evaluations for health issues, Health Promotion programmes, access to market-leading medical care, and 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 a 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)

Category	FY 2023-24			FY 2022-23		
	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	2	1	-	5	2	-

EI-14. Assessments for the year

We have a robust mechanism to assess all our premises' health, 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. In FY 2023-24, we strengthened the Safety & Health Policy. A safety campaign was launched in our manufacturing sites to emphasise safe behaviours while working on machines. Under our Road safety programme, we have set up driver management centres across manufacturing sites and depots. These centres provide training facilities, dedicated resting area, washrooms and drinking water facilities to truck drivers improving their health and sanitation and thereby ensuring safety. We have worked on disseminating and implementing learning from past incidents to curtail similar incidents in the future.

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 that 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 we undertake operations.

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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	-	-	-	-
Workers	-	-	-	-

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. The Rewards and Human Resources teams conduct financial well-being sessions periodically and extend support in outplacements for redundancy cases. Furthermore, with the 'Future Fit' model, we upskill our workforce to equip them with digital and non-digital skills, which helps hone their existing skillsets.

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 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 independent verification, including third-party audits which are performed for designated high-risk countries and supplier types.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working conditions	We conduct periodic risk assessments of our suppliers using country risk and commodity risk data from external third-party risk data providers. As of 31st March, 2024, **82.7%** of the suppliers (by value of business done) have undergone risk assessment and are compliant.

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.

During the reporting period, no significant risks/concerns were identified in the assessment of our suppliers. 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 cause of the issue and to develop a time-bound corrective action plan to resolve the failure effectively and promptly. By working 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 third-party audit companies and suppliers are responsible for continuously updating us with the audit outcome on a digital system. Audit companies are mandated to report the audit documentation and the outcome of the initial and follow-up audits, while suppliers are mandated to report corrective actions and progress against each non-conformance identified, both within certain specified timeframes.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Our ESG strategy intends to create value for our stakeholders. Central to our strategic approach is a commitment to understanding and responding to the ever-changing needs of all our stakeholders. We take steps to understand the needs and priorities of each stakeholder group through several mediums, including direct engagement or via delegated committees and forums. Through the underlying standards set in our Code of Business Principles (CoBP) and Code Policies, we are committed to transparency, honesty, integrity, and openness in all our engagements with various stakeholders.

6 categories
of Key stakeholders identified

>3.2 trillion litres
of cumulative & collective water potential created

~10 million
Beneficiaries in Prabhat

2 lakh+
Shakti Entrepreneurs

"Our multi-stakeholder model respects the interests of all stakeholders and is quick to respond to their different needs. We believe in creating long-term value by caring for all our stakeholders, comprising our consumers, customers, employees, shareholders, business partners, and above all, our planet and society."

Madhusudhan Rao
Executive Director, Beauty and Personal Care

ESSENTIAL INDICATORS

EI-1. Describe the processes for identifying key stakeholder groups of the entity.

The essence of our strategy and business model revolves around prioritising our stakeholders. Keeping abreast of their changing needs enables us to make well-informed and strategic decisions. Hence, we have established a robust process for identifying stakeholders and engaging with them to strengthen our partnerships. The six key stakeholder groups critical to our success are consumers, customers (including retailers), suppliers & business partners, planet & society (including citizens, NGOs, governments), shareholders and employees. We conduct regular stakeholder reviews to assess and address the business's evolving interests, concerns, and expectations. Details of such reviews can be found in the stakeholder engagement section of the Report.

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 (e-mail, 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, e-mail, 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.	Suppliers and business partners	No	Phone, e-mail, Convercent helpline, supplier meeting, audit, survey, and evaluation	Ongoing	New business opportunities, supplier transparency, adherence to our RPP and Business Partner Code, ESG, value chain efficiency, payments, and purchase prices
3.	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
4.	Shareholders	No	Phone, e-mail, 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 Company's management on business strategy and performance. We have dedicated e-mail IDs through which our Investor Service Department engages with shareholders to resolve their queries and grievances

S. No.	Stakeholder group	Whether identified as vulnerable and marginalised group (yes/no) *	Channels of communication (e-mail, 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
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.	Customers	No	Phone, e-mail, social media channels, brand pages, and the digital voice of consumers	Ongoing	Product quality and safety, adequate information on products, timely delivery, service level, training on technology and process capabilities

*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' and procure from MSMEs/diverse suppliers.

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. 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 paramount to us, as we live in an uncertain and constantly changing world. 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 essential. 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 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, livelihood opportunities, social advancement, gender equality, women's empowerment, environmental sustainability, and rural development.

Some of the key actions to address the concerns of vulnerable/marginalised groups through various initiatives are listed below:

Social Inclusion of Waste Workers (Safai Saathis)

A first-of-its-kind programme by HUL and the United Nations Development Programme (UNDP) that aims to enhance social inclusion and upliftment of those who are often overlooked but are crucial to a sustainable future – the invisible superheroes, 'Safai Saathis' (waste workers). The programme facilitates the issuance of National ID cards, including Aadhaar, ration cards, and voter cards, as required, to ensure eligibility for accessing and utilising the benefits of social security programmes. To date, we have enabled access for over 5,000 Safai Saathis in Delhi and Mumbai with at least two government social protection schemes.

Project Shakti

Launched in 2001, Project Shakti is an initiative to financially empower and provide livelihood opportunities to women in rural India. Project Shakti has positively impacted the livelihoods, confidence, and self-esteem of women with enhanced skills and entrepreneurial mindsets. We have over 200,000 Shakti entrepreneurs spread across 22 states.

Over 3,80,000
Patients treated through Sanjeevani Camps

Water conservation programme

Hindustan Unilever Foundation (HUF) is a not-for-profit company set up in 2010 to support and amplify scalable solutions that can help address India's water challenges. Since 80% of water is used in agriculture, HUF's work focuses on helping rural communities, especially those that depend on agriculture for their core livelihood. HUF along with its partners has delivered a cumulative and collective water potential of over 3.2 trillion litres* since its inception over the last decade through improved water supply and demand management, over 2 million tonnes of additional agricultural and biomass production, and over 114 million person-days of employment. To underscore the importance of the water potential created by HUF, 3.2 trillion litres of water is the quantity required to meet the drinking water needs of India's population for nearly two years.

Asha Daan

Asha Daan is a home for the sick, and destitute people in Mumbai. It is run by the Missionaries of Charities (MoC) which was founded by Mother Teresa. 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 around 350 inmates at Asha Daan. Currently, Asha Daan's redevelopment work is underway. The home's superstructure has been completed with internal civil work in progress. The redevelopment is expected to be completed by the end of the year. The Company has proposed to set up proper drainage and ventilation systems, a water treatment plant, a solar-based lighting system, a courtyard for inmates to walk and develop a play area for children.

Inclusion of person with disabilities (PwDs)

We are committed to including persons with disabilities in our employment ecosystem and workforce.

*Assured by an external independent firm.

Prabhat

Prabhat is our community development initiative 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 ten years, the initiative has positively benefitted nearly 10 million people across 21 States and 2 Union Territories.

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 physically and mentally challenged children 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. 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. Over 7,000 camps have been organised in villages so far. More than 3.8 lakh patients have been treated through these service camps since its inception.

Suvidha

Suvidha, our urban water, hygiene and sanitation community centre, was first set up in Ghatkopar, Mumbai in 2016. The biggest Suvidha centre is in Dharavi, Mumbai and is one of the largest community toilet blocks in India. This year, the Company built four new Suvidha centres. So far, we have built 16 Suvidha centres in Mumbai in partnership with the Brihanmumbai Municipal Corporation, out of which 15 are in partnership with HSBC India. We have also announced a strategic partnership with JSW to build 10 more Suvidha centres.

'Samavesh' and 'Ahilya'

'Samavesh' is our project to improve women's participation in our factory shop floors, and with our 'Ahilya' initiative, we are empowering women to become sales professionals. We have over 1,300 women as shopfloor employees across our manufacturing locations and have onboarded over 1,400 women in sales.

1,400+
Women in salesforce

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

At HUL, respecting human rights is non-negotiable. We remain committed to helping build a more inclusive world. It is the foundation of a society where income is fairly distributed, leading to equity, diversity, and inclusion. We focus on everyone, from smallholder farmers to employees in our supply chain and offices, to ensure fairer dissemination of the value we create at every step. We have adopted a zero-tolerance approach towards intimidation, discrimination, harassment, threats, or physical/legal attacks against the defenders of human rights concerning our operations.

100%
Assessment of own plants and offices on human rights

82.7%
Suppliers assessed on human rights

100%
Permanent workers are paid more than minimum wages

100%
Permanent employees are paid more than minimum wages

"We are committed to upholding human rights and fair treatment both internally and externally. We want to ensure that all our employees work in an environment that promotes diversity, mutual trust, respect for human rights and equal opportunity, and face no unlawful discrimination."

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 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	8,245	7,689	93.3%	7,719	6,981	90.4%
Other than permanent	410	295	72.0%	311	208	66.9%
Total employees	**8,655**	**7,984**	**92.2%**	**8,030**	**7,189**	**89.5%**
Workers						
Permanent	11,182	11,044	98.8%	11,251	11,072	98.4%
Other than permanent	7,927	6,985	88.1%	8,856	8,261	93.3%
Total workers	**19,109**	**18,029**	**94.4%**	**20,107**	**19,333**	**96.1%**

EI-2. Details of minimum wages paid to employees, in the following format:

Category	FY 2023-24					FY 2022-23				
		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	**8,245**	-	-	**8,245**	**100.0%**	**7,719**	-	-	**7,719**	**100.0%**
Male	5,945	-	-	5,945	100.0%	5,700	-	-	5,700	100.0%
Female	2,300	-	-	2,300	100.0%	2,019	-	-	2,019	100.0%
Other than permanent	**410**	-	-	**410**	**100.0%**	**311**	-	-	**311**	**100.0%**
Male	234	-	-	234	100.0%	190	-	-	190	100.0%
Female	176	-	-	176	100.0%	121	-	-	121	100.0%
Workers										
Permanent	**11,182**	-	-	**11,182**	**100.0%**	**11,251**	-	-	**11,251**	**100.0%**
Male	10,524	-	-	10,524	100.0%	10,900	-	-	10,900	100.0%
Female	658	-	-	658	100.0%	351	-	-	351	100.0%
Other than permanent	**7,927**	**5,702**	**71.9%**	**2,225**	**28.1%**	**8,856**	**6,541**	**73.9%**	**2,315**	**26.1%**
Male	7,266	5,225	71.9%	2,041	28.1%	8,306	6,251	75.3%	2,055	24.7%
Female	661	477	72.2%	184	27.8%	550	290	52.7%	260	47.3%

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

EI-3. Details of remuneration/salary/wages, in the following format:

(a) Median remuneration/wages:

Our framework ensures that compensation adheres to the Collective Bargaining Agreements and is at par with the external industry benchmarks by continually reviewing the average pay between genders.

FY 2023-24	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (BoDs)*	9	28,82,222	3	30,70,000
Key Managerial Personnel	3	10,37,92,388	-	-
Employees other than BoD and KMP	5,942	13,74,185	2,300	14,61,558
Workers	10,524	5,26,950	658	3,92,876

*BoDs includes Executive Directors and Independent Directors

EI-3. Details of remuneration/salary/wages, in the following format:

(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Gross wages paid to females* as % of total wages	22.0%	19.9%

* Permanent employees and workers.

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 (CoBP) 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, the Audit Committee reviews critical human rights complaints on a quarterly basis.

In addition to the above, we have a dedicated e-mail ID (cobp.hul@unilever.com) and contact number (+91 22 50432789) for anonymous reporting of issues or 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 an inclusive environment where people are treated with dignity and respect. 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. Employees can use web portal and phone option to report an issue anonymously.

EI-6. Number of complaints on the following made by employees and workers:

We are committed to upholding and promoting human rights across our operations and in our interactions with business partners. Our approach aligns with the United Nations Global Compact. We have identified and prioritised eight human rights issues 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 (https://www.unilever.com/files/cefcd733-4f03-4cc3-b30a-a5bb5242d3c6/unilever-human-rights-progress-report-2021.pdf and https://www.unilever.com/files/2d5cebae-87d6-4411-817d-22757e597cbf/human-rights-report-interim-update-2022.pdf), provides a comprehensive review of our efforts, including India operations. In India, we fully adhere to Unilever's approach to human rights. In addition to this, our Code of Business Principles (CoBP) steadfastly upholds the principles of human rights and fair treatment. Aligned with the International Labour Organization (ILO) principles, our CoBP serves as a guide to our actions both within and outside the organisation when engaging with business partners.

Category	FY 2023-24			FY 2022-23		
	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	7	-	-	8	2	-
Discrimination at the workplace	-	-	-	-	-	-
Child labour	-	-	-	-	-	-
Forced labour/Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights-related issues	-	-	-	-	-	-

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	7	8
Complaints on POSH as a % of female employees/workers	0.2%	0.3%
Complaints on POSH upheld	7	7

EI-8. 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.

We assure confidentiality and no retaliation for all complaints made in good faith. Our policies and procedures are designed to ensure that individuals involved in the investigation including the witnesses, if any, will not face any adverse treatment. We uphold the highest standards of fairness and integrity in our redressal mechanism. Therefore, in cases where a complaint is found to be made with false intent, we ensure to safeguard interests of individuals and address the complaint through relevant disciplinary actions.

EI-9. Do human rights requirements form part of your business agreements and contracts (yes/no)?

Yes. All 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 with the sexual harassment law and adhere to our Code of Business Principles. Some of the fundamental principles of our RPP are based on voluntary work, eliminating forced or slave labour, appropriate age – no child labour, fair wages, and freedom of association with trade unions and collective bargaining.

EI-10. 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, and 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 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%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – Freedom of Association, Law of Land, Working Hours, Grievance Redressal Mechanism	100%

EI-11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 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 because of addressing human rights grievances or 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 our business, using global expertise to guide and support our teams. This approach 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.hul.co.in/files/2d5cebae-87d6-4411-817d-22757e597cbf/human-rights-report-interim-update-2022.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. Our Company has implemented various measures to provide disabled-accessible infrastructure. In our various factories and offices, we have installed:

- Ramps
- Lowered reception desk for wheelchair access
- Elevator voice annunciator
- Evacuation chair
- Automated sliding doors to support mobility
- Tactile flooring and Braille signages
- Induction loop system
- All gender-accessible toilets, fire alarm freshers and accessible guest rooms

Additionally, we are preparing all our 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 our responsible and sustainable suppliers. We are committed to working with our suppliers on a journey of continuous improvement.

We also verify alignment to and implementation of the RPP's mandatory requirements using supplier self-declarations, online assessments and independent verification, including third-party audits are performed for designated high-risk countries and supplier types.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	We conduct periodic risk assessments of our suppliers using country risk and commodity risk data from external third-party risk data providers. As of 31st March, 2024, **82.7%** of the suppliers (by value of business done) have undergone risk assessment and are compliant.
Discrimination at the workplace	
Child labour	
Forced labour/involuntary labour	
Wages	

LI-5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

During the reporting period, no significant risks/concerns were identified in the assessment of our suppliers. 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 cause of the issue and to develop a time-bound corrective action plan to resolve the failure effectively and promptly. By working 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 third-party audit companies and suppliers are responsible for continuously updating us with the audit outcome on a digital system. Audit companies are mandated to report the audit documentation and the outcome of the initial and follow-up audits, while suppliers are mandated to report corrective actions and progress against each non-conformance identified, both within certain specified timeframes.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Climate change has now become a climate crisis. With global warming progressing at an unprecedented rate, there's no time to waste. As a global leader in sustainable business, we strive towards a greener future powered by purpose, innovation, and integrity. 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 also completely rethinking our approach towards packaging to reduce, reuse and recycle plastic.

96%
Energy consumed from renewable sources

27.5%
Reduction in absolute Scope 1 emissions (YoY)

82.7%
Suppliers covered by environmental assessment

<100 tonnes CO_2e
Scope 2 emissions (net)

At HUL, we have a robust process to capture environment data across our owned manufacturing sites and offices, which is the basis for the numbers reported in Principle 6.

"As a purpose-driven company, we recognise the interconnectedness of business success and environmental and societal well-being. We are committed to combating climate change and working towards achieving net-zero emissions from sourcing to point of sale for all our products. We have been taking steps to help reduce greenhouse gas emissions across our value chain, maintaining zero non-hazardous waste to landfill, conserving water in our operations and adopting sustainable packaging for our products."

Yogesh Mishra
Executive Director – Supply Chain

ESSENTIAL INDICATORS

EI-1. Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

At HUL we have been continuously working towards reducing the environmental impact across our operations. Refer to our 'Climate Action' page to know more about our key initiatives: https://www.hul.co.in/planet-and-society/climate-action/ .

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption – Gigajoules (A)*	11,86,957	11,52,640
Total fuel consumption – Gigajoules (B)	23,83,647	23,31,926
Energy consumption through other sources – Gigajoules (C)	-	-
Total energy consumption – Gigajoules (A+B+C)	**35,70,604**	**34,84,566**
From non-renewable sources		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	1,54,980	2,34,806
Energy consumption through other sources (F)	1,019	-
Total energy consumed from non-renewable sources (D+E+F)	**1,55,999**	**2,34,806**
Total energy consumed (A+B+C+D+E+F)	**37,26,603**	**37,19,372**
Energy intensity per rupee of turnover (Total energy consumed/revenue from operations)	61.7 GJ/crore	63.0 GJ/crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/revenue from operations adjusted for PPP)	1,413 GJ/$Crore	1,442 GJ/$Crore
Energy intensity in terms of physical output	1.19 GJ/tonne	1.21 GJ/tonne

* Sources of renewable electricity include solar energy, wind energy and offsets though International Renewable Energy Certificates (IREC) purchased for grid electricity.

100%
Electricity from Renewable sources (Solar energy, Wind energy and IRECs purchased)

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

EI-1. 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, reasonable assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

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.

EI-3. Provide details of the following disclosures related to water, in the following format:

We are addressing water scarcity through conservation, restoration, recharge, and reuse of water. In this pursuit, at the community level, we have implemented Water Stewardship Projects across 12 water-stressed locations (as per ground water resources and the World Resources Institute) in India. At our manufacturing sites, we have reduced our water usage by 47% compared to the 2008 baseline, focusing on less abstraction, rainwater harvesting, and maximising the use of RO plants. This has helped us in increased efficiencies, risk reduction, and stronger stakeholder relationships. We have also embarked on a journey to align our Water Stewardship Programme to the Alliance for Water Stewardship (AWS) standard at five sites. AWS is a global membership bringing together businesses, NGOs, and the public sector. In the International Water Stewardship Standard, members uphold local water-resource sustainability through their adoption and promotion of a universal framework This standardises good water stewardship practices, driving recognition and rewarding performance.

We set up the 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, which 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 have reached over 15,000 villages since inception and have created a cumulative water potential of over 3.2 trillion litres* since its inception. To underscore the importance of the water potential created by HUF, 3.2 trillion litres of water is the quantity required to meet the drinking water needs of India's population for nearly two years. 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. We constructed water conservation structures, such as check dams, farm ponds, farm bunds, and water absorption trenches in programme villages to enhance access to water. The programme also supports agricultural communities with water conservation solutions to help them achieve better water efficiency.

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	21,63,447	19,21,329
(iii) Third party water	8,14,723	9,26,494
(iv) Seawater/desalinated water	-	-
(v) Others (Rain water)#	52,486	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**30,30,656**	**28,47,823**
Total volume of water consumption (in kilolitres)	**29,69,699**	**27,95,743**
Water intensity per rupee of turnover (Water consumed/turnover in rupees)*	49.2 KL/₹Crore	47.4 KL/₹ Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/revenue from operations adjusted for PPP)	1,126 KL/$ Crore	1,084 KL/$ Crore
Water intensity in terms of physical output	0.95 KL/Tonne	0.91 KL/Tonne

#Rain water has been included in reporting from FY 2023-24.

EI-3. 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, reasonable assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

*Assured by external independent firm.

EI-4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
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)	60,957	52,080
(v) Others		
- No treatment	-	-
- With treatment	-	-
Total water discharged (in kilolitres)	**60,957**	**52,080**

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.

EI-4. 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, reasonable assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

EI- 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We focus on maximising recycling and reusing treated wastewater on-site, effectively reducing the need for freshwater intake. As of 31st March, 2024, 26 out of 28 of our factories are Zero Liquid Discharge, i.e. they recycle and reuse 100% of their wastewater within the site. Such recycled water is used in cooling towers, as a boiler feed, in fire tanks, external area cleaning, toilet flushing, and gardening. The remaining two factories discharge water in common effluent treatment plants (CETP)/municipal drainages as per the consent to operate conditions issued by the Pollution Control Board.

Zero liquid discharge in 26 factories

EI- 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	312	315
SOx	MT	161	225
Particulate matter (PM)	mg/Nm³	51	55
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 the pollution control board and therefore not applicable.

EI- 6. 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, limited assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

EI-7. 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. Refer to our https://www.hul.co.in/planet-and-society/climate-action/

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions*	tCO_{2e}	14,622	20,165
Total Scope 2 emissions	tCO_{2e}	Gross: 2,20,234 Net: 96**	Gross: 2,19,650 Net: 0**
Total Scope 1 and Scope 2 emissions	tCO_{2e}	**14,718**	**20,165**
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_{2e}/₹ Crore	0.24	0.34
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO_{2e}/$ Crore	5.6	7.8
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_{2e}/tonne	0.005	0.007

*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 Certificates (IREC) purchased for grid electricity.

EI-7. 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, reasonable assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

EI-8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Our Climate Transition Action Plan outlines our plan to progress towards our near-term value chain emission reduction targets which includes nine priority action areas i.e. Supplier Climate Programme, reformulating products, forest-risk commodities, regenerative agriculture, chemical ingredients, packaging, logistics and ice cream cabinets. We are taking the following actions to support our goal of achieving zero emissions in our own operations:

1. To transition towards renewable energy and use it better, 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 with green fuels and already eliminated coal from our operations. We have introduced biomass instead of coal and biofuel instead of Furnace Oil and High-Speed Diesel (HSD). As of March 2024, the renewable energy percentage (for both Electrical and Thermal combined) is 96% for our own manufacturing sites. 100% of our electricity is from renewable sources with a combination of solar/wind and IREC green certification.

2. To become energy efficient, we have adopted various energy-saving projects, such as heat pumps, energy-efficient motors, and Variable Voltage and Frequency Drive (VVFD) usage, to reduce the overall energy requirement in the factories. We have significantly reduced our per tonne GHG emission by 98% and energy consumption by 45% in our own manufacturing operations in FY 2023-24 compared to 2008 baseline.

EI-9. 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 minimising our use of plastic and reducing the waste from our factories. Refer to our 'Waste Free World' page for detailed initiatives: https://www.hul.co.in/planet-and-society/waste-free-world/.

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	12,105	12,055
E-waste (B)	62	93
Bio-medical waste (C)	12	18
Construction and demolition waste (D)	7,800	5,086
Battery waste (E)	53	53
Radioactive waste (F)	-	-
Other hazardous waste (G)	437	383
Other non-hazardous waste generated (H)	82,653	72,880
Total (A + B + C + D + E + F + G + H)	**1,03,122**	**90,568**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	1.7 MT/₹ Crore	1.5 MT/₹ Crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	39.1 MT/$ Crore	35.1 MT/$ Crore
Waste intensity in terms of physical output	0.03 MT/tonne	0.03 MT/tonne
For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	59,566	65,658
(ii) Re-used	43,023	24,181
(iii) Other recovery operations	181	293
Total	**1,02,770**	**90,132**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	219	279
(ii) Landfilling*	133	157
(iii) Other disposal operations	-	-
Total	**352**	**436**

*Hazardous waste is disposed of through Pollution Control Board authorised/licensed vendors in line with Consent to Operate condition.

EI-9. 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, reasonable assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

EI-10. 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 zero-waste mindset means we look at waste materials as a resource. Where we have not been able to find ways to reduce waste, we look for routes to reuse or recycle it. However, if these solutions aren't available, in the absence of recycling infrastructure at most places, we recover energy from the waste ensuring best routes for our waste flows, so we can strengthen our circular economy approach – improving factory operations and reducing our environmental impact.

All our factories are equipped with pre-processing facilities, such as waste segregation and waste reduction at source, thus improving recyclability. Further, we are constantly devising newer ways to eliminate usage of hazardous chemicals used for cleaning and disinfection processes by upgrading the hardware with the latest technologies. We have been successful in achieving zero non-hazardous waste to landfills status across all our factories and offices 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.

For hazardous waste, we adhere to the regulations outlined in the 'Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016' and comply with the conditions set by the State Pollution Control Board's 'Authorisation'. 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 plastic waste (per our EPR). As a result, the total waste generated from our factories in FY 2023-24 has decreased by 58% (per tonne of production) compared to the 2008 baseline.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, and coastal regulation zones) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	Dapada*	Manufacturing	Yes

*Notified as an ecologically sensitive area by Dadra & Nagar Haveli Planning and Development Authority in November 2023

EI-12. 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.	None					

EI-13. 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 and offices comply with the country's applicable environmental laws and regulations 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 coordinates the overall implementation of the site environmental management system. This includes the environmental performance of individual activities, coordinating environmental matters within the organisation, advising line management in environmental matters, and contacting regulatory authorities and residents.

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. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

(i) Name of the area:

As per the Central Ground Water Authority, the below locations are in water-stressed areas: Chhindwara, Nabha, Rajpura, Sonipat, Pondicherry, Amli, Dapada, and Nashik.

(ii) Nature of operations:

Manufacturing

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	10,63,781	10,00,604
(iii) Third party water	2,76,529	2,63,667
(iv) Seawater/desalinated water		-
(v) Others (Rain water)	22,878	-
Total volume of water withdrawal (in kilolitres)	**13,63,188**	**12,64,271**
Total volume of water consumption (in kilolitres)	**13,63,188**	**12,64,271**
Water intensity per rupee of turnover (Water consumed/turnover in rupees)	22.6 KL/₹ Crore	21.4 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)	-	-
(v) Others		
- No treatment	-	-
- With treatment	-	-
Total water discharged (in kilolitres)	**-**	**-**

LI-1. 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, limited assurance has been conducted by M/s B S R & Co. LLP, Chartered Accountants.

LI-2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Measuring GHG emissions is a significant challenge and relies on many estimates and on information from third parties. We have estimated our Scope 3 emissions across each of the 15 GHG Protocol Scope 3 emission categories relevant to our business. We measure our most material emissions from procured goods and services, using data on real volumes of procured raw materials/packaging and services combined with standard emissions factors for these materials, applying the latest guidance on the use of emissions factors (IPCC AR6) and the draft GHG Protocol Land Sector guidance. Under the GHG Protocol, indirect consumer use-phase emissions are an optional part of a company's Scope 3 emissions. Our GHG emissions in scope of our Net Zero by 2039 ambition do not include these optional indirect emissions sources.

Parameter	Unit	Oct'22-Sep'23*
Total Scope 3 emissions in scope of Net Zero ambition	Metric tonnes of CO_2 equivalent	87,19,253
Total Scope 3 emissions inclusive of indirect consumer use		95,82,781
Total Scope 3 emissions per rupee of turnover	tCO_2/₹ Crore	158.8

* The period of scope 3 emissions is from 1st October, 2022 to 30th September, 2023.

LI-3. With respect to the ecologically sensitive areas reported at Question 11 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.

We have duly complied with the conditions laid down by the Dadra & Nagar Haveli Planning and Development Authority. During FY 2023-24, there was no significant impact on biodiversity due to our manufacturing operations.

LI-4. 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 12 water stressed locations (as per ground water resource and WRI) in India. In 2023, we embarked on the journey to align our Water Stewardship Programme to the Alliance for Water Stewardship (AWS) standards for 5 sites. We set up the 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 15,000 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. Further, some of our initiatives within the factory also include the following: - Zero liquid discharge: Installing vacuum distillation technology - Robotic Solar Panel Cleaning: Dry Cleaning of solar panels is performed using robotic systems - Rainwater recharging to groundwater: Installing recharging wells at our factories with filtration units on-site - Rooftop rainwater harvesting - Rainwater storage infrastructure: Erected a substantial 11,000 KL capacity storage facility within the factory Please refer https://www.hul.co.in/planet-and-society/protect-and-regenerate-nature/ for more details	HUF along with its partners has created a cumulative and collective water potential of over 3.2 trillion litres*. To underscore the importance of the water potential created by HUF; 3.2 trillion litres* of water can meet the drinking water needs of India's population for nearly two years. Our own manufacturing operations have witnessed a 47% reduction in water usage (cubic meter per tonne of production) in FY 2023-24 as compared to the 2008 baseline. We were able to achieve this by focusing 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.
2.	Emissions	We are committed to taking steps to collectively and positively address climate change. 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. 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. Further, we have implemented Thermic fluid heater to eliminate LPG usage in spray tower. We have also Installed Digital Energy management system in some of our factories. Please refer https://www.hul.co.in/planet-and-society/climate-action/ for more details	As on March 2024, the renewable energy percentage (for both Electrical and Thermal combined) is 96% for our own manufacturing sites. We have significantly reduced our per tonne GHG emission by 98% and energy consumption by 45% in our own manufacturing operations in FY 2023-24 compared to 2008 baseline.
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. We have also taken the initiative to eliminate food waste by commissioning a dewatering screw press and sludge drying beds on-site for dewatering and drying of sludge with an intent to use it as a boiler fuel. Please refer https://www.hul.co.in/planet-and-society/waste-free-world/ for more details	The total waste generated from the factories was 58% (per tonne of production) lower in our own manufacturing operations in FY 2023-24 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.

*Assured by external independent firm.

LI-5. 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. We follow a risk-based approach to identify credible business risks and review the management plan 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 designing, operating and managing any device or technology solution that 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-6. 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 have set specific sustainability targets, serving as our strategy to deliver consistent competitive performance and create long term value for our stakeholders. We have set an ambitious sustainability agenda to tackle the issues that our consumers and stakeholders care deeply about. The details of our mitigation measures 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/.

Our plan to progress towards our near-term value chain emission reduction targets has nine priority action areas which include Supplier Climate Programme, reformulating products, forest-risk commodities, regenerative agriculture, chemical ingredients, packaging, logistics and ice cream cabinets.

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We conduct periodic risk assessments of our suppliers using country risk and commodity risk data from external third-party risk data providers. As of 31st March 2024, **82.7%** 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 expect from 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 independent verification, including third-party audits which are performed for designated high-risk countries and supplier types.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

We consistently engage in multi-stakeholder interactions focused on addressing public policy and legislative matters. We approach all these engagements with the core values of honesty, integrity, and openness. Furthermore, we are dedicated to conducting these interactions in strict compliance with all applicable laws and regulations. We contribute constructively to developing frameworks that foster ethical business practices, environmental sustainability, and social responsibility.

12
Affiliations with national/state level trade and industry chambers/associations

Nil
Instances of anticompetitive conduct

"As a socially responsible company, we cooperate with governments and other organisations directly and through bodies such as trade associations, to develop public policy and legislative matters. Our commitment lies in ensuring that these efforts align with the larger interests of society."

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.	Water Quality India Association (WQIA)	National
6.	Public Affairs Forum of India (PAFI)	National
7.	Indian Home & Personal Care Industry Association (IHPCIA)	National
8.	European Business Group, India	National
9.	Protein Food Nutrition Development Association of India (PFNDAI)	National
10.	Federation of Kutch Industrial Association	State
11.	Bengal Chamber of Commerce & Industry	State
12.	Bombay Chamber of Commerce & Industry	State

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 considering ours as well as the larger national interest.	No	NA	NA

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Equity, diversity, and inclusion are the pillars of a thriving and progressive society and business. They signify a more robust world and workforce, bringing us closer to our customers as well as a fairer world. To this end, we have taken a holistic approach that focuses on using our scale and reach to create impact, driving equity through our workplaces, brands, supply chains, and communities.

22.7%
Input material sourced from MSMEs

92.7%
Input material sourced within India

Nil
Projects undertaken requiring Rehabilitation and Resettlement

₹30 crores+
CSR spent in Aspirational Districts

"We believe businesses can help tackle social inequality and drive prosperity. At the core of our business strategy is the conviction that sustainable and inclusive growth drive superior business performance, as when everyone prospers, we prosper."

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 2023-24, 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 2023-24, 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, and 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 2023-24	FY 2022-23
Directly sourced from MSMEs*/small producers	22.7%	16.8%
Directly from within India	92.7%	93.4%

* Identification of MSME is basis intimation received from vendors.

EI-5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	31.2%	31.5%
Semi-urban	6.3%	6.2%
Urban	6.8%	7.8%
Metropolitan	55.7%	54.5%

The reporting boundary for the above table is employees and workers represented in Section A – IV 20. We also indirectly employ members into our salesforce and those are out of the boundary of the above reporting.

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 2023-24.

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	Multiple*	17,03,79,931
2.	Uttar Pradesh	Balrampur	3,97,32,129
3.	Bihar	Muzaffarpur	3,78,32,084
4.	Maharashtra	Osmanabad	3,45,25,563
5.	Madhya Pradesh	Chhatarpur	95,32,608
6.	Uttar Pradesh	Chitrakoot	95,08,956
7.	Uttarakhand	Haridwar	81,49,301
Total			**30,96,60,572**

*101 out of the 112 aspirational districts notified by the 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 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.

LI-3. b. From which marginalised/vulnerable groups do you procure?

We define a diverse business as at least 51% owned and operated by members of underrepresented groups. We continue our endeavour to increase spending with suppliers who embrace diversity, equity, and inclusion, matching our ethos. As per the global Unilever framework, the focus groups will be (but not limited to) the businesses owned, managed, and controlled by women, Persons with Disabilities, the LGBTQ+ community, economically marginalised communities, and backward sections of 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.

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, 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, hygiene, waste management and environmental sustainability. Please refer to our Integrated Annual Report for more details on our CSR initiatives.

S. No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Promoting Health & Nutrition	23,76,397	100.0%
2.	Prabhat	12,63,622	96.7%
3.	Suvidha	4,20,000	100.0%
4.	Water conservation – HUF	2,28,271	85.9%
5.	Plastic waste management	2,01,126	3.0%
6.	Project Shakti	2,00,000	100.0%
7.	Future of work & livelihood	81,559	30.0%
8.	Empowering women in the field of sports and STEM	55	100.0%

In addition to the above, we also run several behavioural change programmes (e.g., the '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

Our relationship with our customers is built on mutual trust and mutual interest. We handle any personal data and digital information we hold about them responsibly. 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. Through technology, we are addressing the needs of the new-age consumers who are looking for superior and sustainable products, making informed choices, and demanding brands with purpose. We continue to invest in and create distinctive data and technology-led capabilities that are helping us meet the complexities of the business and the evolving needs of consumers and customers.

Nil
Data breaches involving personal identifiable information

Nil
Product recalls on account of safety issues

Nil
Consumer complaints on data privacy, cyber-security, delivery of essential services, restrictive trade practices, unfair trade practices

100%
Products with labelling on environmental and social parameters

"We see a growing trend for consumers preferring brands that meet their functional needs and have an explicit social or environmental purpose. We are focused on faster-better innovation, leveraging next-generation media tools to reach consumers effectively and efficiently. At the same time, we are continuously implementing review and monitoring frameworks for new-age technologies to assess and mitigate inherent risks effectively."

Arun Neelakantan
Chief Digital Officer

ESSENTIAL INDICATORS

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our procedures for addressing consumer complaints and feedback are meticulously structured and customer-centric, focusing on providing swift responses and timely resolutions to customer inquiries, feedback, and complaints. Customers can reach out to us through different channels as listed below:

- Toll-free Number: 1800-120-2088
- E-mail: levercare.customer@unilever.com
- WhatsApp chatbot: 8655307496

We have a specialised team for managing customer complaints and concerns. Upon receipt of a customer concern through any communication channel, a unique complaint reference or ticket number is promptly provided to the customer, along with the details of the registered complaint. Subsequently, our Support team initiates detailed discussions with the customer within 24 hours of receiving the complaint. Each complaint is governed by a Service Level Agreement (SLA), ensuring the responsible party delivers an appropriate resolution within the specified timeframe. After the resolution, we ask our customers to indicate their level of satisfaction using three criteria: Satisfied, Neutral and Not Satisfied. This feedback mechanism enables us to validate the effectiveness of our customer service solutions while significantly contributing to the continuous improvement of our customer service processes.

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%*
Safe and responsible usage	100%*
Recycling and/or safe disposal	100%*

*As an FMCG 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 2023-24			FY 2022-23		
	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	18	-		10	1	
Cybersecurity	-	-		-	-	
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 safe, excellent quality products 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 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 the right quality product goes 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 cybersecurity and data privacy policies applicable to the entire organisation. We respect the privacy of all individuals, including employees, consumers and our partners and protect their personal data appropriately. 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 also have specific code policies governing the organisation and our employees when dealing with the Personal Data and Privacy of individuals. We have been proactive in preparing for being compliant with the DPDPA (Digital Personal Data Protection Act) 2023. We have focused learning modules on the Code Policy on Personal Data, which is mandatory for the entire organisation. We regularly train the workforce on the Personal Data Code Policy (general privacy principles, practices, processes, and behaviour). We also have training on handling sensitive personal data for HR functions handling such data.

In addition, we disclose a 'Privacy Notice' pertaining to our 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 the Data Privacy Officer and grievance redressal mechanisms, retention, and third-party disclosure policies. For more details refer to: 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 disclosed the details of the DPO externally on our website in the Privacy Section at: https://www.hul.co.in/contact/ .

We have a central e-mail 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 applies 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; cybersecurity and data privacy of customers; reoccurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No significant concerns/complaints/penalties/regulatory actions were identified during the year. However, in case of any concerns, consumers can reach out to us via multiple channels, i.e., phone, e-mail, 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 investigate incidents to identify lapses and gaps to continuously improve processes and controls to mitigate future breaches.

EI-7. 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.

b. **Percentage of data breaches involving personally identifiable information of customers**

Nil, there were no instances of reportable data breaches involving personally identifiable information.

c. **Impact, if any, of the data breaches**

Not applicable as there were no reportable data breaches for the year.

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
- E-mail ID: lever.care@unilever.com
- Mailing 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, and usage directions, as appropriate to inform our consumers about safe and responsible usage. Consumers can also contact us on our Levercare toll-free number (1800-102-2221) and via our e-mail ID (lever.care@unilever.com) printed on each product packaging. 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 networks, sales representatives, and e-mails. In addition, consumers can contact us on our toll-free number for Levercare (1800-102-2221) and e-mail id (lever.care@unilever.com), printed on each product packaging.

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 the Trust & Transparency pillar of our ESG strategy. For example, on Foods and Refreshment 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 omnichannel (Phone, e-mail, social media, WhatsApp and Web) system to help answer 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 the product and the service to family and 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 and reviews at brand and product levels that help identify product improvements and feed into innovations. This also helps improve end-to-end consumer experience on e-Commerce and social media.

Furthermore, we conduct a 'Customer Voice Survey' annually to assess overall performance and sentiment among distributors and customers. The survey covers Overall Experience, Customer Service, Finance, Supply Chain and IT Support. We also have a customer license activity, where each employee is responsible for working in the market, visiting the re-stockist point, collecting customer feedback, and understanding their concerns.

We also have a 'Customer Delight Officer' based in branches with a pivotal role in addressing customer grievances and ensuring compliance. These executives diligently promote a customer-centric approach within the organisation. They engage with customers regularly, exchanging feedback to drive continuous improvement in satisfaction levels. This structured methodology, involving employees and dedicated teams, reflects a robust commitment to customer-centricity.

The Report is divided into below sections

- Corporate Governance Philosophy
- Board of Directors
- Committees of the Board
- Governance of Subsidiaries
- Company Policies
- Affirmation and Disclosure
- Shareholder Information

Company's Corporate Governance Philosophy

Hindustan Unilever Limited (HUL) is a Company that takes pride in its legacy of good governance that was established by its visionary founders many years ago and integrated into its daily business. With more than 90 years of experience in India, our Corporate Governance framework has grown over time and is guided by our core values of Integrity, Respect, Responsibility and Pioneering. We always operate with integrity and respect for the diverse people, organisations and environments that our business impacts, and this has been central to our corporate responsibility. Our story is one of growth fueled by ideas and values. Our business has always had a clear purpose and the belief that businesses must have a purpose beyond profit. We believe that the only way a business will prosper is by making a positive difference to the challenges the world faces.

Core principles of Governance

- Integrity & Transparency
- Trusteeship
- Sustainability
- Accountability
- Strategic Oversight
- Compliance with the Laws & Regulations

At HUL, we base our business on responsible corporate behaviour. We act according to our values and principles, which are strengthened at all levels within the Company.

We are determined to do things the right way which means making business decisions and acting in a way that is ethical and in line with applicable laws. Our Code of Business Principles (the Code) is a reflection of our values and shows our ongoing commitment to ethical business practices across our operations. We recognise our individual and collective responsibilities to conduct our business activities with integrity. Our Code motivates us to set high standards of governance which exceed what is required under laws in many areas of our functioning.

We believe that to achieve our goals, we need to act with the highest standards of corporate behaviour towards everyone we collaborate with, the communities we impact and the environment we shape. This is how we deliver consistent, competitive performance and drive long term value creation for our shareholders, our people and our business partners. These principles have guided our actions and will continue to do so in the future. The Corporate Governance Code that the Board has adopted provides a comprehensive framework for the Company, Board of Directors (the Board), Statutory Board Committees to operate effectively for the benefit of its diverse stakeholders.

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.

The Board of Directors

HUL is a professionally managed Company functioning under the overall guidance of the Board. The Board has the ultimate authority for setting the strategy, managing, handling, directing, & enabling the long-term success of the entire business. The Chairman heads the Board and is accountable for its overall efficiency. The Chairman decides the Board Agenda, ensures the Directors get accurate, timely and clear information, fosters and supports positive relationships and effective participation of all Executive and Non-Executive Directors, and promotes a culture of transparency and debate. The Independent Directors offer constructive feedback, strategic direction, expert advice and hold management responsible.

The Board has delegated the operational conduct of the business to the CEO & 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 the 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 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, eight Independent Directors including three Women Directors 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. Sanjiv Mehta (DIN: 06699923) stepped down as CEO & MD of the Company with effect from the close of business hours on 26th June, 2023 after a successful tenure of about 10 (ten) years at the helm of the Company. Mr. Rohit Jawa (DIN: 10063590) succeeded Mr. Sanjiv Mehta as the CEO & MD and as the Head of the Management Committee of the Company with effect from 27th June, 2023.

The Board on the basis of recommendation of the Nomination and Remuneration Committee, approved the appointment of Ms. Neelam Dhawan (DIN: 00871445) and Mr. Tarun Bajaj (DIN: 02026219) as Independent Directors of the Company, for a term of 5 (five) consecutive years with effect from 1st August, 2023 and 1st December, 2023, respectively.

During the year, based on the recommendation of the Nomination and Remuneration Committee, the Board also re-appointed Mr. Leo Puri (DIN: 01764813) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from 12th October, 2023.

As per the provisions of Regulation 17 of Listing Regulations, approval of Shareholders, for appointment/ re-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 above-mentioned appointments/ *re-*appointment were duly approved by the Members of the Company vide Postal Ballot(s) on 7th September, 2023 and 9th January, 2024, respectively.

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, 2024:

Name and Category	Date of joining the Board	Number of shares held in the Company	Attendance at Last AGM held on 26th June, 2023	Directorship(s) in other Companies#	Membership(s) of Committees of other Companies##	Chairman-ship(s) of Committees of other Companies##
Non-Executive Chairman						
Nitin Paranjpe	31.03.2022	1,24,509	Yes	1	-	-
Chief Executive Officer & Managing Director						
Rohit Jawa	01.04.2023	10	Yes	-	-	-
Executive Director, Finance & IT and Chief Financial Officer						
Ritesh Tiwari	01.05.2021	2,630	Yes	1	-	-
Executive Director, Legal & Corporate Affairs and Company Secretary						
Dev Bajpai	23.01.2017	51,576	Yes	1	-	-
Independent Directors						
O. P. Bhatt	20.12.2011	245	Yes	3	3	-
Sanjiv Misra	08.04.2013	-	Yes	-	-	-
Kalpana Morparia	09.10.2014	-	Yes	1	1	1
Leo Puri	12.10.2018	-	Yes	1	-	-
Ashu Suyash	12.11.2021	-	Yes	1	1	1
Ranjay Gulati	01.04.2023	-	Yes	-	-	-
Neelam Dhawan	01.08.2023	454	-	3	-	1
Tarun Bajaj	01.12.2023	-	-	-	-	-

#Excluding Directorship in Hindustan Unilever Limited, Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

##Includes only Audit Committee and Stakeholders' Relationship Committee of Public Companies excluding Hindustan Unilever Limited.

Mr. Biddappa Bittianda Ponnappa (DIN: 06586886) was appointed as an Additional Director, Whole-time Director of the Company for a term of five consecutive years with effect from 1st June, 2024

None of the Directors of the 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 443 to 448 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 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 except Dr. Ashish Gupta (DIN: 00521511) resigned before the expiry of their tenure. Dr. Ashish Gupta resigned effective close of the business hours on 26th June, 2023, citing pre-occupation and other personal commitments. The Company has also obtained confirmation from Dr. Gupta that there was no material reason for his resignation other than as mentioned above.

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, the Company shall, for the purpose of determining the composition of the Board, treat all Independent Directors who are appointed from the FY 2022-23 and, thereafter, and who complete ten years on the Board, as Non-Independent and ineligible for appointment as an Independent Director for any period thereafter.

Any person who becomes a Director or an Officer, including an employee who is acting in a managerial capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Policy shall also cover 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:

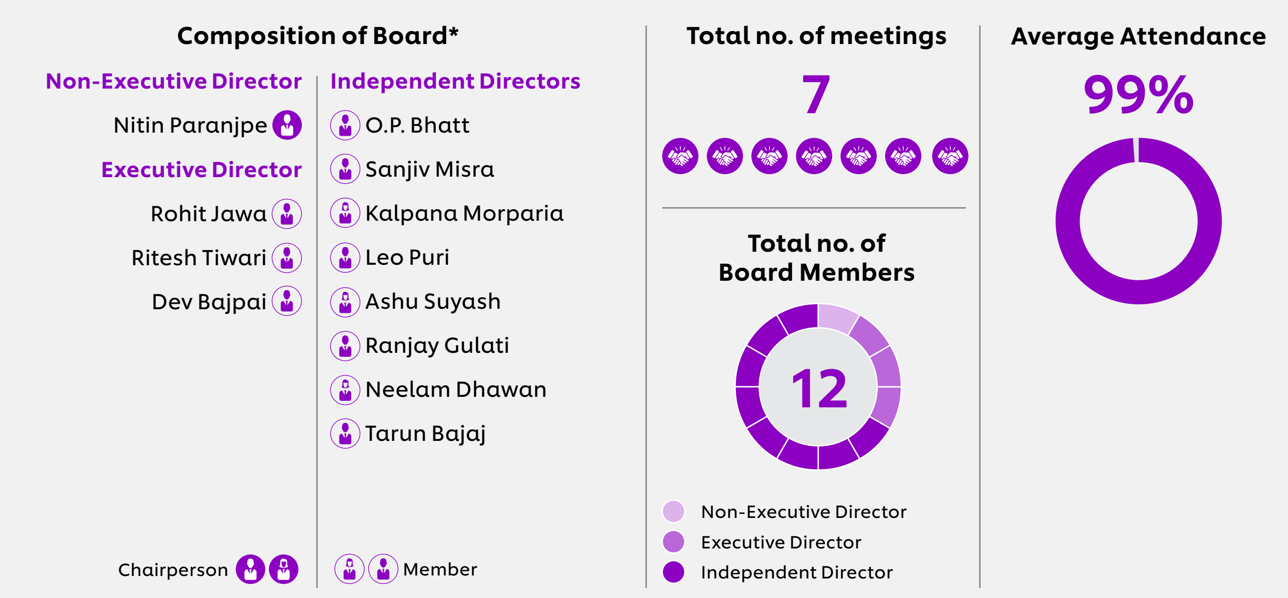
- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- Board succession planning;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The Notice of Board/Committee Meetings are 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 thereon. 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 Meetings 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/Committee 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.

During the FY 2023-24, seven Board Meetings were held on 10th & 11th April, 2023 (Strategy Meeting), 27th April, 2023, 20th July, 2023, 19th October 2023, 1st December, 2023, 16th January to 18th January, 2024 (Strategy Meeting) and 19th January, 2024. 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



*Composition as on 31st March, 2024

Name of the Directors	10.04.2023 & 11.04.2023	27.04.2023	20.07.2023	19.10.2023	01.12.2023	16.01.2024 to 18.01.2024	19.01.2024
Nitin Paranjpe – Chairman	Present	Present	Present	Present	Video Conference	Present	Present
Sanjiv Mehta^	Present	Present	-	-	-	-	-
Rohit Jawa	Present	Present	Present	Video Conference	Present	Present	Present
Ritesh Tiwari	Present	Present	Present	Present	Video Conference	Present	Present
Dev Bajpai	Present	Present	Present	Present	Present	Present	Present
O.P. Bhatt	Present	Video Conference	Video Conference	Present	Video Conference	Present	Present
Sanjiv Misra	Present	Video Conference	Video Conference	Video Conference	Video Conference	Present	Present
Kalpana Morparia	Present	Present	Present	Present	Present	Present	Present
Leo Puri#	Present	Video Conference	Video Conference	Present	Present	Present	Present
Ashish Gupta^^	Present	Video Conference	-	-	-	-	-
Ashu Suyash	Present	Present	Present	Present	Present	Present	Present
Ranjay Gulati$	Video Conference	Video Conference	Leave of absence	Video Conference	Video Conference	Present	Present
Neelam Dhawan*	-	-	-	Present	Present	Present	Video Conference
Tarun Bajaj**	-	-	-	-	-	Present	Present

Present Leave of absence Video Conference

Notes:

$Mr. Ranjay Gulati was appointed as an Independent Director of the Company with effect from 1st April, 2023

^Mr. Sanjiv Mehta ceased to be an Executive Director of the Company with effect from close of business hours on 26th June, 2023

^^Dr. Ashish Gupta ceased to be an Independent Director of the Company with effect from close of business hours on 26th June, 2023

#Mr. Leo Puri was re-appointed as an Independent Director of the Company with effect from 12th October, 2023

*Ms. Neelam Dhawan was appointed as an Independent Director of the Company with effect from 1st August, 2023

**Mr. Tarun Bajaj was appointed as an Independent Director of the Company with effect from 1st December, 2023

Board Support

The Company Secretary supports the Board by making sure it has the policies, processes, information, time and resources it needs to work effectively and efficiently. The Company Secretary is in charge of collecting, reviewing and distributing all the documents that are submitted to the Board and its Committees for decision making. The Company Secretary is also in charge of preparing the Agenda and convening the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board as a Member of the Board and its Committees as a Secretary to the Board Committees. The Company Secretary advises/assures the Board and its Committees on compliance and governance principles and makes sure the minutes of the meetings are recorded properly by providing all the information for effective decision making.

The Company Secretary also gives the necessary guidance to the Board members about their roles and responsibilities and assists the Chairperson in all Board development processes like Board evaluation, Board re-structuring, succession, inductions and trainings etc. Besides ensuring compliance with the relevant statutory and regulatory requirements, the Company Secretary also acts as a formalised link between the Board, management and external stakeholders.

Web-based Application for circulating Agendas/ Pre-reads

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.

Post- Meeting Follow-up Mechanism

The Company has an effective governance mechanism wherein, the important decisions and suggestions of the Board and Committees are promptly communicated to the respective functional departments immediately after the meetings. Post-meeting follow-up; reviews; action taken report for the discussions are placed at the subsequent meetings of the Board and the Committees.

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 & Co., 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.

Further, the Independent Directors confirmed that they have enrolled themselves in the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs. The Company issues formal letter of appointment to the Independent Directors at the time of their appointment/ re-appointment. The terms and conditions of the appointment of Independent Directors are available on the Company's website at https://www.hul.co.in/investor-relations/corporate-governance/. The Board comprises eight Independent Directors as on 31st March, 2024.

Separate Independent Directors' Meetings

As per Schedule IV of the Act and Regulation 25(3) of Listing Regulations, the Independent Directors shall hold atleast one meeting in a financial year without the presence of Non-Independent Directors and Management representatives. The Independent Directors of the Company, meet at least once in a quarter, without the presence of Executive Directors or Management representatives.

During the FY 2023-24, the Independent Directors met four times, on 27th April, 2023, 20th July, 2023, 19th October, 2023 and 19th January, 2024. The Independent Directors inter alia discuss the issues arising out of the Committee Meetings and Board discussion including reviewing the performance of Non-Independent Directors and Board of Directors as a whole; reviewing the performance of Chairperson; 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. The Independent Directors also have access to Statutory Auditors, Internal Auditor, Secretarial Auditors, Cost Auditors, and the management for discussions and questions, if any.

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.

Directors' Induction and Familiarisation

The Board Familiarisation Programme comprises 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 the Company's 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. 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 generally at a location where the Company has an office or establishment. These Strategy Sessions 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 FY 2023-24, the Board Strategy Meeting was held in Mumbai for three full days, from 16th January to 18th January, 2024. The Strategy sessions consisted of detailed presentations on overall strategy for the business divisions and functions of the Company. The Board also received an update on Digital & Technology, Talent & Capability, journey towards Intelligent Enterprise and Sustainability.

The details of training programmes are available on the Company's 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. The performance evaluation criteria forms part of Corporate Governance Code which is available on the website of the Company at https://www.hul.co.in/investor-relations/corporate-governance/.

Evaluation Process

During the year, Board Evaluation exercise which included the evaluation of the Board as a whole, Board Committees, Peer Evaluation of the Directors and evaluation of Chairperson was conducted internally by the Company. The exercise was led by the Chairperson of the Company along with the Chairperson of the Nomination and Remuneration Committee. Detailed questionnaires were circulated covering various parameters relevant for the evaluation of the Board and Committees. This was followed by the Chairperson's one-on-one discussion with the Directors.

Parameters covered in the evaluation process

- Board Oversight and Board Engagement
- Board Skills and Structure
- Right balance of experience, skills and independence in Committees
- Terms of reference and working procedures including contribution to the decisions of the Board
- Continuous and effective interactions with the related functions of the Company
- Board Management and Overall Assessment
- Pro-active identification of key focus improvement areas
- Understanding of roles and responsibilities of a Director
- Constructive relationship with the Board and the Management
- Participation in and value addition to the discussions at the meetings

Additionally, specific feedback was also sought on the manner in which the Chairperson, the Independent Directors and the Executive Directors of the Company discharged their respective roles.

For the year under review, the average scores and inputs on every aspect of the evaluation were high and it is a good position for the Board and the Committees collectively. As an outcome of the performance evaluation exercise, it was noted that:

- Board is collaborative, embraces critical thinking, provides an environment conducive for discussion and is committed to creating value for all stakeholders.
- The Board acts in good faith, with due diligence, care and high ethical standards and has a strong focus on governance, people & talent matters, strategy, building future-fit capabilities, environmental & social factors.
- The Committees of the Board have clear terms of reference and working procedures. They are well-functioning, their meetings are well managed and contribute effectively to the decision making process of the Board.
- The contributions made by the Audit Committee stood out once again, with special praise and recognition of role played by the Chairperson of the Audit Committee.
- The Management has been pro-active and diligent in bringing relevant topics to the Risk Management Committee for its consideration. This has in turn added to the robustness of the risk management systems.

Additionally, the exercise has resulted in identification of the following key focus areas as well as action points for the Company to work upon in the coming years:

- **Board Knowledge Enhancement Sessions:** The Board seeks to engage in comprehensive learning sessions on pivotal topics such as the application of Artificial Intelligence (AI) and Generative AI, significant regulatory changes and its impact on the Company's operations, the intricacies of Digital Transformation, and the latest updates on Environmental, Social, and Governance (ESG) matters. These sessions will help the Board with a well-rounded understanding, enabling informed decision-making that encompasses all facets of the Company's interests.
- **Strategic Board Mentorship:** In light of the recent transitions within the Management Committee, it is imperative for the Board to assume a proactive mentorship role. This will ensure the seamless integration and guidance of the new senior leaders, fostering a leadership cadre that is well-aligned with the Company's purpose and strategic objectives.
- **Enhanced Audit Committee Focus:** The upcoming transition to new statutory auditors represents a significant juncture for the Company. This period will be characterised by a comprehensive review process, ensuring that the incoming auditors are thoroughly acquainted with the Company's financial practices and regulatory obligations. The Audit Committee will closely monitor the handover to uphold the highest standards of financial transparency and accountability.
- **Elevating CSR Impact:** While the Company has already established a strong foundation in Corporate Social Responsibility initiatives, there is an opportunity for the Corporate Social Responsibility Committee to delve deeper into strategic areas that could yield a disproportionate positive impact on society. By identifying and focusing on these key areas, the CSR Committee can drive initiatives that not only resonate with the Company's core values but also create lasting, meaningful change within the community.

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 intricately designed to anticipate and address the evolving leadership needs of our organisation. By embedding succession planning into our strategic initiatives, we fortify our resilience, promote a culture of meritocracy, and sustain our competitive edge in an ever changing landscape. 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.

Board

The Nomination and Remuneration Committee along with the Board deliberates on various factors including current tenure of Directors, anticipated vacancies in the Board, outcome of evaluation of the Directors, skill matrix including skill-gaps, diversity, time-commitment and statutory requirements, etc., to ensure orderly succession planning. The Company also has a multi-year plan for the retirements due on the Board. Considering the balance of skills and experience, prospective Directors are identified and aligned with the long-term strategy of the Company.

Senior Management

The Nomination and Remuneration Committee along with the Board reviews the succession planning for the Senior Management. To ensure leadership and business continuity, evaluation of successors is carried out considering the criteria such as readiness of the candidate qualified to serve as member of Senior Management, exposure to the business, mentorship etc. including contingency plan for each position. During the year, the Company, in view of building new capabilities and leveraging digital infrastructure, created a new position of Chief Digital Officer.

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 & Co., 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 SEBI and Ministry of Corporate Affairs (MCA) or any such authority and the same forms part of this Integrated Annual Report.

Statutory Compliance Monitoring Tool

The Company has implemented a web-based Statutory Compliance Monitoring Tool designed to enhance and streamline the tracking of all statutory and legal obligations required by the Company. This innovative tool provides a comprehensive platform for managing compliance across various domains, ensuring that all legal requirements are met in a timely and efficient manner. It serves as a reliable resource for the Board, offering necessary assurances regarding the Company's adherence to legal standards.

By leveraging this tool, the Company can effectively navigate the complex landscape of statutory requirements, mitigate potential risks, and maintain a robust compliance posture. This, in turn, reinforces the Company's commitment to ethical business practices and good governance, while providing the Board with a clear and transparent view of the Company's compliance status.

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 at 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, 2024, the Board has constituted the following Committees:

Committees of the Board

Audit Committee
- **Kalpana Morparia** (Chairperson, Independent Director)
- O.P. Bhatt (Member, Independent Director)
- Sanjiv Misra (Member, Independent Director)
- Ashu Suyash (Member, Independent Director)
- Leo Puri (Member, Independent Director)
- Neelam Dhawan (Member, Independent Director)
- Tarun Bajaj (Member, Independent Director)

Nomination and Remuneration Committee
- **Sanjiv Misra** (Chairperson, Independent Director)
- O.P. Bhatt (Member, Independent Director)
- Kalpana Morparia (Member, Independent Director)
- Ashu Suyash (Member, Independent Director)
- Ranjay Gulati (Member, Independent Director)
- Neelam Dhawan (Member, Independent Director)

Corporate Social Responsibility Committee
- **O.P. Bhatt** (Chairperson, Independent Director)
- Sanjiv Misra (Member, Independent Director)
- Kalpana Morparia (Member, Independent Director)
- Ranjay Gulati (Member, Independent Director)
- Tarun Bajaj (Member, Independent Director)

Stakeholders' Relationship Committee
- **O.P. Bhatt** (Chairperson, Independent Director)
- Ranjay Gulati (Member, Independent Director)
- Tarun Bajaj (Member, Independent Director)
- Rohit Jawa (Member, Executive Director)

Risk Management Committee
- **Leo Puri** (Chairperson, Independent Director)
- Ashu Suyash (Member, Independent Director)
- Neelam Dhawan (Member, Independent Director)
- Tarun Bajaj (Member, Independent Director)
- Rohit Jawa (Member, Executive Director)

Environmental, Social and Governance Committee
- **Ashu Suyash** (Chairperson, Independent Director)
- O.P. Bhatt (Member, Independent Director)
- Kalpana Morparia (Member, Independent Director)
- Leo Puri (Member, Independent Director)
- Neelam Dhawan (Member, Independent Director)
- Rohit Jawa (Member, Executive Director)

Chairperson   Member   Independent Director   Executive Director

Audit Committee

Kalpana Morparia
Chairperson

As on 31st March, 2024, the Company's Audit Committee comprises 7 (Seven) Members and all the Members are Independent Directors. Audit Committee is chaired by Ms. Kalpana Morparia and Mr. O. P. Bhatt, Dr. Sanjiv Misra, Ms. Ashu Suyash, Mr. Leo Puri, Ms. Neelam Dhawan and Mr. Tarun Bajaj act as Members of the Committee. All the Members of the Committee are financially literate and have relevant expertise in finance, risk management and Governance.

Terms of Reference of Audit Committee

The Committee is governed by its 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 form part of 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 periodically reviews the actions undertaken by it vis-a-vis its terms of reference. This periodic review ensures that the Committee discharges its roles and responsibilities as required under its terms of reference.

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. Permissible non-audit related services rendered by the Statutory Auditors are also pre-approved by the Audit Committee.

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 FY 2023-24 on 26th April, 2023 & 27th April, 2023, 19th July, 2023 (Special Audit Committee Meeting), 20th July, 2023, 19th October, 2023, 1st December, 2023 (Special Audit Committee Meeting) and 19th January, 2024. During the FY 2023-24, some of the business were considered by passing resolution(s) by circulation. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of the Audit Committee Meetings

Composition of the Committee*

Independent Director

- Kalpana Morparia
- O.P. Bhatt
- Sanjiv Misra
- Ashu Suyash
- Leo Puri
- Neelam Dhawan
- Tarun Bajaj

Chairperson Member

*Composition as on 31st March, 2024

Total no. of meetings

6

Total no. of Members

Independent Director

Average Attendance

84%

Name of the Members	26.04.2023 & 27.04.2023	19.07.2023	20.07.2023	19.10.2023	01.12.2023	19.01.2024
Kalpana Morparia – Chairperson	Present	Present	Present	Present	Present	Present
O.P. Bhatt	Leave of absence	Leave of absence	Video Conference	Present	Video Conference	Present
Sanjiv Misra	Video Conference	Leave of absence	Video Conference	Video Conference	Video Conference	Present
Ashish Gupta*	Video Conference	-	-	-	-	-
Ashu Suyash	Video Conference	Present	Present	Present	Present	Present
Ranjay Gulati*	Video Conference	Leave of absence	Leave of absence	-	-	-
Leo Puri$	-	-	-	Present	Present	Present
Neelam Dhawan$$	-	-	-	Present	Present	Video Conference
Tarun Bajaj^	-	-	-	-	-	Present

Present Leave of absence Video Conference

Notes:

Mr. Dev Bajpai acts as the Secretary to the Committee

*Dr. Ashish Gupta and Mr. Ranjay Gulati ceased to be Member of the Committee with effect from 27th June, 2023 and 21st July, 2023 respectively

$Mr. Leo Puri was appointed as a Member of the Committee with effect from 21st July, 2023

$$Ms. Neelam Dhawan was appointed as a Member of the Committee with effect from 1st August, 2023

^Mr. Tarun Bajaj was appointed as a Member of the Committee with effect from 2nd December, 2023

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.

Ms. Surabhi Mehrotra continues to be the Internal Auditor of the Company.

Nomination and Remuneration Committee

Sanjiv Misra
Chairperson

As on 31st March, 2024, the Company's Nomination and Remuneration Committee comprises 6 (Six) Members and all the Members are Independent Directors. The Nomination and Remuneration Committee is chaired by Dr. Sanjiv Misra and Mr. O. P. Bhatt, Ms. Kalpana Morparia, Ms. Ashu Suyash, Mr. Ranjay Gulati and Ms. Neelam Dhawan act 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.

Terms of Reference of Nomination and Remuneration Committee

The detailed terms of reference of the Nomination and Remuneration Committee form part of 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	Periodically
Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a Key Managerial Personnel	Periodically
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)	Periodically
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension, etc.	Periodically
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	Periodically
Recommend to the Board, all remunerations, in whatever form, payable to Senior Management	Annually/Periodically

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 three times during the FY 2023-24 on 20th July, 2023, 1st December, 2023 and 20th February, 2024. During the FY 2023-24 some of the business were considered by passing resolution(s) by circulation. The minutes of each of the Nomination and Remuneration Committee meetings are placed at the next meeting of the Board. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of Nomination and Remuneration Committee Meetings

Composition of the Committee*

Independent Directors

- Sanjiv Misra
- O.P. Bhatt
- Kalpana Morparia
- Ashu Suyash
- Ranjay Gulati
- Neelam Dhawan

Chairperson Member

Total no. of meetings

3

Total no. of Members

6

Independent Director

Average Attendance

94%

*Composition as on 31st March, 2024

Attendance of the Committee Meetings

Name of the Members	20.07.2023	01.12.2023	20.02.2024
Sanjiv Misra - Chairperson	Video Conference	Video Conference	Video Conference
O.P. Bhatt	Video Conference	Video Conference	Video Conference
Kalpana Morparia	Present	Present	Present
Ashu Suyash	Present	Present	Video Conference
Ranjay Gulati*	-	Video Conference	Leave of absence
Neelam Dhawan^	-	Present	Video Conference

Present Leave of absence Video Conference

Notes:

Mr. Dev Bajpai acts as the Secretary to the Committee

*Mr. Ranjay Gulati was appointed as a Member of the Committee with effect from 21st July, 2023

^Ms. Neelam Dhawan was appointed as a Member of the Committee with effect from 1st August, 2023

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.

In alignment with the Listing Regulations, the Board has meticulously identified the requisite skills, expertise, and competencies of its Directors. During the year, in response to the dynamic changes in the Board's composition, external environment, and regulatory landscape, the Board has recognised the need for additional skills. The Board has proactively adapted to the evolving legal frameworks concerning Cyber Security, Artificial Intelligence, Purposeful Business & Sustainability, Mergers & Amalgamations, and Risk Management.

Board Skills

Leadership Expertise

Expertise in leading well-governed large organisations, with an understanding of organisational systems and processes, complex business and strategic planning.

Crafting Business Strategies

Experience in developing long-term strategies in diverse business environments and changing economic conditions to ensure a consistent growth in Consumer facing/FMCG business in a manner that is profitable, competitive and sustainable.

Understanding of Emerging Markets and Consumer Insights

Understanding of emerging local & global trends and experience of having managed organisations with large consumer/customer interface in diverse business and economic environment which helps in leveraging consumer insights for business benefits.

Financial Expertise and Risk Management

Leadership experience in financial & risk management of large organisations with an understanding of accounting & financial statements and leading growth through acquisitions/ other business combinations.

Experience of overseeing large and complex business operations requiring proven administrative & managerial skills

Experience of overseeing large and complex end to end operations across FMCG or similar industries, management of innovations, understanding of emerging science and technologies with proven administrative and managerial abilities.

Cyber Security, Digital/ Information Technology & Data Governance

Understanding the use of Digital/Information Technology, Artificial Intelligence along with other future technologies, ability to anticipate technological driven changes & disruption, and appreciation of the need of Cyber Security, controls & Data Governance across the organisation.

Corporate Governance and Legal Framework

Possess relevant skills in providing the Board an oversight on all dimensions of business, guiding towards maintaining high Corporate Governance standards with an understanding of ever evolving legal & regulatory environment.

Purposeful Business & Sustainability/ESG

Demonstrated ability to integrate purposeful and sustainable practices into business operations, fostering positive environmental and social impacts while aligning with regulatory requirements.

People & Talent Development

Experience of providing guidance towards talent development and succession planning, ensuring the Company has a strong, diverse and high performing talent pool now and in the future.

Sr. No	Name of Directors	Leadership Expertise	Crafting Business Strategies	Understanding of Emerging Markets and Consumer Insights	Financial Expertise and Risk Management	Experience of overseeing large and complex business operations requiring proven administrative & managerial skills	Cyber Security, Digital/ Information Technology & Data Governance	Corporate Governance and Legal Framework	Purposeful Business & Sustainability/ ESG	People & Talent Development
1	Nitin Paranjape	✓	✓	✓	✓	✓		✓	✓	✓
2	Rohit Jawa	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Ritesh Tiwari	✓	✓	✓	✓		✓	✓	✓	✓
4	Dev Bajpai	✓		✓				✓	✓	✓
5	O.P. Bhatt	✓	✓	✓	✓	✓		✓	✓	✓
6	Dr. Sanjiv Misra	✓	✓	✓	✓	✓		✓	✓	✓
7	Kalpana Morparia	✓		✓	✓	✓		✓	✓	✓
8	Leo Puri	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Ashu Suyash	✓	✓		✓	✓		✓	✓	✓
10	Ranjay Gulati		✓	✓				✓	✓	✓
11	Neelam Dhawan	✓	✓	✓		✓	✓	✓	✓	✓
12	Tarun Bajaj	✓	✓	✓	✓	✓		✓	✓	✓

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 Unilever Performance Share Plan and HUL Performance Share Plan Scheme 2024, 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 aggregate remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the approval of Members of the Company.

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/. During the FY 2023-24, Independent Directors were paid sitting fees of ₹30,000/- for attending every meeting of the Board or Committee thereof. Further, for the FY 2023-24, they are entitled to fixed annual commission on profits at the rate of ₹15 lakhs. 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 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.

In view of the greater time commitments, attention and higher level of oversight required of the Non-Executive Directors owing to the ever-evolving regulatory landscape and the role played by them in shaping and steering the long-term strategy of the Company, the Board at its meeting held on 24th April, 2024 considered and approved the revision to the Differential Remuneration Policy of the Company. Accordingly, the criteria adopted by the Company for remuneration to the Independent Directors effective 1st April, 2024, are as under:

(₹ in lakhs)

Particulars	Commission (p.a.)
Fixed Commission#	
Base Fixed Commission for Independent Directors	25.00
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, Corporate Social Responsibility Committee, Risk Management Committee and Environmental, Social and Governance Committee.

#Effective 1st April, 2024, the fixed annual commission on profits payable to the Independent Directors has been increased from ₹15 lakhs to ₹25 lakhs. There is no change in additional variable commission payable to the Independent Directors.

Additionally, effective 1st April, 2024, the Independent Directors are entitled to sitting fees of ₹75,000/- for attending every meeting of the Board or Committee thereof.

The Members at the 82nd AGM of the Company held on 29th June, 2015 had approved the payment of remuneration by way of commission on profits to Non-Executive Directors of the Company upto a maximum of ₹300 lakhs in aggregate, to be allocated in such manner as the Board may determine, from time to time, with effect from 1st April, 2015 for a period of 5 (five) years. The proposal was duly extended by the Members of the Company from time-to-time.

In view of the changes to the Differential Remuneration Policy of the Company, it is proposed to revise the limits of remuneration payable to Non-Executive Directors of the Company, by way of commission or otherwise, upto a maximum of ₹400 lakhs per annum in aggregate effective from 1st April, 2024 till 31st March, 2029. The proposed revision in aggregate commission to ₹400 lakhs per annum is subject to the approval of the Members at the ensuing AGM. The remuneration payable to each Non-Executive Director, including the Non-Executive Chairperson (as maybe required) shall be determined by the Board or the Committee thereof within its overall limit of ₹400 lakhs per annum.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Independent Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

The details of remuneration paid to Executive and Non-Executive Directors for the Financial Year ended 31st March, 2024 are provided hereinafter:

Details of Remuneration to the Executive Directors

(₹ in crores)

Name of Directors	Rohit Jawa	Dev Bajpai	Ritesh Tiwari	Sanjiv Mehta*
Salary	3.65	3.42	2.57	0.93
Allowances	10.31	1.67	2.28	0.72
Bonus^^	3.44	1.50	1.24	-
Perquisite – Long Term Incentives (LTI)$	3.85	3.28	2.12	-
Perquisite – Others#	0.81	0.10	0.04	-
Contribution to PF	0.33	0.41	0.31	0.11
Total	**22.39**	**10.38**	**8.56**	**1.76**

Notes:

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. Sanjiv Mehta ceased to be MD & CEO of the Company with effect from the close of business hours on 26th June, 2023

^^Annual Bonus incentives 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 as applicable.

Details of Remuneration to the Non-Executive and Independent Directors

(₹ in lakhs)

Name of Directors	Sitting Fees*	Commission#	Total
Nitin Paranjpe^	-	-	-
O. P. Bhatt	5.40	26.50	31.90
Sanjiv Misra	5.10	23.72	28.82
Kalpana Morparia	5.70	25.00	30.70
Leo Puri	3.90	23.40	27.30
Ashish Gupta$	0.90	5.48	6.38
Ashu Suyash	5.70	25.00	30.70
Ranjay Gulati	2.70	20.61	23.31
Neelam Dhawan	3.30	16.00	19.30
Tarun Bajaj	0.90	8.00	8.90

Notes:

^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, 2024 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 21st June, 2024.

$Dr. Ashish Gupta ceased to be an Independent Director of the Company with effect from close of business hours on 26th June, 2023

Corporate Social Responsibility Committee

O.P. Bhatt
Chairperson

As on 31st March, 2024, the Corporate Social Responsibility (CSR) Committee comprises 5 (five) Members and all the Members are Independent Directors. The CSR Committee is chaired by Mr. O. P. Bhatt and Dr. Sanjiv Misra, Ms. Kalpana Morparia, Mr. Ranjay Gulati and Mr. Tarun Bajaj act 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 form part of 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	Periodically
Recommend the amount of expenditure to be incurred on CSR activities	Annually
Formulate and review the Annual Action Plan in pursuance of the CSR Policy	Annually/Periodically
Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes	Periodically
Impact assessment, monitoring and reporting mechanism for the projects/programmes	Annually

Quarterly   Annually   Periodically

During the FY 2023-24, the Committee met (2) twice on 18th July, 2023 and 1st December, 2023. During the FY 2023-24, some of the businesses were considered by passing resolution(s) by circulation. The minutes of each of the CSR Committee meetings are placed at the next meeting of the Board. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of Corporate Social Responsibility Committee Meetings

Composition of the Committee*

Independent Directors
- O.P. Bhatt
- Sanjiv Misra
- Kalpana Morparia
- Ranjay Gulati
- Tarun Bajaj

Chairperson   Member

*Composition as on 31st March, 2024

Total no. of meetings

2

Total no. of Members

Independent Director

Average Attendance

88%

Name of the Members	18.07.2023	01.12.2023
O.P. Bhatt - Chairperson	Video Conference	Video Conference
Sanjiv Misra	Video Conference	Video Conference
Kalpana Morparia	Video Conference	Present
Ritesh Tiwari*	Present	-
Leo Puri*	Video Conference	-
Ranjay Gulati#	-	Leave of absence

Present   Leave of absence   Video Conference

Notes:
Mr. Dev Bajpai acts as the Secretary to the Committee
*Mr. Ritesh Tiwari and Mr. Leo Puri ceased to be Members of the Committee with effect from 21st July, 2023
#Mr. Ranjay Gulati was appointed as a Member of the Committee with effect from 21st July, 2023
Mr. Tarun Bajaj was appointed as a Member of the Committee with effect from 2nd December, 2023

Stakeholders' Relationship Committee

O.P. Bhatt
Chairperson

As on 31st March, 2024, the Stakeholders' Relationship Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairperson and Mr. Ranjay Gulati, Mr. Tarun Bajaj and Mr. Rohit Jawa, as Members of the Committee. Mr. Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary, is the Compliance Officer as per Regulation 6 of SEBI Listing Regulations and Nodal Officer under IEPF Rules.

The role of Stakeholders' Relationship Committee includes resolving the grievances of Shareholders, ensuring expeditious processing of all the Investor Service Requests in adherence to the regulatory timelines, 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 RTAs 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 Meetings for sharing an update on the steps and actions taken by the RTA in this regard. The Committee also invites Shareholders for interactions during the meetings to get a direct feedback on investor service.

Terms of Reference of Stakeholder's Relationship Committee

The detailed terms of reference of the Stakeholders' Relationship Committee form part of 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 the various measures and initiatives taken by the Company for reducing the quantum of unpaid dividend	Periodically

Quarterly Annually Periodically

During the FY 2023-24, the Committee met once on 18th October, 2023. The minutes of each of the Stakeholders' Relationship Committee meetings are placed at the next meeting of the Board. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of Stakeholders' Relationship Committee Meeting

Composition of the Committee*

Independent Directors	Executive Director
O.P. Bhatt (Chairperson)	Rohit Jawa (Member)
Ranjay Gulati (Member)	
Tarun Bajaj (Member)	

Chairperson · Member

Total no. of meeting

1

Total no. of Members

Average Attendance

100%

*Composition as on 31st March, 2024

Name of the Members	18.10.2023
O. P. Bhatt - Chairperson	Video Conference
Rohit Jawa ^	Video Conference
Ranjay Gulati^	Video Conference

Present · Leave of absence · Video Conference

Notes:

Mr. Dev Bajpai acts as the Secretary to the Committee

^Mr. Rohit Jawa and Mr. Ranjay Gulati were appointed as Members of the Committee with effect from 21st July, 2023

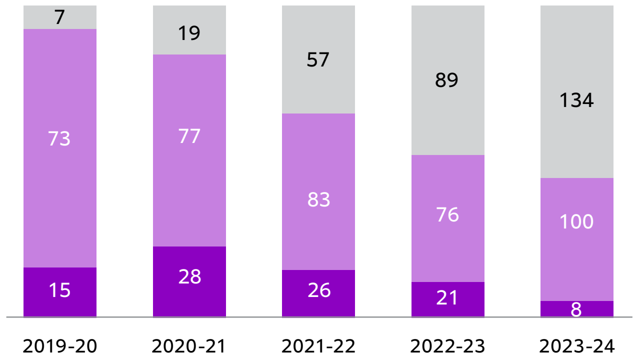
Mr. Leo Puri and Mr. Ritesh Tiwari ceased to be Members of the Committee with effect from 21st July, 2023

Mr. Tarun Bajaj was appointed as a Member of the Committee with effect from 2nd December, 2023

Details of Investors' Complaints

Mr. Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary, is the Compliance Officer, who is also responsible for ensuring expeditious resolution of Investors' complaints. During the FY 2023-24, 242 complaints were received from the Investors. All complaints were redressed by 31st March, 2024.

Trend of complaints received during last 5 years:



*Others include complaints related to IEPF, transfer / transmission of shares and TDS on dividends.

Risk Management Committee

Leo Puri
Chairperson

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, 2024, the Risk Management Committee of the Company comprises Mr. Leo Puri, Independent Director, as the Chairperson, Ms. Ashu Suyash, Ms. Neelam Dhawan, Mr. Tarun Bajaj and Mr. Rohit Jawa 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 form part of 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 FY 2023-24, the Risk Management Committee met (2) twice on 19th July, 2023, and 1st December, 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. The minutes of each of the Risk Management Committee meetings are placed at the next meeting of the Board. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of Risk Management Committee Meetings

Composition of the Committee*

Independent Directors	Executive Director
Leo Puri	Rohit Jawa
Ashu Suyash	
Neelam Dhawan	
Tarun Bajaj	

Chairperson Member

Total no. of meetings

2

Total no. of Members

Independent Directors
Executive Director

Average Attendance

100%

*Composition as on 31st March, 2024

Name of the Members	19.07.2023	01.12.2023
Leo Puri* - Chairperson	-	Present
Dev Bajpai^	Present	-
Ritesh Tiwari^	Present	-
Ashu Suyash	Present	Present
Rohit Jawa#	-	Present
Neelam Dhawan^^	-	Present
Ravishankar A.^	Present	-

Present Leave of absence Video Conference

Notes:

Mr. Dev Bajpai acts as the Secretary to the Committee

*Mr. Leo Puri was appointed as Chairperson of the Committee with effect from 21st July, 2023

#Mr. Rohit Jawa was appointed as a Member of the Committee with effect from 21st July, 2023

^Mr. Dev Bajpai, Mr. Ritesh Tiwari and Mr. Ravishankar A. ceased to be Members of the Committee with effect from 21st July, 2023

^^Ms. Neelam Dhawan was appointed as a Member of the Committee with effect from 1st August, 2023

Mr. Tarun Bajaj was appointed as a Member of the Committee with effect from 2nd December, 2023

Environmental, Social and Governance Committee

Ashu Suyash
Chairperson

As on 31st March, 2024, the ESG Committee of the Company comprises Ms. Ashu Suyash, Independent Director as the Chairperson, Mr. O.P. Bhatt, Ms. Kalpana Morparia, Mr. Leo Puri, Ms. Neelam Dhawan and Mr. Rohit Jawa as the members of the Committee.

The ESG Committee is 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.

Terms of Reference of the Environmental, Social and Governance Committee

The detailed terms of reference of the ESG Committee form part of 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	Periodically
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	Periodically
Review the ESG policies that are formalised along with the oversight on their implementation and considering the same periodically	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	Periodically
Oversee the Company's engagement with its broader stakeholders community and ensure that the Company takes appropriate measures	Periodically
Monitor Company's ESG rating and statutory requirements for Sustainability reporting & disclosure	Annually
Review regularly the requirement for external assurance of ESG matters	Annually
Review the ESG matters to be presented in the Company's Annual Report and monitor the integrity of these reports	Annually

Quarterly Annually Periodically

During the FY 2023-24, the Environmental, Social and Governance Committee met once on 18th October, 2023. The minutes of each of the Environmental, Social and Governance Committee meetings are placed at the next meeting of the Board. All the decisions and recommendations made by the Committee were approved by requisite majority of the members of the Committee.

Composition and Attendance of Environmental, Social and Governance Committee Meetings

Composition of the Committee*

Independent Directors	Executive Director
Ashu Suyash	Rohit Jawa
O. P. Bhatt	
Kalpana Morparia	
Leo Puri	
Neelam Dhawan	

Chairperson Member

Total no. of meeting
1

Average Attendance
100%

Total no. of Members

*Composition as on 31st March, 2024

Name of the Members	18.10.2023
Ashu Suyash - Chairperson	Video Conference
Kalpana Morparia	Video Conference
O. P. Bhatt	Video Conference
Rohit Jawa^	Video Conference
Leo Puri^	Video Conference
Neelam Dhawan$	Video Conference

Present Leave of absence Video Conference

Notes:

Mr. Dev Bajpai acts as the Secretary to the Committee

^Mr. Rohit Jawa and Mr. Leo Puri were appointed as Members of the Committee with effect from 21st July, 2023

$Ms. Neelam Dhawan was appointed as Member of the Committee with effect from 1st August, 2023

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 said Committees report to the Board of Directors of the Company.

Share Transfer/Transmission Committee

The Share Transfer/Transmission Committee is responsible for overseeing share transmission and related requests received from Shareholders/Claimants, with a view to enhance shareholder satisfaction. The Committee comprises three Executive Directors of the Board. The Committee, inter alia, considers requests for transmission, issuance of duplicate share certificates, split, consolidation, dematerialisation of share certificates and issuance of Letters of Confirmation in compliance with the applicable provisions.

As per Regulation 40 of Listing Regulations, as amended from time to time, 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 only in dematerialised mode while processing any investor service request including transmission, deletion of name of joint holder(s), issuance of duplicate share certificates, exchange/sub-division/split/consolidation and transposition of shares.

The Committee generally meets on a weekly basis to ensure that all investor service requests are considered and actioned within the prescribed timelines.

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.

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.

Composition as on 31st March, 2024

Name of the Members	Designation
Rohit Jawa	Chief Executive Officer & Managing Director
Ritesh Tiwari	Executive Director, Finance & IT and Chief Financial Officer
Dev Bajpai	Executive Director, Legal & Corporate Affairs and Company Secretary
Srinandan Sundaram	Executive Director, Foods & Refreshment
Madhusudan Rao	Executive Director, Beauty & Personal Care
Deepak Subramanian	Executive Director, Home Care
Anuradha Razdan	Executive Director, Human Resources
Yogesh Mishra	Executive Director, Supply Chain
Vibhav Sanzgiri	Executive Director, Research & Development
Kedar Lele	Executive Director, Customer Development
Arun Neelakantan	Chief Digital Officer

During the year, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, approved the following changes to the Management Committee:

(a) appointment of Mr. Srinandan Sundaram as the Executive Director, Home Care in succession to Mr. Deepak Subramanian with effect from 1st April, 2024.

(b) appointment of Ms. Harman Dhillon as the Executive Director, Beauty & Well-being, in succession to Mr. Madhusudhan Rao, with effect from 1st April, 2024.

(c) appointment of Mr. Shiva Krishnamurthy as the Executive Director, Foods and Refreshment in succession to Mr. Srinandan Sundaram with effect from 1st April, 2024.

The Board at its meeting held on 24th April, 2024, approved the appointment of Mr. Biddappa Bittianda Ponnappa as an Executive Director, Human Resources in succession to Ms. Anuradha Razdan with effect from 1st June, 2024.

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. As on the date of this Integrated Annual Report, the Company does not have a material subsidiary, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of the Company. As per the requirements of Regulation 23 of Listing Regulations, omnibus approval of the Audit Committee is obtained for all material related party transactions of the Subsidiaries.

Disclosure of Loans and Advances by the Company/ its subsidiaries in the nature of loans to firms/companies in which Directors are interested

During the financial year ended 31st March, 2024, there were no loans or advances provided by the Company or its subsidiaries to firms/companies in which Directors are interested.

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 Code is available on the website of the Company at https://www.hul.co.in/planet-andsociety/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 address 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/

During the FY 2023-24, 87 incidents were reported across all areas of our CoBP and Code Policies, with 41 confirmed breaches. No person was denied access to the Audit Committee.

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.

Number of Complaints received during the FY 2023-24	7
Number of Complaints disposed of during the FY 2023-24	7
Number of Complaints pending as on 31st March, 2024	-

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 adopted the Policy on Related Party Transactions 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 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 Related Party Transactions, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions 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 Related Party Transactions entered during the year were in ordinary course of business and on arm's length basis.

The Company has not entered into any Material Related Party Transactions during the FY 2023-24. Further, there are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

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 Share Dealing Code of the Company is intended to prevent insider trading and abusive self-dealing in the securities of the Company. Insider trading is the illegal and unethical practice of trading in the securities of the Company by persons who have access to Unpublished Price Sensitive Information (UPSI) about the company or communicate or procure UPSI for personal gain or to benefit others. Abusive self-dealing is the unfair use of one's position or influence in the Company to obtain an advantage or benefit for oneself or others at the expense of the Company or its shareholders.

Insider trading and abusive self-dealing erode the confidence and trust of the investors and the public in the integrity and fairness of the securities market. Therefore, 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 and the Board of Directors have adopted the Share Dealing Code. The Share Dealing Code is a set of rules and guidelines that govern the conduct of the Company's Directors, Management Committee members and other designated persons (collectively referred to as Special Employees) in relation to their dealings in the securities of the Company.

The Share Dealing Code aims to ensure that the Special Employees follow the law as well as the highest standards of professionalism and ethics when they trade in the Company's securities. The Share Dealing Code also sets out the procedures that the Special Employees have to follow when they share any UPSI. The Share Dealing Code is stricter than the provisions of the Regulations framed thereunder by requiring approvals for all the transactions done by the Special Employees regardless of any value or amount.

The Company has established a mechanism for tracking the trades done by Special Employees as well as generating system based disclosures according to the Share Dealing Code. Further, the Board has constituted the Share Dealing Code Compliance Committee comprising Chief Executive Officer, Executive Director, Finance & IT and Chief Financial Officer and Executive Director, Legal & Corporate Affairs and Company Secretary to monitor the implementation of the policies and compliances under the SEBI PIT Regulations including leak/suspected leak of UPSI. The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the Share Dealing Code.

The Share Dealing Code Compliance Committee has the authority to impose sanctions and penalties for any breach of the Share Dealing Code by the Special Employees, as per the sanction framework defined by the Share Dealing Code. The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund.

The details of trading in the Company's shares by Special Employees are presented to the Audit Committee and Board for information on quarterly basis.

During the year, the Company regularly sent informational e-mails and whatsapp messages to the Special Employees on topics including Do's and Don't's while dealing with the securities of the Company, open period/closed period communication and also conducted an online quiz for its Special Employees to familiarise, educate and remind them of the provisions of Share Dealing Code and SEBI PIT Regulations. These initiatives have created substantial awareness amongst the Special Employees.

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/.

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, 2024 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 Auditor's Certificate on Corporate Governance 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, if any. 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.

The Company has complied with the mandatory requirements of Listing Regulations relating to Corporate Governance

Auditors

Secretarial Auditors

The Board, at its meeting held on 27th April, 2023, had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries (ICSI Unique Code: P1991MH040400) to conduct Secretarial Audit for the FY 2023-24. The Company has undertaken Secretarial Audit for the FY 2023-24 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and 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.

In line with the best governance practices codified under our Corporate Governance Code, the Secretarial Auditor must be rotated every ten years and a cooling off period of three years must have elapsed to be re-appointed by the Company. Accordingly, 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 19th January, 2024 had appointed M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) to conduct Secretarial Audit for the FY 2024-25.

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as the Statutory Auditors of the Company, expires at the conclusion of 91st AGM of the Company. The Report given by M/s. B S R & Co. LLP, on the financial statements of the Company for the FY 2023-24 is part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Fees paid to the Statutory Auditors

The total fee for all services paid 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 FY 2023-24 are as follows:

Particulars	Amount (in Crs)
Statutory Audit Fees	3.50
Tax Audit Fees	0.90
Others including group IFRS audit fees, statutory certifications, etc. and out of pocket expenses	2.46

Appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/W-100022), as the Statutory Auditors of the Company, expires at the conclusion of 91st AGM of the Company.

The Board of Directors of the Company at their meeting held on 24th April, 2024, based on the recommendation of the Audit Committee, have recommended the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), as Statutory Auditors of the Company in place of M/s. B S R & Co. LLP, Chartered Accountants, for a term of 5 (five) consecutive years from the conclusion of 91st AGM till the conclusion of the 96th AGM, by the Members of the Company. Accordingly, an Ordinary Resolution, proposing appointment of M/s. Walker Chandiok & Co. LLP, as the Statutory Auditors of the Company for a term of five consecutive years pursuant to Section 139 of the Act, forms part of the Notice of the 91st AGM of the Company. The Company has received the written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The total estimated fees for all services payable by the Company and its Subsidiaries to M/s. Walker Chandiok & 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 FY 2024-25 shall be ₹4.25 crores.

Cost Auditors

In terms of provisions of Section 148 of the Act read with the Companies (Accounts) Rules, 2014, M/s. R A & Co., Firm Registration No.: 000242, was appointed as Cost Auditors of the Company.

During the year, M/s. R A & Co., had vacated their office with immediate effect on account of the firm incurring a disqualification as per the provisions of Section 141 read with Section 148 of the Act.

The Board, at its meeting held on 24th April, 2024, based on the recommendation of the Audit Committee, has appointed M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010) as the Cost Auditors of the Company for FY 2023-24 and FY 2024-25.

M/s. R. Nanabhoy & Co., being eligible, have consented to act as the Cost Auditors of the Company for FY 2023-24 and FY 2024-25 and are in the process of carrying out the cost audit for applicable products for the FY 2023-24.

The remuneration of ₹14 lakhs for the FY 2023-24 and ₹15 lakhs for the FY 2024-25 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.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the FY 2023-24 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

Corporate Governance Code Audit

The Board of Directors has adopted 'Corporate Governance Code', a statement of practices and procedures to be followed by the Company and its officers and employees. The Corporate Governance Code lays down the principles governing Compliances for Board of Directors, Key Managerial Personnel, Risk Management, Shareholders and Redressal of 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 FY 2023-24.

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. 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 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, 2024 are disclosed in Note No. 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: ₹12,442 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	3,831	21,09,725*	Barrels	-	-	23%		23%
Kerosene								
Vegetable Oil	1,887	2,33,000	KG/TO	-	-	-	-	-
Tea	2,747	16,09,85,276	KG	-	-	-	-	-

*Quantity derived basis Labsa volumes and formulation

KG – Kilograms; TO - Tonnes

   c) Commodity risks faced and management of Risks by the Company during the year are disclosed in Note No. 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 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 made 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/.
- **Audit qualifications:** The auditors have not qualified the financial statements of the Company.
- **Separate position of Chairperson and the Managing Director/CEO:** Separate individuals hold the positions of Chairperson and Managing Director & CEO since 2022. The Chairperson is a Non-Executive Non-Independent Director.
- **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.

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, 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
31st March, 2023	26th June, 2023, 2.00 P.M (IST)	Annual General Meeting through Video Conferencing/Other Audio-Visual Means Facility	Appointment of Mr. Ranjay Gulati (DIN: 10053369) as an Independent Director

Postal Ballot

During the year, the Company had passed Special Resolutions through Postal Ballot for the proposals as mentioned below.

The Company provided electronic voting facility to all its members in compliance with Regulation 44 of Listing Regulations and as per the provisions of Sections 108 and 110 of the Companies Act, 2013, (the Act), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended (Rules), read with the General Circulars issued by the MCA (MCA Circulars),

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mr. S. N. Ananthasubramanian (FCS: 4206 and COP No.: 1774), Practicing Company Secretary or failing him, Mr. S.N. Viswanathan (ACS 61955 and COP No. 24335), Practicing Company Secretary, as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.

The Scrutiniser, after the completion of scrutiny, submitted his report to Mr. Dev Bajpai, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The results were displayed on the website of the Company at https://www.hul.co.in/ and on the website of KFin Technologies Limited at www.kfintech.com and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

a. Appointment of Ms. Neelam Dhawan (DIN: 00871445) as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 1st August, 2023 upto 31st July, 2028

Voting Period	Commenced on Wednesday, 9th August, 2023, at 9.00 A.M. (IST) and ended on Thursday, 7th September, 2023 at 5.00 P.M. (IST)
Members as on Cut – off date i.e. Friday, 4th August, 2023	11,23,144
Announcement of Consolidated Results	8th September, 2023
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	1,97,55,21,825
Votes in favour of the resolution	1,97,32,83,362
Votes against the resolution	22,38,463

b. Re-appointment of Mr. Leo Puri (DIN:01764813) as an Independent Director of the Company for the second term of five consecutive years with effect from 12th October, 2023 upto 11th October, 2028

Voting Period	Commenced on Wednesday, 9th August, 2023, at 9.00 A.M. (IST) and ended on Thursday, 7th September, 2023 at 5.00 P.M. (IST)
Members as on Cut – off date i.e. Friday, 4th August, 2023	11,23,144
Announcement of Consolidated Results	8th September, 2023
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	1,97,55,22,342
Votes in favour of the resolution	1,97,33,73,768
Votes against the resolution	21,48,574

c. Appointment of Mr. Tarun Bajaj (DIN: 02026219) as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 1st December, 2023 upto 30th November, 2028

Voting Period	Commenced on Monday, 11th December, 2023, at 9.00 A.M. (IST) and ended on Tuesday, 9th January, 2024 at 5.00 P.M. (IST)
Members as on Cut – off date i.e. Monday, 4th December, 2023	11,53,812
Announcement of Consolidated Results	10th January, 2024
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	1,98,09,11,340
Votes in favour of the resolution	1,97,88,61,614
Votes against the resolution	20,49,726

d. Introduction and Implementation of 'Hindustan Unilever Limited Performance Share Plan Scheme 2024'

Voting Period	Commenced on Monday, 5th February, 2024, at 9.00 A.M. (IST) and ended on Tuesday, 5th March, 2024 at 5.00 P.M. (IST)
Members as on Cut – off date i.e. Tuesday, 30th January, 2024	11,59,063
Announcement of Consolidated Results	6th March, 2024
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	1,97,10,78,205
Votes in favour of the resolution	1,65,34,59,932
Votes against the resolution	31,76,18,273

e. Extension of 'Hindustan Unilever Limited Performance Share Plan Scheme 2024' to Employees of Subsidiary Company(ies) of the Company

Voting Period	Commenced on Monday, 5th February, 2024, at 9.00 A.M. (IST) and ended on Tuesday, 5th March, 2024 at 5.00 P.M (IST)
Members as on Cut – off date i.e. Tuesday, 30th January, 2024	11,59,063
Announcement of Consolidated Results	6th March, 2024
Voting Pattern	

Particulars	Number
Number of valid Electronic Votes received	1,96,96,94,498
Votes in favour of the resolution	1,65,14,72,569
Votes against the resolution	31,82, 21,929

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Integrated Annual Report.

Annual General Meeting for the FY 2023-24

Date	Friday, 21st June, 2024
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	15th June, 2024 to 21st June, 2024 (both days inclusive)

Calendar of financial year ended 31st March, 2024

The Company follows April-March as the Financial Year. The meetings of Board of Directors for approval of quarterly financial results during the FY 2023-24 were held on the following dates:

First Quarter Results	20th July, 2023
Second Quarter and Half yearly Results	19th October, 2023
Third Quarter Results	19th January, 2024
Fourth Quarter and Annual Results	24th April, 2024

Tentative Calendar for financial year ending 31st March, 2025

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the FY 2024-25 are as follows:

First Quarter Results	23rd July, 2024
Second Quarter and Half yearly Results	23rd October, 2024
Third Quarter Results	20th January, 2025
Fourth Quarter and Annual Results	24th April, 2025

Dividend

The Board of Directors at their meeting held on 24th April, 2024, recommended a Final Dividend of ₹24/- per equity share of face value of ₹1/- each, for the Financial Year ended 31st March, 2024. Together with the Interim Dividend of ₹18/- per equity share of face value of ₹1/- each paid on 16th November, 2023, the total dividend for the Financial Year ended 31st March, 2024 amounts to ₹42/- per share of face value of ₹1/- each. Final Dividend, if approved by Shareholders, will be paid on or after 25th June, 2024.

Unpaid/Unclaimed Dividends

In accordance with the provisions of Section 124(6) of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, dividends that remain unpaid or unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government, from the unpaid or unclaimed dividend account of the Company.

The aforesaid provisions also mandate companies to transfer shares of those Members whose dividends remain unpaid or unclaimed for a period of seven consecutive years, to the demat account of IEPF.

Transfer of unpaid or unclaimed dividends to IEPF

Details of dividends transferred to IEPF, during the FY 2023-24, in terms of the applicable provisions of the Act and IEPF Rules, are given below:

Year	Dividend	Dividend rate per share (in ₹)	Amount in crores (₹)
2015-16	60-F	9.50	7.04
2015-16	GSK CH-F	70.00	1.45
2016-17	61-I	7.00	5.28
Total			**13.77**

I - Internal F - Final

Transfer of shares to IEPF

During the FY 2023-24, the Company transferred 4,99,050 shares, in respect of which dividends remained unpaid or unclaimed for a period of seven consecutive years, in accordance with the applicable provisions of the Act and IEPF Rules.

Dividend paid to IEPF

Details of dividend paid to IEPF, during the FY 2023-24, in respect of the shares already transferred to IEPF, in terms of the applicable provisions of the Act and IEPF Rules, are given below:

Year	Dividend	Dividend rate per share (in ₹)	Amount in crores (₹)
2022-23	67-F	22.00	9.86
2023-24	68-I	18.00	8.28
Total			**18.14**

I - Internal F - Final

Release of dividends/shares by IEPF

The Members, whose dividends/shares are transferred to IEPF, can claim the same from the IEPF Authority after complying with the prescribed procedures. More details regarding the procedure to claim back dividends/shares can be accessed at https://www.iepf.gov.in/IEPF/pdf/FAQsIEPF5.pdf.

Applications in Form IEPF-5 are made by the Claimants/ Shareholders of the Company for claiming back their shares from IEPF. During the FY 2023-24, 1,45,481 shares were released by IEPF to the respective Claimants/ Shareholders.

Dividends due for transfer to IEPF

Details of dividends that are due for transfer to IEPF on their respective due dates, are mentioned below:

Year	Dividend	Dividend per share	Date of Declaration	Due Date
2016-17	61-F	10.00	30-06-2017	28-07-2024
2017-18	62-I	8.00	25-10-2017	22-11-2024
2017-18	62-F	12.00	29-06-2018	27-07-2025
2018-19	63-I	9.00	12-10-2018	09-11-2025
2018-19	63-F	13.00	29-06-2019	27-07-2026
2019-20	64-I	11.00	14-10-2019	11-11-2026
2019-20	64-F	14.00	30-06-2020	29-07-2027
2020-21	65-S	9.50	21-07-2020	19-08-2027
2020-21	65-I	14.50	20-10-2020	18-11-2027
2020-21	65-F	17.00	22-06-2021	20-07-2028
2021-22	66-I	15.00	19-10-2021	16-11-2028
2021-22	66-F	19.00	23-06-2022	21-07-2029
2022-23	67-I	17.00	21-10-2022	18-11-2029
2022-23	67-F	22.00	26-06-2023	24-07-2030
2023-24	68-I	18.00	19-10-2023	16-11-2030
GSK CH Fractional Payment				
2020-21	Fractional Payment	2020.28	29-05-2020*	27-06-2027
Dividend paid by GSK CH				
2016-17	F	70.00	09-08-2017	06-09-2024
2017-18	F	75.00	08-08-2018	05-09-2025
2018-19	F	105.00	02-08-2019	30-08-2026

*Date of Payment I - Internal F - Final S - Special

A detailed list of unpaid or unclaimed dividends lying with the Company as on 31st March, 2024 has been uploaded on the Company's website at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/ and on the IEPF website at www.iepf.gov.in.

Reminder Letters sent and Notice published by the Company prior to transfer of shares to IEPF

As per the IEPF Rules, Companies are required to inform regarding the transfer of shares to those Members whose shares are due for transfer to IEPF, three months prior to such transfer, at their latest available address and also publish newspaper advertisement for the same. In addition to compliance with the above, the Company proactively informed the Members regarding the transfer of unclaimed dividends as well, requesting them to comply with the requirements to claim back the dividends and avoid transfer of shares to IEPF.

In order to prevent the shares from getting transferred to IEPF, Members, who have not claimed their dividends for the previous seven years, are hereby requested to approach the Company/its RTA to claim the same, by complying with the necessary requirements.

Nodal Officer and Deputy Nodal Officer (IEPF)

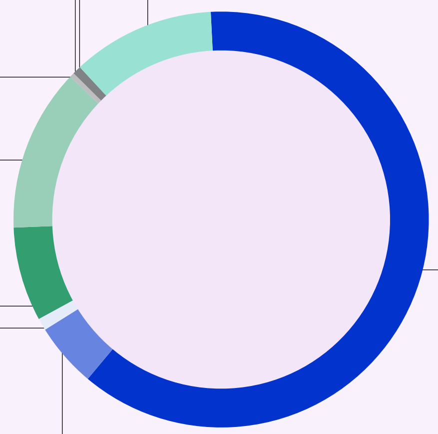
Details of Nodal & Deputy Nodal Officer of the Company, appointed in accordance with the provisions of IEPF Rules, are given below. The same is also available on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/

Nodal Officer	Mr. Dev Bajpai Tel.: + 91 22 5043 32754
Deputy Nodal Officer	Ms. Uma Rajagopalan Email ID: comsec.hul@unilever.com Tel.: +91 22 5043 2790

Distribution of Shareholding as on 31st March, 2024

Sr. No.	No. of shares	Shareholders		Shareholding	
		Number	%	Number	%
1	1-5000	11,93,679	99.03	14,52,33,740	6.18
2	5001- 10000	6,425	0.53	4,51,02,670	1.92
3	10001- 20000	2,951	0.25	4,08,05,834	1.74
4	20001- 30000	779	0.06	1,88,91,079	0.80
5	30001- 40000	351	0.03	1,20,77,127	0.51
6	40001- 50000	198	0.02	88,03,163	0.38
7	50001- 100000	395	0.03	2,72,75,871	1.16
8	100001& Above	638	0.05	2,05,14,01,778	87.31
	Total	**12,05,416**	**100**	**234,95,91,262**	**100**

Categories of Shareholders as on 31st March, 2024



0.65%
1,53,81,515
NRIs/Foreign Bodies Corporate/Foreign Nationals
No. of Folios: 25,824

0.37%
86,66,444
Bodies Corporate
No. of Folios: 3,028

12.67%
29,77,20,167
Foreign Portfolio Investors
No. of Folios: 1,178

7.32%
17,19,67,471
Insurance Companies
No. of Folios: 171

0.95%
2,22,53,047
Financial Institutions/Banks
No. of Folios: 187

0.01%
1,78,725
Directors and their Relatives
No. of Folios: 5

11.12%
26,13,82,130
Resident Individuals & Others
No. of Folios: 11,74,683

61.90%
1,45,44,12,858
Unilever and its Associates
No. of Folios: 7

5.01%
11,76,28,905
Mutual Funds & Unit Trust of India
No. of Folios: 333

Top 10 Shareholders (other than Promoters) as on 31st March, 2024

Name of the Shareholders*	Total Shares	% To Equity
Life Insurance Corporation of India (Insurance Companies)	11,67,15,055	4.97
SBI Mutual Fund (Mutual Funds)	3,59,20,167	1.53
ICICI Prudential Mutual Fund (Mutual Funds)	2,25,06,081	0.96
NPS Trust (Provident/ Pension Funds)	1,82,77,082	0.78
Government of Singapore (Foreign Portfolio Investors Category I)	1,30,23,103	0.55
Vanguard Total International Stock Index Fund (Foreign Portfolio Investors Category I)	1,21,71,303	0.52
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds (Foreign Portfolio Investors Category I)	1,18,65,506	0.51
Kotak Mahindra Mutual Fund (Mutual Funds)	1,15,19,711	0.49
UTI Mutual Fund (Mutual Funds)	1,10,54,223	0.47
ICICI Prudential Life Insurance Company Limited (Insurance Companies)	1,06,78,904	0.45
Total	**26,37,31,135**	**11.22**

* Consolidated shareholding based on Permanent Account Number (PAN) of the Shareholder

Bifurcation of shares held in physical and demat form as on 31st March, 2024

Particulars	No. of Shares	%
Physical Segment	**1,88,76,489**	**0.80**
Demat Segment		
NSDL (A)	2,27,67,67,445	96.65
CDSL (B)	5,99,47,328	2.55
Total (A+B)	**2,33,07,14,773**	**99.20**
Total	**2,34,95,91,262**	**100**

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)	
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500696
National Stock Exchange of India Limited (NSE)	
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	HINDUNILVR
ISIN	INE030A01027

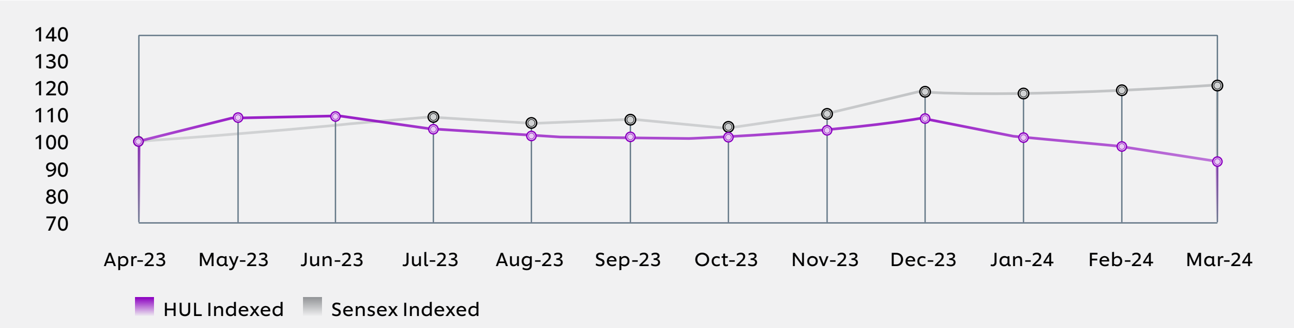
The listing fee for the FY 2023-24 has been paid to the above Stock Exchanges.

Share Price Data

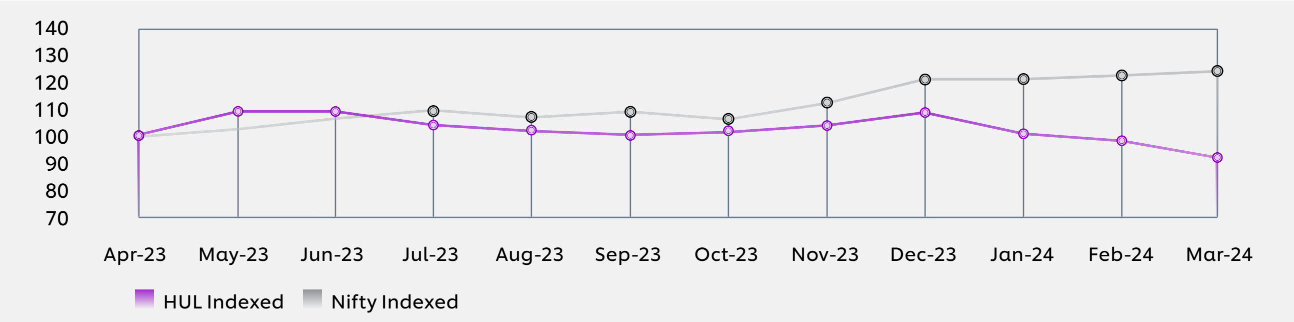
The monthly high and low prices and volumes of shares of the Company at BSE and NSE for the year ended 31st March, 2024 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-23	2,589.00	2,419.60	9,91,785	2,588.55	2,419.00	2,55,01,376
May-23	2,679.80	2,449.15	6,30,371	2,680.00	2,450.00	2,97,34,853
Jun-23	2,738.00	2,620.80	9,57,484	2,738.20	2,620.10	2,53,74,578
Jul-23	2,768.50	2,552.90	20,09,038	2,769.65	2,553.00	3,50,70,506
Aug-23	2,591.00	2,488.00	9,15,976	2,591.75	2,488.10	2,92,61,678
Sep-23	2,546.95	2,443.00	16,05,470	2,549.00	2,442.90	3,19,69,267
Oct-23	2,581.95	2,455.05	29,18,817	2,582.00	2,455.65	3,03,44,853
Nov-23	2,554.75	2,463.45	17,98,460	2,554.50	2,463.30	2,64,66,055
Dec-23	2,666.00	2,497.55	24,62,884	2,667.10	2,497.00	3,67,83,692
Jan-24	2,669.00	2,365.50	23,47,620	2,669.40	2,365.45	3,80,54,027
Feb-24	2,510.90	2,347.00	19,41,369	2,511.55	2,346.75	3,05,52,116
Mar-24	2,438.60	2,222.00	23,74,916	2,438.80	2,232.00	4,41,49,525

BSE Sensex Vs HUL Share Price (Indexed)



NSE Nifty Vs HUL Share Price (Indexed)



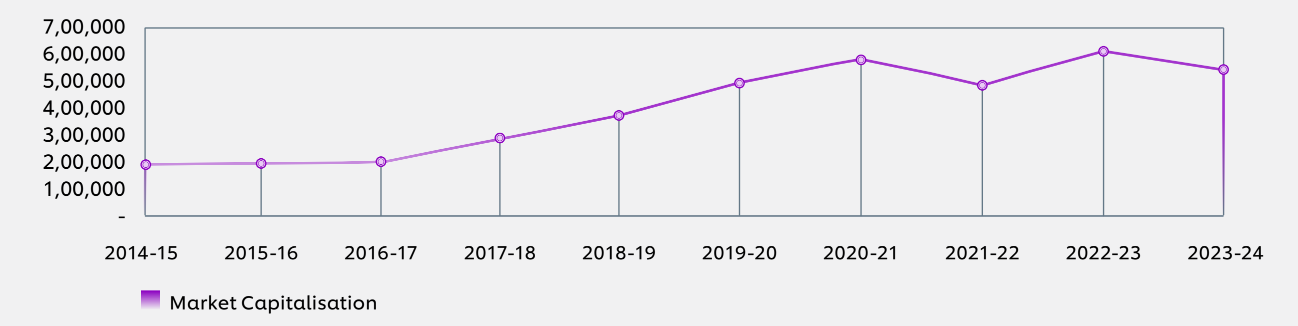
10 - year Performance of Hindustan Unilever Share vis-à-vis Sensex and Nifty

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
31-03-2015	872.90	160%	27,957.49	163%	873.55	159%	8,491.00	163%
31-03-2016	869.50	161%	25,341.86	191%	869.50	160%	7,738.40	189%
31-03-2017	909.75	149%	29,620.50	149%	911.75	148%	9,173.75	143%
28-03-2018	1,335.90	70%	32,968.68	123%	1,333.35	70%	10,113.70	121%
29-03-2019	1,707.80	33%	38,672.91	90%	1,706.80	33%	11,623.90	92%
31-03-2020	2,298.15	-1%	29,468.49	150%	2,298.50	-1%	8,597.75	160%
31-03-2021	2,430.80	-7%	49,509.15	49%	2,431.50	-7%	14,690.70	52%
31-03-2022	2,048.85	11%	58,568.51	26%	2,048.65	11%	17,464.75	28%
31-03-2023	2,558.75	-11%	58,991.52	25%	2,560.35	-12%	17,359.75	29%
28-03-2024	2,268.25		73,651.35		2,264.35		22,326.90	

Source: BSE and NSE Website

Market Capitalisation

The Market Capitalisation of the Company based on year-end closing prices quoted in the BSE Limited 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 449 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/.

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 financial results of the Company's performance are published in leading newspapers such as Business Standard, Loksatta and Navshakti.
Integrated Annual Report	Integrated Annual Report containing, *inter alia*, the Report of Board of Directors, Corporate Governance Report, Additional Shareholder's Information, the Business Responsibility and Sustainability Report, Management's Discussion and Analysis (MD&A), audited Standalone and Consolidated Financial Statements together with Auditor's Report and other important information are circulated to the Members. The Annual Report is also available on the website of the Company in a downloadable form.
Annual General Meeting	At the AGM, the Shareholders also interact with the Board and the Management.
Chairman's Speech	The speech given at the AGM is made available on the website of the Company.
News Releases	All our official news releases and presentations are made available on the website of the Company.
Analysts Presentation	As per the requirements of Listing Regulations, the presentations, audio and video recordings and transcripts of investor conferences are available of the website of the Company. The Company also conducts calls/meetings with investors post declaration of financial results to brief on the performance of the Company. These calls/meetings are attended by the CEO & MD and CFO of the Company.
Company's Website	The Company's website contains a dedicated section for Investors as per the requirements of Regulation 46 of Listing Regulations, 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 Investor Grievance Redressal Mechanism are available, apart from the details about the Company, Board of Directors and Management. The Webcast/Transcript of the AGM is also available on the website of the Company.
Designated Email Ids	• Retail investor - Karvyshares.frontoffice@unilever.com • Institutional Investor - Investor.Relations-hul@Unilever.com • Investor Grievance - levercare.shareholder@unilever.com • Nodal Officer/ Deputy Nodal Officer under IEPF - comsec.hul@unilever.com
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 i.e. BSE Limited and National Stock Exchange of India Ltd. The Quarterly Results, quarterly reporting required under SEBI Regulations and all other corporate communications to the Stock Exchanges are filed through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) 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/shareholder-information/stock-exchange-filings/.
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.
Reminders to Investors	Reminders are sent to the Shareholders of the Company for: • registering their PAN, KYC & Nomination details; • claiming the unclaimed dividends and/or shares; • completing the demat formalities so as to avoid transfer of shares to Suspense Escrow Demat Account.
Disclosure of Material Events	The Company has adopted a Policy on Determination of Materiality of events as required under Listing Regulations.

Registrar and Share Transfer Agent

M/s. KFin Technologies Limited shall continue to act as the Registrar and Share Transfer Agent of the Company

In case securities of the Company are suspended from trading, reasons thereof

During the year, no securities of the Company were suspended from trading.

Process for requests related to physical shares

The Board has delegated the authority for approving requests pertaining to transmission, issue of duplicate shares, dematerialisation, 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.

As per the notifications/circulars/guidelines issued by SEBI from time to time, listed entities are required to issue securities in demat mode only while processing any investor service requests, such as issuance of duplicate share certificates, exchange/sub-division/ split/ consolidation of securities, transmission/ transposition of securities and claim from Suspense Escrow Demat Account. SEBI had also clarified that listed entities/RTAs shall issue a 'Letter of Confirmation' in lieu of physical share certificates while processing any of the aforesaid investor service requests.

Request for updation of PAN, KYC and Nomination details

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, whose folio(s) do not have PAN, KYC or Nomination/Opt-out of Nomination, shall be eligible for dividend in respect of such folios, only through electronic mode with effect from 1st April, 2024. Members may refer to the FAQs provided by SEBI in this regard, for investor awareness, on its website at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf.

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC and Nomination/Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA 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, Telangana, India - 500 032.

In accordance with the SEBI circular dated 16th March, 2023, the Company has sent/will be sending out intimations to those Members, holding shares in physical form, whose PAN, KYC and/or Nomination details are not updated, requesting them to update the details.

Disclosures with respect to Suspense Escrow Demat Account

As per the Circulars/guidelines issued by SEBI, after due verification of the investor service requests received from the Shareholders/Claimants, 'Letters of Confirmation (LOC)' are issued in lieu of physical share certificate(s) by Companies/RTAs. The validity of such LOCs is one hundred twenty (120) days from the date of issuance, within which the Shareholder/Claimant is required to make a request to the Depository Participant (DP) for dematerialising the shares covered by the LOC. In case the demat request is not submitted within the aforesaid timeline of one hundred twenty (120) days, the Companies are required to transfer such shares to Suspense Escrow Demat Account (SEDA) of the Company opened for this purpose.

Shareholders/Claimants can claim back their shares from SEDA by submitting the required documents to RTA as per SEBI Advisory dated 30th December, 2022.

Details of shares transferred to / released from SEDA during the FY 2023-24 are as under:

Particulars	No. of shares
Shares lying in SEDA as on 1st April, 2023	11,980
Shares transferred to SEDA during FY 2023-24	8,232
Shares claimed back from SEDA during FY 2023-24	2,690
Shares lying in SEDA as on 31st March, 2024	17,522

The Company has not transferred any shares to any other Suspense Account.

Investor Grievance Redressal Mechanism – Escalation Matrix

The Company believes that a transparent framework should be in place for handling investor grievances, which will enable investors register and escalate their grievances to the relevant officials. Keeping this in view, the Company has instituted an escalation mechanism for effective redressal of investor grievances. The detailed Escalation Matrix for redressal of Investor grievances along with details on how investors can file complaints is available on the Company's website at https://www.hul.co.in/investor-relations/investor-grievance-redressal-mechanism-escalation-matrix/.

Investor Service Queries and Requests - One Stop Solution

Website chatbot for public shareholders

RASHI
Reliable Assistant & Support for HUL Investors

- As part of the Digital Initiatives of the Company, a Chatbot 'RASHI' has been developed for HUL Shareholders
- The Bot will enable the Shareholders visiting our website to get their queries resolved on a real-time basis
- The Bot is designed to answer queries based on FAQs covering all aspects of Investor Service Domain
- Provision made to capture any query not covered, to equip the bot to respond to such queries in future
- Shareholders can access the chatbot on the Company's website at https://www.hul.co.in/investor-relations/investor-contacts/

Web-based Facility

Members may utilise the facility extended by RTA for redressal of queries, by visiting https://ris.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 request, download the required ISR forms and check KYC status for Physical Folios.

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 Mechanism

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 Shareholders 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 Shareholders in releasing their 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

To enable the Shareholders to raise any dispute against the Company or its RTA on delay or default in processing any investor services related request, SEBI has provided an option of 'Arbitration with Stock Exchanges (NSE and BSE)' as a Dispute Resolution Mechanism.

Online Dispute Resolution (ODR) Mechanism

As per SEBI Circulars issued from time to time, in case of any grievances, the Shareholders are advised to first approach the Company or its RTA. If the response is not received/not satisfactory, Shareholders can raise a complaint on SCORES/with Stock Exchanges, as detailed in the Escalation Matrix for Investor grievance available on the website of the Company.

After exhausting all the above available options for resolution of the grievance, if the Shareholder is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

During the year, there were 2 complaints filed under the SEBI Smart ODR Mechanism. Both complaints underwent a complete conciliation process, whereby ODR Institutions were engaged by the Stock Exchange (in both cases, it was NSE) which in turn appointed Conciliators for each of the complaints and after hearing the parties, Conciliation Orders were passed in both the matters.

As mentioned above, for effective use of the ODR process, shareholders are requested to initiate the Smart ODR process as the last resort after exhausting all available options for grievance redressal. The ODR serves as a platform for resolution of long pending disputes, which are otherwise difficult to be taken to a logical end.

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, Rangareddy, Telangana, India - 500 032

WhatsApp No.: +91 9100094099

Toll Free no.: 1800 309 4001

E-mail: einward.ris@kfintech.com

Website: https://ris.kfintech.com/

Android Mobile App: KPRISM

Investor Service Department

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 - 400099

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 – 400099, to the Board of Directors of the Company ('the Board') for the FY 2023-24 and FY 2024-25 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, 2024, 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
01	Mr. Nitin Paranjpe	00045204	31-03-2022	NA
02	Mr. Rohit Jawa	10063590	01-04-2023	NA
03	Mr. Sanjiv Mehta	06699923	01-10-2013	27-06-2023
04	Mr. Ritesh Tiwari	05349994	01-05-2021	NA
05	Mr. Dev Bajpai	00050516	23-01-2017	NA
06	Mr. O. P. Bhatt	00548091	20-12-2011	NA
07	Dr. Sanjiv Misra	03075797	08-04-2013	NA
08	Ms. Kalpana Morparia	00046081	09-10-2014	NA
09	Mr. Leo Puri	01764813	12-10-2018	NA
10	Dr. Ashish Gupta	00521511	31-01-2020	27-06-2023
11	Ms. Ashu Suyash	00494515	12-11-2021	NA
12	Mr. Ranjay Gulati	03627064	01-04-2023	NA
13	Ms. Neelam Dhawan	00871445	01-08-2023	NA
14	Mr. Tarun Bajaj	02026219	01-12-2023	NA

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, 2024.

For **S. N. Ananthasubramanian & Co.**
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206F000224448

Thane, 24th April, 2024

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, 2024 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.

Rohit Jawa
Chief Executive Officer
and Managing Director
DIN: 10063590

Ritesh Tiwari
Executive Director – Finance & IT
and Chief Financial Officer
DIN: 05349994

Mumbai, 24th April, 2024

Certificate of Compliance with the Corporate Governance Requirements

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 2024, 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 2024.

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: 24105149BKEXCW1670

Mumbai, 24th April, 2024

Form No. MR – 3 Secretarial Audit Report

For the financial year ended 31st March, 2024

[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 – 400099

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, 2024**. 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, 2024** 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, 2024 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;

(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) The 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, and Independent Directors including a Woman Independent Director. 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, 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, following event has occurred having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. –

1. Approval of shareholders by Special Resolution dated 5th March 2024 through postal ballot for Introduction and implementation of the 'Hindustan Unilever Limited Performance Share Plan Scheme 2024' ('PSP 2024'), for grant of Employee Stock Options to Eligible Employees of the Company and for extension of the PSP 2024 to employees of subsidiary companies of the Company.

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.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206F000224371

Thane, 24th April, 2024

Annexure – A

To,
The Members,
Hindustan Unilever Limited
CIN: L15140MH1933PLC002030
Unilever House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400099.

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.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206F000224371

Thane, 24th April, 2024

FINANCIAL STATEMENTS

In this section

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, 2024, 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, 2024, and notes to the standalone financial statements, including material 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, 2024, and its profit and other comprehensive income, 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

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.

How the matter was addressed in our audit

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 using statistical sampling approach. 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 using statistical sampling for 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.
- Checking completeness of accrual by subsequent settlement (i.e. payments and credit notes) made after year end which affect FY 2023-24 and accuracy of the data used by the Company for accrual of discounts and rebates using underlying agreements, debit notes received from customers.
- Testing actualisation of estimated accruals on a sample basis using statistical sampling approach.
- Testing a selection of rebate accruals recorded after 31st March, 2024 and assessing whether the accrual is recorded in the correct period.
- Testing a selection of payments made after 31st March, 2024 and where relevant, comparing the payment to the related rebate accrual.
- Critically assessing manual journal entries posted to revenue, on a sample basis using statistical sampling approach, 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

As disclosed in note 4 to the standalone financial statements, the F&R CGU includes ₹17,301 crores of goodwill and H27,210 crores of indefinite life intangible assets which together represents 58% of total assets of the Company as at 31st March, 2024.

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.

How the matter was addressed in our audit

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, 2024, 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, except for certain matters in respect of audit trail as stated in the paragraph 2B(f) below.

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 1st April, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g) 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, 2024 on its financial position in its standalone financial statements - Refer Notes 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 has been no delay in transferring amounts, required to be transferred, 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) Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

(i) The feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for the accounting software used for trade scheme masters.

(ii) We are unable to comment if the audit trail (edit log) facility was enabled at the database layer to log any direct data changes for accounting software operated by a third party service provider and used for maintaining purchase orders in absence of independent auditor's report in relation to controls at the third party service provider.

(iii) For one accounting software, changes to the application layer by a super user does not have feature of a concurrent real time audit trail.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

The back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31st March, 2024, except for the back up of audit trail (edit log) of trade scheme masters (maintained on servers physically in India from 1st January, 2024 onwards) and for back up of audit trail (edit log) of purchase orders (not maintained on servers physically in India).

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: 24105149BKEXCS2042

Place: Mumbai
Date: 24th April, 2024

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Hindustan Unilever Limited for the year ended 31st March, 2024

(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	20 years	Pending litigation
Building	34	HMM Limited	No	4 years	Pending litigation
Building	1	Lakme Lever Private Limited	No	28 years	Pending litigation
Building	0*	Indexport Limited	No	24 years	Pending litigation
Leasehold properties					
Leasehold land	13	Trent Limited	No	25 years	Pending application
Leasehold land	0*	TATA Oil Mills Company Limited	No	30 years	Pending litigation

*Balances with amount below the rounding off norm have been reflected as '0'

(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 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.

(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 subsidiaries and any other parties as below:

(Amount in ₹ crores)

Particulars	Loans
Aggregate amount during the year ended 31st March, 2024	
– Subsidiaries*	430
– Others* (including employees)	23
Balance outstanding as at balance sheet date 31st March, 2024	
– Subsidiaries*	297
– Others* (including employees and other parties)	137

*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 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 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 account 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, 2024 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:

(Amount 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 up to 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	2007-2017	High Courts of various states
Customs Act, 1962	Customs Duty, (including Interest and penalty, if applicable)	7	1	2007-2013	Appellate Authority up to Commissioner's level
Customs Act, 1962	Customs Duty, (including Interest and penalty, if applicable)	5	0*	2012-2017	Customs, Excise and Service Tax Appellate Tribunals of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	68	32	1984-2022	Appellate Authority up to Commissioner's level
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	48	11	1994-2018	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)	159	103	1977-2024	High Courts of various states
Central Sales Tax Act, 1956 and Local Sales Tax Act	Sales tax (including interest and penalty, if applicable)	15	9	1997-2007	Supreme Court
Service tax (Finance Act, 1994)	Service tax (including interest and penalty, if applicable)	41	3	2005-2018	Appellate Authority up to 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)	144	7	2017-2024	Appellate Authority up to Commissioner's level
Goods and Service Tax Act, 2017	Goods and Services tax (including interest and penalty, if applicable)	116	2	2017-2023	High Courts of various states
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)	97	0*	1979-1980, 1991, 2006-07, 2009-2010, 2022-2023, 2023- 2024	Appellate Authority up to Commissioner's Level
Income Tax Act, 1961	Income Tax (including interest and penalty, if applicable)	581	0*	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
Provident Fund Act	PF (including interest and penalty, if applicable)	0*	-	2000-2016	Appellate Tribunals of various states
Provident Fund Act	PF (including interest and penalty, if applicable)	0*	0*	1995-2004	Allahabad High Court
Employees State Insurance Act, 1948	ESIC (including interest and penalty, if applicable)	1	0*	1990-2010	Appellate Authority up to Commissioner's level
Employees State Insurance Act, 1948	ESIC (including interest and penalty, if applicable)	4	2	2010	High Court

*Balances with amount below the rounding off norm have been reflected as '0'

(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) A report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. However, this has not been considered for our reporting in clause (a) above on the basis of materiality.

(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, 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.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(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: 24105149BKEXCS2042

Place: Mumbai
Date: 24th April, 2024

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Hindustan Unilever Limited for the year ended 31st March, 2024

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)(g) 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, 2024 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, 2024, 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 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 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 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: 24105149BKEXCS2042

Place: Mumbai
Date: 24th April, 2024

Standalone Balance Sheet

as at 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	7,178	6,189
Capital work-in-progress	3	915	1,020
Goodwill	4	17,316	17,316
Other intangible assets	4	27,885	27,900
Financial assets			
Investments in subsidiaries, associates and joint venture	5	981	981
Investments	6	2	2
Loans	7	392	339
Other financial assets	8	714	715
Non-current tax assets (net)	9D	1,118	1,115
Other non-current assets	10	279	199
Total - Non-current assets (A)		**56,780**	**55,776**
Current assets			
Inventories	11	3,812	4,031
Financial assets			
Investments	6	4,510	2,811
Trade receivables	12	2,690	2,735
Cash and cash equivalents	13	609	586
Bank balances other than cash and cash equivalents mentioned above	14	6,607	3,836
Loans	7	37	35
Other financial assets	8	1,416	1,391
Other current assets	15	603	612
Assets held for sale	16	12	12
Total - Current assets (B)		**20,296**	**16,049**
TOTAL ASSETS [(A) + (B)]		**77,076**	**71,825**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	235	235
Other equity	18A	50,738	49,986
Total - Equity (A)		**50,973**	**50,221**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	19	1,034	746
Other financial liabilities	20	430	495
Provisions	21	1,551	1,335
Deferred tax liabilities (net)	9C	6,454	6,325
Non-current tax liabilities (net)	9D	4,231	1,076
Total - Non-current liabilities (B)		**13,700**	**9,977**
Current liabilities			
Financial liabilities			
Lease liabilities	19	340	293
Trade payables			
total outstanding dues of micro enterprises and small enterprises	22	222	89
total outstanding dues of creditors other than micro enterprises and small enterprises	22	9,926	9,302
Other financial liabilities	20	797	829
Other current liabilities	23	789	735
Provisions	21	329	379
Total - Current liabilities (C)		**12,403**	**11,627**
TOTAL EQUITY AND LIABILITIES [(A) + (B) + (C)]		**77,076**	**71,825**
Basis of preparation, measurement and material 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	25	60,469	59,144
Other income	26	973	640
TOTAL INCOME		**61,442**	**59,784**
EXPENSES			
Cost of materials consumed	27	17,791	19,229
Purchases of Stock-in-trade	28	11,544	11,968
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	29	(8)	(53)
Employee benefits expense	30	2,782	2,665
Finance costs	31	302	101
Depreciation and amortisation expense	32	1,097	1,030
Other expenses	33	14,170	11,703
TOTAL EXPENSES		**47,678**	**46,643**
Profit before exceptional items and tax		**13,764**	**13,141**
Exceptional items (net)	34	(89)	(62)
Profit before tax		**13,675**	**13,079**
Tax expenses			
Current tax	9A	(3,446)	(2,922)
Deferred tax charge	9A	(115)	(195)
PROFIT FOR THE YEAR (A)		**10,114**	**9,962**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	39C	36	(17)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	(9)	4
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	2	(1)
Fair value of cash flow hedges through other comprehensive income	18C	(1)	(21)
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	(3)	9
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		**25**	**(26)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**10,139**	**9,936**
Earnings per equity share			
Basic (Face value of ₹1 each)	35	₹43.05	₹42.40
Diluted (Face value of ₹1 each)	35	₹43.05	₹42.40
Basis of preparation, measurement and material 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

Standalone Statement of Changes in Equity
for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

A. Equity Share Capital

	Note	As at 31st March, 2024	As at 31st March, 2023
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	-	-
Balance as at the end of the year	17	235	235

B. Other Equity

	Reserves and Surplus					Items of Other Comprehensive Income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Other Reserves**	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 31st March, 2022	4	6	40,352	8,135	9	(1)	20	48,525
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

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and Surplus					Items of Other Comprehensive Income		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	Retained Earnings	Other Reserves**	Debt instruments through OCI	Cash flow Hedges through OCI	Total
As at 1st April, 2023*	4	6	40,350	9,625	9	(2)	(6)	49,986
Profit for the year	-	-	-	10,114	-	-	-	10,114
Other comprehensive income for the year	-	-	-	27	-	2	(4)	25
Total comprehensive income for the year	-	-	-	10,141	-	2	(4)	10,139
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	13	13
Dividend on equity shares for the year (Note: 36)	-	-	-	(9,398)	-	-	-	(9,398)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	(2)
As at 31st March, 2024	4	6	40,348	10,368	9	0	3	50,738

*There are no changes in other equity due to prior period errors
**Includes reserves made on amalgamation of Brooke Bond Lipton India Limited and capital subsidy

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: 24th April, 2024

For and on behalf of Board of Directors

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Managing Director
and Chief Executive Officer
[DIN: 10063590]

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Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No.: FCS 3354
[DIN: 00050516]

Ravishankar A.
Vice President, Finance

Mumbai: 24th April, 2024

Standalone Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2024	Year ended 31st March, 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	13,675	13,079
	Adjustments for:		
	Depreciation and amortisation expense	1,097	1,045
	Loss/(Profit) on sale of property, plant and equipment	17	(102)
	Contingent consideration true up for business combination	-	(2)
	Fair value gain on financial liability on acquisition	(37)	-
	Finance income	(551)	(425)
	Dividend income	(176)	(118)
	Other non-operating income - Fair value gain on investments	(246)	(97)
	Interest expense	285	101
	Profit on sale of brand rights	-	(60)
	Movement of provision towards litigation	(159)	-
	Inventory written off net of Provision/(write back) for Inventory	155	176
	Bad debts/assets written off net of Provision/(write back)	(9)	(34)
	Transaction cost on acquisition	-	2
	Mark-to-market (gain)/ loss on derivative financial instruments	(8)	(8)
	Cash Generated from operations before working capital changes	**14,043**	**13,557**
	Adjustments for:		
	(Increase)/decrease in Non-Current Assets	(28)	(13)
	(Increase)/decrease in Current Assets	170	(1,099)
	(Increase)/decrease in Inventories	77	(332)
	Increase/(decrease) in Non-Current Liabilities	144	(115)
	Increase/(decrease) in Current Liabilities	773	696
	Cash flows generated from operations	**15,179**	**12,694**
	Taxes paid, net of refunds	(295)	(3,068)
	Net cash flows generated from operating activities - (A)	**14,884**	**9,626**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(1,309)	(1,023)
	Sale proceeds of property, plant and equipment	20	120
	Purchase of intangible assets	(9)	(18)
	Sale proceeds of intangible assets (brand rights)	-	60
	Investment in subsidiary	-	(264)
	Transaction cost on acquisition	-	(2)
	Investment in Joint Venture	-	(70)
	Contingent consideration paid on business combination	(4)	(40)
	Purchase of current investments	(21,198)	(22,561)
	Sale proceeds of current investments	19,752	23,363
	Loans given to subsidiaries	(431)	(493)
	Loans repaid by subsidiaries	381	678
	Loans repaid by/ (given) to others	1	(1)
	Investment in term deposits (having original maturity of more than 3 months)	(9,080)	(3,627)
	Redemption/ maturity of term deposits (having original maturity of more than 3 months)	6,313	2,425
	Interest received	417	273
	Dividend received from subsidiaries	173	116
	Dividend received from others	3	2
	Net cash flows used in investing activities - (B)	**(4,971)**	**(1,062)**

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2024	Year ended 31st March, 2023
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Dividend paid	(9,398)	(8,459)
	Principal payment of lease liabilities	(394)	(431)
	Interest paid on lease liabilities	(98)	(76)
	Net cash flows used in financing activities - (C)	**(9,890)**	**(8,966)**
	Net increase in cash and cash equivalents - [(A)+(B)+(C)]	**23**	**(402)**
	Add: Cash and cash equivalents at the beginning of the year	586	988
	Cash and cash equivalents at the end of the year (refer note 13)	**609**	**586**

Movement in Lease Liabilities

Reconciliation between opening and closing balance	Opening balance 1st April, 2023	Payments	Non-cash movement	Closing balance 31st March, 2024
Lease Liabilities (Refer Note 19)	1,039	(492)	827	1,374

Reconciliation between opening and closing balance	Opening balance 1st April, 2022	Payments	Non-cash movement	Closing balance 31st March, 2023
Lease Liabilities (Refer Note 19)	971	(507)	575	1,039

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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
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Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No.: FCS 3354
[DIN: 00050516]

Ravishankar A.
Vice President, Finance

Mumbai: 24th April, 2024

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 MATERIAL 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, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 24th April, 2024.

(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 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 37

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

2.3 New Standards, Interpretations and Amendments Adopted by the Company

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.4 Material Accounting Policies

The material accounting policies used in preparation of the standalone financial statements have been included in the relevant notes to the standalone financial statements.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	5,751	5,080
Leased Assets (Right-of-use Assets)	1,427	1,109
Total Property, plant and equipment	**7,178**	**6,189**
Total Capital work-in-progress	**915**	**1,020**

A. Owned Assets

Property, plant and equipment, other than freehold land, 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 net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use. Freehold land is carried at historical cost less any accumulated impairment losses and is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control 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. Property, plant and equipment acquired under common control combination are recognised at carrying value at the acquisition date.

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	30 Years
Buildings (other than 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 exceptions are as under:

a) Plant and equipment is depreciated over 3 to 21 years.

b) Accelerated depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets. Such accelerated depreciation forms part of exceptional items.

(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, 2022	**477**	**2,011**	**5,114**	**134**	**173**	**7,909**
Additions	-	194	696	13	10	913
Reclassified to Asset held for sale	(1)	(10)	(3)	(2)	(2)	(18)
Disposals/ Adjustments	-	(6)	(77)	(5)	(7)	(95)
Opening balance as at 1st April, 2023	**476**	**2,189**	**5,730**	**140**	**174**	**8,709**
Additions	1	288	1,018	18	31	1,356
Reclassified to Asset held for sale	-	(2)	-	-	-	(2)
Disposals/ Adjustments	(1)	(10)	(127)	(14)	(12)	(164)
Balance as at 31st March, 2024	**476**	**2,465**	**6,621**	**144**	**193**	**9,899**
Accumulated Depreciation						
Opening balance as at 1st April, 2022	**-**	**427**	**2,449**	**91**	**132**	**3,099**
Additions*	-	86	511	9	18	624
Reclassified to Assets held for sale	(0)	(3)	(3)	(1)	(2)	(9)
Disposals/ Adjustments		(13)	(59)	(6)	(7)	(85)
Opening balance as at 1st April, 2023	**(0)**	**497**	**2,898**	**93**	**141**	**3,629**
Additions*	-	85	532	10	20	647
Reclassified to Assets held for sale	-	(1)	-	-	-	(1)
Disposals/ Adjustments	-	(7)	(95)	(10)	(15)	(127)
Balance as at 31st March, 2024	**(0)**	**574**	**3,335**	**93**	**146**	**4,148**
Net Block						
Balance as at 31st March, 2023	**476**	**1,692**	**2,832**	**47**	**33**	**5,080**
Balance as at 31st March, 2024	**476**	**1,891**	**3,286**	**51**	**47**	**5,751**

*Includes ₹0 crores (31st March, 2023: ₹15 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project.

Notes:

(a) Buildings include ₹0 crores (31st March, 2023: ₹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, 2024

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, 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				

(All amounts in ₹ crores, unless otherwise stated)

(c) The Property, Plant and Equipment in 3A includes assets given on lease as follows:

	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
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**
Gross Block as at 31st March, 2024	2	208	0	0	210
Accumulated Depreciation as at 31st March, 2024	(0)	(103)	(0)	(0)	(103)
Net Block as at 31st March, 2024	**2**	**105**	**0**	**0**	**107**

(d) The Company has not revalued any of its property, plant and equipment.

B. Leased Assets (Right-of-Use Assets)

The Company's lease asset classes primarily consist of leases for Land, Buildings, Plant and Equipment and Vehicles. 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 ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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.

	Land	Buildings	Plant & equipment	Vehicles	Total
Gross block					
Opening balance as at 1st April, 2022	**54**	**497**	**981**	**32**	**1,564**
Additions #	57	185	261	12	515
Deletions	(1)	(170)	(75)	(22)	(268)
Opening balance as at 1st April, 2023	**110**	**512**	**1,167**	**22**	**1,811**
Additions #	9	388	385	23	805
Deletions	(0)	(265)	(184)	(19)	(468)
Balance as at 31st March, 2024	**119**	**635**	**1,368**	**26**	**2,148**
Accumulated Depreciation					
Opening balance as at 1st April, 2022	**7**	**187**	**351**	**16**	**561**
Additions	5	203	175	15	398
Deletions	(1)	(165)	(71)	(20)	(257)
Opening balance as at 1st April, 2023	**11**	**225**	**455**	**11**	**702**
Additions	2	214	194	16	426
Deletions	(0)	(247)	(144)	(16)	(407)
Balance as at 31st March, 2024	**13**	**192**	**505**	**11**	**721**
Net Block					
Balance as at 31st March, 2023	**99**	**287**	**712**	**11**	**1,109**
Balance as at 31st March, 2024	**106**	**443**	**863**	**15**	**1,427**

#includes addition of ₹99 crores for the year ended 31st March, 2024 (31st March, 2023: ₹44 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

(All amounts in ₹ crores, unless otherwise stated)

(a) The Company incurred ₹49 crores for the year ended 31st March, 2024 (31st March, 2023: ₹49 crores) towards expenses relating to leases of low-value assets. The total cash outflow for leases is ₹541 crores for the year ended 31st March, 2024 (31st March, 2023: ₹556 crores), including cash outflow of leases of low-value assets. Interest on lease liabilities is ₹98 crores for the year ended 31st March, 2024 (31st March, 2023: ₹76 crores).

(b) 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, 2024

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, 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				

(c) Lease liability and lease commitments: Refer Note 24B and Note 19 respectively.

(d) The Company has not revalued any of its right-of-use assets.

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.

	Amount
Opening Balance as at 1st April, 2022	**901**
Additions	1,050
Capitalisations	(931)
Opening balance as at 1st April, 2023	**1,020**
Additions	1,260
Capitalisations	(1,365)
Balance as at 31st March, 2024	**915**

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.

Ageing of CWIP as on 31st March, 2024

	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	765	107	31	10	913
Projects temporarily suspended	0	1	0	1	2
Total	**765**	**108**	**31**	**11**	**915**

	Amount
Projects which have exceeded their original timeline	263
Projects which have exceeded their original budget	25

(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, 2024

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	**248**	**13**	**-**	**-**	**261**
Nutrition technology advancement project	50	-	-	-	50
Project Nakshatra (Nutrition)	27	-	-	-	27
Project at Rajahmundry Factory	23	-	-	-	23
Project at Orai Factory	17	-	-	-	17
Others*	131	13	-	-	144
Temporarily Suspended (B)	**2**	**-**	**-**	**-**	**2**
Others*	2	-	-	-	2
Total (A+B)	**249**	**13**	**-**	**-**	**263**

*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, 2024

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	**25**	**-**	**-**	**-**	**25**
Project at Rajahmundry Factory	23	-	-	-	23
Others	2	-	-	-	2
Temporarily Suspended (B)	**-**	**-**	**-**	**-**	**-**
Total (A+B)	**25**	**-**	**-**	**-**	**25**

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	1,011
Projects temporarily suspended	-	2	4	3	9
Total	**658**	**269**	**54**	**39**	**1,020**

	Amount
Projects which have exceeded their original timeline	293
Projects which have exceeded their original budget	21

(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, 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 has exceeded their original plan cost as at 31st March, 2023.

For contractual commitment with respect to property, plant and equipment refer Note 24B(ii).

NOTE 4 GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets purchased are initially measured at cost.

The cost of a separately purchased intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

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 and 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:

Asset	Useful life
Design and Know-how	10 years
Computer software	5 years
Trademarks	5 years
Distribution network	10-15 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.

(All amounts in ₹ crores, unless otherwise stated)

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	Brand/ Trademarks	Brand/ Trademarks	Knowhow and Design	Computer Software	Others*	Total
Gross Block							
Opening balance as at 1st April, 2022	17,316	27,782	18	65	38	107	28,010
Additions: Internally developed	-	-	-	-	13	-	13
Additions: Acquired separately	-	-	-	-	5	-	5
Disposals	-	-	-	-	(0)	-	(0)
Opening balance as at 1st April, 2023	17,316	27,782	18	65	56	107	28,028
Additions: Internally developed	-	-	-	-	5	-	5
Additions: Acquired separately	-	-	-	-	4	-	4
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2024	17,316	27,782	18	65	65	107	28,037
Accumulated Amortisation and Impairment							
Opening balance as at 1st April, 2022	-	-	15	40	26	24	105
Additions	-	-	3	7	4	9	23
Disposals	-	-	-	-	(0)	-	(0)
Opening balance as at 1st April, 2023	-	-	18	47	30	33	128
Additions	-	-	0	7	8	9	24
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2024	-	-	18	54	38	42	152
Net Block							
Balance as at 31st March, 2023	17,316	27,782	0	18	26	74	27,900
Balance as at 31st March, 2024	17,316	27,782	0	11	27	65	27,885

*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, other than inventory and deferred tax, 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

(All amounts in ₹ crores, unless otherwise stated)

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 2023-24 (FY 2022-23: Nil).

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, 2024		As at 31st March, 2023	
	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, 2024		As at 31st March, 2023	
	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)	10.7%	10.7%	10.9%	10.9%
Segmental margins	26.2%	18.6%	25.6%	17.9%

*Terminal growth rate linearly declining for ten years from year 6 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.

(All amounts in ₹ crores, unless otherwise stated)

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.

		As at 31st March, 2024		As at 31st March, 2023
Investment in Subsidiaries				
Quoted				
7,36,560 equity shares [31st March, 2023: 7,36,560] of Nepalese ₹100 each held in Unilever Nepal Limited		5		5
Unquoted				
29,75,001 equity shares [31st March, 2023: 29,74,999] of ₹10 each held in Unilever India Exports Limited (Refer note (a))		73		73
3,59,07,547 equity shares [31st March, 2023: 3,59,07,547] of ₹10 each held in Lakme Lever Private Limited		172		172
3,60,00,00,000 equity shares [31st March, 2023: 3,60,00,00,000] of ₹1 each held in Unilever India Limited		360		360
Investment in Zywie Ventures Private Limited:				
i) 1,33,300 equity shares [31st March, 2023: 1,06,215] of ₹10 each (Refer note (b))	264		209	
ii) Compulsorily convertible preference shares: Nil [31st March, 2023: 27,085] of ₹100 each (Refer note (b))	-		55	
iii) Deemed cost pertaining to financial liability on acquisition	37	301	37	301
Equity shares: Nil [31st March, 2023: 1,79,10,132 of ₹1 each] held in Pond's Export Limited [net of impairment in value Nil (31st March, 2023: ₹3 crores)] (Refer note (a))		-		-
Equity shares: Nil [31st March, 2023: 50,00,000 of ₹10 each] held in Jamnagar Properties Private Limited [net of impairment in value Nil (31st March, 2023: ₹5 crores)] (Refer note (a))		-		-
2,21,700 equity shares [31st March, 2023: 2,21,700] of ₹10 each held in Daverashola Estates Private Limited [net of impairment in value of ₹4 crores (31st March, 2023: ₹4 crores)]		-		-
50,000 equity shares [31st March, 2023: 50,000] of ₹10 each held in Levindra Trust Limited		0		0
50,000 equity shares [31st March, 2023: 50,000] of ₹10 each held in Hindlever Trust Limited		0		0
50,000 equity shares [31st March, 2023: 50,000] of ₹10 each held in Levers Associated Trust Limited		0		0
7,600 equity shares [31st March, 2023: 7,600] of ₹10 each held in Hindustan Unilever Foundation		0		0
Equity shares of Nil [31st March, 2023: 10,000] of ₹10 each held in Bhavishya Alliance Child Nutrition Initiatives (Refer note (c))		-		0
Total		**911**		**911**
Investment in Joint Venture				
Investment in Nutritionalab Private Limited:				
i) 7,256 equity shares [31st March, 2023: 7,256] of ₹10 each	12		12	
ii) 36,480 compulsorily convertible preference shares [31st March, 2023: 36,480] of ₹100 each	58	70	58	70
Total		**70**		**70**
Grand Total		**981**		**981**
Aggregate amount of quoted investments		5		5
Aggregate Market value of quoted investments		1,846		994
Aggregate amount of unquoted investments		976		976
Aggregate amount of impairment in value of investments		4		12

(All amounts in ₹ crores, unless otherwise stated)

Notes:

(a) Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly-owned subsidiary of HUL w.e.f. 13th February, 2024:

i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

ii. Jamnagar Properties Private Limited, a wholly-owned subsidiary of HUL.

PEL and JPPL had no business activity.

As part of consideration for the merger, two equity shares of UIEL of ₹10 each have been allotted to the Company as fully paid-up.

(b) Compulsorily convertible preference shares in Zywie Ventures Private Limited were converted to equity shares in the ratio 1:1 on 23rd February, 2024.

(c) Bhavishya Alliance Child Nutrition Initiatives, a Section 8 company and a wholly-owned subsidiary of HUL was voluntarily liquidated w.e.f. 27th December, 2023 vide order passed by the National Company Law Tribunal.

Investment in Associate

The Company holds 24% of equity holdings in Comfund Consulting Limited, 26% equity & preference capital holding in Aquagel Chemicals (Bhavnagar) Private Limited and 22% equity holdings in Transition Sustainable Energy Services One 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'.

Information About Subsidiaries and Joint Venture

Name of the Company	Country of incorporation	Principal activities	Proportion (%) of equity interest: As at 31st March, 2024	Proportion (%) of equity interest: As at 31st March, 2023
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 (w.e.f. 10th January, 2023)	India	FMCG business	53.34#	53.34#
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Export Limited	India	Leather products business (discontinued operations)	-	90*
Jamnagar Properties Private Limited	India	Real estate company	-	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

*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, 2024	Proportion (%) of equity interest: As at 31st March, 2023
Joint Venture				
Nutritionalab Private Limited (w.e.f. 4th January, 2023)	India	FMCG business	21.51#	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%.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 6 INVESTMENTS

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT INVESTMENTS		
A. Equity instruments		
Fair value through profit or loss		
Quoted	0	0
Unquoted	1	1
Fair value through other comprehensive income		
Unquoted		
22,330 equity shares [31st March, 2023: Nil] of ₹10 each held in Transition Sustainable Energy Services One Private Limited*	0	-
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 or 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	1,253	1,014
Fair value through profit or loss		
Quoted		
Investments in mutual funds	3,257	1,797
Total Current Investments (C)	**4,510**	**2,811**
Total (A+B+C)	**4,512**	**2,813**
Aggregate amount of quoted investments	4,510	2,811
Aggregate market value of quoted investments	4,510	2,811
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.

*During FY 2023-24, the Company invested in equity shares of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up a solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units. As per the Shareholders' Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

The Company has irrevocably elected to measure fair value changes in the aforesaid equity instruments through other comprehensive income (FVTOCI). There has been no change to the fair value during FY 2023-24.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 7 LOANS

(Unsecured, considered good unless otherwise stated)

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Loans to related parties (Refer Note 44)	297	247
Others (including employee loans)	95	92
Total (A)	**392**	**339**
Current		
Others (including employee loans)	37	35
Total (B)	**37**	**35**
Total (A+B)	**429**	**374**
Sub-classification of Loans:		
Loans Receivables considered good- Secured	5	6
Loans Receivables considered good- Unsecured	424	368
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.

i) 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.

ii) 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.

iii) 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 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.

(All amounts in ₹ crores, unless otherwise stated)

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Considered good		
Security deposits	101	101
Investments in term deposits (with remaining maturity of more than twelve months)	1	1
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	4	5
Total (A)	**714**	**715**
Current		
Considered good		
Security deposits	68	63
Receivables from group companies	170	195
Fair value of derivatives	23	15
Consignment receivables	73	278
Other assets (includes Government grants, other receivables, etc.)	1,082	840
Total (B)	**1,416**	**1,391**
Total (A+B)	**2,130**	**2,106**

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 on the taxable income 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.

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.

(All amounts in ₹ crores, unless otherwise stated)

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	Year ended 31st March, 2024	Year ended 31st March, 2023
Current tax		
Current year	3,501	3,214
Adjustments/(credits) related to previous years - (net)	(55)	(292)
Total (A)	**3,446**	**2,922**
Deferred tax charge		
Origination and reversal of temporary differences	135	190
Adjustments/(credits) related to previous years - (net)	(20)	5
Total (B)	**115**	**195**
Total (A+B)	**3,561**	**3,117**

II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	9	(4)
(Gain)/loss on debt instruments through other comprehensive income	0	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	3	(9)
Total	**12**	**(13)**

III. Tax expense recognised in Equity

	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax		
Stamp Duty on issue of equity shares on account of business combination	2	2
	2	**2**

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, 2024		Year ended 31st March, 2023	
	%	Amount	%	Amount
Statutory income tax rate	25.2%	3,441	25.2%	3,293
Differences due to:				
Expenses not deductible for tax purposes	1.7%	248	1.1%	148
Income exempt from income tax	(0.4%)	(53)	(0.3%)	(35)
Others*	(0.5%)	(75)	(2.2%)	(289)
Effective tax rate	**26.0%**	**3,561**	**23.8%**	**3,117**

*Others include prior period tax refunds and tax on exceptional items.

(All amounts in ₹ crores, unless otherwise stated)

C. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2024	As at 31st March, 2023	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Credit/(charge) in Equity	As at 31st March, 2024
Deferred tax assets/ (liabilities)					
Provision for post retirement benefits and other employee benefits	59	36	(0)	-	95
Provision for doubtful debts and advances	18	(2)	-	-	16
Expenses allowable for tax purposes when paid	132	(20)	(9)	-	103
Property, plant and equipment and Intangible assets	(6,905)	(95)	-	-	(7,000)
Fair value gain/(loss)	(12)	(15)	(3)	-	(30)
Impact of Right-of-use Asset and Lease Liabilities	(11)	4	-	-	(7)
Other temporary differences	394	(23)	-	(2)	369
Total	**(6,325)**	**(115)**	**(12)**	**(2)**	**(6,454)**

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)**

D. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provision)	1,118	1,115
Non-current tax liabilities (net of tax assets)	4,231	1,076

During FY 2023-24, the Company has received tax refunds including interest amounting to ₹3,148 crores for FY 2020-21 and FY 2021-22 pursuant to automated processing of income tax returns. The assessments for the aforesaid years are underway and pending disposal by Income Tax Department.

E. Uncertain Tax Position

During FY 2020-21, an Uncertain Tax Position ('UTP') was established in respect of the tax amortisation of intangible assets created pursuant to merger of HUL with GlaxoSmithKline Consumer Healthcare Limited (HUL-GSK CH merger). A provision was created in compliance with Ind AS 12 - Income Taxes, with respect to this.

F. 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 account.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Capital advances	81	26
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	195	167
Other advances (includes advances for materials)	12	15
Less: Allowance for bad and doubtful advances	(9)	(9)
Total	**279**	**199**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	**9**	**9**
Written off during the year	-	(0)
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. The comparison of cost and net realisable value is made on an item-by-item 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, appropriate share of fixed production overheads and 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, 2024	As at 31st March, 2023
Raw materials [includes in transit: ₹124 crores (31st March, 2023: ₹0 crore)]	1,536	1,758
Packing materials	109	112
Work-in-progress	552	391
Finished goods [includes in transit: ₹34 crores (31st March, 2023: ₹48 crores)] (Refer note (a) below)	1,498	1,651
Stores and spares	117	119
Total	**3,812**	**4,031**

(a) Finished goods includes goods purchased for re-sale of ₹518 crores (FY 2022-23: ₹540 crores).

(b) During FY 2023-24, an amount of ₹155 crores (31st March, 2023: ₹176 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.

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	2,702	2,760
Less: Allowance for expected credit loss	(12)	(25)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	43	38
Less: Allowance for credit impairment	(43)	(38)
Total	**2,690**	**2,735**
The movement in change in allowance for expected credit loss and credit impairment		
Balance as at beginning of the year	63	97
Change in allowance for expected credit loss and credit impairment during the year	(8)	(34)
Balance as at the end of the year	**55**	**63**

(All amounts in ₹ crores, unless otherwise stated)

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, 2024 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	2,267	288	70	37	17	23	2,702
Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	0	1	0	1	3	7	12
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	1	1	1	28	31
TOTAL (A)	**2,267**	**289**	**71**	**39**	**21**	**58**	**2,745**
Allowance for expected credit loss (ECL)							12
Allowance for credit impairment							43
TOTAL (B)							**55**
TOTAL [(A)- (B)]							**2,690**

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	2,207	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 (ECL)							25
Allowance for credit impairment							38
TOTAL (B)							**63**
TOTAL [(A) - (B)]							**2,735**

There are no unbilled receivables as at 31st March, 2024 and 31st March, 2023.

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.

(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 change in value.

	As at 31st March, 2024	As at 31st March, 2023
Cash on hand	-	0
Balances with banks		
In current accounts	46	18
Term deposits with original maturity of less than three months	563	473
Other Cash equivalents		
Overnight Mutual funds	-	95
Total	**609**	**586**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances with banks		
Unpaid dividend	226	222
Investments in term deposits (with original maturity of more than three months but less than twelve months)	6,381	3,614
Total	**6,607**	**3,836**

NOTE 15 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Input Taxes (GST, etc.)	224	205
Other advances (includes prepaid expenses etc.)	379	407
Total	**603**	**612**

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, 2024	As at 31st March, 2023
Group of assets held for sale		
Land	2	2
Buildings	10	10
Furniture and fixtures	-	0
Total	**12**	**12**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 17 EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
2,85,00,00,000 (31st March, 2023: 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, 2023: 2,34,95,91,262) equity shares of ₹1 each	235	235
	235	**235**

a) Reconciliation of the number of shares

There is no change in the number of equity shares during FY 2023-24 and FY 2022-23.

b) Rights, preferences and restrictions attached to 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 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, 2024	As at 31st March, 2023
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2023: 1,11,43,70,148) held by Unilever PLC, UK, the Holding Company	111	111
34,00,42,710 shares (31st March, 2023: 34,00,42,710) 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, 2024	As at 31st March, 2023
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 Promoters of the Company

S. No.	Promoter Name	As at 31st March, 2024 Number of shares	As at 31st March, 2024 % of total shares	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % 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**		

(All amounts in ₹ crores, unless otherwise stated)

S. No.	Promoter Name	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % of total shares	As at 31st March, 2022 Number of shares	As at 31st March, 2022 % 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**		**2,34,95,91,262**		

*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) 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, 2023: 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. 2,63,045 (31st March, 2023: 438,673) 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, 2024	As at 31st March, 2023
Capital Reserve	4	4
Capital Redemption Reserve	6	6
Securities Premium	40,348	40,350
Retained Earnings	10,368	9,625
Other Reserves	9	9
Items of Other Comprehensive Income		
- Fair value of Cash flow hedges through OCI	3	(6)
- Fair value of Debt instruments through OCI	0	(2)
Total Other Equity	**50,738**	**49,986**

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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
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**

(All amounts in ₹ crores, unless otherwise stated)

(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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	40,350	40,352
Add: Deferred Tax on Stamp duty	(2)	(2)
Balance at the end of the year	**40,348**	**40,350**

(d) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividend 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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	9,625	8,135
Add: Profit for the year	10,114	9,962
Add: Other comprehensive income for the year (Remeasurement of Net Defined Benefit Plans)*	27	(13)
Less: Dividend on equity shares during the year	(9,398)	(8,459)
Balance at the end of the year	**10,368**	**9,625**

*Movement in Remeasurement of Net Defined Benefit Plans	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	27	(13)
Less: Transfer to retained earnings	(27)	13
Balance at the end of the year	**-**	**-**

(e) Other Reserves: This includes reserves made on amalgamation of Brooke Bond Lipton India Limited and capital subsidy. This reserve is not available for capitalisation/ declaration of dividend/ share buy-back.

	Year ended 31st March, 2024	Year ended 31st March, 2023
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**

(All amounts in ₹ crores, unless otherwise stated)

(f) 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, 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 1st April, 2023	**(6)**	**(2)**	**(8)**
Fair value of debt instruments through other comprehensive income	-	2	2
Fair Value of cash flow hedges through other comprehensive income	(1)	-	(1)
Hedging loss/(gain) transferred to non-financial asset (net)	13	-	13
Tax on above	(3)	(0)	(3)
As at 31st March, 2024	**3**	**(0)**	**3**

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 dividend 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.

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 rate. 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.

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Lease liabilities payable beyond 12 months	1,034	746
CURRENT		
Lease liabilities payable within 12 months	340	293
Total	**1,374**	**1,039**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	**1,039**	**971**
Add: Addition	816	518
Add: Accretion of interest	98	76
Less: Payments	(492)	(507)
Less: Others (including foreclosure)	(87)	(19)
Closing balance as at 31st March	**1,374**	**1,039**

The incremental borrowing rate applied to lease liabilities is in the range of 7.63% per annum to 7.85% per annum (2023: 6.43% per annum to 7.78% per annum) based on the lease term.

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	427	293
One to two years	296	265
Two to five years	776	413
More than five years	209	225
Undiscounted lease liability (A)	**1,708**	**1,196**
Less: Financing component (B)	(334)	(157)
Closing balance of lease liability (A-B)	**1,374**	**1,039**

NOTE 20 OTHER FINANCIAL LIABILITIES

Refer note 37 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT		
Security deposits	25	22
Employee and ex-employee related liabilities	381	414
Financial liability on acquisition	2	37
Other payables and advances	22	22
Total (A)	**430**	**495**
CURRENT		
Unpaid dividend [Refer (a) below]	226	222
Salaries, wages, bonus and other employee payable	391	250
Fair Value of Derivatives	2	6
Contingent consideration payable on business combination	-	4
Consignment Payables	77	285
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	101	62
Total (B)	**797**	**829**
Total (A+B)	**1,227**	**1,324**

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 at 31st March, 2024 (31st March, 2023: Nil).

(All amounts in ₹ crores, unless otherwise stated)

b) Includes ₹18 crores of Corporate Social Responsibility expense related to ongoing projects as at 31st March, 2024 (31st March, 2023: ₹7 crores). The same was transferred to a special account designated as Unspent Corporate Social Responsibility Account for the FY 2023-24 ('UCSRA – FY 2023-24) of the Company within 30 days from end of financial year. Refer note 33 for more information about Corporate Social Responsibility expense.

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, 2024	As at 31st March, 2023
NON-CURRENT		
Provision for employee benefits (pension, post retirement medical benefits, etc.) [Refer Note 39]	371	345
Other provisions (including for statutory levies) - net [Refer (a) below]	1,180	990
Total (A)	**1,551**	**1,335**
CURRENT		
Provision for employee benefits (gratuity and compensated absences) [Refer Note 39]	46	44
Other provisions (including restructuring) [Refer (a) below]	283	335
Total (B)	**329**	**379**
Total (A+B)	**1,880**	**1,714**

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.

a) Movement in Other provisions (Non-current and Current)

	Indirect Tax related	Legal and Other Matters	Total
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)
Opening balance as at 1st April, 2023	**548**	**777**	**1,325**
Add: Provision/reclassified during the year	90	451	541
Less: Amount utilised/reversed/reclassified during the year	(263)	(140)	(403)
Balance as at 31st March, 2024	**375**	**1,088**	**1,463**

NOTE 22 TRADE PAYABLES

Refer note 37 for accounting policy on financial instruments.

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	222	89
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	126	93
Trade payables	9,800	9,209
Total	**10,148**	**9,391**

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, 2024	As at 31st March, 2023
A(i). Principal amount remaining unpaid	222	89
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	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, 2024 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 - Micro and small enterprises	220	2	-	-	-	222
Undisputed dues - Others	9,842	75	9	-	-	9,926
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**10,062**	**77**	**9**	**-**	**-**	**10,148**

*includes unbilled payables of ₹6,017 crores

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 - Micro and small enterprises	89	0	-	-	-	89
Undisputed dues - Others	9,093	209	-	-	-	9,302
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**9,182**	**209**	**-**	**-**	**-**	**9,391**

*includes unbilled payable of ₹5,886 crores

NOTE 23 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source and others)	700	649
Others (including advance from customers etc.)	89	86
Total	**789**	**735**

(All amounts in ₹ crores, unless otherwise stated)

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, 2024	As at 31st March, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	1,601	1,586
Indirect Tax matters	540	710
Legal and Other Matters	281	281

(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.

	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	55	69
Later than one year and not later than five years	47	57
Later than five years	-	-

ii) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	312	434

NOTE 25 REVENUE FROM OPERATIONS

Sale of products:

As per Ind AS 115 'Revenue from contracts with customers', Revenue from sale of goods is recognised when control of the products being sold is transferred to the 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 transaction price, which is the consideration, adjusted for volume discounts, rebates, schemes allowances, price concessions, incentives, amounts collected on behalf of government and returns, if any, as specified in the contracts with the customers. 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.

Notes
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(All amounts in ₹ crores, unless otherwise stated)

Sales return - 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. The Company deals in various products and operates in various distribution channels. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates by considering actual sales returns, estimated shelf life and other factors.

Income from services rendered:

Income from services rendered is recognised based on agreements/arrangements 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 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 grant.

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, 2024	Year ended 31st March, 2023
Sale of products	59,579	58,154
Other operating revenue*		
Income from services rendered	322	347
Commission income on consignment sales	202	333
Government grants (GST budgetary support and Production Linked Incentives)	164	170
Others (including scrap sales, rentals, etc)	202	140
Total	**60,469**	**59,144**

Reconciliation of Revenue from sale of products with the contracted price

	Year ended 31st March, 2024	Year ended 31st March, 2023
Contracted Price	68,088	65,271
Less: Trade discounts and promotions, volume rebates, returns etc.	(8,509)	(7,117)
Sale of products	**59,579**	**58,154**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue

i) The Company does not have any contract asset as at 31st March, 2024 (31st March, 2023: Nil)
ii) The Company does not have any contract liability as at 31st March, 2024 (31st March, 2023: Nil)
iii) The Company does not receive 10% or more of its revenues from transactions with any single external customer.

Segment-wise Revenue from operations

The Company has following major segments:

(a) Home Care include Fabric Solutions, Home and Hygiene, etc.
(b) Beauty & Personal Care include Skin Cleansing, Skin Care, Hair Care, etc.
(c) Foods & Refreshment include Tea, Nutrition Drinks and Coffee, etc.
(d) Others include Exports, Consignment, etc.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Home Care	21,900	21,230
Beauty & Personal Care	22,165	21,831
Foods & Refreshment	15,292	14,876
Others (includes Exports, Consignment, etc.)	1,112	1,207
Total	**60,469**	**59,144**

(All amounts in ₹ crores, unless otherwise stated)

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, 2024	Year ended 31st March, 2023
Interest income on		
Bank deposits	438	162
Current investments	88	126
Others (including interest on Income tax refunds)	25	137
Dividend income from		
Subsidiaries	173	116
Non-current investments	3	2
Other non-operating income		
Fair value gain on investments measured at fair value through profit or loss*	246	97
Total	**973**	**640**

*Includes realised gain on sale of investment of ₹168 crores (31st March, 2023: ₹91 crores).

NOTE 27 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials consumed	15,054	16,074
Packing materials consumed	2,737	3,155
Total	**17,791**	**19,229**

NOTE 28 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchases of stock-in-trade	11,544	11,968
Total	**11,544**	**11,968**

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, 2024	Year ended 31st March, 2023
Opening inventories		
Finished goods	1,651	1,580
Work-in-progress	391	409
Closing inventories		
Finished goods	(1,498)	(1,651)
Work-in-progress	(552)	(391)
Total	**(8)**	**(53)**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 EMPLOYEE BENEFITS EXPENSE

Short-Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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 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. Refer Note 39 for Employee benefit Plan calculations.

Other Short-term benefits

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

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.

(All amounts in ₹ crores, unless otherwise stated)

Share Based Payments

Employees of the Company receive remuneration in the form of share based payments in consideration of the services rendered.

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, 2024	Year ended 31st March, 2023
Salaries and wages	2,268	2,137
Contribution to provident and other funds	164	153
Defined benefit plan expense (Refer note 39)	39	42
Share based payments to employees (Refer note 40)	169	156
Staff welfare expenses	142	177
Total	**2,782**	**2,665**

NOTE 31 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on bank overdraft, security deposit and others	0	0
Net interest on the net defined benefit liability (Refer Note 39)	24	16
Unwinding of discount on provisions and liabilities	2	1
Unwinding of discount on employee and ex-employee related liabilities	8	8
Interest on lease liabilities	98	76
Interest on taxes and others	170	-
Total	**302**	**101**

NOTE 32 DEPRECIATION AND AMORTISATION EXPENSE

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)*	647	609
Depreciation on property, plant and equipment (leased assets)	426	398
Amortisation on intangible assets	24	23
Total	**1,097**	**1,030**

*In addition to the above, ₹0 crores (31st March, 2023: ₹15 crores) of accelerated depreciation has been charged to exceptional items under restructuring projects.

NOTE 33 OTHER EXPENSES

	Year ended 31st March, 2024		Year ended 31st March, 2023	
Advertising and promotion		6,380		4,859
Carriage and freight		1,917		1,901
Royalty				
- Technology	782		760	
- Brand	347	1,129	230	990
Fees for central services from Unilever Group		780		601
Processing charges		354		349
Power, fuel, light and water		384		325
Rent		81		80
Travelling and motor car expenses		269		238
Repairs		202		201
Corporate Social Responsibility expense [Refer note (a) below]		234		209
Miscellaneous expenses		2,440		1,950
Total		**14,170**		**11,703**

(All amounts in ₹ crores, unless otherwise stated)

	Year ended 31st March, 2024	Year ended 31st March, 2023
Miscellaneous expenses include:		
Payments to the auditors for:		
Statutory audit fees	3	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	**6**	**5**

(a) The details of Corporate Social Responsibility ('CSR') as prescribed under Section 135 of the Companies Act, 2013 is as follows:

		Year ended 31st March, 2024	Year ended 31st March, 2023
I.	Amount required to be spent by the Company during the year	231	205
II.	Amount approved by the Board	235	210
III.	Amount spent during the year on:	-	-
	i) Construction/ acquisition of any asset	-	-
	ii) For purposes other than (i) above	234	209
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 a contribution of ₹30 crores (2022-23: ₹15 crores) to subsidiary Hindustan Unilever Foundation which is a Section 8 registered Company under Companies Act, 2013 (refer note 44). 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 ₹18 crores of Corporate Social Responsibility expense related to ongoing projects as at 31st March, 2024 (31st March, 2023: ₹7 crores). The same was transferred to a special account designated as UCSRA – FY 2023-24 of the Company within 30 days from end of financial year. Unspent CSR amount for FY 2022-23 of ₹7 crores has been fully utilised during FY 2023-24.

X. The Company does not wish to carry forward any excess amount spent during the year.

NOTE 34 EXCEPTIONAL ITEMS (NET)

		Year ended 31st March, 2024	Year ended 31st March, 2023
i)	Restructuring and other costs	(187)	(120)
ii)	Acquisition and disposal related income/ (costs)	63	(117)
iii)	Fair valuation of financial liability on acquisition	37	-
iv)	Fair valuation of contingent consideration payable	-	2
v)	Disposal of surplus properties	(2)	113
vi)	Profit on sale of brand rights	-	60
Exceptional items (net)		**(89)**	**(62)**

(All amounts in ₹ crores, unless otherwise stated)

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, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year (A)	10,114	9,962
Weighted average number of equity shares outstanding during the year (B)	2,34,95,91,262	2,34,95,91,262
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding during the year (C)	2,34,95,91,262	2,34,95,91,262
Earnings Per Share (₹) - Basic (Face value of ₹1 per share) (A/B)	₹43.05	₹42.40
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share) (A/C)	₹43.05	₹42.40

NOTE 36 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend on equity shares declared and paid during the year		
Final dividend of ₹22.00 per share for FY 2022-23 (2021-22: ₹19.00 per share)	5,169	4,464
Interim dividend of ₹18.00 per share for FY 2023-24 (2022-23: ₹17.00 per share)	4,229	3,995
	9,398	**8,459**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹24.00 per share for FY 2023-24 (2022-23: ₹22.00 per share)	5,639	5,169
	5,639	**5,169**
Payout ratio	**98%**	**92%**

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

NOTE 37 FINANCIAL INSTRUMENTS

I Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, 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.

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.

(b) Subsequent measurement and classification

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.

(All amounts in ₹ crores, unless otherwise stated)

(1) **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 is 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.

(2) **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.

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 dividend, 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) 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.

(d) 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)

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. The Company computes ECL based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

(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 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:

(a) 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.

(b) 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.

(c) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying value of the financial liability and the consideration paid is recognised in standalone statement of profit and loss.

(d) 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.

III 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.

(All amounts in ₹ crores, unless otherwise stated)

(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.

A Accounting Classifications and Carrying Values

The carrying amounts of financial instruments by class are as follows:

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	6	1,253	1,014
ii. Fair value through profit and loss	6	3,259	1,799
Fair Value of Derivatives	8	23	15
Financial assets measured at amortised cost			
Investments	6	0	0
Loans	7	429	374
Security deposits	8	169	164
Investments in term deposits	8,14	6,382	3,615
Indemnification asset	8	608	608
Other assets	8	1,086	845
		13,209	**8,434**
Financial Liabilities			
Financial liabilities measured at fair value			
Fair Value of Derivatives	20	2	6
Contingent consideration payable on business combination	20	-	4
Financial liability on acquisition	20	2	37
Financial liabilities measured at amortised cost			
Lease Liabilities	19	1,374	1,039
Security deposits	20	25	22
Employee Liabilities	20	772	664
Other payables	20	123	84
		2,298	**1,856**

B 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.

(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, 2024				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	1,253	-	0	1,253
ii. Fair Value through Profit or Loss	3,257	-	2	3,259
Fair Value of Derivatives	-	23	-	23
Liabilities at fair value				
Fair Value of Derivatives	-	2	-	2
Contingent consideration payable on business combination	-	-	-	-
Financial liability on acquisition	-	-	2	2
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

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, 2023.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair value 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 value 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.
4. Financial liability on acquisition is valued using Monte Carlo simulation. The model incorporates forecasted revenue, margin, volatility, weighted average cost of capital and other metrics.
5. Equity instruments measured at fair value through OCI are valued using discounted cash flows method. The valuation model considers the present value of the expected future cash flows, discounted using a risk-adjusted discount rate.

(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, 2024	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 ₹5 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Financial liability on acquisition	**Monte Carlo simulation:** The fair value is determined using forecasted revenue, margin, volatility and weighted average cost of capital.	Forecast revenue	5% increase in forecasted revenue would have led to an additional liability of approximately ₹12 crores and 5% decrease would have led to an equal but opposite effect.
(c) Investments measured at fair value through OCI	**Discounted cash flows:** The valuation model considers the present value of the expected future cash flows, discounted using a risk-adjusted discount rate.	Forecast cash flows	5% increase in forecasted cash flows would have led to approximately ₹0 crores gain in OCI and 5% decrease would have led to an equal but opposite effect.

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 crores 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, margin, volatility and weighted average cost of capital.	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.

Reconciliation of movements in Level 3 valuations	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening	43	48
Additions during the year	0	37
Interest unwinding	2	0
Payments during the year	(4)	(40)
Gain recognised in profit and loss on fair value adjustment	(37)	(2)
Closing	**4**	**43**

(All amounts in ₹ crores, unless otherwise stated)

C 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, 2024	Year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	26	463	299
Allowance for expected credit loss and credit impairment	12	(8)	(34)
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	26	88	126
Fair value gain/(loss) recognised in other comprehensive income	18C	2	(1)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	26	246	97
Dividend income on non current investments	26	3	2
Financial liabilities measured at amortised cost			
Interest expense	31	0	0
Interest on lease liabilities	31	98	76
Interest expense other than on lease liabilities	31	10	9
Financial liabilities measured at fair value			
Fair valuation of financial liability on acquisition	34	37	-
Fair valuation of contingent consideration payable	34	-	2
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	27, 33	(30)	51

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 other price 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, 2024 and 31st March, 2023. 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.

(All amounts in ₹ crores, unless otherwise stated)

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.

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2024							
Financial Assets							
Non-derivative assets							
Investments	6	4,512	4,510	-	-	2	4,512
Loans	7	429	37	13	297	81	429
Trade Receivables	12	2,690	2,690	-	-	-	2,690
Cash and cash equivalents	13	609	609	-	-	-	609
Bank Balances other cash and cash equivalents	14	6,607	6,607	-	-	-	6,607
Security deposits	8	169	68	11	25	65	169
Consignment receivable	8	73	73	-	-	-	73
Other financial asset	8	1,257	1,253	-	-	4	1,257
Derivative assets							
Fair Value of Derivatives	8	23	23	-	-	-	23
Financial liabilities							
Non-derivative liabilities							
Lease Liabilities	19	1,374	427	296	776	209	1,708
Trade payables (including acceptances)	22	10,148	10,148	-	-	-	10,148
Security deposits	20	25	-	-	1	24	25
Unpaid dividend	20	226	226	-	-	-	226
Employee liabilities	20	772	391	155	156	85	786
Consignment Payable	20	77	77	-	-	-	77
Financial liability on acquisition	20	2	-	2	-	-	2
Other Payables	20	123	101	-	17	5	123
Derivative liabilities							
Fair Value of Derivatives	20	2	2	-	-	-	2

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2023							
Financial Assets							
Non-derivative assets							
Investments	6	2,813	2,811	-	-	2	2,813
Loans	7	374	35	0	269	70	374
Trade Receivables	12	2,735	2,735	-	-	-	2,735
Cash and Cash Equivalents	13	586	586	-	-	-	586
Bank Balances other than cash and cash equivalents	14	3,836	3,836	-	-	-	3,836
Security deposits	8	164	63	37	20	44	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	265	413	225	1,196
Trade payables (including acceptances)	22	9,391	9,391	-	-	-	9,391
Security deposits	20	22	-	1	1	20	22
Unpaid dividend	20	222	222	-	-	-	222
Employee liabilities	20	664	249	198	136	81	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	-	17	5	84
Derivative liabilities							
Fair Value of Derivatives	20	6	6	-	-	-	6

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
- other price risk (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.

(All amounts in ₹ crores, unless otherwise stated)

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, 2024, the unhedged exposure to the Company on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹71 crores payable (net) [31st March, 2023: ₹75 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 (2022-23: ₹4 crores gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect. Amongst the key currencies, USD and SGD are significant currency contributing to the currency risk exposure. A 5% strengthening (weakening) of the INR against USD would have led to approximately an additional ₹1 crore gain (loss) (2022-23: ₹1 crore gain (loss)) each in the standalone statement of profit and loss.

Payable/ (Receivable)	As at 31st March, 2024	As at 31st March, 2023
USD	27	22
SEK	8	20
SGD	22	14
NZD	0	7
EUR	0	4
GBP	8	2
Others	6	6
	71	75

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, 2024, the investments in treasury bill amounts to ₹1,253 crores (31st March, 2023: ₹1,014 crores) and the investments in debt mutual funds amounts to ₹3,257 crores (31st March, 2023: ₹1,892 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 ₹4 crores gain in the Standalone Statement of Profit and Loss (2022-23: ₹2 crores). A 0.25% increase in interest rates would have led to an equal but opposite effect.

3. Other Price Risk (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, 2024, the Company had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹48 crores (31st March, 2023: ₹29 crores). Hedges of future commodity purchases resulted in cumulative loss of ₹13 crores (31st March, 2023: ₹14 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 ₹5 crores gain in OCI (2022-23 ₹12 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

(All amounts in ₹ crores, unless otherwise stated)

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

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined. 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.

The Company computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. 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 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, 2024 and 31st March, 2023. 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 ₹297 crores (31st March, 2023: ₹247 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. 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 in respect of certain employees is 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.

(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
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
As at 31st March, 2024							
Present Value of Obligation	596	270	6	3,148	325	4,345	286
Fair Value of Plan Assets	(558)	(215)	(7)	(3,148)	(325)	(4,253)	(26)
(Asset)/Liability recognised in the Balance Sheet	**38**	**55**	**(1)**	**-**	**-**	**92**	**260**
Plan I refers to existing employee benefit plans of the Company.							
Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger.							
Of which in respect of:							
Funded plans in surplus:							
Present Value of Obligation	-	-	6	3,148	325	3,479	-
Fair Value of Plan Assets	-	-	(7)	(3,183)	(338)	(3,528)	-
(Asset)/Liability recognised in the Balance Sheet*	-	-	**(1)**	**-***	**-***	**(1)**	-
(*The excess of assets over liabilities in respect of Provident Fund Plan I & II have not been recognised.)							
Funded plans in deficit:							
Present Value of Obligation	596	270	-	-	-	866	233
Fair Value of Plan Assets	(558)	(215)	-	-	-	(773)	(26)
(Asset)/Liability recognised in the Balance Sheet	**38**	**55**	**-**	**-**	**-**	**93**	**207**
(During the year Gratuity has moved from funded plan in surplus to funded plan in deficit, while Provident Fund Plan I and Officer's Pension have moved from funded plans in deficit to funded plans in surplus.)							
Unfunded plans in deficit:							
Present Value of Obligation	-	-	-	-	-	-	53
Fair Value of Plan Assets	-	-	-	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	-	-	-	-	-	-	**53**

(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans						Other Post-Employment Benefit Plans
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
As at 31st March, 2023							
Present Value of Obligation	547	275	8	2,795	507	4,132	253
Fair Value of Plan Assets	(547)	(215)	(7)	(2,743)	(507)	(4,019)	(40)
(Asset)/Liability recognised in the Balance Sheet	**-**	**60**	**1**	**52**	**-**	**113**	**213**
Plan I refers to existing employee benefit plans of the Company.							
Plan II refers to employee benefit plans added pursuant to HUL-GSKCH merger.							
Of which in respect of:							
Funded plans in surplus:							
Present Value of Obligation	547	-	-	-	507	1,054	-
Fair Value of Plan Assets	(567)	-	-	-	(518)	(1,085)	-
(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.)							
Funded plans in deficit:							
Present Value of Obligation	-	275	8	2,795	-	3,078	192
Fair Value of Plan Assets	-	(215)	(7)	(2,743)	-	(2,965)	(40)
(Asset)/Liability recognised in the Balance Sheet	**-**	**60**	**1**	**52**	**-**	**113**	**152**
(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
Fair Value of Plan Assets	-	-	-	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	-	-	-	-	-	-	**61**

Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹19 crores as at 31st March, 2024 (₹19 crores as at 31st March, 2023).

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Gratuity	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	547	547	-	566	566	-
Current service cost	-	38	(38)	-	39	(39)
Past service cost	-	-	-	-	-	-
Change in asset ceiling	21	-	21	26	-	26
Employees contributions	-	-	-	-	-	-
Interest cost	-	39	(39)	-	38	(38)
Interest income	40	-	40	39	-	39
Actuarial (gain)/loss arising from changes in demographic assumptions	-	10	(10)	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	12	(12)	-	(24)	24
Actual less expected return on plan assets	6	-	6	13	-	13
Actuarial (gain)/loss arising from experience adjustments	-	6	(6)	-	25	(25)
Assets/Liabilities acquired/(settled)	-	-	-	(2)	(2)	-
Benefit payments	(56)	(56)	-	(95)	(95)	-
Closing Balance	**558**	**596**	**(38)**	**547**	**547**	**-**

(All amounts in ₹ crores, unless otherwise stated)

Management Pension	For the year ended 31st March, 2024 Plan Assets	Plan Obligation	Total	For the year ended 31st March, 2023 Plan Assets	Plan Obligation	Total
Opening Balance	215	275	(60)	251	310	(59)
Current service cost	-	0	(0)	-	1	(1)
Interest cost	-	20	(20)	-	20	(20)
Interest income	15	-	15	15	-	15
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(1)	1
Actual less expected return on plan assets	5	-	5	(4)	-	(4)
Actuarial (gain)/loss arising from experience adjustments	-	(5)	5	-	(8)	8
Employer contributions	0	-	0	0	-	0
Benefit payments	(20)	(20)	-	(47)	(47)	-
Closing Balance	**215**	**270**	**(55)**	**215**	**275**	**(60)**

Officers' Pension	For the year ended 31st March, 2024 Plan Assets	Plan Obligation	Total	For the year ended 31st March, 2023 Plan Assets	Plan Obligation	Total
Opening Balance	7	8	(1)	9	9	-
Current service cost	-	0	(0)	-	0	(0)
Past service cost	-	0	(0)	-	-	-
Change in asset ceiling	-		-	0	-	0
Interest cost	-	1	(1)	-	2	(2)
Interest income	0	-	0	2	-	2
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(0)	0
Actual less expected return on plan assets	3	-	3	0	-	0
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	1	(1)
Employer contributions	0	-	0	-	-	-
Assets/liabilities acquired/(settled)	(2)	(2)	-	(1)	(1)	-
Benefit payments	(1)	(1)	-	(3)	(3)	-
Closing Balance	**7**	**6**	**1**	**7**	**8**	**(1)**

Provident Fund Plan I	For the year ended 31st March, 2024 Plan Assets	Plan Obligation	Total	For the year ended 31st March, 2023 Plan Assets	Plan Obligation	Total
Opening Balance	2,743	2,795	(52)	2,649	2,649	-
Current service cost	-	113	(113)	-	93	(93)
Change in asset ceiling	(35)	-	(35)	69	-	69
Interest cost	-	213	(213)	-	178	(178)
Interest income	209	-	209	183	-	183
Actuarial (gain)/loss arising from changes in financial assumptions	-	36	(36)	-	53	(53)
Actual less expected return on plan assets	133	-	133	(25)	-	(25)
Actuarial (gain)/loss arising from experience adjustments	-	6	(6)	-	48	(48)
Employer contributions	113	-	113	93	-	93
Employees contributions	210	210	-	191	191	-
Assets/ liabilities acquired/ (settled)	45	45	-	(113)	(113)	-
Benefit payments	(270)	(270)	-	(304)	(304)	-
Closing Balance	**3,148**	**3,148**	**-**	**2,743**	**2,795**	**(52)**

(All amounts in ₹ crores, unless otherwise stated)

Provident Fund Plan II	For the year ended 31st March, 2024 Plan Assets	Plan Obligation	Total	For the year ended 31st March, 2023 Plan Assets	Plan Obligation	Total
Opening Balance	507	507	-	554	554	-
Current service cost		11	(11)		13	(13)
Change in asset ceiling	(2)		(2)	(4)	-	(4)
Interest cost	-	30	(30)	-	35	(35)
Interest income	30	-	30	36	-	36
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2)	2	-	9	36
Actual less expected return on plan assets	2	-	2	16	-	(9)
Actuarial (gain)/loss arising from experience adjustments	-	2	(2)	-	4	(4)
Employer contributions	11	-	11	13	-	13
Employees contributions	35	35	-	39	39	39
Assets/ liabilities acquired/ (settled)	(156)	(156)	-	(44)	(44)	-
Benefit payments	(102)	(102)	-	(103)	(103)	-
Closing Balance	**325**	**325**	**-**	**507**	**507**	**-**

Other Post-Employment Benefit Plans	For the year ended 31st March, 2024 Plan Assets	Plan Obligation	Total	For the year ended 31st March, 2023 Plan Assets	Plan Obligation	Total
Opening Balance	40	253	(213)	56	252	(196)
Current service cost	-	0	(0)	-	0	(0)
Interest cost	-	19	(19)	-	17	(17)
Interest income	2	-	2	3	-	3
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0)	0	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	1	33	(32)	(1)	(15)	14
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	19	(19)
Employer contributions	2	-	2	2	-	2
Benefit payments	(19)	(19)	-	(20)	(20)	-
Closing Balance	**26**	**286**	**(260)**	**40**	**253**	**(213)**

C. Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

Year ended 31st March, 2024	Retirement Benefit Plans Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	Other Post-Employment Benefit Plans
Employee Benefit Expenses:							
Current service cost	38	0	0	113	11	162	0
Past service cost	-	-	0	-	-	0	-
Finance costs:							
Interest cost	39	20	1	213	30	303	18
Interest income	(40)	(15)	(0)	(209)	(31)	(295)	(2)
Net impact on profit (before tax)	**37**	**5**	**1**	**117**	**10**	**170**	**16**
Remeasurement of the net defined benefit plans:							
Actuarial (gains)/losses arising from changes in demographic assumptions	10	-	-	-	-	10	(0)
Actuarial (gains)/losses arising from changes in financial assumptions	12	0	0	36	(2)	46	33
Actual less expected return on plan assets	(6)	(5)	(3)	(133)	(2)	(149)	(1)
Actuarial (gains)/losses arising from experience adjustments	6	(5)	0	6	2	9	0
Change in asset ceilng (gains)/ losses	(21)	-	-	35	2	16	-
Net impact on other comprehensive income (before tax)	**1**	**(10)**	**(3)**	**(56)**	**(0)**	**(68)**	**32**

(All amounts in ₹ crores, unless otherwise stated)

Year ended 31st March, 2023	Retirement Benefit Plans						Other Post-Employment Benefit Plans
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
Employee Benefit Expenses:							
Current service cost	39	1	0	93	13	146	0
Finance costs:						-	
Interest cost	38	20	2	178	35	273	17
Interest income	(39)	(15)	(2)	(183)	(36)	(275)	(3)
Net impact on profit (before tax)	**38**	**6**	**0**	**88**	**12**	**144**	**14**
Remeasurement of the net defined benefit plans:							
Actuarial (gains)/losses arising from changes in financial assumptions	(24)	(0)	(0)	53	9	39	(16)
Actual less expected return on plan assets	(13)	4	(0)	24	(16)	0	2
Actuarial (gains)/losses arising from experience adjustments	25	(8)	1	48	4	70	19
Change in asset ceilng (gains)/losses	(26)	-	(0)	(69)	4	(91)	-
Net impact on other comprehensive income (before tax)	**(37)**	**(4)**	**1**	**57**	**1**	**18**	**5**

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		Total fair value of plan assets	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Quoted						
Government Debt Instruments	1,771	1,663	-	-	1,771	1,663
Other Debt Instruments	1,173	1,067	26	40	1,199	1,107
Equity	461	342	-	-	461	342
Total (A)	**3,405**	**3,072**	**26**	**40**	**3,431**	**3,112**
Unquoted						
Other Debt Instruments	228	228	-	-	228	228
Others	669	750	-	-	669	750
Total (B)	**897**	**978**	**-**	**-**	**897**	**978**
Total (A+B)	**4,302**	**4,050**	**26**	**40**	**4,328**	**4,090**

Assets to the extent of ₹48 crores for Provident Fund (FY 2022-23: ₹11 crores), Nil for Gratuity Fund (FY 2022-23: ₹21 crores) are 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.

(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 Standalone Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Financial Assumptions	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.2%	7.5%	7.2%	7.5%
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)	-	-	10.0%	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	0.50%	-2.2%	0.50%	-4.8%
	Decrease	0.50%	2.4%	0.50%	5.3%
Salary escalation rate (per annum)	Increase	0.25%	1.3%	-	-
	Decrease	0.25%	-1.3%	-	-
Pension rate	Increase	0.25%	6.2%	-	-
	Decrease	0.25%	-6.0%	-	-
Life expectancy	Increase	1 year	3.7%	1 year	5.4%
	Decrease	1 year	-3.7%	1 year	-5.3%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.00%	10.7%
	Decrease	-	-	1.00%	-9.1%

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.

(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 (yrs.)		Expected Employers contribution for the next year
	Year ended 31st March, 2024	Year ended 31st March, 2023	
Gratuity Plan	6.7	6.9	38
Management Pension	6.9	7.1	0
Officer's Pension	2.3	2.4	0
Provident Fund Plan I	7.2	7.7	122
Provident Fund Plan II	7.2	7.7	11
Post-retirement medical benefits Plan I	9.3	9.1	-
Post-retirement medical benefits Plan II	13.8	13.0	-

III Other Short-Term Benefits

Compensated absences

Employee Benefit expenses for the year include ₹13 crores (FY 2022-23: ₹8 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2024 is ₹46 crores (31st March, 2023: ₹44 crores).

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), the Annual Share Plan (ASP), Targeted Share Grant scheme and 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. Awards for MCIP were last made in 2020 and will vest in 2024. No further MCIP awards will be made.

Under PSP, eligible employees receive annual awards of the Holding Company's shares. The performance measures for PSP are Business Winning Market Share, Cumulative Free Cash Flow, Underlying Return on Capital Invested and Sustainability Progress Index. 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. Starting March 2024, the performance measures applicable for these grants at the time of vesting are Underlying Sales Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and Sustainability Progress Index.

During the year, the Holding Company has moved from PSP to ASP for certain eligible employees who will receive shares of the Holding company.

The performance measures for ASP are in-year business performance and impact, leadership and future fitness of an individual with a range of 0% – 225%. The awards under ASP will vest after 3 years with no business performance conditions being applied at the time of vesting.

Under the Targeted Share Grant scheme, eligible employees are given shares of the Holding company of a defined value which vest to them basis a pre-determined vesting percentage of 0%-100% over 1 to 4 years. Grants under the scheme are subject to application of Unilever Performance Share Plan vesting factor at the time of vest of each part of the grant.

Under the SHARES Plan, eligible employees can invest a fixed sum 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 vesting period 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.

(All amounts in ₹ crores, unless otherwise stated)

Equity Settled Share Based Payments

As at 31st March, 2024, the Company is in the process of seeking necessary statutory approvals for HUL Performance Share Plan (PSP) scheme. Under the scheme, eligible employees will receive 38% of their share award as HUL shares and the remaining 62% of share award will continue to be Holding Company's shares. There are no modifications to terms and conditions on determination of value of grant for award or the vesting conditions under the Unilever ASP or PSP Scheme.

The Scheme was approved by the Shareholders of the Company by way of Postal Ballot on 05th March, 2024. These grants are further subject to necessary statutory approvals and would be made in conformity with the applicable laws. Pursuant to the necessary approvals, the scheme would be accounted as an equity-settled Share Based payment from the grant date. No grants were made in FY 2023-24.

Effect of share based payment transactions on the Standalone Balance Sheet:

	As at 31st March, 2024	As at 31st March, 2023
Other non-current financial liabilities	254	242
Other current financial liabilities	189	80
Total carrying amount of liabilities	**443**	**322**

Effect of share based payment transactions on the Standalone Statement of Profit and Loss:

	As at 31st March, 2024	As at 31st March, 2023
Cash settled share based payments	169	156
Total expense on share based payments	**169**	**156**

NOTE 41 BUSINESS COMBINATION

As per Ind AS 103, 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.

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 assets).

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 STRATEGIC INVESTMENTS

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 well-being 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 Well-being products under the brand name of 'Well-being 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'.

(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, 2024	Year ended 31st March, 2023
(a)	**Loans to Subsidiaries**		
(i)	**Lakme Lever Private Limited**		
	Balance as at the beginning of the year	172	210
	Loans given	18	0
	Loans repaid	0	38
	Balance as at the end of the year	190	172
	Maximum amount outstanding at any time during the year	190	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 7.27% to 7.51% during the year (2022-23: 6.42% to 7.50%)]		
(ii)	**Unilever India Export Limited**		
	Balance as at the beginning of the year	0	222
	Loans given	385	349
	Loans repaid	278	571
	Balance as at the end of the year	107	0
	Maximum amount outstanding at any time during the year	172	245
	[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 7.27% to 7.51% during the year (2022-23: 6.42% to 7.50%)]		
(iii)	**Unilever India Limited**		
	Balance as at the beginning of the year	75	-
	Loans given	28	144
	Loans repaid	103	69
	Balance as at the end of the year	0	75
	Maximum amount outstanding at any time during the year	95	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 7.27% to 7.51% during the year (2022-23: 6.42% to 7.50%)]		
(b)	**Loans to Others**		
	Balance as at the beginning of the year	6	4
	Loans given	-	2
	Loans repaid	1	0
	Balance as at the end of the year	5	6
	Maximum amount outstanding at any time during the year	6	6
(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, 2024	Year ended 31st March, 2023
A. Equity Instruments		
a) Quoted equity instruments		
10,000 equity shares [31st March, 2023: 10,000] of ₹10 each held in Scooters India Limited	0	0
b) Unquoted equity instruments		
1,00,000 equity shares [31st March, 2023: 1,00,000] of ₹10 each held in Biotech Consortium India Limited	0	0
8,284 equity shares [31st March, 2023: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
200 equity shares [31st March, 2023: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
1,000 equity shares [31st March, 2023: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
96,125 equity shares [31st March, 2023: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
1 equity share [31st March, 2023: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
50 equity shares [31st March, 2023: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
1,150 equity shares [31st March, 2023: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
1,000 equity shares [31st March, 2023: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
2,40,000 equity shares [31st March, 2023: 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, 2023: ₹0 crore)]	-	-
52,000 equity shares [31st March, 2023: 52,000] of ₹100 each held in Aquagel Chemicals Bhavnagar Private Limited	1	1
22,330 equity shares [31st March, 2023: Nil] of ₹10 each held in Transition Sustainable Energy Services One Private Limited*	0	-
Total (A)	**1**	**1**
B. Other Instruments		
a) Unquoted investment in debentures and bonds		
14 6 1/2% Non-redeemable Registered Debentures [31st March, 2023: 14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
44 1/2% Debentures [31st March, 2023: 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, 2023: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
56 5% Debentures [31st March, 2023: 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, 2023: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavnagar Private Limited	1	1
Total (B)	**1**	**1**
Total (A + B)	**2**	**2**

*The Company invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a special purpose vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Company does not have power to participate in the financial and operating policy decisions of the Company and hence does not exercise significant influence.

(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.

(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%) ('UIEL')
- Lakme Lever Private Limited (100%)
- Unilever India Limited (100%)
- Unilever Nepal Limited (80%)
- Zywie Ventures Private Limited (51%) *
- Zenherb Labs Private Limited (100% subsidiary of ZVPL)
- Daverashola Estates Private Limited (100%)
- Pond's Exports Limited (90%) (merged with UIEL with effect from 13th February, 2024)
- Jamnagar Properties Private Limited (100%) (merged with UIEL with effect from 13th February, 2024)
- Bhavishya Alliance Child Nutrition Initiatives (100%) (Section 8 company) (Liquidated with effect from 27th December, 2023)
- 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) **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

C. Subsidiaries of Holding Company :
- Unilever Europe Business Center BV
- Unilever Global IP Limited
- PT Unilever Oleochemical Indonesia
- Unilever IP Holdings B.V
- Unilever Europe - IT
- Unilever Industries Private Limited
- Unilever Asia Private Limited
- Unilever Thai Trading Limited
- Conopo Inc.
- Unilever Supply Chain Company
- Unilever U.K. Central Resource
- Wall's (China) Co. Limited
- Immobilia Transhome B.V.
- Unilever Gulf Free Zone Establishment
- Dermalogica, LLC
- Unilever Ventures India Advisory
- Unilever Bangladesh Limited
- Unilever Europe BV
- Unilever Sri Lanka Limited
- Unilever UK Limited
- Unilever Supply Chain Company
- Unilever Lipton Ceylon Limited
- Unilever Philippines (PRC)

(All amounts in ₹ crores, unless otherwise stated)

D. Entity in which director or their relative has significant influence : Deloitte Touche Tohmatsu India LLP
Fractal Analytics Private Limited

E. Key Management Personnel and Senior Management

(a) Key Management Personnel : Rohit Jawa (with effect from 1st April, 2023)
Sanjiv Mehta (up to 27th June, 2023)
Ritesh Tiwari
Dev Bajpai

(b) Senior Management : Yogesh Mishra
Anuradha Razdan
Madhusudhan Rao
Deepak Subramanian
Srinandan Sundaram
Kedar Lele
Arun Neelakantan (with effect from 1st January, 2024)
Prabha Narasimhan (up to 30th April, 2022)
Wilhelmus Uijen (up to 31st August, 2022)

(c) Non-executive Directors : Nitin Paranjpe
Kalpana Morparia
Sanjiv Misra
O. P. Bhatt
Leo Puri
Ashu Suyash
Ranjay Gulati (with effect from 1st April, 2023)
Neelam Dhawan (with effect from 1st August, 2023)
Tarun Bajaj (with effect from 1st December, 2023)
Ashish Gupta (up to 27th June, 2023)

*On a fully diluted basis

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as at 31st March, 2024

		Year ended 31st March, 2024	Year ended 31st March, 2023
Holding Company	: Dividend paid	4,457	4,012
	Expenses for services received	600	422
	Reimbursements paid	52	72
	Royalty expense	-	786
	Fees for central services	-	476
	Income from services rendered	-	276
	Outstanding as at the year end:		
	- Trade receivables	0	60
	- Trade payables	403	351
Subsidiaries/ Trust	: Sale of finished goods/raw materials etc	599	566
	Processing charges	151	148
	Purchase of Property, Plant & Equipment	1	0
	Purchase of finished goods/raw materials etc	1,122	302
	Royalty income	29	19
	Rent income	0	0
	Commission paid	0	1
	Expenses shared by subsidiary companies	23	20
	Dividend income	173	116
	Interest income	20	25
	Reimbursement received/receivable towards pension and medical benefits	31	52
	Purchase of export Duty Scrips	14	-

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2024	Year ended 31st March, 2023
	Sale of Property, Plant & Equipment	2	2
	Income from services rendered	-	1
	Management fees paid	9	10
	Donation paid	32	26
	Donation returned	2	-
	Reimbursements paid	4	2
	Reimbursements received	38	29
	Inter corporate loans given during the year	430	493
	Inter corporate loans repaid during the year	381	678
	Outstanding as at the year end:		
	- Trade receivables	81	138
	- Trade payables	51	129
	- Loans & advances to subsidiaries	297	247
Joint Venture	: Purchase of finished goods	2	-
	Reimbursements received	0	-
Subsidiaries of Holding Company	: Rent income	12	11
	Purchase of export Duty Scrips	2	-
	Income from services rendered	330	69
	Expenses for services received	29	16
	Purchase of finished goods/raw materials etc.	691	750
	Marketing Development Cost	78	61
	Dividend paid	1,360	1,224
	Royalty expense	1,129	204
	Fees for Central Services	780	125
	Expenses shared by fellow subsidiary companies	6	4
	Gains/ Losses on Commodity Hedge	135	152
	Maintenance and support costs for licences and software	125	90
	Income from Distribution Services	-	1
	Reimbursements paid	70	71
	Reimbursements received	64	53
	Outstanding as at the year end		
	- Trade receivables	138	91
	- Trade payables	621	526
Entity in which director or their relative has significant influence	: Professional Fees	8	-
Key Management Personnel and Senior Management			
(a) Key Management Personnel	: Remuneration:		
	- Short-term employee benefits	41	35
	- Post-employment benefits	1	0
	- Share based payments	9	4
	Dividend paid	0	0
(b) Senior Management	Remuneration:		
	- Short-term employee benefits	40	55
	- Post-employment benefits	2	1
	- Other long-term benefits	-	-
	- Termination benefits	-	-
	- Share based payments	13	7
	Dividend paid	0	0
(c) Non-Executive Directors	Remuneration:		
	- Commission paid	2	1
	Dividend paid	0	0
Employees' Benefit Plans where there is significant influence	: Contributions during the year (Employer's contribution only)	92	158
	Outstanding as at the year end:		
	- Advances recoverable in cash or kind or for value to be received	-	8

(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. 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, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022-23: ₹ 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.

NOTE 45 ACCOUNTING RATIOS

No	Name of the Ratio	Numerator	Denominator	FY 2023-24 (A)	FY 2022-23 (B)	% Variance (A/B-1)
1	Current Ratio (in times)	Current assets	Current liabilities	1.6	1.4	18.2%
2	Debt - Equity Ratio (in times)	Total debt	Equity	0.0	0.0	30.3%
3	Debt Service coverage ratio* (in times)	Earnings available for debt service	Total debt service	23.6	21.8	8.2%
4	Return on equity (in %)	Net profit - preferred dividend	Average shareholder equity	20.0%	20.1%	-0.6%
5	Inventory Turnover Ratio (in times)	Sales	Average inventory	15.2	14.7	3.5%
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivables	22.0	24.9	-11.9%
7	Trade payables turnover ratio (in times)	Net purchases	Average trade payables	4.3	4.7	-9.5%
8	Net capital turnover ratio (in times)	Net sales	Working Capital	7.6	13.0	-42.1%
9	Net profit ratio (in %)	Net profit	Net sales	17.0%	17.1%	-0.9%
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed	96.3%	101.9%	-5.5%
11	Return on investment (in %)	refer (k) below		7.4%	5.5%	35.3%

*The Company does not have any borrowings. Debt Service coverage ratio and Debt Equity has been computed basis lease liabilities as per Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

There is a significant change in the following ratios as compared to the FY 2022-23 of more than 25% on account of the below:
Net capital turnover - Higher cash balances and investments
Return on investment - Increase in market rates and dynamic portfolio allocation
Debt Equity - Higher lease liabilities during the year

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

$$\frac{\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}}{\{MV(T0) + \text{Sum } [W(t) * C(t)]\}}$$

(All amounts in ₹ crores, unless otherwise stated)

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 account.

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.

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 FY 2023-24 and FY 2022-23.

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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

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 2024, 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 2024, and notes to the consolidated financial statements, including material 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 2024, of its consolidated profit and other comprehensive income, 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 using statistical sampling for 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 of accrual by subsequent settlement (i.e. payments and credit notes) made after year end which affect FY 2023-24 and accuracy of the data used by the Group for accrual of discounts and rebates using underlying agreements, debit notes received from customers. • Testing actualisation of estimated accruals on a sample basis using statistical sampling approach. • Testing a selection of rebate accruals recorded after 31 March 2024 and assessing whether the accrual is recorded in the correct period. • Testing a selection of payments made after 31 March 2024 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 ₹17,301 crores of goodwill and ₹27,210 crores of indefinite life intangible assets which together represents 57% of total assets of the Group and its joint venture as at 31 March 2024. 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 2024, 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 ₹423 crores as at 31 March 2024, total revenues (before consolidation adjustments) of ₹523 crores and net cash outflows (before consolidation adjustments) amounting to ₹0.12 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 consolidated financial statements include the Group's share of net loss (and other comprehensive income) of ₹4 crores for the year ended 31 March 2024, 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 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 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 by the Holding Company and its subsidiary companies incorporated in India so far as it appears from our examination of those books, except for certain matters in respect of audit trail as stated in paragraph 2B(f) below and in case of one subsidiary company, in absence of confirmation from the relevant service provider, we are unable to comment if the back-up of the books of account and other relevant books and papers in electronic mode has been kept on servers physically located in India on a daily basis during 01 April 2023 till 31 March 2024.

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 01 April 2024 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 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith in respect of audit trail are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. 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 2024 on the consolidated financial position of the Group - Refer Notes 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 2024. 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 46 to the consolidated financial statements.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2024.

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 38 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. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act, have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

   (i) In respect of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database layer to log any direct data changes for the accounting software used for trade scheme masters.

(ii) In respect of the Holding Company and its four subsidiary companies, we are unable to comment if the audit trail (edit log) facility was enabled at the database layer to log any direct data changes for accounting software operated by a third-party service provider and used for maintaining purchase orders in absence of independent auditor's report in relation to controls at the third party service provider.

(iii) In respect of the Holding Company and its eight subsidiary companies, for one accounting software, changes to the application layer by a super user does not have feature of a concurrent real time audit trail.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with during the course of our audit.

In case of the Holding Company and its eight subsidiary companies, the back-up of audit trail (edit log) has been maintained on the servers physically located in India for financial year ended 31 March 2024, except in case of the Holding Company, for back up of audit trail (edit log) of trade scheme masters (maintained on servers physically in India from 01 January 2024 onwards) and in case of the Holding Company and its four subsidiary companies for back up of audit trail (edit log) of purchase orders (not maintained on servers physically in India).

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:24105149BKEXCT2241

Place: Mumbai
Date: 24 April 2024

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Hindustan Unilever Limited for the year ended 31 March 2024

(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)*
4	Zywie Ventures Private Limited	U74900CH2013PTC034657	Subsidiary	Clause (vii)(a)

*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
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:24105149BKEXCT2241

Place: Mumbai
Date: 24 April 2024

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Hindustan Unilever Limited for the year ended 31 March 2024

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)(g) 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 2024, 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 incorporated in India, 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 2024, 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 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 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 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 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 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:24105149BKEXCT2241

Place: Mumbai
Date: 24 April 2024

Consolidated Balance Sheet
as at 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,031	6,949
Capital work-in-progress	3	1,025	1,132
Goodwill	4	17,466	17,466
Other intangible assets	4	28,247	28,263
Investments accounted for using the equity method	5	65	69
Financial assets			
Investments	6	2	2
Loans	7	102	98
Other financial assets	8	760	725
Deferred tax assets	9C	10	10
Non-current tax assets (net)	9E	1,175	1,164
Other non-current assets	10	292	211
Total - Non-current assets (A)		**57,175**	**56,089**
Current assets			
Inventories	11	4,022	4,251
Financial assets			
Investments	6	4,558	2,811
Trade receivables	12	2,997	3,079
Cash and cash equivalents	13	825	714
Bank balances other than cash and cash equivalents mentioned above	14	6,734	3,964
Loans	7	38	36
Other financial assets	8	1,425	1,386
Other current assets	15	713	745
Assets held for sale	16	12	12
Total - Current assets (B)		**21,324**	**16,998**
TOTAL ASSETS (A+B)		**78,499**	**73,087**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	As at 31st March, 2024	As at 31st March, 2023
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	235	235
Other equity	18A	50,983	50,069
Non-controlling interests	19	205	218
Total - Equity (A)		**51,423**	**50,522**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	20	1,106	807
Other financial liabilities	21	718	860
Provisions	22	1,576	1,363
Deferred tax liabilities	9C	6,557	6,421
Non-current tax liabilities (net)	9E	4,243	1,086
Total - Non-current liabilities (B)		**14,200**	**10,537**
Current liabilities			
Financial liabilities			
Borrowings	23	13	98
Lease liabilities	20	365	314
Trade payables			
total outstanding dues of micro enterprises and small enterprises	24	250	100
total outstanding dues of creditors other than micro enterprises and small enterprises	24	10,236	9,474
Other financial liabilities	21	865	889
Other current liabilities	25	807	764
Provisions	22	340	389
Total - Current liabilities (C)		**12,876**	**12,028**
TOTAL EQUITY AND LIABILITIES [(A)+(B)+(C)]		**78,499**	**73,087**
Basis of preparation, measurement and material accounting policies	2		
Contingent liabilities and commitments	26		

The accompanying notes 1 to 50 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
INCOME			
Revenue from operations	27	61,896	60,580
Other income	28	811	512
TOTAL INCOME		**62,707**	**61,092**
EXPENSES			
Cost of materials consumed	29	19,257	20,212
Purchases of stock-in-trade	30	10,514	11,579
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	31	(11)	(75)
Employee benefits expense	32	3,009	2,854
Finance costs	33	334	114
Depreciation and amortisation expense	34	1,216	1,137
Other expenses	35	14,464	11,862
TOTAL EXPENSES		**48,783**	**47,683**
Profit before Exceptional Items and tax and before share of equity accounted investee		13,924	13,409
Share of loss of equity accounted investee net of tax	5	(4)	(1)
Profit before exceptional items and tax		13,920	13,408
Exceptional items (net)	36	6	(64)
Profit before tax		**13,926**	**13,344**
Tax expenses			
Current tax	9A	(3,521)	(3,001)
Deferred tax charge	9A	(123)	(200)
PROFIT FOR THE YEAR (A)		**10,282**	**10,143**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	41C	36	(17)
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurements of the net defined benefit plans	9A	(9)	4
Items that will be reclassified subsequently to profit or loss			
Fair value of debt instruments through other comprehensive income	18C	2	(1)
Fair value of cash flow hedges through other comprehensive income	18C	(1)	(21)
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	(3)	9
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		**25**	**(26)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**10,307**	**10,117**

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note	Year ended 31st March, 2024	Year ended 31st March, 2023
Profit attributable to:			
Owners of the Company		10,277	10,120
Non-controlling interests	19	5	23
Other Comprehensive income attributable to:			
Owners of the company		25	(26)
Non-controlling interests	19	0	0
Total Comprehensive income attributable to:			
Owners of the company		10,302	10,094
Non-controlling interests	19	5	23
Earnings per equity share			
Basic (Face value of ₹1 each)	37	₹43.74	₹43.07
Diluted (Face value of ₹1 each)	37	₹43.74	₹43.07
Basis of preparation, measurement and material accounting policies	2		

Note: During the quarter, there is no separate major line of business that is required to be reported as a discontinued operation. In order to enhance inter-period comparability of information, the Group has reclassified the comparative information for discontinued operation on the same basis.

The accompanying notes 1 to 50 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
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Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Vice President, Finance

Mumbai: 24th April, 2024

Consolidated Statement of Changes in Equity
for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

A. Equity Share Capital

	Note	As at 31st March, 2024	As at 31st March, 2023
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	-	-
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	General Reserve	Retained Earnings	Other Reserves**	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, 2022	**4**	**6**	**40,352**	**114**	**8,271**	**9**	**50**	**0**	**(0)**	**20**	**48,826**	**26**	**48,852**
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 43)	-	-	-	-	(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 38)	-	-	-	-	(8,459)	-	-	-	-	-	(8,459)	(14)	(8,473)
Payment to NCI (ESOP Cancelled) (Refer note 38)	-	-	-	-	-	-	-	-	-	-	-	(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**

(All amounts in ₹ crores, unless otherwise stated)

	Reserves and Surplus								Items of Other Comprehensive Income		Grand Total		
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Reserves**	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, 2023*	**4**	**6**	**40,350**	**114**	**9,544**	**9**	**49**	**0**	**(1)**	**(6)**	**50,069**	**218**	**50,287**
Profit for the year	-	-	-	-	10,277	-	-	-	-	-	10,277	5	10,282
Other comprehensive income for the year	-	-	-	-	27	-	-	-	2	(4)	25	-	25
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**10,304**	**-**	**-**	**-**	**2**	**(4)**	**10,302**	**5**	**10,307**
Transfer on account of business combination (Refer note 43)	7	-	-	-	(7)	-	-	-	-	-	-	-	-
Hedging loss/(gain) transferred to non-financial assets (net)	-	-	-	-	-	-	-	-	-	13	13	-	13
Dividend on equity shares for the year (Refer note 38 and 19)	-	-	-	-	(9,398)	-	-	-	-	-	(9,398)	(18)	(9,416)
Payment from Retirement Benefit Scheme Reserve	-	-	-	-	-	-	(1)	-	-	-	(1)	-	(1)
Deferred Tax on Stamp duty (Refer note 9A)	-	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
As at 31st March, 2024	**11**	**6**	**40,348**	**114**	**10,443**	**9**	**48**	**0**	**1**	**3**	**50,983**	**205**	**51,188**

* There are no changes in other equity due to prior period errors
**Includes reserves made on amalgamation of Brooke Bond Lipton India Limited and capital subsidy.

Refer note 18B for nature and purpose of reserves.

The accompanying notes 1 to 50 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

Consolidated Statement of Cash Flows

for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2024	Year ended 31st March, 2023
A	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	13,926	13,345
	Adjustments for:		
	Depreciation and amortisation expenses	1,216	1,152
	(Profit) / loss on sale of property, plant and equipment	18	(100)
	Contingent consideration true up for business combination	-	(2)
	Fair value gain on financial liability on acquisition	(132)	-
	Finance Income	(546)	(411)
	Dividend income	(3)	(2)
	Other non operating income - Fair value gain on investments	(249)	(99)
	Interest expense	317	114
	Movement in provision towards litigation	(159)	-
	Provision for expenses on employee stock options	-	1
	Profit on sale of brand rights	-	(60)
	Payment from Retirement Benefit Scheme Reserve	(1)	(1)
	Share of loss of joint venture	4	1
	Transaction cost from acquisition	-	2
	Inventory written off net of Provision for Inventory	167	184
	Bad debts/assets written off net of Provision/(write back)	(11)	(27)
	Mark-to-market (gain)/loss on derivative financial instruments	(10)	(8)
	Cash Generated from operations before working capital changes	**14,537**	**14,089**
	Adjustments for:		
	(Increase)/decrease in Non-Current Assets	(30)	(14)
	(Increase)/decrease in Current Assets	220	(1,111)
	(Increase)/decrease in Inventories	74	(339)
	Increase/(decrease) in Non-Current Liabilities	128	(116)
	Increase/(decrease) in Current Liabilities	921	620
	Cash flows generated from operations	**15,850**	**13,129**
	Taxes paid, net of refunds	(381)	(3,138)
	Net cash flows generated from operating activities - (A)	**15,469**	**9,991**
B	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of property, plant and equipment	(1,468)	(1,174)
	Sale proceeds of property, plant and equipment	20	121
	Purchase of intangible assets	(9)	(18)
	Sale proceeds of intangible assets (brand rights)	-	60
	Investment in subsidiary	-	(264)
	Transaction cost on acquisition	-	(2)
	Investment in joint venture	-	(70)
	Contingent consideration paid on business combination	(4)	(40)
	Purchase of current investments	(21,337)	(22,649)
	Sale proceeds of current investments	19,846	23,462
	Loans repaid / (given) to others	1	(1)
	Investment in term deposits (having original maturity of more than 3 months)	(9,170)	(3,668)
	Redemption/ maturity of term deposits (having original maturity of more than 3 months)	6,369	2,488
	Interest received	425	259
	Dividend received from others	3	2
	Net cash flows used in investing activities - (B)	**(5,324)**	**(1,494)**

(All amounts in ₹ crores, unless otherwise stated)

		Year ended 31st March, 2024	Year ended 31st March, 2023
C	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Dividend paid	(9,416)	(8,474)
	Amount taken for short term purpose	0	286
	Repayment of amount taken for short term purpose	(85)	(201)
	Borrowings repaid	-	(7)
	Principal payment of lease liabilities	(423)	(467)
	Interest paid on lease liabilities	(106)	(84)
	Interest paid other than on lease liabilities	(4)	(4)
	Employee stock options paid	-	(2)
	Net cash flows used in financing activities - (C)	**(10,034)**	**(8,953)**
	Net increase/(decrease) in cash and cash equivalents - [(A)+(B)+(C)]	**111**	**(456)**
	Add: Cash and cash equivalents at the beginning of the year	701	1,147
	Add: Cash acquired under Business Combination (refer note 44)	-	10
	Cash and cash equivalents at the end of the year	**812**	**701**
	Components of cash and cash equivalents:		
	Cash and cash equivalents as per Consolidated Balance Sheet (refer note 12)	825	714
	Less: Bank overdraft (refer note 23)	(13)	(13)
	Cash and cash equivalents for Consolidated Statement of Cash Flows	**812**	**701**

Movement in short term borrowings and lease liabilities:

Reconciliation between opening and closing balance	Opening balance 1st April, 2023	Taken/ (Payments)	Non- cash movement	Closing balance 31st March, 2024
Short term borrowings (refer Note 23)	85	(85)	0	0
Lease Liabilities (refer Note 20)	1,121	(529)	879	1,471

Reconciliation between opening and closing balance	Opening balance 1st April, 2022	Taken/ (Payments)	Non- cash movement	Closing balance 31st March, 2023
Short term borrowings (refer Note 23)	-	85	(0)	85
Lease Liabilities (refer Note 20)	1,043	(551)	629	1,121

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 50 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

Ritesh Tiwari
Executive Director, Finance & IT and Chief Financial Officer
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Dev Bajpai
Executive Director, Legal & Corporate Affairs and Company Secretary
Membership No. FCS 3354
[DIN: 00050516]

Ravishankar A.
Vice President, Finance

Mumbai: 24th April, 2024

(All amounts in ₹ crores, unless otherwise stated)

NOTE 1 GROUP INFORMATION

Hindustan Unilever Limited (the 'Holding Company', 'HUL') 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

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2024	Proportion (%) of equity interest As at 31st March, 2023
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 ('ZVPL') (w.e.f. 10th January, 2023)	India	FMCG business	53.34#	53.34#
Unilever Nepal Limited	Nepal	FMCG business	80	80
Pond's Exports Limited*	India	Leather products business	-	100
Jamnagar Properties Private Limited*	India	Real estate company	-	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

*Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly owned subsidiary of HUL w.e.f. 13th February, 2024:

i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

ii. Jamnagar Properties Private Limited ('JPPL'), a wholly owned subsidiary of HUL.

PEL and JPPL had no business activity.

**This Company is a private Company 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 this company. In the event of winding up or dissolution of this company, 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 this company, to be determined by the members of the company 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 ₹2 crores (31st March, 2023: ₹1 Crore) and ₹0 crores (31st March, 2023: ₹0 Crore) respectively.

*** Bhavishya Alliance Child Nutrition Initiatives, a Section 8 company and a wholly-owned subsidiary of HUL was voluntarily liquidated w.e.f. 27th December, 2023 vide order passed by the National Company Law Tribunal.

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%.

(All amounts in ₹ crores, unless otherwise stated)

b) Joint ventures

Name of the company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March, 2024	Proportion (%) of equity interest As at 31st March, 2023
Nutritionalab Private Limited (w.e.f. 4th January, 2023)	India	FMCG business	21.51#	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.

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.

iii) Transition Sustainable Energy Services One Private Limited where the Group has 26% equity holding. It aims to generate renewable energy by setting up a solar energy park in Rajasthan.

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

Name of the Entity	As at 31st March, 2024 Net Assets (Total Assets - Total Liabilities) As % of consolidated net assets	Amount	For the year ended 31st March, 2024 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	99.1%	50,973	98.3%	10,114	99.3%	25	98.3%	10,139
Subsidiaries								
Indian Subsidiaries								
Unilever India Exports Limited*	0.6%	294	0.8%	80	0.0%	-	0.8%	80
Lakme Lever Private Limited	0.5%	263	0.3%	28	0.0%	-	0.3%	28
Unilever India Limited	0.9%	459	0.7%	77	0.0%	-	0.7%	77
Zywie Ventures Private Limited	0.3%	168	-0.2%	(23)	0.2%	0	-0.2%	(23)
Daverashola Estates Private Limited	-0.0%	(0)	0.0%	-	0.0%	-	0.0%	-
Levers Associated Trust Limited	0.0%	0	-0.0%	(0)	0.0%	-	-0.0%	(0)

(All amounts in ₹ crores, unless otherwise stated)

Name of the Entity	As at 31st March, 2024 — Net Assets (Total Assets - Total Liabilities) — As % of consolidated net assets	Amount	For the year ended 31st March, 2024 — 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
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)
Hindustan Unilever Foundation	0.0%	1	-0.0%	(0)	0.0%	-	-0.0%	(0)
Foreign subsidiary								
Unilever Nepal Limited	0.4%	226	1.0%	101	0.3%	0	1.0%	101
Non-controlling interests	0.4%	205	0.0%	5	0.2%	0	0.0%	5
Joint venture								
Nutritionalab Private Limited #	-	-	-0.0%	(4)	-	-	-0.0%	(4)
Inter-company eliminations	-2.2%	(1,166)	-0.9%	(96)	-	-	-0.9%	(96)
TOTAL	**100%**	**51,423**	**100%**	**10,282**	**100%**	**25**	**100%**	**10,307**

*Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly owned subsidiary of HUL w.e.f. 13th February, 2024:

i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

ii. Jamnagar Properties Private Limited ('JPPL'), a wholly owned subsidiary of HUL.

PEL and JPPL had no business activity.

Bhavishya Alliance Child Nutrition Initiatives, a Section 8 company and a wholly-owned subsidiary of HUL was voluntarily liquidated w.e.f. 27th December, 2023 vide order passed by the National Company Law Tribunal.

The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2024.

(All amounts in ₹ crores, unless otherwise stated)

Name of the Entity	As at 31st March, 2023 — Net Assets (Total Assets - Total Liabilities) — As % of consolidated net assets	Amount	For the year ended 31st March, 2023 — 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	99.4%	50,221	98.2%	9,962	100.1%	(26)	98.2%	9,936
Subsidiaries								
Indian Subsidiaries								
Unilever India Exports Limited	0.6%	321	1.2%	119	-	-	1.2%	119
Lakme Lever Private Limited	0.5%	236	0.3%	27	-	-	0.3%	27
Unilever India Limited	0.8%	381	0.2%	24	-	-	0.2%	24
Zywie Ventures Private Limited *	0.4%	190	0.0%	(4)	0.0%	0	0.0%	(4)
Pond's Exports Limited	0.0%	(7)	0.0%	(1)	-	-	0.0%	(1)
Daverashola Estates Private Limited	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%	0	-0.0%	(0)	-	-	0.0%	(0)
Jamnagar Properties Private Limited	-	-	0.0%	-	-	-	-	-
Hindustan Unilever Foundation	0.0%	1	-0.0%	(0)	-	-	0.0%	(0)
Bhavishya Alliance Child Nutrition Initiatives	-	-	0.0%	-	-	-	-	-
Foreign subsidiary								
Unilever Nepal Limited	0.4%	199	1.0%	105	-0.3%	0	1.0%	105
Non-controlling interests	0.4%	218	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)	-1.1%	(111)	-	-	-1.2%	(111)
TOTAL	**100%**	**50,522**	**100%**	**10,143**	**100%**	**(26)**	**100%**	**10,117**

* New subsidiary w.e.f 10th January, 2023. The financial statements were 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 were unaudited and based on management accounts drawn up as on 31st March, 2023.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL 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 Holding Company. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Holding 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 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, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 24th April, 2024.

Investment in subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 are valued based on the proportion of net assets of the acquired company at the date of acquisition.

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).

(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 41

(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 43

(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 43

2.3 New Standards, Interpretations and Amendments Adopted by the Group

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group and its joint venture.

2.4 Material Accounting Policies

The material 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 AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2024	As at 31st March, 2023
Owned Assets	6,517	5,767
Leased Assets (Right-of-Use Assets)	1,514	1,182
Total Property, plant and equipment	**8,031**	**6,949**
Total Capital work-in-progress	**1,025**	**1,132**

A. Owned Assets

Property, plant and equipment, other than freehold land, 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 net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use. Freehold land is carried at historical cost less any accumulated impairment losses and is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control 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. Property, plant and equipment acquired under common control combination are recognised at carrying value at the acquisition date.

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 calculated on a pro-rata basis on the 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	30 Years
Buildings (other than 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 exceptions are as under:

a) Plant and equipment is depreciated over 3 to 21 years.

b) Accelerated Depreciation is charged in case of assets forming part of a restructuring project basis planned remaining useful life of assets. Such accelerated depreciation forms part of exceptional items.

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.

(All amounts in ₹ crores, unless otherwise stated)

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
Gross Block						
Opening balance as at 1st April, 2022	**477**	**2,119**	**5,473**	**152**	**181**	**8,402**
Additions through business combination	-	-	0	1	1	2
Additions	-	378	970	15	13	1,376
Reclassified to Assets held for sale	(1)	(10)	(3)	(2)	(2)	(18)
Disposals/ Adjustments	-	(7)	(79)	(5)	(8)	(99)
Opening balance as at 1st April, 2023	**476**	**2,480**	**6,361**	**161**	**185**	**9,663**
Additions	1	306	1,158	19	35	1,519
Reclassified to Assets held for sale	-	(2)	-	-	-	(2)
Disposals/ Adjustments #	(1)	(12)	(139)	(15)	(14)	(181)
Balance as at 31st March, 2024	**476**	**2,772**	**7,380**	**165**	**206**	**10,999**
Accumulated Depreciation						
Opening balance as at 1st April, 2022	**-**	**454**	**2,616**	**94**	**137**	**3,301**
Additions*	-	95	567	10	20	692
Reclassified to Assets held for sale	(0)	(3)	(3)	(1)	(2)	(9)
Disposals/ Adjustments	(0)	(14)	(61)	(6)	(7)	(88)
Opening balance as at 1st April, 2023	**(0)**	**532**	**3,119**	**97**	**148**	**3,896**
Additions*	-	95	601	11	22	729
Reclassified to Assets held for sale	-	(1)	-	-	-	(1)
Disposals/ Adjustments #	-	(9)	(105)	(11)	(17)	(142)
Balance as at 31st March, 2024	**(0)**	**617**	**3,615**	**97**	**153**	**4,482**
Net Block						
Balance as at 31 March, 2023	**476**	**1,948**	**3,242**	**64**	**37**	**5,767**
Balance as at 31st March, 2024	**476**	**2,155**	**3,765**	**68**	**53**	**6,517**

*Includes ₹0 crores (31st March, 2023: 15 crores) of accelerated depreciation which has been charged to exceptional items under a restructuring project.

Disposals/Adjustments include reclassification during the year.

NOTES:

(a) Buildings include ₹0 crores (31st March, 2023: ₹0 crore) 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:

	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Total
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**
Gross Block as at 31st March, 2024	2	214	0	0	216
Accumulated Depreciation as at 31st March, 2024	(0)	(106)	(0)	(0)	(106)
Net Block as at 31st March, 2024	**2**	**108**	**0**	**0**	**110**

(c) The Group has not revalued any of its property, plant and equipment.

(All amounts in ₹ crores, unless otherwise stated)

B. Leased Assets (Right-of-Use Assets)

The Group's lease asset classes primarily consist of leases for Land and Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles. 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.

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 ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

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.

	Land	Buildings	Plant & equipment	Vehicles	Total
Gross block					
Opening balance as at 1st April, 2022	**75**	**594**	**1,055**	**38**	**1,762**
Additions through business combination	-	3	-	-	3
Additions #	59	211	276	19	565
Deletions	(1)	(187)	(80)	(24)	(292)
Opening balance as at 1st April, 2023	**133**	**621**	**1,251**	**33**	**2,038**
Additions #	9	425	401	26	861
Deletions	(0)	(300)	(200)	(22)	(522)
Balance as at 31st March, 2024	**142**	**746**	**1,452**	**37**	**2,377**
Accumulated Depreciation					
Opening balance as at 1st April, 2022	**13**	**239**	**421**	**21**	**694**
Additions	6	225	187	19	437
Deletions	(1)	(177)	(75)	(22)	(275)
Opening balance as at 1st April, 2023	**18**	**287**	**533**	**18**	**856**
Additions	3	237	202	20	462
Deletions	(0)	(278)	(159)	(18)	(455)
Balance as at 31st March, 2024	**21**	**246**	**576**	**20**	**863**
Net Block					
Balance as at 31st March, 2023	**115**	**334**	**718**	**15**	**1,182**
Balance as at 31st March, 2024	**121**	**500**	**876**	**17**	**1,514**

includes addition of ₹99 crores for the year ended 31st March, 2024 (31st March, 2023: ₹44 crores) pertaining to prior period with corresponding impact taken in lease liabilities.

NOTES:

(a) The Group incurred ₹51 crores for the year ended 31st March, 2024 (31st March, 2023: ₹50 crores) towards expenses relating to leases of low-value assets. The total cash outflow for leases is ₹583 crores for the year ended 31st March, 2024 (31st March, 2023: ₹601 crores), including cash outflow of leases of low-value assets. Interest on lease liabilities is ₹106 crores for the year ended 31st March, 2024 (31st March, 2023: ₹84 crores).

(b) Lease liability and Lease commitments : Refer Note 20 and Note 26B respectively.

(c) The Group has not revalued any of its right-of-use assets.

(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.

	Amount
Opening Balance as at 1st April, 2022	**1,313**
Additions	1,213
Capitalisations	(1,394)
Opening balance as at 1st April, 2023	**1,132**
Additions	1,421
Capitalisations	(1,528)
Balance as at 31st March, 2024	**1,025**

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.

Ageing of CWIP as on 31st March, 2024

	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	866	114	31	10	1,021
Projects temporarily suspended	0	1	0	3	4
Total	**866**	**115**	**31**	**13**	**1,025**

	Amount
Projects which have exceeded their original timeline	273
Projects which have exceeded their original budget	25

Details of capital-work-in progress whose completion is overdue as compared to its original timeline as at 31st March, 2024

	To be completed in				
Budget Overrun	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Under Progress (A)	**257**	**13**	**-**	**-**	**270**
Nutrition technology advancement project	50	-	-	-	50
Project Nakshatra (Nutrition)	27	-	-	-	27
Project at Rajahmundry Factory	23	-	-	-	23
Project at Orai Factory	17	-	-	-	17
Others*	140	13	-	-	153
Temporarily Suspended (B)	**3**	**-**	**-**	**-**	**3**
Project at Gandhidham Factory	1	-	-	-	1
Others*	2	-	-	-	2
Total (A+B)	**260**	**13**	**-**	**-**	**273**

*Others comprise of various projects with individually immaterial values.

(All amounts in ₹ crores, unless otherwise stated)

Details of capital-work-in progress which has exceeded its cost compared to its original budget as at 31st March, 2024

	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Under Progress (A)	25	-	-	-	25
Project at Rajahmudry Factory	23	-	-	-	23
Others	2	-	-	-	2
Temporarily Suspended (B)	-	-	-	-	-
Total (A+B)	**25**	**-**	**-**	**-**	**25**

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 timeline 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 budget as at 31st March, 2023

There were no material projects which have exceeded their original plan cost as at 31st March, 2023.

For contractual commitment with respect to property, plant and equipment refer Note 26B(ii)

(All amounts in ₹ crores, unless otherwise stated)

NOTE 4 GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible Assets

Intangible assets purchased are initially measured at cost.

The cost of a separately purchased intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

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:

Asset	Useful life
Design and Know-how	10 years
Computer software	5 years
Trademarks	5 years
Distribution network	10-15 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

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#	Brand/ Trademarks	Brand/ Trademarks	Knowhow and Design	Computer Software	Others*	Total
Gross Block							
Opening balance as at 1st April, 2022	**17,397**	**27,782**	**18**	**65**	**45**	**107**	**28,017**
Additions through business combination	69	361	0	-	1	-	362
Additions: Internally developed	-	-	-	-	13	-	13
Additions: Acquired separately	-	-	-	-	5	-	5
Disposals	-	-	-	-	(0)	-	(0)
Balance as at 31st March, 2023	**17,466**	**28,143**	**18**	**65**	**64**	**107**	**28,397**
Additions: Internally developed	-	-	-	-	5	-	5
Additions: Acquired separately	-	-	0	-	4	-	4
Disposals	-	-	(0)	-	-	-	(0)
Balance as at 31st March, 2024	**17,466**	**28,143**	**18**	**65**	**73**	**107**	**28,406**
Accumulated Amortisation and Impairment							
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**

(All amounts in ₹ crores, unless otherwise stated)

		Other intangible assets					
		Indefinite life intangible assets	Finite life intangible assets				
	Goodwill#	Brand/ Trademarks	Brand/ Trademarks	Knowhow and Design	Computer Software	Others*	Total
Additions	-	-	0	7	9	9	25
Disposals	-	-	(0)	-	(0)	-	(0)
Balance as at 31st March, 2024	**-**	**-**	**18**	**54**	**46**	**41**	**159**
Net Block							
Balance as at 31st March, 2023	**17,466**	**28,143**	**0**	**18**	**27**	**75**	**28,263**
Balance as at 31st March, 2024	**17,466**	**28,143**	**0**	**11**	**27**	**66**	**28,247**

*Others include Customer Relationship, Distribution network, etc.

The Group has not revalued any of its intangible assets.

#Goodwill includes Goodwill on consolidation as follows:

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.

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.

During the year, with a view to refining the presentation of goodwill , the Group presented both 'Goodwill on consolidation' and 'Goodwill' as part of Note 4. In order to enhance inter-period comparability of information, the Group has reclassified the comparative information on the same basis.

Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset, other than inventory and deferred tax, 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 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 2023-24 (FY 2022-23: Nil).

(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, 2024		As at 31st March, 2023	
	Beauty & Personal Care	Foods & Refreshment	Beauty & Personal Care	Foods & Refreshment
Goodwill	165	17,301	165	17,301
Indefinite life intangible assets	933	27,210	933	27,210
Total	**1,098**	**44,511**	**1,098**	**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, 2024		As at 31st March, 2023	
	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)	10.7%	10.7%	10.9%	10.9%
Segmental margins	25.9%	18.6%	25.6%	17.9%

* Terminal growth rate linearly declining for ten years from year 6 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, 2024	As at 31st March, 2023
Investments Accounted for Using the Equity Method		
7,256 equity shares of ₹10 each (31st March, 2023: 7,256) and 36,480 compulsorily convertible preference shares of ₹100 (31st March, 2023: 36,480) each held in Investment in Nutritionalab Private Limited ('NLPL')	65	69
Total non current investments accounted for using the Equity Method	**65**	**69**
Aggregate amount of unquoted investments	**65**	**69**
The movement in investments accounted for using Equity Method is as follows:		
Balance as at beginning of the year/acquisition	**69**	**70**
Share of loss of equity accounted investee net of tax	(4)	(1)
Balance as at 31st March	**65**	**69**

There are no contingent liabilities & commitments as on 31st March, 2024 (31st March, 2023: Nil) pertaining to NLPL.

Notes

to the consolidated financial statements for the year ended 31st March, 2024

(All amounts in ₹ crores, unless otherwise stated)

NOTE 6 INVESTMENTS

Refer Note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
NON-CURRENT INVESTMENTS		
A. Equity instruments		
Fair value through profit or loss		
Quoted	0	0
Unquoted	1	1
Fair value through other comprehensive income		
Unquoted		
26,000 equity shares (31st March, 2023: Nil) of ₹10 each held in Transition Sustainable Energy Services One Private Limited*	0	-
Total (A)	**1**	**1**
B. Other instruments		
Amortised cost		
Unquoted		
Investments in debentures and bonds	0	0
Investments in National Savings Certificates	0	0
Fair value through profit or loss		
Unquoted		
Investments in preference shares	1	1
Total (B)	**1**	**1**
Total Non-current investments (A+B)	**2**	**2**
Refer Note 44 for details on non-current investments.		
CURRENT INVESTMENTS		
C. Other instruments		
Fair value through other comprehensive income		
Quoted		
Investments in treasury bills	1,253	1,014
Fair value through profit or loss		
Quoted		
Investments in mutual funds	3,305	1,797
Total Current Investments (C)	**4,558**	**2,811**
Total (A+B+C)	**4,560**	**2,813**
Aggregate amount of quoted investments	4,558	2,811
Aggregate market value of quoted investments	4,558	2,811
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in value of investments	0	0

Refer Note 39 for information about fair value measurement and Note 40 for credit risk and market risk of investments.

*During FY 2023-24, the Group invested in equity shares of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up a solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units. As per the Shareholders' Agreement, the Group does not have power to participate in the financial and operating policy decisions of the company and hence does not exercise significant influence. The Group has irrevocably elected to measure fair value changes in the aforesaid equity instruments through other comprehensive income (FVTOCI). There has been no change to the fair value during FY 2023-24.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 7 LOANS

(Unsecured, considered good unless otherwise stated)

Refer note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Others (including employee loans)	102	98
Total (A)	**102**	**98**
Current		
Others (including employee loans)	38	36
Total (B)	**38**	**36**
Total (A+B)	**140**	**134**
Sub-classification of Loans:		
Loans Receivables considered good- Secured	5	6
Loans Receivables considered good- Unsecured	135	128
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-

Refer Note 40 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 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.

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.

(All amounts in ₹ crores, unless otherwise stated)

Refer note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Considered good		
Security deposits	108	107
Investments in term deposits (with remaining maturity of more than twelve months)	36	1
Indemnification Asset	608	608
Other assets (includes other receivables etc.)	8	9
Total (A)	**760**	**725**
Current		
Considered good		
Security deposits	70	63
Receivable from group companies	134	152
Fair Value of Derivatives	29	19
Duty drawback receivable	4	5
Export benefits receivable	-	5
Consignment Receivables	73	278
Other assets (includes Government grants, other receivables etc.)	1,115	864
Total (B)	**1,425**	**1,386**
Total (A+B)	**2,185**	**2,111**

The Group has not given any advances to directors or other officers of the Holding or subsidiary 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 except the security deposit given under the terms and conditions of Rent Agreement entered into with the relative of director of ZVPL (31st March, 2024: ₹0 crore).

Refer Note 45 for information about receivables from related party.

Refer Note 40 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.

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.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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.

(All amounts in ₹ crores, unless otherwise stated)

A. Components of Income Tax Expense

I. Tax expense recognised in Profit and Loss

	Year ended 31st March, 2024	Year ended 31st March, 2023
Current tax		
Current year	3,574	3,294
Adjustments/(credits) related to previous years - (net)	(53)	(293)
Total (A)	**3,521**	**3,001**
Deferred tax charge		
Origination and reversal of temporary differences	144	195
Adjustments/(credits) related to previous years - (net)	(21)	5
Total (B)	**123**	**200**
Total (A+B)	**3,644**	**3,201**

II. Tax expense recognised in Other Comprehensive Income

	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax charge		
(Gain)/loss on remeasurement of net defined benefit plans	9	(4)
(Gain)/loss on debt instruments through other comprehensive income	0	(0)
(Gain)/loss on cash flow hedges through other comprehensive income	3	(9)
Total	**12**	**(13)**

III. Tax expense recognised in Equity

	Year ended 31st March, 2024	Year ended 31st March, 2023
Deferred tax		
Stamp Duty on issue of equity shares on account of business combination	2	2
Total	**2**	**2**

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, 2024		Year ended 31st March, 2023	
	%	Amount	%	Amount
Statutory income tax rate	25.2%	3,505	25.2%	3,358
Differences due to:				
Expenses not deductible for tax purposes	1.6%	220	1.0%	135
Income tax incentives	0.0%	(5)	-	-
Others*	-0.6%	(76)	-2.3%	(302)
Effective tax rate	**26.2%**	**3,644**	**23.9%**	**3,191**

* Others include prior period tax refunds and tax on exceptional items.

C. Deferred Tax Assets And Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Deferred tax assets	10	10
Deferred tax liabilities	6,557	6,421
Net deferred tax liability	**6,547**	**6,411**

(All amounts in ₹ crores, unless otherwise stated)

D. Movement in Deferred Tax Assets and Liabilities

Movements during the year ended 31st March, 2024	As at 31st March, 2023	Credit/ (charge) on account of business combination	Credit/ (charge) in Profit and Loss	Other Adjustments	Credit/(charge) in Other Comprehensive Income	Credit/ (charge) in Equity	As at 31st March, 2024
Deferred tax assets/(liabilities)							
Provision for post retirement benefits and other employee benefits	60	-	36	-	(0)	-	96
Provision for doubtful debts and advances	27	-	(4)	-	-	-	23
Expenses allowable for tax purposes when paid	134	-	(20)	-	(9)	-	105
Property, plant and equipment and Intangible assets	(7,013)	-	(99)	-	-	-	(7,112)
Fair value gain/(loss)	(13)	-	(15)	-	(3)	-	(31)
Impact of Right of Use Asset and Lease Liabilities	(8)	-	4	-	-	-	(4)
MAT credit	4	-	(3)	-	-	-	1
Other temporary differences	399	-	(22)	-	-	(2)	375
Total	**(6,410)**	**-**	**(123)**	**-**	**(12)**	**(2)**	**(6,547)**

Movements during the year ended 31st March, 2023	As at 31st March, 2022	Credit/ (charge) on account of business combination	Credit/ (charge) in Profit and Loss	Other Adjustments	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	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)**

E. Tax Assets and Liabilities

	As at 31st March, 2024	As at 31st March, 2023
Non-current tax assets (net of tax provision)	1,175	1,164
Non-current tax liabilities (net of tax assets)	4,243	1,086

During FY 2023-24, the Company has received tax refunds including interest amounting to ₹3,148 crores for FY 2020-21 and FY 2021-22 pursuant to automated processing of income tax returns. The assessments for the aforesaid years are underway and pending disposal by Income Tax Department.

F. Uncertain Tax Position

During FY 2020-21, an 'Uncertain Tax Position' (UTP) was established in respect of the tax amortisation of intangible assets created pursuant to merger of HUL with GlaxoSmithKline Consumer Healthcare Limited (HUL-GSK CH merger). A provision was created in compliance with Ind AS 12 - Income Taxes, with respect to this.

(All amounts in ₹ crores, unless otherwise stated)

G. 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 transactions which are not recorded in the books of accounts.

H. Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised by ZVPL in respect of the following items, because it is not probable that future taxable profit will be available against which ZVPL can use the benefits therefrom.

	As at 31st March, 2024		As at 31st March, 2023	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences				
Tax losses	60	15	17	4
Unabsorbed depreciation	1	0	1	0
Losses	**61**	**15**	**18**	**4**

NOTE 10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2024	As at 31st March, 2023
Capital advances	87	31
Advances other than Capital advances		
Deposit with Government Authorities (Customs, GST, etc.)	201	173
Other advances (includes advances for materials)	12	15
Less: Allowance for bad and doubtful advances	(9)	(9)
Deferred lease rent	1	1
Total	**292**	**211**
The movement in allowance for bad and doubtful advances is as follows:		
Balance as at beginning of the year	**9**	**9**
Written off during the year	-	(0)
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. The comparison of cost and net realisable value is made on an item-by item 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, appropriate share of fixed production overheads and 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, 2024	As at 31st March, 2023
Raw materials [includes in transit: ₹126 crores (31st March, 2023: ₹3 crores)]	1,589	1,829
Packing materials [includes in transit: ₹1 crores (31st March, 2023: ₹1 crore)]	137	140
Work-in-progress	569	399
Finished goods [includes in transit: ₹34 crores (31st March, 2023: ₹76 crores)] (Refer note (a) below)	1,588	1,747
Stores and spares	139	136
Total	**4,022**	**4,251**

(a) Finished goods include goods purchased for re-sale of ₹530 crores (FY 2022-23: ₹559 crores).

(b) During FY 2023-24, an amount of ₹167 crores (31st March, 2023: ₹184 crores) was charged to the consolidated statement of profit and loss on account of damaged and slow moving inventory.

(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 expected credit loss model for measurement of trade receivables.

	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured	3,014	3,116
Less: Allowance for expected credit loss	(17)	(37)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	48	39
Less: Allowance for credit impairment	(48)	(39)
Total	**2,997**	**3,079**
The movement in change in allowance for expected credit loss and credit impairment:		
Balance as at beginning of the year	**76**	**103**
Change in allowance for expected credit loss and credit impairment during the year	(11)	(27)
Balance as at the end of the year	**65**	**76**

Refer note 40 for information about credit risk and market risk of trade receivables.

Refer Note 45 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, 2024 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	2,552	308	75	39	17	25	3,016
Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	0	1	0	1	3	7	12
Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit impaired	0	1	3	1	1	28	34
TOTAL (A)	**2,552**	**310**	**78**	**41**	**21**	**60**	**3,062**
Allowance for expected credit loss							17
Allowance for credit impairment							48
TOTAL (B)							**65**
TOTAL [(A)- (B)]							**2,997**

(All amounts in ₹ crores, unless otherwise stated)

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	2,466	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**

There are no unbilled receivables as at 31st March, 2024 and 31st March, 2023.

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.

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, 2024	As at 31st March, 2023
Cash on hand	0	0
Balances with banks		
In current accounts	192	95
Term deposits with original maturity of less than three months	593	493
Others		
Overnight Mutual funds	40	126
Total	**825**	**714**

NOTE 14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances with banks		
Unpaid dividend	228	224
Investments in term deposits (with original maturity of more than three months but less than twelve months)*	6,506	3,740
Total	**6,734**	**3,964**

* The above term deposits includes deposits of ₹13 crores (2022-23 - ₹86 crores) held as lien by banks against bank overdrafts.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 15 OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
Input Taxes (GST, etc.)	314	310
Other advances (includes prepaid expenses etc.)	399	435
Total	**713**	**745**

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 (FY 2022-23: 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, 2024	As at 31st March, 2023
Group of assets held for sale		
Land	2	2
Buildings	10	10
Furniture and fixtures	-	0
Total	**12**	**12**

NOTE 17 EQUITY SHARE CAPITAL

	As at 31st March, 2024	As at 31st March, 2023
Authorised		
2,85,00,00,000 (31st March, 2023: 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, 2023: 2,34,95,91,262) equity shares of ₹1 each	235	235
	235	**235**

a) Reconciliation of the number of shares

There is no change in the number of equity shares during FY 2023-24 and FY 2022-23.

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.

(All amounts in ₹ crores, unless otherwise stated)

c) Shares held by Parent Company and Subsidiaries of Parent Company in aggregate

	As at 31st March, 2024	As at 31st March, 2023
Equity Shares of ₹1 each		
1,11,43,70,148 shares (31st March, 2023: 1,11,43,70,148) held by Unilever PLC, UK, the Parent Company	111	111
34,00,42,710 shares (31st March, 2023: 34,00,42,710) 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

Unilever PLC, UK, the Parent Company	As at 31st March, 2024	As at 31st March, 2023
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 Promoters of the Holding Company

S. no	Promoter Name	As at 31st March, 2024 Number of shares	As at 31st March, 2024 % of total shares	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % 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**		

S. no	Promoter Name	As at 31st March, 2023 Number of shares	As at 31st March, 2023 % of total shares	As at 31st March, 2022 Number of shares	As at 31st March, 2022 % 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**		**2,34,95,91,262**		

*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.

(All amounts in ₹ crores, unless otherwise stated)

f) 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, 2023:18,46,23,812) Equity shares of ₹1 each allotted as fully paid-up pursuant to HUL-GSK CH merger without payment being received in cash (Refer Note 43).

ii. 2,63,045 (31st March, 2023: 4,38,673) 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, 2024	As at 31st March, 2023
Capital Reserve	11	4
Capital Redemption Reserve	6	6
Securities Premium	40,348	40,350
General Reserve	114	114
Retained Earnings	10,443	9,544
Other Reserves	9	9
Retirement benefit scheme reserve	48	49
Export profit reserves	0	0
Items of Other Comprehensive Income		
- Fair Value of Cash flow hedges through OCI	3	(6)
- Fair value of Debt instruments through OCI	1	(1)
Total Attributable to owners of the Company	50,983	50,069
Attributable to Non-controlling Interest (Refer Note 19)	205	218
Total equity	**51,188**	**50,287**

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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	4	4
Add: Transfer on account of business combination*	7	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**11**	**4**

*Refer Note 43 for details on business combination.

(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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
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**

(All amounts in ₹ crores, unless otherwise stated)

(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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	40,350	40,352
Add: Deferred Tax on Stamp duty	(2)	(2)
Balance at the end of the year	**40,348**	**40,350**

(d) **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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
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**

(e) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividend 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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	9,544	8,271
Add: Additions through business combination	-	(375)
Less: Transfer on account of business combination*	(7)	-
Add: Profit for the year	10,277	10,120
Add: Other comprehensive income for the year (Remeasurements of Net Defined Benefit Plans)**	27	(13)
Less: Dividend on equity shares during the year	(9,398)	(8,459)
Balance at the end of the year	**10,443**	**9,544**

*Refer Note 43 for details on business combination.

****Movement in Remeasurement of Net Defined Benefit Plans**	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	-	-
Add: Gain/ (loss) on remeasurement of net defined benefit plans, net of tax	27	(13)
Less: Transfer to retained earnings	(27)	13
Balance at the end of the year	**-**	**-**

(f) **Other Reserves:** This includes reserves made on amalgamation of Brooke Bond Lipton India Limited and capital subsidy. This reserve is not available for capitalisation/ declaration of dividend/ share buy-back.

Other Reserves	Year ended 31st March, 2024	Year ended 31st March, 2023
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**

(All amounts in ₹ crores, unless otherwise stated)

(g) **Retirement Benefit Scheme Reserve:** As per legal clarifications to the Labour Rules 2075 received from the Government of Nepal, the reserve may be used for general and post retirement benefits.

Retirement Benefit Scheme Reserve	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	49	50
Add: Transferred from Employee's Housing Reserve	-	-
Less: Payment from Retirement Benefit Scheme Reserve	(1)	(1)
Balance at the end of the year	**48**	**49**

(h) **Export profit reserves :** Export Profit Reserve was created to protect, from any losses due to volatility in business.

Export profit reserves	Year ended 31st March, 2024	Year ended 31st March, 2023
Balance at the beginning of the year	0	0
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Balance at the end of the year	**0**	**0**

(i) **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, 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 1st April, 2023	**(6)**	**(1)**	**(7)**
Fair value of debt instruments through other comprehensive income	-	2	2
Fair Value of cash flow hedges in other comprehensive income	(1)	-	(1)
Hedging loss/(gain) transferred to non-financial asset (net)	13	-	13
Tax on above	(3)	(0)	(3)
As at 31st March, 2024	**3**	**1**	**4**

(All amounts in ₹ crores, unless otherwise stated)

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 dividend to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTE 19 NON-CONTROLLING INTERESTS

Carrying amount of non-controlling interests is as follows:

	As at 31st March, 2024	As at 31st March, 2023
Unilever Nepal Limited	45	38
Zywie Ventures Private Limited	160	180
Total non-controlling interest	**205**	**218**

A. The following table summarises the financial information relating to Unilever Nepal Limited that has non-controlling interests (20%)

	As at 31st March, 2024	As at 31st March, 2023
Non-current assets	126	119
Current assets	297	261
Non-current liabilities	(18)	(16)
Current liabilities	(134)	(127)
Net assets	**271**	**237**
Carrying amount of non-controlling interests	**45**	**38**

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	513	535
Profit for the year	126	131
Other comprehensive income for the year	0	0
Total comprehensive income for the year	**126**	**131**
Attributable to non-controlling interests (20%):		
Profit for the year	25	26
Other comprehensive income for the year	0	0
Cash flows from:		
Operating activities	167	98
Investing activities	(79)	(50)
Financing activities	(88)	(68)
Net increase/(decrease) in cash and cash equivalents	**0**	**(20)**
Dividend paid to non-controlling interests	18	14

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, 2024	As at 31st March, 2023
Non-current assets	405	367
Current assets	65	132
Non-current liabilities	(94)	(92)
Current liabilities	(48)	(37)
Net assets	**328**	**370**
Carrying amount of non-controlling interests	**160**	**180**

(All amounts in ₹ crores, unless otherwise stated)

	For the year ended 31st March, 2024	For the period 10th January, 2023 to 31st March, 2023
Revenue from operations	104	21
Profit/ (Loss) for the year	(44)	(7)
Other comprehensive income for the year	0	0
Total comprehensive income for the year	**(44)**	**(7)**
Attributable to non-controlling interests (46.66%):		
Profit/ (Loss) for the year	(20)	(3)
Other comprehensive income for the year	0	0
Cash flows from:		
Operating activities	(27)	(12)
Investing activities	30	(0)
Financing activities	(2)	(91)
Net increase/(decrease) in cash and cash equivalents	**1**	**(103)**
Dividend paid to non-controlling interests	-	-

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, 2024	As at 31st March, 2023
Non-Current		
Lease liabilities payable beyond 12 months	1,106	807
Current		
Lease liabilities payable within 12 months	365	314
Total	**1,471**	**1,121**
The movement in Lease liabilities (Non-current and Current) is as follows:		
Balance as at beginning of the year	**1,121**	**1,043**
Add: Additions through business combination	-	3
Add: Addition	868	568
Add: Accretion of interest	106	84
Less: Payments	(529)	(551)
Less: Others (including foreclosure)	(95)	(26)
Closing balance as at 31st March	**1,471**	**1,121**

The incremental borrowing rate applied to lease liabilities is in the range of 7.63% per annum to 7.85% per annum (2023: 6.43% per annum to 7.78% per annum) based on the lease term.

Maturity analysis of lease liabilities

	As at 31st March, 2024	As at 31st March, 2023
Less than one year	460	314
One to two years	318	285
Two to five years	823	453
More than five years	238	252
Undiscounted lease liability (A)	**1,839**	**1,304**
Less: Financing component (B)	(368)	(183)
Closing balance of lease liability (A-B)	**1,471**	**1,121**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 21 OTHER FINANCIAL LIABILITIES

Refer note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Non-Current		
Security deposits	36	30
Employee and ex-employee related liabilities	395	433
Financial liability on acquisition (Refer note 43)	265	375
Other payables and advances	22	22
Total (A)	**718**	**860**
Current		
Unpaid dividend [Refer (a) below]	228	224
Salaries, wages, bonus and other employee payables	437	287
Fair Value of Derivatives	4	8
Contingent consideration payable on business combination	-	4
Consignment payables	77	285
Other payables (including trade deposits, retention money for purchase of property, plant & equipment, etc.) [Refer (b) below]	119	81
Total (B)	**865**	**889**
Total (A+B)	**1,583**	**1,749**

Refer note 40 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, 2024 (31st March, 2023: Nil).

b) Includes ₹18 crores of Corporate Social Responsibility expense related to ongoing projects as at 31st March, 2024 (31st March, 2023: ₹7 crores). The same was transferred to a special account designated as 'Unspent Corporate Social Responsibility Account for the FY 2023-24' ('UCSRA – FY 2023-24') of the Company within 30 days from end of financial year. Refer note 35 for more information about Corporate Social Responsibility expense.

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, 2024	As at 31st March, 2023
Non-Current		
Provision for employee benefits (pension, post retirement medical benefits, etc.) [Refer Note 41]	374	347
Other provisions (including for statutory levies) - net [Refer (a) below]	1,202	1,016
Total (A)	**1,576**	**1,363**
Current		
Provision for employee benefits (gratuity and compensated absences, etc.) [Refer Note 41]	47	44
Other provisions (including restructuring) [Refer (a) below]	293	345
Total (B)	**340**	**389**
Total (A+B)	**1,916**	**1,752**

(All amounts in ₹ crores, unless otherwise stated)

a) Movement in Other provisions (Non-current and Current)

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.

	Indirect Tax Matters	Legal and Other Matters	Total
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)
Opening balance as at 1st April, 2023	**562**	**799**	**1,361**
Add: Provision/reclassified during the year	90	457	547
Less: Amount utilised/ reversed/ reclassified during the year	(267)	(146)	(413)
Balance as at 31st March, 2024	**385**	**1,110**	**1,495**

NOTE 23 BORROWINGS

(Unsecured unless otherwise stated)

Refer note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Bank overdrafts (Secured)	13	13
Unsecured loan from banks	-	85
Total	**13**	**98**

Refer note 40 for information about liquidity risk and market risk of borrowings.

Bank overdraft of ₹13 crores as at 31st March, 2024 (31st March, 2023: ₹13 crores) is secured against the term deposits and utilised for working capital requirement. It is repayable on demand and carries an interest rate ranging between 5.15% to 7.30% in FY 2023-24 (FY 2022-23: 6% to 7.20%).

Unsecured loan taken from banks for Interest Equalisation on Pre and Post Shipment rupee export credit loan utilised for working capital requirement. This loan was fully repaid during the year. This loan carried a range of interest rate between 4.97% - 5.40% p.a. in FY 2023-24 (FY 2022-23: 4.14% - 4.97% p.a.).

NOTE 24 TRADE PAYABLES

Refer note 39 for accounting policy on financial instruments

	As at 31st March, 2024	As at 31st March, 2023
Total outstanding dues of micro enterprises and small enterprises [Refer (a) below]	250	100
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	128	96
Trade payables	10,108	9,379
Total	**10,486**	**9,575**

Refer Note 40 for information about liquidity risk and market risk of 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, 2024	As at 31st March, 2023
A(i). Principal amount remaining unpaid	250	100
A(ii). Interest amount remaining unpaid	0	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	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, 2024 is as follows:

	Unbilled / 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 - Mirco and small enterprises	247	3	0	-	-	250
Undisputed dues - Others	10,119	101	12	3	1	10,236
Disputed dues - Mirco and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**10,366**	**104**	**12**	**3**	**1**	**10,486**

*Includes unbilled payables of ₹6,181 crores.

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2023 is as follows:

	Unbilled / 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 - Mirco and small enterprises	97	3	0	-	-	100
Undisputed dues - Others	9,204	267	2	2	-	9,475
Disputed dues - Mirco and small enterprises	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	**9,301**	**270**	**2**	**2**	**-**	**9,575**

*Includes unbilled payables of ₹6,022 crores.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 25 OTHER CURRENT LIABILITIES

	As at 31st March, 2024	As at 31st March, 2023
Statutory dues (including provident fund, tax deducted at source and others)	716	666
Others (including advance from customers, etc)	91	98
Total	**807**	**764**

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, 2024	As at 31st March, 2023
Claims against the Group not acknowledged as debts		
Income tax matters	2,081	2,057
Indirect tax matters	579	744
Legal and Other matters	281	281

(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.

	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	57	72
Later than one year and not later than five years	61	60
Later than five years	8	1

ii) Capital commitments

	As at 31st March, 2024	As at 31st March, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	351	480

iii) Other commitments

	As at 31st March, 2024	As at 31st March, 2023
Unexpired Letter of credit and acceptances	22	12

(All amounts in ₹ crores, unless otherwise stated)

NOTE 27 REVENUE FROM OPERATIONS

Sale of products:

As per Ind AS 115 'Revenue from contracts with customers', Revenue from sale of goods is recognised when control of the products being sold is transferred to the 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 transaction price, which is the consideration, adjusted for volume discounts, rebates, schemes allowances, price concessions, incentives, amounts collected on behalf of government and returns, if any, as specified in the contracts with the customers. 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.

Sales return- 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. The Group deals in various products and operates in various distribution channels. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates by considering actual sales returns, estimated shelf life and other factors

Sale of services:

Income from Group owned salon is recognised as and 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 transaction price 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 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. Income from export incentives such as duty drawback and premium on sale of import licenses are recognised on accrual basis.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products	60,852	59,443
Sale of services	114	106
Other operating revenue*		
Income from services rendered	350	370
Commission income on consignment sales	202	333
Government grants (GST budgetary support, Production linked incentives and Export incentives)	171	179
Others (including scrap sales, rentals, etc)	207	149
Total	**61,896**	**60,580**

(All amounts in ₹ crores, unless otherwise stated)

Reconciliation of Revenue from sale of products and services with the contracted price

	Year ended 31st March, 2024	Year ended 31st March, 2023
Contracted Price	69,562	66,728
Less: Trade discounts and promotions, volume rebates, returns etc.	(8,596)	(7,179)
Sale of products and services	**60,966**	**59,549**

* There is no material adjustment made to contract price for revenue recognised as other operating revenue.

i) The Group does not have any contract asset as on 31st March, 2024 (31st March, 2023: Nil)

ii) The Group does not have any contract liability as on 31st March, 2024 (31st March, 2023: Nil)

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, Nutrition Drinks, Coffee, etc

(d) Others includes Exports, Consignment, etc.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Home Care	21,882	21,223
Beauty & Personal Care	22,448	22,022
Foods & Refreshment	15,291	14,876
Others (includes Exports, Consignment, etc.)	2,275	2,459
Total	**61,896**	**60,580**

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 39 on financial instruments for policy on measurement at fair value through profit or loss.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest income on		
Bank deposits	451	171
Current investments	88	126
Others (including interest on Income tax refunds)	7	114
Dividend income from		
Non-current investments	3	2
Fair value gain/(loss)		
Investments measured at fair value through profit or loss*	249	99
Other non-operating income		
Liabilities written back to the extent no longer required	12	-
Other miscellaneous income	1	-
Total	**811**	**512**

*Includes realised gain on sale of investment of ₹170 crores (31st March, 2023 : ₹92 crores).

NOTE 29 COST OF MATERIALS CONSUMED

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Raw materials consumed	16,308	16,848
Packing materials consumed	2,949	3,364
Total	**19,257**	**20,212**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 30 PURCHASES OF STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchases of stock-in-trade	10,514	11,579
Total	**10,514**	**11,579**

NOTE 31 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Refer note 11 for accounting policy on Inventories

	Year ended 31st March, 2024	Year ended 31st March, 2023
Opening inventories		
Finished goods	1,747	1,650
Work-in-progress	399	421
Closing inventories		
Finished goods	(1,588)	(1,747)
Work-in-progress	(569)	(399)
Total	**(11)**	**(75)**

NOTE 32 EMPLOYEE BENEFITS EXPENSE

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefit expense. Benefits such as salaries and performance incentives, are charged to consolidated statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

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 expense' 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 consolidated 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 amounts in ₹ crores, unless otherwise stated)

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 Group's net obligation into current and non-current is as per the actuarial valuation report. Refer Note 41 for Employee benefit Plan calculations.

Other Short term benefits

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Group's policy. The Group records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

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.

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'Employee benefit expense' 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 42 for details.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries and wages	2,474	2,308
Contribution to provident and other funds	174	161
Defined benefit plan expense (Refer Note 41)	39	42
Share based payments to employees (Refer Note 42)	169	157
Staff welfare expenses	153	186
Total	**3,009**	**2,854**

NOTE 33 FINANCE COSTS

Finance costs includes costs in relation to pensions and similar obligations, interest on lease liabilities which represents unwinding of the discount rate applied to lease liabilities and also include interest costs in relation to financial liabilities.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest expense on Loan on bank overdraft, security deposit and others	4	4
Net interest on the net defined benefit liability (Refer Note 41)	24	16
Unwinding of discount on provisions and liabilities	20	2
Unwinding of discount on employee and ex-employee related liabilities	9	8
Interest on Lease Liabilities	106	84
Interest on taxes and others	171	0
Total	**334**	**114**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 34 DEPRECIATION AND AMORTISATION EXPENSE

Refer note 3 and 4 for accounting policy on depreciation and amortisation cost

	Year ended 31st March, 2024	Year ended 31st March, 2023
Depreciation on property, plant and equipment (owned assets)*	729	677
Depreciation on property, plant and equipment (leased assets)	462	437
Amortisation on intangible assets	25	24
Total	**1,216**	**1,138**

*In addition to the above, ₹0 crores (31st March, 2023 : ₹15 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

NOTE 35 OTHER EXPENSES

	Year ended 31st March, 2024		Year ended 31st March, 2023	
Advertising and promotion		6,489		4,907
Carriage and freight		2,005		1,972
Royalty				
- Technology	783		766	
- Brand	349	1,132	237	1,003
Fees for central services from Unilever Group		784		575
Processing charges		209		204
Power, fuel, light and water		446		384
Rent		81		79
Travelling and motor car expenses		282		249
Repairs		227		223
Corporate social responsibility expense [Refer note (a) below]		239		213
Miscellaneous expenses		2,570		2,053
Total		**14,464**		**11,862**

(a) The details of Corporate Social Responsibility ('CSR') as prescribed under section 135 of the Companies Act, 2013 is as follows:

	Year ended 31st March, 2024	Year ended 31st March, 2023
I. Amount required to be spent by the Group during the year	235	209
II. Amount approved by Board	239	213
III. Amount spent during the year on:	-	-
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	238	213
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 ₹18 crores of Corporate Social Responsibility expense related to ongoing projects as at 31st March, 2024 (31st March, 2023: ₹7 crores). The same was transferred to a special account designated as UCSRA – FY 2023-24 of the Group within 30 days from end of financial year. Unspent CSR amount for FY 2022-23 of ₹7 crores has been fully utilised during FY 2023-24.

IX. The Group does not wish to carry forward any excess amount spent during the year.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 36 EXCEPTIONAL ITEMS (NET)

	Year ended 31st March, 2024	Year ended 31st March, 2023
i) Restructuring and other costs	(187)	(122)
ii) Acquisition and disposal related income/ (costs)	63	(117)
iii) Fair value gain on financial liability acquisition	132	-
iv) Fair valuation of contingent consideration payable	-	2
v) Disposal of surplus properties	(2)	113
vi) Profit on sale of brand rights	-	60
Exceptional items (net)	**6**	**(64)**

NOTE 37 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.

	Year ended 31st March, 2024	Year ended 31st March, 2023
Earnings Per Share has been computed as under:		
Profit for the year attributable to the owners of the Holding Company (A)	10,277	10,121
Weighted average number of equity shares outstanding during the year (B)	2,34,95,91,262	2,34,95,91,262
Add: Weighted average number of potential equity shares on account of employee stock options/performance share schemes	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding during the year (C)	2,34,95,91,262	2,34,95,91,262
Earnings Per Share (₹) - Basic (Face value of ₹1 per share) (A/B)	₹43.74	₹43.07
Earnings Per Share (₹) - Diluted (Face value of ₹1 per share) (A/C)	₹43.74	₹43.07

NOTE 38 DIVIDEND ON EQUITY SHARE

	Year ended 31st March, 2024	Year ended 31st March, 2023
Dividend on equity shares declared and paid during the year		
Final dividend of ₹22.00 per share for FY 2022-23 (2021-22: ₹19.00 per share)	5,169	4,464
Interim dividend of ₹18.00 per share for FY 2023-24 (2022-23: ₹17.00 per share)	4,229	3,995
	9,398	**8,459**
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹24 per share for FY 2023-24 (2022-23: ₹22.00 per share)	5,639	5,169
	5,639	**5,169**
Payout ratio	**96%**	**91%**

Proposed dividend on equity shares is subject to the approval of the shareholders of the Holding Company at the ensuing Annual General Meeting and not recognised as liability as at the Balance Sheet date.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 39 FINANCIAL INSTRUMENTS

I Financial Assets:

(a) Initial recognition and measurement

Financial assets, except for trade receivables, 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.

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.

(b) Subsequent measurement and classification

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.

(1) 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 ('EIR') (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 is 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.

(2) 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 dividend, 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) 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.

(d) 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 expected credit loss (ECL) is measured and recognised as loss allowance. The group computes ECL based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

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:

(a) 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 EIR method.

(b) 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.

(c) 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.

(All amounts in ₹ crores, unless otherwise stated)

(d) 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.

III 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 consolidated statement of profit and loss.

A Accounting Classifications and Fair Values

The carrying amounts of financial instruments by class are as follows:

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Assets			
Financial assets measured at fair value			
Investments measured at			
i. Fair value through other comprehensive income	6	1,253	1,014
ii. Fair value through profit or loss	6	3,307	1,799
Fair value of Derivatives	8	29	19
Financial assets measured at amortised cost			
Investments	6	0	0
Loans	7	140	134
Security deposits	8	178	170
Investments in term deposits	8,14	6,542	3,741
Indemnification asset	8	608	608
Other assets	8	1,127	883
		13,184	**8,368**

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying value	
		As at 31st March, 2024	As at 31st March, 2023
Financial Liabilities			
Financial liabilities measured at fair value			
Fair value of Derivatives	21	4	8
Contingent consideration payable on business combination	21	-	4
Financial liability on acquisition	21	265	375
Financial liabilities measured at amortised cost			
Lease Liabilities	20	1,471	1,121
Security deposits	21	36	30
Employee Liabilities	21	832	720
Borrowings	23	13	98
Other payables	21	141	103
		2,762	**2,459**

B 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, 2024				
Assets at fair value				
Investments measured at:				
i. Fair Value through OCI	1,253	-	0	1,253
ii. Fair Value through Profit or Loss	3,305	-	2	3,307
Fair value of Derivatives	-	29	-	29
Liabilities at fair value				
Fair value of Derivatives	-	4	-	4
Financial liability on acquisition	-	-	265	265
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

(All amounts in ₹ crores, unless otherwise stated)

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, 2023.

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.
4. Financial liability on acquisition is valued using the Monte Carlo simulation. The model incorporates forecasted revenue, margin, volatility, weighted average cost of capital and other metrics.
5. Equity instruments measured at fair value through OCI are valued using discounted cash flows method. The valuation model considers the present value of the expected future cash flows, discounted using a risk-adjusted discount rate.

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 3 Fair Values

As at 31st March, 2024	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 ₹5 crores gain in OCI. A 10% decrease in prices would have led to an equal but opposite effect.
(b) Financial liability on acquisition	**Monte Carlo simulation:** The fair value is determined using forecasted revenue, margin, volatility, weighted average cost of capital and other metrics.	Forecast revenue	5% increase in forecasted revenue would have led to an additional liability of ₹13 crores and 5% decrease would have led to an equal but opposite effect.
(c) Investments measured at fair value through OCI	**Discounted cash flow:** The valuation model considers the present value of the expected future cash flows, discounted using a risk adjusted discount rate.	Forecast cash flows	5% increase in forecasted cash flows would have led to approximately ₹0 crores gain in OCI and 5% decrease would have led to an equal but opposite effect.

(All amounts in ₹ crores, unless otherwise stated)

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 cash flows, 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 crores 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, margin, volatility, weighted average cost of capital and other metrics.	Forecast revenue	5% increase in forecasted revenue would have led to an additional liability of ₹19 crores and 5% 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, 2024	Year ended 31st March, 2023
Opening	381	48
Additions through business combination	-	375
Additions during the year	-	-
Interest unwinding	22	0
Payments during the year	(4)	(40)
Gain recognised in profit and loss on fair value adjustment	(132)	(2)
Closing	**267**	**381**

C 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, 2024	Year ended 31st March, 2023
Financial assets measured at amortised cost			
Interest income	28	458	285
Allowance for expected credit loss and credit impairment	12	(11)	(27)
Financial assets measured at fair value through other comprehensive income			
Investment in debt instruments			
Interest income	28	88	126
Fair value gain/(loss) recognised in other comprehensive income	18C	2	(1)
Financial assets measured at fair value through profit or loss			
Fair value gain/(loss) on investment in debt instruments	28	249	99
Dividend income on non current investments	28	3	2
Financial liabilities measured at amortised cost			
Interest expense	33	4	4
Interest on lease liabilities	33	106	84
Interest expense other than on lease liabilities	33	29	10
Financial liabilities measured at fair value			
Fair valuation of financial liability on acquisition	36	132	-
Fair valuation of contingent consideration payable	36	-	2
Derivatives - foreign exchange forward contracts and cash flow hedges			
Fair value gain/(loss)	29, 35	(24)	49

(All amounts in ₹ crores, unless otherwise stated)

NOTE 40 FINANCIAL RISK MANAGEMENT

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risk, credit risk and other price 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, 2024 and 31st March, 2023. 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	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2024							
Financial Assets							
Non-derivative assets							
Investments	6	4,560	4,558	-	-	2	4,560
Loans	7	140	38	13	1	88	140
Trade Receivables	12	2,997	2,997	-	-	-	2,997
Cash and cash equivalents	13	825	825	-	-	-	825
Bank Balances other than cash and cash equivalents	14	6,734	6,734	-	-	-	6,734
Security deposits	8	178	70	12	31	65	178
Consignment Receivable	8	73	73	-	-	-	73
Other financial asset	8	1,297	1,253	33	3	8	1,297
Derivative assets							
Fair Value of Derivatives	8	29	29	-	-	-	29
Financial liabilities							
Non-derivative liabilities							
Borrowings	23	13	13	-	-	-	13
Lease Liabilities	20	1,471	460	318	823	238	1,839
Trade payables (including acceptances)	24	10,486	10,486	-	-	-	10,486
Security deposits	21	36	-	1	11	24	36
Unpaid dividend	21	228	228	-	-	-	228
Employee liabilities	21	832	437	155	157	98	847
Consignment Payable	21	77	77	-	-	-	77
Financial liability on acquisition	21	265	-	-	-	302	302
Other Payables	21	141	119	-	17	5	141
Derivative liabilities							
Fair Value of Derivatives	21	4	4	-	-	-	4

(All amounts in ₹ crores, unless otherwise stated)

	Note	Carrying amount	Undiscounted Amount				
			Within 1 year	1-2 years	2-5 years	More than 5 years	Total
As at 31st March, 2023							
Financial Assets							
Non-derivative assets							
Investments	6	2,813	2,811	-	-	2	2,813
Loans	7	134	36	0	25	73	134
Trade Receivables	12	3,079	3,079	-	-	-	3,079
Cash and cash equivalents	13	714	714	-	-	-	714
Bank Balances other than cash and cash equivalents	14	3,964	3,964	-	-	-	3,964
Security deposits	8	170	63	37	26	44	170
Consignment Receivable	8	278	278	-	-	-	278
Other financial asset	8	1,036	1,026	2	3	5	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	284	463	253	1,314
Trade payables (including acceptances)	24	9,575	9,575	-	-	-	9,575
Security deposits	21	30	-	4	5	21	30
Unpaid dividend	21	224	224	-	-	-	224
Employee liabilities	21	720	287	203	140	94	724
Contingent consideration	21	4	4	-	-	-	4
Consignment Payable	21	285	285	-	-	-	285
Financial liability on acquisition	21	375	-	-	-	462	462
Other Payables	21	103	81	-	17	5	103
Derivative liabilities							
Fair Value of Derivatives	21	8	8	-	-	-	8

B Management of Market Risk

The Group's business activities are exposed to a variety of financial risks, namely:

- currency risk;
- interest rate risk; and
- other price risk (commodity risk)

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

(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, 2024, the unhedged exposure to the Group on financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency amounted to ₹76 crores payable (net) (31st March, 2023: ₹65 crores payable (net)).	The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Singapore Dollar and British Pound. The Group manages currency exposures through use of forward exchange contracts monitored on a weekly basis in line with group policy. 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 ₹4 crores gain in the consolidated statement of profit and loss (2022-23: ₹3 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, 2024	As at 31st March, 2023
SGD	22	14
Others	19	12
GBP	15	7
USD	8	0
SEK	8	20
EUR	4	4
NZD	0	8
	76	65

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 2024, the investments in treasury bill amounts to ₹1,253 crores (31st March, 2023: ₹1,014 crores) and the investments in debt mutual funds amounts to ₹3,305 crores (31st March, 2023: ₹1,892 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 ₹4 crores gain in the Consolidated Statement of Profit and Loss (2022-23: ₹2 crore). A 0.25% increase in interest rates would have led to an equal but opposite effect.

3. Other Price Risk (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, 2024, the Group had hedged its exposure to future commodity purchases with commodity derivatives valued at ₹48 crores (31st March, 2023: ₹29 crores). Hedges of future commodity purchases resulted in cumulative loss of ₹13 crores (31st March, 2023: ₹14 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's 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 ₹5 crores gain in OCI (2022-23 ₹12 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.

(All amounts in ₹ crores, unless otherwise stated)

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

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined. Concentration 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.

The Group computes expected credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. 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.

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, 2024 and 31st March, 2023. 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 41 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.

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

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
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
As at 31st March, 2024							
Present Value of Obligation	596	270	6	3,148	325	4,345	286
Fair Value of Plan Assets	(558)	(215)	(7)	(3,148)	(325)	(4,253)	(26)
(Asset)/Liability recognised in the Balance Sheet	**38**	**55**	**(1)**	**-**	**-**	**92**	**260**
Plan I refers to existing employee benefit plans of the Group.							
Plan II refers to employee benefit plans added pursuant to HUL-GSK CH merger.							
Of which in respect of:							
Funded plans in surplus:							
Present Value of Obligation	-	-	6	3,148	325	3,479	-
Fair Value of Plan Assets	-	-	(7)	(3,183)	(338)	(3,528)	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**(1)**	**-***	**-***	**(1)**	**-**
*(*The excess of assets over liabilities in respect of Provident Fund Plan I & II have not been recognised.)*							
Funded plans in deficit:							
Present Value of Obligation	596	270	-	-	-	866	233
Fair Value of Plan Assets	(558)	(215)	-	-	-	(773)	(26)
(Asset)/Liability recognised in the Balance Sheet	**38**	**55**	**-**	**-**	**-**	**93**	**207**
(During the year Gratuity has moved from funded plan in surplus to funded plan in deficit, while Provident Fund Plan I and Officer's Pension have moved from funded plans in deficit to funded plans in surplus.)							
Unfunded plans in deficit:							
Present Value of Obligation	-	-	-	-	-	0	53
Fair Value of Plan Assets	-	-	-	-	-	0	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**-**	**-**	**-**	**-**	**53**

	Retirement Benefit Plans						Other Post-Employment Benefit Plans
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
As at 31st March, 2023							
Present Value of Obligation	547	275	8	2,795	507	4,132	253
Fair Value of Plan Assets	(547)	(215)	(7)	(2,743)	(507)	(4,019)	(40)
(Asset)/Liability recognised in the Balance Sheet	**-**	**60**	**1**	**52**	**-**	**113**	**213**
Plan I refers to existing employee benefit plans of the Group.							
Plan II refers to employee benefit plans added pursuant to HUL-GSK CH merger.							
Of which in respect of:							
Funded plans in surplus:							
Present Value of Obligation	547	-	-	-	507	1,054	-
Fair Value of Plan Assets	(568)	-	-	-	(518)	(1,085)	-
(Asset)/Liability recognised in the Balance Sheet	**-***	**-**	**-***	**-***	**-***	**-***	**-**

(All amounts in ₹ crores, unless otherwise stated)

	Retirement Benefit Plans						Other Post-Employment Benefit Plans
	Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	
*(*The excess of assets over liabilities in respect of Gratuity Plan & Provident Fund Plan II have not been recognised.)*							
Funded plans in deficit:							
Present Value of Obligation	-	275	8	2,795	-	3,078	192
Fair Value of Plan Assets	-	(215)	(7)	(2,743)	-	(2,965)	(40)
(Asset)/Liability recognised in the Balance Sheet	**-**	**60**	**1**	**52**	**-**	**113**	**152**
(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
Fair Value of Plan Assets	-	-	-	-	-	-	-
(Asset)/Liability recognised in the Balance Sheet	**-**	**-**	**-**	**-**	**-**	**-**	**61**

Employee provisions include other provisions not in the nature of retirement and post employment benefit plans amounting to ₹19 crores as at 31st March, 2024 (₹19 crores as at 31st March, 2023).

B. Movements in Present Value of Obligation and Fair Value of Plan Assets

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Gratuity	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	547	547	-	566	566	-
Current service cost	-	38	(38)	-	39	(39)
Change in asset ceiling	21	-	21	26	-	26
Interest cost	-	39	(39)	-	38	(38)
Interest income	40	-	40	39	-	39
Actuarial (gain)/loss arising from changes in demographic assumptions	-	10	(10)	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	12	(12)	-	(24)	24
Actual less expected return on plan assets	6	-	6	13	-	13
Actuarial (gain)/loss arising from experience adjustments	-	6	(6)	-	25	(25)
Assets/ Liabilities acquired/ (settled)	-	-	-	(2)	(2)	-
Benefit payments	(56)	(56)	-	(95)	(95)	-
Closing Balance	**558**	**596**	**(38)**	**547**	**547**	**-**

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Management Pension	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	215	275	(60)	251	310	(59)
Current service cost	-	0	(0)	-	1	(1)
Interest cost	-	20	(20)	-	20	(20)
Interest income	15	-	15	15	-	15
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(1)	1
Actual less expected return on plan assets	5	-	5	(4)	-	(4)
Actuarial (gain)/loss arising from experience adjustments	-	(5)	5	-	(8)	8
Employer contributions	0	-	0	0	-	0
Benefit payments	(20)	(20)	-	(47)	(47)	-
Closing Balance	**215**	**270**	**(55)**	**215**	**275**	**(60)**

(All amounts in ₹ crores, unless otherwise stated)

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Officers' Pension	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	7	8	(1)	9	9	-
Current service cost	-	0	(0)	-	0	(0)
Past service cost	-	0	(0)	-	-	-
Change in asset ceiling	-	-	-	0	-	0
Interest cost	-	1	(1)	-	2	(2)
Interest income	0	-	0	2	-	2
Actuarial (gain)/loss arising from changes in financial assumptions	-	0	(0)	-	(0)	0
Actual less expected return on plan assets	3	-	3	0	-	0
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	1	(1)
Employer contributions	0	-	0	-	-	-
Assets/ liabilities acquired/ (settled)	(2)	(2)	-	(1)	(1)	-
Benefit payments	(1)	(1)	-	(3)	(3)	-
Closing Balance	**7**	**6**	**1**	**7**	**8**	**(1)**

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Provident Fund Plan I	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	2,743	2,795	(52)	2,649	2,649	-
Current service cost	-	113	(113)	-	93	(93)
Change in asset ceiling	(35)	-	(35)	69	-	69
Interest cost	-	213	(213)	-	178	(178)
Interest income	209	-	209	183	-	183
Actuarial (gain)/loss arising from changes in financial assumptions	-	36	(36)	-	53	(53)
Actual less expected return on plan assets	133	-	133	(25)	-	(25)
Actuarial (gain)/loss arising from experience adjustments	-	6	(6)	-	48	(48)
Employer contributions	113	-	113	93	-	93
Employees contributions	210	210	-	191	191	-
Assets/ liabilities acquired/ (settled)	45	45	-	(113)	(113)	-
Benefit payments	(270)	(270)	-	(304)	(304)	-
Closing Balance	**3,148**	**3,148**	**-**	**2,743**	**2,795**	**(52)**

	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
Provident Fund Plan II	Plan Assets	Plan Obligation	Total	Plan Assets	Plan Obligation	Total
Opening Balance	507	507	-	554	554	-
Current service cost	-	11	(11)	-	13	(13)
Change in asset ceiling	(2)	-	(2)	(4)	-	(4)
Interest cost	-	30	(30)	-	35	(35)
Interest income	30	-	30	36	-	36
Actuarial (gain)/loss arising from changes in financial assumptions	-	(2)	2	-	9	(9)
Actual less expected return on plan assets	2	-	2	16	-	16
Actuarial (gain)/loss arising from experience adjustments	-	2	(2)	-	4	(4)
Employer contributions	11	-	11	13	-	13
Employees contributions	35	35	-	39	39	-
Assets/ liabilities acquired/ (settled)	(156)	(156)	-	(44)	(44)	-
Benefit payments	(102)	(102)	-	(103)	(103)	-
Closing Balance	**325**	**325**	**-**	**507**	**507**	**-**

(All amounts in ₹ crores, unless otherwise stated)

Other Post-Employment Benefit Plans	For the year ended 31st March, 2024 Plan Assets	For the year ended 31st March, 2024 Plan Obligation	For the year ended 31st March, 2024 Total	For the year ended 31st March, 2023 Plan Assets	For the year ended 31st March, 2023 Plan Obligation	For the year ended 31st March, 2023 Total
Opening Balance	40	253	(213)	56	252	(196)
Current service cost	-	0	(0)	-	0	(0)
Interest cost	-	19	(19)	-	17	(17)
Interest income	2	-	2	3	-	3
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0)	0	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	33	(33)	-	(15)	15
Actual less expected return on plan assets	1	-	1	(1)	-	(1)
Actuarial (gain)/loss arising from experience adjustments	-	0	(0)	-	19	(19)
Employer contributions	2	-	2	2	-	2
Benefit payments	(19)	(19)	-	(20)	(20)	-
Closing Balance	**26**	**286**	**(260)**	**41**	**253**	**(213)**

C. Consolidated Statement of Profit and Loss

The charge to the consolidated statement of profit and loss comprises of:

Year ended 31st March, 2024	Retirement Benefit Plans Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	Other Post-Employment Benefit Plans
Employee Benefit Expenses :							
Current service cost	38	0	0	113	11	162	0
Past service cost	-	-	0	-	-	0	-
Finance costs :							
Interest cost	39	20	1	213	30	303	18
Interest income	(40)	(15)	(0)	(209)	(31)	(295)	(2)
Net impact on profit (before tax)	**37**	**5**	**1**	**117**	**10**	**170**	**16**
Remeasurement of the net defined benefit plans:							
Actuarial (gains)/losses arising from changes in demographic assumptions	10	-	-	-	-	10	(0)
Actuarial (gains)/losses arising from changes in financial assumptions	12	0	0	36	(2)	46	33
Actual less expected return on plan assets	(6)	(5)	(3)	(133)	(2)	(149)	(1)
Actuarial (gains)/losses arising from experience adjustments	6	(5)	0	6	2	9	0
Change in asset ceiling (gains)/losses	(21)	-	-	35	2	16	-
Net impact on other comprehensive income (before tax)	**1**	**(10)**	**(3)**	**(56)**	**(0)**	**(68)**	**32**

(All amounts in ₹ crores, unless otherwise stated)

Year ended 31st March, 2023	Retirement Benefit Plans Gratuity	Management Pension	Officers' Pension	Provident Fund Plan I	Provident Fund Plan II	Total	Other Post-Employment Benefit Plans
Employee Benefit Expenses :							
Current service cost	39	1	0	93	13	146	0
Finance costs :							
Interest cost	38	20	2	178	35	273	17
Interest income	(39)	(15)	(2)	(183)	(36)	(275)	(3)
Net impact on profit (before tax)	**38**	**6**	**0**	**88**	**12**	**144**	**14**
Remeasurement of the net defined benefit plans:							
Actuarial (gains)/losses arising from changes in financial assumptions	(24)	(0)	(0)	53	9	39	(16)
Actual less expected return on plan assets	(13)	4	(0)	24	(16)	0	2
Actuarial (gains)/losses arising from experience adjustments	25	(8)	1	48	4	70	19
Change in asset ceiling (gains)/losses	(26)	-	(0)	(69)	4	(91)	-
Net impact on other comprehensive income (before tax)	**(38)**	**(4)**	**1**	**57**	**1**	**19**	**5**

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 As at 31st March, 2024	Retirement Benefit Plans As at 31st March, 2023	Other Post-Employment Benefit Plans As at 31st March, 2024	Other Post-Employment Benefit Plans As at 31st March, 2023	Total fair value of plan assets As at 31st March, 2024	Total fair value of plan assets As at 31st March, 2023
Quoted						
Government Debt Instruments	1,771	1,663	-	-	1,771	1,663
Other Debt Instruments	1,173	1,067	26	40	1,199	1,107
Equity	461	342	-	-	461	342
Total (A)	**3,405**	**3,072**	**26**	**40**	**3,431**	**3,112**
Unquoted						
Other Debt Instruments	228	228	-	-	228	228
Others	669	750	-	-	669	750
Total (B)	**897**	**978**	**-**	**-**	**897**	**978**
Total (A+B)	**4,301**	**4,050**	**26**	**40**	**4,327**	**4,089**

Assets to the extent of ₹48 crores for Provident Fund (FY 2022-23: ₹11 crores), Nil for Gratuity Fund (FY 2022-23: ₹21 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.

Financial Assumptions	Retirement Benefit Plans		Other Post-Employment Benefit Plans	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.2%	7.5%	7.2%	7.5%
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)	-	-	10.0%	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%	-2.2%	0.50%	-4.8%
	Decrease	0.5%	2.4%	0.50%	5.3%
Salary escalation rate (per annum)	Increase	0.3%	1.3%	-	-
	Decrease	0.3%	-1.3%	-	-
Pension rate	Increase	0.3%	6.2%	-	-
	Decrease	0.3%	-6.0%	-	-
Life expectancy	Increase	1 year	3.7%	1 year	5.4%
	Decrease	1 year	-3.7%	1 year	-5.3%
Annual increase in healthcare costs (per annum)	Increase	-	-	1.00%	10.7%
	Decrease	-	-	1.00%	-9.1%

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.

(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 (yrs.)		Expected Employers contribution for the next year
	Year ended 31st March, 2024	Year ended 31st March, 2023	
Gratuity Plan	6.7	6.9	38
Management Pension	6.9	7.1	0
Officer's Pension	2.3	2.4	0
Provident Fund Plan I	7.2	7.7	122
Provident Fund Plan II	7.2	7.7	11
Post-retirement medical benefits Plan I	9.3	9.1	-
Post-retirement medical benefits Plan II	13.8	13.0	-

III Other Short-Term Benefits

Compensated absences

Employee Benefit expenses for the year include ₹13 crores (FY 2022-23 : ₹8 crores) towards compensated absences.

Provision for compensated absences as on 31st March, 2024 is ₹47 crores (31st March, 2023 : ₹44 crores).

NOTE 42 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), the Annual Share Plan (ASP), Targeted Share Grant scheme and 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. Awards for MCIP were last made in 2020 and will vest in 2024. No further MCIP awards will be made.

Under PSP, eligible employees receive annual awards of the Parent Company's shares. The performance measures for PSP are Business Winning Market Share, Cumulative Free Cash Flow, Underlying Return on Capital Invested and Sustainability Progress Index. 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. Starting March 2024, the performance measures applicable for these grants at the time of vesting are Underlying Sales Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and Sustainability Progress Index.

During the year, the Parent Company has moved from PSP to ASP for certain eligible employees who will receive shares of the Parent Company.

The performance measures for ASP are in-year business performance and impact, leadership and future fitness of an individual with a range of 0% – 225%. The awards under ASP will vest after 3 years with no business performance conditions being applied at the time of vesting.

Under the Targeted Share Grant scheme, eligible employees are given shares of the Parent Company of a defined value which vest to them basis a pre-determined vesting percentage of 0%-100% over 1 to 4 years. Grants under the scheme are subject to application of Unilever Performance Share Plan vesting factor at the time of vest of each part of the grant.

Under the SHARES Plan, eligible employees can invest a fixed sum 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 vesting period 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

As at 31st March 2024, the Holding Company is in the process of seeking necessary statutory approvals for HUL Performance Share Plan (PSP) scheme. Under the scheme, eligible employees will receive 38% of their share award as HUL shares and the remaining 62% of share award will continue to be Parent Company's shares. There are no modifications to terms and conditions on determination of value of grant for award or the vesting conditions under the Unilever ASP or PSP Scheme.

The Scheme was approved by the Shareholders of the Holding Company by way of Postal Ballot on 5th March, 2024. These grants are further subject to necessary statutory approvals and would be made in conformity with the applicable laws. Pursuant to the necessary approvals, the scheme would be accounted as an equity-settled share based payment from the grant date. No grants were made in FY 2023-24.

B. Subsidiary

Cash Settled Share Based Payments

The employees of ZVPL are eligible for a graded vesting Employee Stock Option Plan. This scheme provides for conditional grant of Performance Shares at nominal value to eligible management employees as determined by Board of Directors from time to time, at the end of 4-year performance period. The performance measures under this scheme include period of service.

C. Effect of share based payment transactions on the Consolidated Balance Sheet:

	As at 31st March, 2024	As at 31st March, 2023
Other non-current financial liabilities	260	243
Other current financial liabilities	189	80
Total carrying amount of liabilities	**449**	**323**

D. Effect of share based payment transactions on the Consolidated Statement of Profit and Loss:

	As at 31st March, 2024	As at 31st March, 2023
Cash settled share based payments	169	157
Total expense on share based payments	**169**	**157**

NOTE 43 BUSINESS COMBINATION

As per Ind AS 103, 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.

Business combination under common control entities

Business combination involving companies in which all the combining companies are ultimately controlled by the same holding party, both prior and after the business combination are treated as per the pooling of interest method.

The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves is preserved, and they appear in the financial statements of the transferee company in the same form in which they appeared in the financial statements of the transferor company. The difference, if any, between the consideration and the amount of share capital of the transferor company is transferred to capital reserve.

I Merger of Ponds Exports Limited ('PEL') and Jamnagar Properties Private Limited (''JPPL'') with Unilever India Exports Limited ('UIEL')

Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly owned subsidiary of HUL w.e.f. 13th February, 2024:

i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

ii. Jamnagar Properties Private Limited, a wholly owned subsidiary of HUL.

PEL and JPPL had no business activity.

As part of the 'Merger Order' from NCLT vide order dated 16th January, 2024, the consideration to each equity shareholder of PEL and JPPL is:

a. 1 equity share of the merged entity of ₹10 each, against 1,99,00,147 paid up equity shares of ₹1 each of PEL

b. 1 equity share of the merged entity of ₹10 each, against 50,00,000 paid up equity shares of ₹10 each of JPPL

Since the merger is of entities under common control, it is accounted for using the pooling of interest method as per Ind AS 103.

In the current financial year, ₹7 crores have been transferred from retained earnings to capital reserves, on account of merger of PEL and JPPL with UIEL under common control as per IND AS 103.

II 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 ZVPL, an unlisted 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'), 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.

(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 was recognised through a corresponding impact to Other Equity of ₹375 crores. Subsequent measurement of this liability is at Fair value through Profit and Loss and currently stands at ₹265 crores.

(C) Assets acquired, and liabilities assumed is as under:

	Amount
Total identifiable assets (A)	605
Total identifiable liabilities (B)	225
Total identifiable net assets acquired [(A) - (B)]	**380**

(D) Acquisition of Brand OZiva

The Holding Company also acquired the OZiva brand, as part of the acquisition deal. The brand was valued at ₹361 crores using multi period excess earnings method.

(All amounts in ₹ crores, unless otherwise stated)

(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 was recognised on account of synergies expected from acquisition of ZVPL.

III Amalgamation of GlaxoSmithKline Consumer Healthcare Limited

On 1st April, 2020, the Holding Company completed the merger of GlaxoSmithKline Consumer Healthcare Limited ['GSK CH'] via an all-equity merger under which 4.39 shares of HUL (the Holding Company) were allotted for every share of GSK CH. With this merger the Holding Company acquired the business of GSK CH 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.

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 GSK CH, 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 GSK CH such that 4.39 of Holding Company's shares were allotted for every share of GSK CH as below.

	Amount
Total number of GSK CH shares outstanding	4,20,55,538
Total number of Holding Company's shares issued to GSK CH shareholders i.e.,4.39 of Company's shares per share of GSK CH	18,46,23,812
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 GSK CH (₹ 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.

(All amounts in ₹ crores, unless otherwise stated)

(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 assets).

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.

NOTE 44 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, 2024	As at 31st March, 2023
(A) Loans to others		
Balance as at the beginning of the year	6	4
Loans given	-	2
Loans repaid	1	0
Balance as at the end of the year	5	6
Maximum amount outstanding at any time during the year	6	6
(B) Details of Non-current Investments made by the Group		
(a) Equity Instruments		
(i) Quoted equity instruments		
10,000 equity shares [31st March, 2023: 10,000] of ₹10 each held in Scooters India Limited	0	0
(ii) Unquoted equity instruments		
1,00,000 equity shares [31st March, 2023: 100,000] of ₹10 each held in Biotech Consortium India Limited	0	0
8,284 equity shares [31st March, 2023: 8,284] of ₹10 each held in Assam Bengal Cereals Limited	0	0
200 equity shares [31st March, 2023: 200] of ₹100 each held in The Nilgiri Co-operative Enterprises Limited	0	0
1,000 equity shares [31st March, 2023: 1,000] of ₹10 each held in Saraswat Co-operative Bank Limited	0	0
96,125 equity shares [31st March, 2023: 96,125] of ₹10 each held in Hindustan Field Services Private Limited	0	0
1 equity share [31st March, 2023: 1] of ₹10,000 each held in Coffee Futures India Exchange Limited	0	0
50 equity shares [31st March, 2023: 50] of ₹100 each held in Dugdha Sahakari Kraya-Vikraya Samiti Limited	0	0
1,150 equity shares [31st March, 2023: 1,150] of ₹100 each held in Annamallais Ropeway company Limited	0	0
1,000 equity shares [31st March, 2023: 1,000] of ₹10 each held in Super Bazar Co-op. Stores Limited	0	0
2,40,000 equity shares [31st March, 2023: 2,40,000] of ₹10 each held in Comfund Consulting Limited (formerly known as Comfund Financial Services India Limited) [Net of impairment: ₹0 crores (31st March, 2023: ₹0 crore)]	-	-
52,000 equity shares [31st March, 2023: 52,000] of ₹100 each held in Aquagel Chemicals Bhavnagar Private Limited	1	1
26,000 equity shares [31st March, 2023: Nil] of ₹10 each held in Transition Sustainable Energy Services One Private Limited*	0	-
Total (a)	**1**	**1**

(All amounts in ₹ crores, unless otherwise stated)

	As at 31st March, 2024	As at 31st March, 2023
(b) Other Instruments		
(i) Unquoted investment in debentures and bonds		
14 6 1/2% Non-redeemable Registered Debentures [31st March, 2023: 14] face value of ₹1,000 each held in The Bengal Chamber of Commerce & Industry	0	0
44 1/2% Debentures [31st March, 2023: 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, 2023: 1] face value of ₹100 each held in Woodlands Hospital and Medical Research Centre Limited	0	0
56 5% Debentures [31st March, 2023: 56] face value of ₹100 each held in Shillong Club Limited	0	0
(ii) Unquoted investment in National Savings Certificates		
7 Year National Savings Certificates - II Issue	0	0
(iii) Unquoted investment in preference shares		
1,04,000 9% Cumulative Redeemable Preference Shares [31st March, 2023: 1,04,000] of ₹100 each held in Aquagel Chemicals Bhavnagar Private Limited	1	1
Total (b)	**1**	**1**
Total (a) + (b)	**2**	**2**

*The Group invested in equity instruments of Transition Sustainable Energy Services One Private Limited. It is a Special Purpose Vehicle formed under the Government's Group Captive Open Access Renewable Energy Scheme. It aims to generate renewable energy by setting up solar energy park in Rajasthan. This investment is a strategic partnership with the Brookfield Group and will contribute towards achieving Net zero goals by increasing green energy consumption in our units.

As per the Shareholders Agreement, the Group does not have power to participate in the financial and operating policy decisions of the company and hence does not exercise significant influence.

(c) Refer note 5 for details of Investments in joint venture.

(d) 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 45 RELATED PARTY DISCLOSURES

A. Enterprises exercising control

(i) Ultimate Holding Company : Unilever PLC

B. Enterprises where control exists

(i) Trust (Extent of holding) : Hindustan Unilever Limited Securitisation of Retirement Benefit Trust (100% control)

(ii) 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

C. Subsidiaries of Holding Company :
- Unilever Asia Private Limited
- GlaxoSmithKline Bangladesh Ltd
- Lipton Soft Drinks Ireland
- Unilever Lipton Ceylon Ltd.
- Unilever Bangladesh Limited
- Unilever Korea Chusik Hoesa
- PT Unilever Enterprises Indonesia
- Unilever Japan K.K.
- Unilever (Malaysia) Holdings S
- Unilever Hongkong Ltd.
- Unilever Supply Chain Company
- Unilever San Mersin Ftz.
- Unilever Industries Private Limited
- Unilever Southafrica(Pty)Ltd
- Unilever Europe Business Center BV
- Unilever Singapore Pte Ltd
- Unilever Global IP Ltd
- Unilever Philippines Inc
- Pt.Unilever Indonesia Tbk
- Unilever Gulf Fze
- Unilever Thai Trading Limited
- Unilever Kenya Limited
- Unilever Cote D'Ivoire
- Unilever IP Holdings B.V
- Unilever Taiwan Ltd
- Conopco, Inc
- Unilever U.K. Central Resource

D. Entity in which director or their relative has significant influence :
- Deloitte Touche Tohmatsu India LLP
- Fractal Analytics Private Limited

E. Key Management Personnel and Senior Management

(a) Key Management Personnel :
- Rohit Jawa (with effect from 1st April, 2023)
- Sanjiv Mehta (up to 27th June, 2023)
- Ritesh Tiwari
- Dev Bajpai

(b) Senior Management :
- Yogesh Mishra
- Anuradha Razdan
- Madhusudhan Rao
- Deepak Subramanian
- Srinandan Sundaram
- Kedar Lele
- Arun Neelakantan (with effect from 1st January, 2024)
- Prabha Narasimhan (up to 30th April, 2022)
- Wilhelmus Uijen (up to 31st August, 2022)

(c) Non-Executive Directors :
- Nitin Paranjpe (with effect from 31st March, 2022)
- Kalpana Morparia
- Sanjiv Misra
- O. P. Bhatt
- Leo Puri
- Ashu Suyash
- Ranjay Gulati (with effect from 1st April, 2023)
- Neelam Dhawan (with effect from 1st August, 2023)
- Tarun Bajaj (with effect from 1st December, 2023)
- Ashish Gupta (up to 27th June, 2023)

Disclosure of transactions between the Group and Related Parties and the status of outstanding balances as at 31st March, 2024

		Year ended 31st March, 2024	Year ended 31st March, 2023
Parent Company	: Dividend paid	4,457	4,012
	Royalty expense	2	799
	Fees for central services	-	478
	Income from services rendered	-	276
	Expenses for other services received	600	422
	Reimbursements paid	54	73
	Outstanding as at the year end :		
	- Trade payables	411	363
	- Trade receivables	0	60

(All amounts in ₹ crores, unless otherwise stated)

			Year ended 31st March, 2024	Year ended 31st March, 2023
Fellow Subsidiaries / Trust	:	Sale of finished goods / raw materials etc	941	1,062
		Purchase of finished goods / raw materials etc	691	772
		Rent income	12	11
		Income from services rendered	354	94
		Expenses for services received	29	17
		Marketing Development Cost	78	61
		Dividend paid	1,360	1,224
		Royalty expense	1,131	204
		Fees for central services	784	97
		Purchase of Export Duty Scrips	2	-
		Expenses shared by fellow subsidiaries	6	4
		Maintenance and support costs for licences and software	125	90
		Gains/ Losses on Commodity Hedge	135	152
		Contribution to foundation	3	3
		Reimbursement received/ receivable towards pension and medical benefits	31	52
		Reimbursements paid	70	71
		Reimbursements received	75	68
		Outstanding as at the year end :		
		- Trade receivables	347	289
		- Trade payables	627	531
Entity in which director or their relative has significant influence	:	Professional fees	8	-
Key Management Personnel and Senior Management				
(a) Key Management Personnel	:	Remuneration :		
		- Short-term employee benefits	41	35
		- Post-employment benefits	1	0
		- Other long-term benefits	-	-
		- Share based payments	9	4
		Dividend paid	0	0
(b) Senior Management	:	Remuneration :		
		- Short-term employee benefits	40	55
		- Post-employment benefits	2	1
		- Other long-term benefits	-	-
		- Termination benefits	-	-
		- Share based payments	13	7
		Dividend paid	0	0
(c) Non-executive Directors	:	Remuneration :		
		- Commission paid	2	1
		Dividend paid	0	0
Employees' Benefit Plans where there is significant influence	:	Contributions during the year (Employer's contribution only)	94	160
		Outstanding as at the year end :		
		- Advances recoverable in cash or kind or for value to be received	-	8

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, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022-23: ₹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.

NOTE 46

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.

(All amounts in ₹ crores, unless otherwise stated)

NOTE 47 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, nutrition 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.

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 before other income, finance costs, exceptional items and tax.

	Year ended 31st March, 2024	Year ended 31st March, 2023
	Total*	**Total***
REVENUE		
Home care	21,882	21,223
Beauty & Personal care	22,448	22,022
Foods & Refreshment	15,291	14,876
Others (includes Exports, Consignment, etc.)	2,275	2,459
Total Revenue	**61,896**	**60,580**
RESULT		
Home care	4,127	3,913
Beauty & Personal care	5,810	5,647
Foods & Refreshment	2,851	2,662
Others (includes Exports, Consignment, etc.)	659	789
Total Segment Results	**13,447**	**13,011**
Finance costs	(334)	(114)
Other Income	811	512
Profit before exceptional items and tax	**13,924**	**13,409**
Share of net profit/ (loss) of investments accounted for using equity method (net of income tax)	(4)	(1)
Exceptional items - income/(expenditure)	6	(64)
Profit before tax	**13,926**	**13,344**
Tax expense		
Current tax	(3,521)	(3,001)
Deferred tax charge/(credit)	(123)	(200)
Profit for the year	**10,282**	**10,143**
Less: Non Controlling Interest	(5)	(23)
Profit for the year	**10,277**	**10,120**

*There are no intersegment transactions.

(All amounts in ₹ crores, unless otherwise stated)

Other Information

	Segment Assets		Segment Liabilities	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
Home care	5,016	4,785	5,203	4,075
Beauty & Personal care*	7,514	7,140	5,833	6,117
Foods and Refreshment	50,666	50,299	3,734	3,131
Others (includes Exports, Consignment, etc.)	1,126	1,435	440	722
Total	**64,322**	**63,659**	**15,210**	**14,045**
Unallocated Corporate Assets / (Liabilities)	14,177	9,428	11,866	8,520
Total Assets / (Liabilities)	**78,499**	**73,087**	**27,076**	**22,565**

*7,256 equity shares of ₹10 each and 36,480 compulsorily convertible preference shares of ₹100 each held in Investment in Nutritionalab Private Limited amounting to ₹65 crores (2022-23: ₹69 crores).

	Year ended 31st March, 2024			Year ended 31st March, 2023		
	Capital expenditure	Depreciation/ Amortisation*	Non-cash expenses other than depreciation	Capital expenditure	Depreciation/ Amortisation*	Non-cash expenses other than depreciation
Home care	622	258	49	625	240	49
Beauty & Personal care	916	576	54	644	539	50
Foods & Refreshment	763	334	34	579	309	33
Others (includes Exports, Consignment, etc.)	78	48	4	96	49	18

*In addition to the above, ₹0 crores (2022-23: ₹15 crores) of accelerated depreciation has been charged to exceptional items under a restructuring project.

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, 2024	Year ended 31st March, 2023
Revenue by Geographical Market		
India	59,629	58,172
Outside India	2,267	2,408
	61,896	**60,580**
Carrying Amount of Segment Assets		
India	63,821	63,117
Outside India	501	542
	64,322	**63,659**

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, 2024	Year ended 31st March, 2023
Sale of products	60,852	59,443
Sale of services	114	106
Income from services rendered	350	370
Commission income on consignment sales	202	333
Government grants (GST budgetary support, Production linked incentives and Export incentives)	171	179
Others (including scrap sales, rentals, etc)	207	149
Total	**61,896**	**60,580**

(All amounts in ₹ crores, unless otherwise stated)

NOTE 48 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.

Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly owned subsidiary of HUL w.e.f. 13th February, 2024:

i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

ii. Jamnagar Properties Private Limited ('JPPL'), a wholly owned subsidiary of HUL.

PEL and JPPL had no business activity.

NOTE 49 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 FY 2023-24 and FY 2022-23.

NOTE 50

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 immovable 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: 24th April, 2024

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

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 (note i)	Unilever Nepal Limited (note ii, iii and iv)	Unilever Nepal Limited	Lakme Lever Private Limited	Unilever India Limited	Zywie Ventures Private Limited (note v)	Daverashola Estates Private Limited	Hindustan Unilever Foundation	Hindlever Trust Limited	Levindra Trust Limited	Levers Associated Trust Limited
		Indian ₹	Indian ₹	Nepalese Rs	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹
1	The date since when subsidiary was acquired	26-06-1963	22-06-1992		19-12-2008	07-06-2020	10-01-2023	16-03-2005	19-12-2012	01-04-1958	11-12-1946	11-12-1946
2	Reporting period	31-03-2024	As at 31 Ashad 2080 (16 July 2023)		31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024	31-03-2024
3	Share capital	3	6	9	36	360	0	0	0	0	0	0
4	Reserves & surplus	291	266	425	227	99	51	(1)	1	(0)	(0)	(0)
5	Total assets	629	423	677	601	632	109	-	2	0	0	0
6	Total Liabilities	335	152	243	338	173	58	0	0	-	-	-
7	Investments	0	-	-	-	-	-	-	-	-	-	-
8	Turnover	1,170	508	813	342	1,115	104	-	37	-	-	-
9	Profit / (loss) before taxation	107	155	248	39	94	(44)	-	(0)	(0)	(0)	(0)
10	Provision for taxation	(27)	(29)	(46)	(11)	(16)	(0)	-	-	-	-	-
11	Profit /(loss) after taxation	80	126	202	28	78	(44)	-	(0)	(0)	(0)	(0)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	80%		100%	100%	53.34%	100%	76%	100%	100%	100%

Notes:

i) Pursuant to a scheme of arrangement, below entities were merged with Unilever India Exports Limited ('UIEL'), a wholly owned subsidiary of HUL w.e.f. 13th February, 2024:

   i. Pond's Export Limited ('PEL'), a subsidiary of HUL, where HUL held 90% and UIEL held 10% of share capital;

   ii. Jamnagar Properties Private Limited ('JPPL'), a wholly owned subsidiary of HUL.

PEL and JPPL had no business activity.

ii) Converted into Indian Rupees at the Exchange rate ₹1 = 1.6 Nepalese Rupees

iii) The financial statements have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

iv) The financial statements are as on 31st March, 2024.

v) HUL has acquired 53.34% stake (51% on a fully diluted basis).

vi) Bhavishya Alliance Child Nutrition Initiatives, a Section 8 company and a wholly-owned subsidiary of HUL was voluntarily liquidated w.e.f. 27th December, 2023 vide order passed by the National Company Law Tribunal.

(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	31-03-2023
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	10.33
6	Profit / Loss for the year	
	i. Considered in Consolidation	(4)
	ii. Not Considered in Consolidation	(14)

Notes:

i) The financial statements are unaudited and based on management accounts drawn up as on 31st March, 2024.

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 for year ended 31st March, 2024.

iv) The Company holds following investments in:

		Holding
a.	Comfund Consulting Limited	24% in equity
b.	Aquagel Chemicals (Bhavnagar) Private Limited	26% in equity and preference capital cumulatively
c.	Transition Sustainable Energy Services One Private Limited	26% in equity

However, since the Group does not exercise significant influence or control on decisions of the investees, these entities 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.

For and on behalf of Board of Directors

Rohit Jawa
Managing Director
and Chief Executive Officer
[DIN: 10063590]

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.
Vice President, Finance

Mumbai: 24th April, 2024

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 91st Annual General Meeting of Hindustan Unilever Limited (the Company) will be held on Friday, 21st June, 2024 at 02:00 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, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹18 per equity share of ₹1/- each and to declare Final Dividend of ₹24 per equity share of ₹1/- each for the Financial Year ended 31st March, 2024.
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.
6. Appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of Audit Committee and the Board of Directors, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of the 91st Annual General Meeting (AGM) until the conclusion of the 96th AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

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."

Special Business

7. 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) the Rules made thereunder (including any other applicable provision(s) or statutory modification(s) or re-enactment thereof for the time being in force) read with the Company's 'Policy on Related Party Transactions' and based on the recommendation/approval of the Audit Committee and the Board of Directors, approval of the Members be and is hereby accorded to the Company for entering into and/or continuing with Material Related Party Transactions/contracts/arrangements/ agreements with PT. Unilever Oleochemical Indonesia (UOI), a Related Party within the meaning of Section 2(76) of the Act, and Regulation 2(1)(zb) of the Listing Regulations for purchase of raw material/semi-finished goods, for a period of three years commencing from FY 2024-25 to FY 2026-27, individually and/ or in the aggregate upto an amount not exceeding ₹3,000 crores 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 are 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."

8. Appointment of Mr. Biddappa Bittianda Ponnappa (DIN: 06586886) 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, approval of the Members be and is hereby accorded for appointment of Mr. Biddappa Bittianda Ponnappa (DIN: 06586886), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st June, 2024 and who will hold office upto the date of this 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 Director, as a Director of the Company, 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. Biddappa Bittianda Ponnappa (DIN: 06586886) as a Whole-time Director of the Company, to hold office from 1st June, 2024 to 31st May, 2029, liable to retire by rotation, 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. Revision in remuneration payable to Non-Executive Directors by way of Commission:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in supersession of the resolution passed by the Members at the 89th Annual General Meeting held on 23rd June, 2022 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association and based on the recommendation of the Board of Directors, the Company be and is hereby authorised to pay to its Directors (other than the Managing Director and Whole-time Directors of the Company), for a period of five years commencing from 1st April, 2024 to 31st March, 2029, such sum by way of commission, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board and / or a Committee thereof may determine from time to time, but not exceeding 1% (one percent) or such other percentage of the Net Profits of the Company per annum as may be specified under the Act, from time to time and computed in the manner provided under Section 198 of the Act, or ₹400 lakh per annum in aggregate, for each relevant financial year, whichever is lower.

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."

10. Ratification of remuneration to Cost Auditors for Financial Year ended 31st March, 2024:

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. R Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), 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 ended 31st March, 2024, amounting to ₹14 lakhs plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

11. Ratification of remuneration to Cost Auditors for Financial Year ending 31st March, 2025:

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. R Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010), 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, 2025, amounting to ₹15 lakhs plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

Notes for Members' Attention:

Virtual Meeting

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September, 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till 30th September, 2024. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 91st AGM of the Company shall be conducted through VC/OAVM. National Securities Depository 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. 19 below and is also available on the website of the Company at www.hul.co.in.

2. As the AGM would be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

Authorised Representative

3. Institutional / Corporate Members are entitled to appoint authorised representatives to attend, participate at the AGM through VC / OAVM 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 the Scrutinizer at scrutinizer@snaco.net and to evoting@nsdl.co.in.

Electronic dispatch of Annual Report and process for registration of e-mail id and for obtaining copy of Annual Report

4. In accordance with the circulars issued by MCA and SEBI, the Notice of the 91st AGM along with the Integrated Annual Report for the Financial Year (FY) 2023-24 is being sent by electronic mode to Members whose e-mail ids are registered with the Company or the Depository Participants (DPs).

5. Those Members who are holding shares in physical form and have not updated their e-mail ids with the Company, are requested to update the same by submitting a duly filled and signed Form ISR-1 along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the Company / RTA at levercare.shareholder@unilever.com or einward.ris@kfintech.com.

6. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail ids with their relevant DPs. In case of any queries/ difficulties in registering the e-mail ids, Members may write to the Company/RTA at levercare.shareholder@unilever.com or einward.ris@kfintech.com.

7. The Notice of the 91st AGM along with Integrated Annual Report for the FY 2023-24, 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.

8. Physical copy of the Integrated Annual Report for the FY 2023-24 (including the Notice of the 91st AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Integrated Annual Report for the FY 2023-24, may write to the Company at levercare.shareholder@unilever.com, requesting for the same by providing their holding details.

Details of Directors seeking appointment/ re-appointment

9. 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 page nos. 443 and 444 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 liable to retire by rotation.

Explanatory Statement

10. An Explanatory Statement relating to certain items of Ordinary Business i.e. Item No. 3 to 6 and items of Special Business, i.e. Item Nos.7 to 11, to be transacted at the AGM is annexed hereto.

Procedure for inspection of documents

11. Documents referred to in the accompanying Notice of the 91st AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee on all working days except Saturday, during normal business hours (9:00 A.M. to 5:00 P.M. (IST)) from Thursday, 13th June, 2024 to Thursday, 20th June, 2024.

12. 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 and Certificate from Secretarial Auditors of the Company certifying that ESOP Schemes of the Company are being implemented in accordance with the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 shall be available for inspection upon login at NSDL e-Voting page at https://www.evoting.nsdl.com.

Procedure for remote e-voting and e-voting during the AGM

13. 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 to its Members, the facility 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 NSDL, as the authorised agency for facilitating voting through electronic means. The facility of casting votes by Members using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

14. The Company has appointed Mr. S. N. Ananthasubramanian (FCS 4206 and CP No. 1774), or failing him Mr. S.N. Viswanathan (ACS 61955 and CP No. 24335), Practicing Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

15. Remote e-voting - Key Dates:

Cut-off date The date, one day prior to the commencement of book closure, for determining the Members who are entitled to vote on the resolutions set forth in this Notice	Friday, 14th June, 2024
Book closure dates Period during which the Register of Members and Share Transfer Books of the Company shall remain closed	Saturday, 15th June, 2024 to Friday, 21st June, 2024 (both days inclusive).
Remote e-voting period Period during which Members, as on the cut-off date, may cast their votes on electronic voting system from any location	
Start Date and Time	9.00 A.M. (IST) on Sunday, 16th June, 2024
End Date and Time	5.00 P.M. (IST) on Thursday, 20th June, 2024

16. The voting rights 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.

17. 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 AGM. 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/.

Procedure for remote e-voting

18. For Individual Members holding shares in demat mode:

Steps		For Members holding shares with DP registered with NSDL
A		**For Members registered on NSDL IDeAS facility**
	1	The NSDL IDeAS facility can be accessed either on Laptop or Mobile by typing the URL https://eservices.nsdl.com/.
	2	Once the e-Services home page appears, click on 'Beneficial Owner' under the IDeAS Section.
	3	User ID and Password are required to be entered. The system will authenticate the Member by sending OTP on registered Mobile Number & E-mail ID.
	4	After successful authentication, click on 'Access to e-voting' under e-voting services.
	5	Click on link placed under 'Actions' against the Company for which the Member wishes to exercise e-voting for casting the vote during the remote e-voting period or for voting during the AGM.
		Members who are not already registered and wish to register for NSDL IDeAS facility
		Option of Direct Registration for IDeAS facility is available at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
B		**For Members not registered on NSDL IDeAS facility**
	1	The NSDL e-voting website can be accessed either on Laptop or Mobile by typing the URL https://www.evoting.nsdl.com/
	2	Once the e-voting page appears, click on 'Login' under the 'Shareholder/Member' Section.
	3	For logging in, User ID (i.e. 16-digit NSDL demat account number) and Password / OTP and a Verification Code, are required to be entered. The system will authenticate the Member by sending OTP on registered Mobile Number & e-mail ID.
	4	After successful authentication, the Member will be redirected to the IDeAS e-voting page.
	5	Click on link placed under 'Actions' against the Company for which the Member wishes to exercise e-voting for casting the vote during the remote e-voting period or for voting during the AGM.
		'NSDL Speede' Mobile App for e-voting
		For a seamless e-voting experience, Members can also download the 'NSDL Speede' App by scanning the below QR code.

Steps		For Members holding shares with DP registered with CDSL
A		**For Members registered on CDSL Easi / Easiest**
	1	The CDSL e-voting facility, viz. Easi / Easiest, can be accessed either on Laptop or Mobile by typing the URL https://web.cdslindia.com/myeasitoken/Home/Login.
	2	User ID and Password are required to be entered. The system will authenticate the Member by sending OTP on registered Mobile Number & E-mail ID.
	3	After successful authentication, Members are required to click on NSDL, being the e-voting service provider, and choose the Company for which they wish to cast their vote.
		Members who are not already registered and wish to register for CDSL Easi / Easiest facility
		Option of Direct Registration for Easi/Easiest facility is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration
		For Members not registered on CDSL Easi / Easiest facility
	1	Members can directly access the e-voting page by typing the URL https://www.evotingindia.com/ either on Laptop or Mobile.
	2	Members are required to provide their demat account number and PAN. The system will authenticate the Member by sending OTP on registered Mobile Number & E-mail ID.
	3	After successful authentication, click on link for e-voting against the Company for which the Member wishes to cast their vote.
		QR Codes for CDSL e-Voting App required

Securities held in demat mode - login through depository participants

A. Members can also login using the login credentials of their demat account through their DP registered with NSDL / CDSL for e-voting facility. After logging in, the e-voting option will appear.

B. Once Members click on the e-voting option, they will be redirected to the website of NSDL/CDSL. After successful authentication, they can click on options available against the Company for which the Member wishes to exercise e-voting for casting the vote during the remote e-voting period or for voting during the AGM.

Important Note: Members who are unable to retrieve User ID / Password are advised to use the 'Forgot User ID / Password' option.

Advisory for Members

In order to access e-voting facility, Members are requested to update their Mobile Number and E-Mail ID in their demat accounts through their DPs.

For Technical Assistance

Members facing any technical issues related to e-voting may reach out to helpdesk of the respective depositories at the contacts given hereinafter:

NSDL	CDSL
E-mail ID: evoting@nsdl.co.in	Email: helpdesk.evoting@cdslindia.com
Toll free no.: 022 - 4886 7000 / 022 - 2499 7000	Phone No.: 1800 22 55 33

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP).

For other than Individual Members holding shares in demat mode and for Members holding shares in physical mode:

Steps	
For Members registered on NSDL IDeAS facility	
1	Members who have registered for NSDL e-services i.e. IDeAS, can log-in using the URL https://eservices.nsdl.com/ with their existing IDeAS login.
2	Once Members log-in to NSDL e-services with their log-in credentials, they can click on e-voting and select the Company for which they wish to cast their vote during the remote e-voting period or for voting during the AGM.
For Members not registered on NSDL IDeAS facility	
1	The NSDL e-voting website can be accessed either on Laptop or Mobile by typing the URL https://www.evoting.nsdl.com/
2	Once the e-voting page appears, click on 'Login' under the 'Shareholder/ Member' Section.
3	For logging in, User ID (i.e. 16-digit NSDL demat account number) and Password / OTP and a Verification Code, are required to be entered. The system will authenticate the Member by sending OTP on registered Mobile Number & E-mail ID.

User ID details:

Manner of holding shares	User ID
a) For Members holding shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
b) For Members holding shares in demat account with CDSL.	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form.	EVEN (E-Voting Event Number) followed by HUL Folio Number

Password details

Members already registered for e-voting	Existing password can be used for logging-in and casting vote.
Members using NSDL e-voting system for the first time	'Initial password' communicated to Members is required to be entered. Once entered, the system will prompt to change the password.

How to retrieve the Initial Password?

Members holding shares in demat mode would have received an email from NSDL with the Initial Password in a pdf attachment, on their registered E-mail IDs.

The password to open the pdf:

- for shares held in NSDL account: 8 digit client ID,
- for shares held in CDSL account: last 8 digits of client ID
- for shares held in physical mode: folio number.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

Members who are not able to retrieve the password, can send a request at evoting@nsdl.co.in mentioning their demat account number / folio number, PAN, name and registered address.

Note: It is strongly recommended that 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, 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.

How can Members verify that their votes have been cast successfully?

A. After selecting appropriate options i.e. assent or dissent and after verifying / modifying the number of shares for which the votes are to be cast, click on 'Submit' and also 'Confirm' when prompted.

B. Upon confirmation, the message 'Vote cast successfully' will be displayed.

C. Once Members confirm their votes on the resolution(s), they will not be allowed to modify their votes.

Procedure to join the AGM on NSDL e-voting system

19. After successful authentication, Members need to click on 'VC/OAVM' link placed under 'Join General Meeting' for joining virtual meeting.

20. Members are encouraged to join the Meeting through Laptops for better experience.

21. Please note that Members connecting from mobile devices, tablets or laptops via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

22. 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. The joining link shall be kept open throughout the proceedings of AGM.

23. Members, who need assistance before or during the AGM, may send a request at evoting@nsdl.com or use Toll free no.: 022 - 4886 7000.

Procedure for e-voting during the AGM

24. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

25. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast 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.

26. 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.

27. In case of any queries, Members may refer the 'Frequently Asked Questions (FAQs) for Shareholders' 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.

Procedure for Members whose e-mail ids are not registered with the DPs for procuring User ID and Password and registration of email ids for e-voting

28. Members whose shares are held in physical mode are requested to send the following details/documents at evoting@nsdl.com or levercare.shareholder@unilever.com
    - Name of the Shareholder
    - Folio No.
    - Self-attested copy of PAN and address proof
    - Copy of Share Certificate (front and back)

29. Members whose shares are held in demat mode are requested to send the following details/documents at evoting@nsdl.com or levercare.shareholder@unilever.com
    - Name of the Shareholder
    - 16-digit DP ID Client ID or beneficiary ID
    - Self-attested copy of PAN and address proof
    - Copy of Client Master List or Consolidated Account Statement

30. **E-voting results**

    The results of the e-voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be available on the website of the Company at www.hul.co.in.

Procedure to raise questions / seek clarifications with respect to Annual Report:

A. 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, e-mail id and mobile number at levercare.shareholder@unilever.com. Only those speaker registration requests received till 5.00 P.M. (IST) on Friday, 14th June, 2024 shall be considered and allowed as Speakers during the AGM.

B. The Company reserves the right to restrict the number of questions and speakers, as appropriate for smooth conduct of the AGM.

General Information

31. It is reiterated that Members take utmost care to keep their password confidential and not to share their password with any other person.

Dividend related Information

32. Dividend - Key Dates:

Cut-off Date (for determining the Members eligible for dividend)	Friday, 14th June, 2024
Date of Payment	on or after Tuesday, 25th June, 2024

33. 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 cannot act on any request received directly on the same.

34. Members may please note that as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 as amended from time to time, the latest being SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November, 2023, Members, who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode with effect from 1st April, 2024. Accordingly, payment of final dividend, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members may refer to FAQs issued by SEBI in this regard available on their website at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ Nos. 38 & 39). Communication in this regard has been sent to all physical holders whose folios are not KYC updated at the latest available address/email-id. Members are once again requested to update their KYC details by submitting the Investor Service Request (ISR) Forms, viz. ISR-1, ISR-2, ISR-3/SH-13, as applicable, duly complete and signed by the registered holder(s) so as to reach our RTA, on or before 7th June, 2024 so that the folios can be KYC updated before the cut-off date of 14th June, 2024. ISR Forms can be accessed from our website at https://www.hul.co.in/investor-relations/investor-service-request/.

35. Members may note that as per the Income Tax Act, 1961, 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, 1961. 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, 1961 and Rules thereto.

    a) **For Resident Members:** Tax at source shall be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during FY 2024-25, 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, TDS would be deducted @20% as per Section 206AA of the Income Tax Act, 1961.

       No tax at source is required to be deducted, if aggregate dividend paid or likely to be paid during the FY to individual member does not exceed ₹5,000, subject to Member not being a 'Specified Person' and the status of the PAN of the Member not being 'in-operative' on record date as per provisions of the Income Tax Act, 1961.

       Specified Person, as defined in Section 206AB of the Act briefly means 'a person who has not filed the return of income for the immediately preceding financial year i.e. FY 2022-23 on or before the time limit prescribed under sub-section (1) of Section 139 of the Income Tax Act, 1961; and the aggregate of tax deducted at source and tax collected at source in his case is ₹50,000/- (Rupees Fifty Thousand) or more in that immediately preceding financial year.'

       In case of individual shareholders, who are mandatorily required to have their PAN-Aadhaar linked and have not done so, their PAN would be considered as inoperative. Such inoperative PANs would be considered as invalid and higher TDS rate as per Section 206AA of the Income Tax Act, 1961 would be applied. The Company will rely on the reports downloaded from the reporting portal of the income tax department for checking validity of PANs / inoperative PANs / Specified Persons under Section 206AB of the Income Tax Act, 1961.

       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 TDS shall be deducted, subject to the PAN of the Member not having an 'In-operative' status as per provisions of section 139AA of the Income Tax Act, 1961.

       Further, in case PAN of any Member falls under the category of 'In-operative', the Company shall deduct TDS @ 20% as per Section 139AA of the Income Tax Act 1961.

       In case of resident member having Order under Section 197 of the Income Tax Act, 1961, TDS will be deducted at the rate mentioned in the Order; provided the Member submits copy of the Order obtained from the income-tax authorities.

    b) **For Non-resident Members:** Tax at source shall be deducted under Section 195 of the Income Tax Act, 1961 at the applicable rates. As per the relevant provisions of the Income-tax Act, 1961, 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, tax shall be deducted at source @ 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, 1961 TDS will be deducted at the rate mentioned in the Order; provided the member submits copy of the order obtained from the income-tax authorities.

       As per Section 90 of the Income Tax Act, 1961, 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.
       - Electronically generated Form 10-F
       - Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities, if any.
       - Self-declaration, certifying the following points:

       i. Member is and will continue to remain a tax resident of the country of its residence during the FY 2024-25;

       ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

       iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

       iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and

v. Member does not have a taxable presence or a permanent establishment in India during the FY 2024-25.

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 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 Member is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

36. 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, 1961, if the said declaration is not furnished, the Company shall deduct tax at source at twice the applicable rate referred above.

37. 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.

38. 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 Friday, 31st May, 2024 at https://ris.kfintech.com/form15. No communication on the tax determination/deduction shall be entertained post Friday, 31st May, 2024. 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.

39. In accordance with the provisions of the Income-tax Act 1961, 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.

40. The Company has 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, 1961.

Other Information

41. 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. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. The details of the unpaid / unclaimed amounts lying with the Company as on 26th June, 2023 (date of last AGM) are available on the website of the Company at https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividend/ and on MCA's website. Members are requested to encash / claim their respective dividends. The details of unpaid or unclaimed amounts lying with the Company as on 31st March, 2024 shall be updated in due course. The Member(s) whose dividend/ shares are transferred to the IEPF Authority can 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.

42. 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/.

43. SEBI vide its Circular dated 3rd November, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC and Nomination details by sending a duly filled and signed Form ISR-1, ISR-2, ISR-3/SH-13, as applicable 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.

44. Regulation 40 of 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, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Explanatory Statement in Respect of Items of Ordinary Business:

Item Nos. 3, 4 and 5: Re-appointment of Directors retiring by rotation

Based on the terms of appointment, the Non-Executive and Non-Independent Chairman and all Executive Directors, except the Managing Director & Chief Executive Officer, 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 at the AGM held on 29th June, 2019 and resolution passed through Postal Ballot dated 29th April, 2021. The remuneration payable to them for FY 2024-25 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 to them and number of meetings of the Board and its Committees attended by them during the FY 2023-24 forms part of Corporate Governance Report.

The abovementioned Directors, being eligible, have offered their candidature for re-appointment. The Nomination and Remuneration Committee and the Board recommends their re-appointment based on the outcome of performance evaluation.

Item No. 6: Appointment of Statutory Auditors

The Members of the Company at the 86th AGM held on 29th June, 2019 had approved the re-appointment of M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022) (M/s. BSR & Co. LLP), as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said AGM till the conclusion of the 91st AGM. They will complete their two consecutive terms as Statutory Auditors of the Company on conclusion of this AGM.

The Board of Directors of the Company (the Board), at its meeting held on 24th April, 2024, considering the experience and expertise and based on the recommendation of the Audit Committee, has proposed to the Members of the Company, appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), as Statutory Auditors of the Company in place of M/s. BSR & Co. LLP. The proposed appointment is for a term of 5 (five) consecutive years from the conclusion of 91st AGM till the conclusion of the 96th AGM on payment of such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors, from time to time. There is no material change in the remuneration proposed to be paid to M/s. Walker Chandiok & Co. LLP, for the statutory audit to be conducted for the financial year ending 31st March, 2025 vis-à-vis the remuneration paid to M/s. BSR & Co. LLP, the retiring Statutory Auditors, for the statutory audit conducted for the financial year ended 31st March, 2024. The proposed remuneration to be paid to the Auditors for the FY 2024-25 is ₹347 lakhs (Rupees Three Hundred and Forty Seven Lakhs Only). The said remuneration excludes applicable taxes and out of pocket expenses.

The exercise for selection of new statutory auditor was led by senior HUL Management through a fair tender process inviting all lead firms followed by shortlisting of firms based on a comprehensive assessment criterion. The Audit Committee was updated on the progress of the exercise and the recommendations/suggestions of the Committee were duly noted and acted upon by senior HUL Management. The Audit Committee Chair and a Member of the Committee formed a part of the interview panel with lead audit partner of the firms in the final shortlist. After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. Walker Chandiok & Co. LLP, has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. Walker Chandiok & Co. LLP is a firm of Chartered Accountants registered and empanelled with the Institute of Chartered Accountants of India (ICAI). It was established in the year 1935 and is a Limited Liability Partnership Firm incorporated in India. It has its registered office at L-41, Connaught Circus, New Delhi - 110001 apart from 15 other branch offices in various cities in India. It is primarily engaged in providing audit and assurance services to its clients. It is amongst the largest and highly reputed audit firms in India and are auditors for several large companies including some of the top 100 listed entities in India.

Pursuant to Section 139 of the Companies Act, 2013 (the Act) and the Rules framed thereunder, the Company has received written consent from M/s. Walker Chandiok & Co. LLP and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Walker Chandiok & Co. LLP, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution. The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

Explanatory Statement in respect of Items From No. 7 to No. 11 pursuant to Section 102 of the Companies Act, 2013:

Item No. 7: Approval for Material Related Party Transaction

Summary

As per the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), with effect from 1st April, 2022, related party transactions, if material, require the prior approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

Once approved by shareholders, 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 per the 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.

PT. Unilever Oleochemical Indonesia (UOI) is a wholly owned subsidiary of Unilever PLC and fellow subsidiary of the Company. The Company currently sources raw materials/ semi-finished goods primarily palm oil and its derivatives from UOI. At the 89th AGM of the Company held on 23rd June, 2022, the Members had approved the proposal for entering and/ or continuing with Material Related Party Transactions/ contracts/ arrangements/ agreements with UOI, for a period of three years commencing from FY 2022-23 to FY 2024-25, individually and/ or in the aggregate up to an amount not exceeding ₹1,250 crores in a financial year.

The Company proposes entering and/ or continuing with Material Related Party Transactions/ contracts/ arrangements/ agreements with UOI up to an amount not exceeding ₹3,000 crores in a financial year, for a period of three financial years commencing from FY 2024-25 to FY 2026-27. Since this is a 'Material Modification' as per the Company's 'Policy on Related Party Transactions', the Company seeks approval from the Members in line with Regulation 23(4) of Listing Regulations. The limit proposed is an enabling limit to help the business operate smoothly without interruptions. All transactions with UOI will continue to be in adherence with arm's length principle as per the Companies Act, 2013 (the Act) & Listing Regulations, will be certified by an independent consultant on a quarterly basis and reviewed by the Audit Committee.

The Company shall ensure that the transactions with UOI does not exceed already approved limit of ₹1,250 crores in a financial year, until the revised higher limits are approved by the Members of the Company at the 91st Annual General Meeting i.e. up to 21st June, 2024.

Background

The Company is one of the largest end users of palm oil derivatives in the FMCG industry and at the forefront of driving industry-wide change to ensure a sustainable future for palm oil.

As a part of the Company's ESG commitments, the Company has committed to ensure deforestation free supply chain sourcing for palm oil and derivatives used in the manufacturing of soaps at the Company sites by end of 2023. Accordingly, the Company will procure palm oil and derivatives only from certified 'No Deforestation, No Peat' (NDP) sources.

The Company has evaluated multiple options for procuring sustainable palm oil, however, given NDP standards are not yet widely adopted, there is paucity of supply as well as high premia for the limited quantity of certified sustainable palm oil.

UOI's oleochemical plant in Indonesia enables the Company to credibly meet its NDP commitment at competitive prices and assured quality. Hence, the Company has decided to increase its purchase of palm oil derivatives from UOI.

As a result of the increase in volumes to be purchased from UOI due to the reason mentioned above, combined with anticipated commodity inflation, and projected growth of the soaps business, the aggregate value of transactions with UOI is expected to increase to an amount not exceeding ₹3,000 crores in a financial year.

Review of the Arrangement

Given the related party nature of the transactions, it is important to establish that these transactions are entered into on an arm's length basis and in ordinary course of business. A detailed evaluation and due diligence led by HUL senior management was undertaken. Further, the Company engaged the services of a reputed independent consultant for conducting an independent functional & economic analysis of the proposed transaction. The review covered the functional profile of the Company and UOI, economic analysis and review of costs and benchmarking of the proposed mark-up. The review exercise concluded that the transaction is adhering to arm's length principle, as required under the Act read with Listing Regulations and the Income Tax Act.

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. 11 of the Notice of AGM.

Details of Material Related Party Transactions:

Sr. No.	Particulars	Details
1.	Name of the related party	PT. Unilever Oleochemical Indonesia
2.	Nature of relationship with the company	Fellow subsidiary
3.	Type, material terms and particulars of the proposed transaction	Purchase of raw materials/ semi-finished goods
4.	Tenure of the proposed transaction	Recurring Transactions for a duration of three financial years commencing from FY 2024-25 to FY 2026-27
5.	Value of the proposed transaction	Not exceeding ₹3,000 cores in a financial year. The upper limit mentioned is an enabling limit to help the business operate smoothly without interruptions
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. 5% (basis the upper limit of ₹3,000 crores and using annual consolidated turnover of FY 2023-24)
7.	a) Details of the source of funds in connection with the proposed transaction	Not applicable, as the transaction does not relate to any loan, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiary
	(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	
8.	Justification as to why the RPT is in the interest of the company	• The Company sources raw materials/semi-finished goods primarily Palm Oil and its derivatives from its fellow subsidiary PT. Unilever Oleochemical Indonesia (UOI). This helps the Company achieve: • **Sustainability Commitments:** Procuring NDP certified palm oil helps the Company meet it ESG commitments at competitive prices • **Quality and Innovation:** UOI's backward integration and flexibility in blends provides assured quality and speed of innovation • **Competitive Pricing:** Rates are competitive and at arm's length, leveraging Unilever's global scale and proximity to source of supply
9.	Details about valuation, arm's length and ordinary course of business	An independent external review was conducted covering the functional profile of the Company and UOI, economic analysis and review of costs and benchmarking of the proposed mark-up. The review exercise concluded that the transaction is adhering to arm's length principle
10.	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	External report by an independent consultant was considered besides detailed evaluation and due diligence led by HUL senior management
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 Company has in place a structured process for approval of Material Related Party Transactions. 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 which enables them to arrive at the right decision. Additionally, an update and certification from an independent consultant on the actual Related Party Transactions is provided to the Audit Committee on a quarterly basis confirming compliance as per the Act and Listing Regulations.

None of the 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. 7.

The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of Members.

The below section aims to address the key queries that our Shareholders may have:

1. **Rationale for choosing UOI as our sourcing partner for palm oil and derivatives.**

   PT. Unilever Oleochemical Indonesia (UOI) is a wholly owned subsidiary of Unilever PLC and fellow subsidiary of the Company. Through UOI's oleochemical plant in Indonesia, Unilever has implemented its strategic goal of backward integration for key raw materials.

   There are significant benefits of procuring palm oil and derivatives from UOI as listed below:

   - As part of the Company's ESG commitments, the Company has committed that by the end of 2023, our palm oil, paper and board, tea, soy, and cocoa will come from places that are verified as deforestation free. Palm oil and derivatives are one of the major raw materials for the Company, and the Company is committed to procure palm oil for products from sources that are traceable (No Deforestation, No Peat i.e., NDP).
   - The UOI plant in Indonesia enables the Company to credibly meet its NDP commitment. Being closer to the oil source enables Unilever to drive sustainability standards at the plantations and gives UOI an inherent advantage in terms of input raw material price. The focused supplier base verified for NDP compliance will adopt ever evolving standards and future technologies to drive sustainable sourcing, ensuring the Company remains at the forefront of driving industry wide change towards sustainable business practices.
   - UOI's backward integration provides assured quality, helps secure flexibility in blends and speed of innovation, enabling the Company to deliver superior and consistent consumer experience while catering to evolving consumer trends. The Company will leverage on Unilever's scale and expertise, including world class manufacturing techniques, innovations on formulations and efficiency improvement programs.

2. **Evaluation of alternative sources for procurement of palm oil and derivatives.**

   Multiple sourcing options were evaluated by the Company to meet its commitment of procuring NDP compliant palm oil and derivatives including the below:

   - **India palm plantations:**

     Investments in palm plantations in India were evaluated; however, the gestation period for the plantations to bear fruit is c. 5 years with production peaking from c. 8 years onwards. Given the long lead time, this will not be a viable option for the Company to achieve its ESG commitments in the medium term. The Company will pursue this route for long term sourcing.

   - **Use of alternative vegetable or seed oils:**

     The Company also evaluated use of non-palm-based oils (primarily vegetable oils) in place of palm oil derivatives. Use of alternative vegetable oils would have a noticeable impact on the quality of the soap and consumer experience. Furthermore, the Company must also ensure there is sufficient and consistent availability of oils sourced from NDP compliant suppliers of guaranteed quality. Given the volume of Company's annual consumption of oils, this would impact flexibility in sourcing, resilience, and restrict the ability to innovate.

   Currently, NDP standards are not widely adopted by industry and hence there is both paucity of supply as well as high premia for the limited quantity available. To fulfil the Company's palm oil demands sustainably and competitively, the most effective approach would be to establish its own supply chain or capitalise on Unilever's scale. Procurement of palm oil from UOI allows the Company to effectively overcome these obstacles while giving added advantage of quality assurance, competitive pricing, and speed of innovation.

3. **What are the benefits expected from the transition to NDP compliant palm oil and derivatives?**

   The Company is transitioning to NDP compliant palm oil and derivatives to achieve dual objectives:

   - As part of its ESG commitments, the Company has committed that by the end of 2023, its palm oil, paper and board, tea, soy, and cocoa will come from places that are verified as deforestation free. Palm oil and derivatives are one of the major raw materials for the Company, and it is committed to procure palm oil and derivatives from sources that are traceable (No Deforestation, No Peat i.e., NDP). The procurement of NDP compliant palm oil and derivatives will enable the Company to meet its ESG commitment.
   - The Company will combine NDP compliant palm oil and derivatives with consumer benefit technologies to create an improved formulation that delivers a superior consumer product and gives the Company a competitive edge.

4. **What is the financial impact of sourcing NDP compliant palm oil and derivatives from UOI vis-à-vis third-party suppliers?**

   - There is no additional on-cost of sourcing NDP compliant palm oil and derivatives from UOI vis-à-vis third-party suppliers since the Company purchases the same from UOI at arm's length i.e. actual cost-plus mark-up, which is competitive, within the range of comparable benchmarks and at arm's length, as certified by a reputed independent consultant.
   - Since there is a paucity of consistent supply of sustainable palm oil as well as high premia in the industry, sourcing from UOI offers inherent advantages to the Company, such as a reliable and high-quality supply of sustainable palm oil, competitive sustainability premia, transparent cost structures and a more resilient supply chain.

Item No. 8: Appointment of Mr. Biddappa Bittianda Ponnappa (DIN: 06586886) as a Whole-time Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had, at their meeting held on 24th April, 2024, approved the appointment of Mr. Biddappa Bittianda Ponnappa (DIN: 06586886) as an Additional Director of the Company with effect from 1st June, 2024 till the date of this Annual General Meeting and in the capacity of a Whole-time Director with effect from 1st June, 2024 to 31st May, 2029.

The Company has received notice under Section 160 of the Act from Mr. Biddappa proposing his candidature as a Director of the Company. Mr. Biddappa 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. Biddappa is as follows:

Mr. Biddappa is currently global Chief HR Officer (CHRO) for the Home Care business (~Euro 14 billion) across all markets in Unilever. Overall, he has 32 years of experience in Unilever. He started his professional career as a financial consultant in AF Ferguson & Co and began his HUL career from our Orai factory and went on to do various roles in HR and leadership development. He has been CHRO for Unilever in Maghreb (2000), Bangladesh (2004-09), South Asia (2013-19) and has been CHRO Home Care across all markets from 2019.

In his current role he has built critical capabilities through Home Care Academy including the Clean Future programme, Fragrances capability and critical investments (25%) in R&D (Future formats, Biotechnology, Sustainable Materials). He is part of the Global HR Leadership Team, the Global Home Care Leadership Team, Global Unilever Professionals and Water and Air Wellness Investor Boards.

In his previous role as CHRO for HUL & Unilever South Asia (2013-19), he built a strong performance culture which meant HUL people function led Unilever on almost all key metrics with HUL being #1 Employer of Choice (EoC) for 5 of the 6 years and all South Asia businesses achieved #1 rank on EoC for all years including Unilever Nepal which also turned to #1. In this period, he also ensured the Company achieved for the first time in HUL history 0 man-days loss on account of Employee Relation issues. Over his 6-year period HUL saw 2000+ bps increase in gender diversity and best in class productivity across Unilever as a market cluster.

Mr. Biddappa also brings in experiences across external bodies such as Member, Advisory Council. Society for Human Resource Management, India, APAC, MENA; Member, National Committee for Leadership and HR, Confederation of Indian Industry (CII), Member, Advisory Board for HR, Reserve Bank of India, Advisor to the CEO, FSSAI on Organisation and acted as Whole-time Director, Unilever Bangladesh Board. Mr. Biddappa has a Bachelor's Degree in Economics from Delhi University and an MBA from XLRI, Jamshedpur.

The brief details about the proposed appointment & remuneration of Mr. Biddappa are given herein:

Particulars	Appointment Details
Period of Appointment as Whole-time Director	1st June, 2024 to 31st May, 2029

Particulars	Remuneration Details (Gross in ₹)
Basic Salary	3,07,36,847 per annum (Basic Salary not to exceed ₹350 lakhs per annum)
Fixed Remuneration (inclusive of basic salary, allowances & retirals)	4,17,96,604 per annum
Target Bonus (60% of Fixed Remuneration)	2,50,77,963 per annum
Target LTI Shares (100% of Target Bonus)	2,50,77,963 per annum
Cost of Living adjustment and Fx protection*	(12,53, 898)
Total	**9,06,98,632 per annum**
Gratuity Pay	As per Regulation
Severance	Mr. Biddappa 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. Biddappa immediately before the termination/separation.
Notice Period	HUL has to furnish a notice period of twelve months to Mr. Biddappa in case HUL decides to terminate his current assignment. A payment in lieu of notice period of twelve months will be made to Mr. Biddappa in the event such notice period is shorter than a twelve-month period & the amount of payment in lieu of notice will be equal to his Euronet Fixed Pay (excluding any commission, bonus, variable pay award and other benefits) for the unexpired portion of his notice period, less deductions required by law. Mr. Biddappa's entitlements under any annual bonus, PSP or other variable pay plan (including any historic awards under the Unilever Share Plan 2017) will be dealt with in accordance with the relevant plan rules. During such period, Mr. Biddappa may be placed on gardening leave and the Unilever terms will apply.

* Cost of Living adjustment and Fx protection may vary from time-to-time. Cost of Living adjustment and Fx protection as applicable will be deducted from/added to the Fixed Remuneration.

- Mr. Biddappa's Euronet compensation will be converted to INR and grossed up for taxes at the time of delivery.
- Employer & Employee contribution to Provident Fund is included in the Fixed Remuneration.
- Additionally, employee would be eligible for club and car benefit as per company policy for Management Committee Members.

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. Biddappa 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. Biddappa 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 Act and Listing Regulations 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 page 448 of this Integrated Annual Report.

Mr. Biddappa, being the appointee, is interested in the resolution set out at Item No. 8 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. Biddappa's immense knowledge of transformation and organisational development will help transform the business to progress further on its future-fit agenda. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Biddappa Bittianda Ponnappa in the interest of the Company and recommends the Ordinary Resolution as set out at Item No. 8 for approval of Members.

Item No. 9

The Members at the 82nd AGM of the Company held on 29th June, 2015 had approved the payment of remuneration by way of commission on profits to Non-Executive Directors of the Company upto a maximum of ₹300 lakhs (Rupees Three Hundred Lakhs) in aggregate, to be allocated in such manner as the Board may determine, from time to time, with effect from 1st April, 2015 for a period of 5 (five) years. Further, at the 87th AGM held on 30th June, 2020, the Members extended the time period for the aforesaid limits for a period of 3 (three) years i.e. from 1st April, 2020 till 31st March, 2023. The tenure was further extended for a period of 3 (three) years i.e. from 1st April, 2023 till 31st March, 2026, pursuant to the approval of the Members at the 89th AGM held on 23rd June, 2022.

In line with the globally accepted governance practices, the Company has in place a Differential Remuneration Policy. As per the said Policy, the remuneration of Non-Executive Independent Directors comprises of fixed commission and variable commission that is contingent on position the Director occupies in various Committees and his/her attendance at the meetings of the Board or Committees. In accordance with the said Policy, all the Non-Executive Independent Directors are currently paid a remuneration of ₹15 lakhs (Rupees Fifteen Lakhs) per annum by way of fixed commission and a variable commission linked to their attendance at Meetings and also depending upon their position in the Committees.

The Non-Executive Directors of the Company are leading professionals with high level of expertise and rich experience in varied functional areas such as business strategy, finance, understanding of consumer and customer insights etc. They have been shaping and steering the long-term strategy and make valuable contributions for the overall growth of the Company. Further, pursuant to the changing regulatory landscape over the last few years, the Non – Executive Directors have assumed a central role in maintaining high level of corporate governance in the Company. These changes have enhanced the corporate governance requirements, particularly Board Governance and Management, requiring greater time commitments, attention and higher level of oversight by the Non-Executive Directors. In view of this, there is a need for the Non-Executive Directors to be compensated adequately for their level of commitment and the value they bring onboard.

The increase of ₹100 lakhs is being proposed after a period of nine years. During this period of nine years the annual aggregate remuneration to the Non-Executive Directors was within the approved limits.

During the year, the Company undertook a detailed exercise of benchmarking the remuneration paid to Non-Executive Directors. The exercise was based on nature of industry, size, effective governance and expected contribution by the Board. In view of the outcome of the exercise, the Board of Directors at its meeting held on 24th April, 2024, recommended the proposal for revision in remuneration payable to Non-Executive Directors of the Company, by way of commission or otherwise, upto a maximum of ₹400 lakhs per annum in aggregate effective from 1st April, 2024 till 31st March, 2029. The payment of such remuneration shall be in addition to the sitting fees for attending Board/Committee meetings.

The table below summarises the change in the remuneration structure with effect from 1st April, 2024:

Particulars	Current Remuneration	Proposed Remuneration (effective 1st April, 2024)
Total limit of Commission	1% or such other percentage of the Net Profits of the Company per annum as may be specified under the Act, or **₹300 lakhs per annum** in aggregate, for each relevant financial year, whichever is lower.	1% or such other percentage of the Net Profits of the Company per annum as may be specified under the Act, or **₹400 lakhs per annum** in aggregate, for each relevant financial year, whichever is lower.

The revised limit shall be made effective from 1st April, 2024 for a period of 5 (five) years. The revised limit is commensurate with the enhanced role and engagement of the Non-Executive Directors of the Company. The remuneration payable to each Non-Executive Director, including the Non-Executive Chairman (as maybe required) shall be determined by the Board or the Committee thereof within the overall limit of ₹400 lakhs per annum.

Approval of the Members is sought for the revision in maximum limit of remuneration payable to Non-Executive Directors from existing ₹300 lakhs to ₹400 lakhs per annum, in aggregate.

None of the Directors or Key Managerial Personnel and their relatives (except Non-Executive Directors), are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 for the approval of Members.

Item Nos. 10 & 11:

On 28th March, 2024, M/s. RA & Co., Cost Accountants (Firm Registration No.: 000242), Cost Auditors of the Company duly appointed for financial year ending 31st March, 2024, vacated their office with immediate effect on account of the firm incurring a disqualification as per the provisions of Section 141 read with Section 148 of the Companies Act, 2013.

In view of the above, the Board of Directors of the Company at their meeting held on 24th April, 2024, on the recommendation of the Audit Committee, approved the appointment of M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010) as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year(s) ending 31st March, 2024 and 31st March, 2025 at the below remuneration:

Period	Remuneration *
FY ended 31st March, 2024	₹14 lakhs
FY ending 31st March, 2025	₹15 lakhs

* Exclusive of taxes and re-imbursement 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. There is no change in the remuneration proposed to be paid to M/s R. Nanabhoy & Co., for the cost audit to be conducted for the year ended 31st March 2024 vis-à-vis the remuneration that was proposed to be paid to M/s. RA & Co., as duly ratified by the Members at the 90th AGM. However, in line with the best governance practices, approval of the Members is sought for ratification of remuneration payable to M/s. R. Nanabhoy & Co. for the cost audit to be conducted for the year ended 31st March 2024. Further, approval of the Members is also sought for ratification of remuneration payable to M/s. R. Nanabhoy & Co. for the cost audit to be conducted for the year ending 31st March 2025.

None of the Directors or Key Managerial Personnel or their relatives, are concerned or interested (financially or otherwise) in this Resolution(s).

The Board recommends the Ordinary Resolution(s) set out at Item No. 10 & 11 for the approval of Members.

Registered Office:

Unilever House,
B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai – 400 099

Mumbai: 24th April, 2024

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, 1961, 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, 1961. Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961 at https://ris.kfintech.com/form15

Important dates

Event	2023-24
Board Meeting	Wednesday, 24th April, 2024
AGM Date	Friday, 21st June, 2024
Inspection Period	Thursday, 13th June, 2024 to Thursday, 20th June
Cut-off date / Record Date (AGM voting / Dividend)	Friday, 14th June, 2024
Book closure dates	Saturday, 15th June, 2024 to Friday, 21st June, 2024
Remote e-voting period	Sunday, 16th June, 2024 09:00 A.M. (IST) to Thursday, 20th June, 2024 05:00 P.M. (IST)
Speaker Registration (last date)	Friday, 14th June, 2024
Date of Payment of Dividend	on or after Tuesday, 25th June, 2024

DIRECTORS' INTEREST

None of the Directors of the Company are 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
Rohit Jawa	10	0.0000
Ritesh Tiwari	2,630	0.0001
Dev Bajpai	51,576	0.0022
O.P. Bhatt	245	0.0000
Neelam Dhawan	454	0.0000
B.P. Biddappa[1]	500	0.0000

Note: Shareholding as on Financial Year ended 31st March, 2024.

[1] Mr. B. P. Biddappa has been appointed as the Additional Director - Whole-time Director of the Company with effect from 1st June, 2024

None of the other Directors except the ones mentioned above hold any shares in the Company as on 31st March, 2024.

Profile of Directors

1. NITIN PARANJPE

(DIN: 00045204)

Mr. Nitin Paranjpe (61) is the Non-Executive Chairman of Hindustan Unilever Limited. Nitin is also the Chief Transformation and Chief People Officer at Unilever. He has been a member of the Unilever Leadership Executive since October 2013. He was appointed as a Non-Executive Director and designated as Chairman of the Company with effect from 31st March, 2022.

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 Unilever 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 the Company 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 an 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 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.

Directorship in other Companies:

Name of the Company	Designation
Listed:	
Infosys Limited	Independent Director
Unlisted:	
Indian School of Business	Director

Membership/Chairmanship of Board Committees in other Companies:

Name of the Company	Designation
Listed:	
Infosys Limited	
Nomination and Remuneration Committee	Member
Risk Management Committee	Member

2. ROHIT JAWA

(DIN: 10063590)

Mr. Rohit Jawa (57) is the Chief Executive Officer & Managing Director of Hindustan Unilever Limited and President, Unilever, South Asia and he is also a member of the Unilever Leadership Executive (ULE). He was appointed as the Whole-time Director of the Company with effect from 1st April, 2023 and took over as the Chief Executive Officer & Managing Director with effect from 27th June, 2023.

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 B D 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. Since July 2023, he is an Executive Committee Member of Vikaasa, a coalition that collaborates to accelerate India's progress on the UN Sustainable Development Goals. He is a Trustee of Breach Candy Hospital.

Mr. Jawa is a Member of Risk Management Committee, Stakeholders' Relationship Committee and Environmental, Social and Governance Committee of the Company.

Directorship in other Companies:

Name of the Company	Designation
Unlisted:	
Hindustan Unilever Foundation	Additional Director
Breach Candy Hospital Trust	Nominee Director

Mr. Jawa does not hold any Membership/Chairmanship of the Board Committees in other companies.

3. DEV BAJPAI

(DIN: 00050516)

Mr. Dev Bajpai (58) 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.

In his capacity as a Company Secretary, he acts as the Secretary to all Board Committees of the Company.

Directorship in other companies:

Name of the Company	Designation
Unlisted:	
Unilever India Limited	Director
Indian Beauty and Hygiene Association	Director
Hindustan Unilever Foundation	Director

Mr. Bajpai does not hold any Membership/ Chairmanship of the Board Committees in other companies.

4. RITESH TIWARI

(DIN: 05349994)

Mr. Ritesh Tiwari (48) 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. He was appointed as a Whole-time Director of the Company with effect from 1st May, 2021. Mr. Tiwari joined the Company as a Management Trainee in 1999 after completing his certification as a Chartered Accountant and Cost and Management Accountant.

Over the last 24 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-focused, high energy and results-oriented business leader.

Directorship in other companies:

Name of the Company	Designation
Unlisted:	
Hindustan Unilever Foundation	Director
Unilever India Limited	Director
Bombay Chambers of Commerce and Industry	Director
Open Network for Digital Commerce	Independent Director

Mr. Tiwari does not hold any Membership/ Chairmanship of the Board Committees in other companies.

5. O.P. BHATT

(DIN: 00548091)

Mr. O. P. Bhatt (73) 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.

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 Motors Limited	Independent Director
Unlisted:	
Aadhar Housing Finance Limited	Director & Non-Executive Chairman

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	Designation
Listed:	
Tata Consultancy Services Limited:	
Nomination and Remuneration Committee	Chairperson
Audit Committee	Member
Corporate Social Responsibility Committee	Member
Tata Motors Limited:	
Corporate Social Responsibility	Chairperson
Audit Committee	Member
Nomination and Remuneration Committee	Member
Unlisted:	
Aadhar Housing Finance Limited:	
Risk Management Committee	Chairperson
Audit Committee	Member
Nomination and Remuneration Committee	Member
Asset Liability Management Committee	Member

6. SANJIV MISRA

(DIN: 03075797)

Dr. Sanjiv Misra (76) 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 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.

7. KALPANA MORPARIA

(DIN: 00046081)

Ms. Kalpana Morparia (74) 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 and has also been conferred Padma Shri Award.

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/ Council of Bharti Foundation, Foundation for Audit Quality and Krea University. She is also a member of the Mentor Council of Institute on Sustainability, Employment and Growth Opportunities.

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
Unlisted:	
Generation India Foundation	Director

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	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

8. LEO PURI

(DIN: 01764813)

Mr. Leo Puri (63) was the Managing Director of UTI Asset Management Company Limited from August, 2013 to August, 2018.

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. In his most recent role, he was the Chairman of J. P. Morgan for South & South East Asia. Mr. Puri has worked in the UK, USA and Asia since 1994. He is based in Singapore.

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 the Chairperson of Risk Management Committee and a Member the Audit 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
Unlisted:	
Tata Sons Private Limited	Independent Director

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	Designation
Listed:	
Dr. Reddy's Laboratories Limited	
Nomination, Governance and Compensation Committee	Member
Science, Technology and Operations Committee	Member
Unlisted:	
Tata Sons Private Limited	
Audit Committee	Member
Group Risk Management Committee	Member

9. ASHU SUYASH

(DIN: 00494515)

Ms. Ashu Suyash (57) is a successful leader with over 35 years of experience in Indian financial services and the global information services sector. As CEO, she led several Indian and multinational businesses, set up and scaled new businesses, and has driven transformation and change. She is currently the Founder & CEO of Colossa Ventures, a unique investments ecosystem that powers women entrepreneurs with capital, capability, and confidence building. It has recently launched a fund for women focused businesses.

Prior to setting up Colossa, Ms. Suyash was the Managing Director & CEO of CRISIL Limited, and a member of the Global Operating Committee of S&P Global Inc. She played a pivotal role in enabling CRISIL regain its Ratings Leadership position, grow its local and global research & analytics businesses to become a leading Global analytics company.

Ms. Suyash's previous roles were as CEO of L&T Investment Management Limited, and as the Country Head and Managing Director of Fidelity's Indian Mutual Fund Business, a business she helped set up and grow. She started her career with Citibank India where she held several key positions across their corporate and investment banking group.

Ms. Suyash is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a 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.

Name of the Company	Designation
Listed:	
Kotak Mahindra Bank Limited	Independent Director

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	Designation
Listed:	
Kotak Mahindra Bank Limited	
Stakeholders Relationship Committee	Chairperson
Credit and Investment Committee	Chairperson
Stakeholders Relationship Committee	Chairperson
Subsidiary Oversight & Governance Committee	Chairperson
Group Risk Management Committee	Chairperson
Audit Committee	Member
Risk Management Committee	Member

10. RANJAY GULATI

(DIN: 10053369)

Mr. Ranjay Gulati (62) comes with a rich understanding of Business Strategy and is presently, a Professor at Harvard Business School. He is an expert in 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 was appointed as an Independent Director on the Board of the Company with effect from 1st April, 2023. He is a Member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder's Relationship Committee of the Company.

Mr. Gulati does not hold any Directorship or Membership/Chairmanship of the Board Committees in other companies.

11. NEELAM DHAWAN

(DIN: 00871445)

Ms. Neelam Dhawan has vast experience in the information technology industry. Starting from 1982, she has held various positions including that of Managing Director, across HCL, IBM, Microsoft and Hewlett Packard. Her last executive assignment was that of Vice President Asia Pacific and Japan, for Hewlett Packard Enterprise till March 2018.

Ms. Dhawan is on the Governing Board of IIIT, Delhi. She also advises and mentors various organisations on business transformation. She was on the Supervisory Board of Royal Philips, Netherlands (2012 to 2022) and the Head of IBM India Advisory board from December 2018 till August 2020.

Over several years, leading business journals such as Fortune, Forbes and Business Today have recognised her as one of the Most Powerful Women in Business. Her main area of expertise is managing complex technology businesses in highly matrixed organisations. She has experience of IT transformation across multiple industries: banking and finance, telecommunications, manufacturing, health care and government.

Ms. Dhawan has been a key participant in shaping the IT industry in India. Her career span covered the industry's major milestones and had the opportunity to work alongside the key architects of the sector in India. She was on the NASSCOM Executive Council from 2009 to 2017 and made significant contributions to the industry strategy and public policy frameworks. She is passionate on encouraging Diversity at Work and also Women in Technology. She has been working on various initiatives to encourage STEM education for girls. Ms. Dhawan is an Economics Graduate from St Stephen's College, Delhi University. She also has a MBA degree from Faculty of Management Studies, University of Delhi, India.

Ms. Dhawan was appointed as an Independent Director on the Board of the Company with effect from 1st August, 2023. She is a Member of Nomination and Remuneration Committee, Environmental Social and Governance Committee and Risk Management Committee of the Company.

Directorship in other companies:

Name of the Company	Designation
Listed:	
ICICI Bank Limited	Independent Director
Yatra Online Limited	Non- Executive Non-Independent Director
Unlisted:	
Capillary Technologies India Limited	Chairperson
Fractal Analytics Private Limited	Non-Executive Director
Nudge Lifeskills Foundation	Director

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	Designation
Listed:	
ICICI Bank Limited	
Board Governance, Remuneration & Nomination Committee	Chairperson
IT Strategy Committee	Member
Fraud Management Committee	Member
Yatra Online Limited	
Stakeholders Relationship Committee	Chairperson
Corporate Social Responsibility Committee	Chairperson
Nomination and Remuneration Committee	Member
Unlisted:	
Capillary Technologies Limited	
Risk Management Committee	Chairperson
Stakeholder's Relationship Committee	Chairperson
Audit Committee	Member
Nomination Remuneration Committee	Member

12. TARUN BAJAJ

(DIN: 02026219)

Mr. Tarun Bajaj belongs to the Indian Administrative Service, 1988, Haryana Cadre. He was the Revenue Secretary, Government of India before he superannuated in November 2022. Mr. Bajaj was responsible for various important policy matters related to revenue collection and taxation, as the Revenue Secretary. He played a key role in the stabilisation of the Goods and Services Tax (GST) and also contributed to the substantial increase in collections of revenue under GST and Income Tax. As the Economic Affairs Secretary, he was responsible for various important policy matters related to the Indian economy, including fiscal policy, investments and infrastructure financing. He played a key role in formulating the Government's economic response to the COVID-19 pandemic, including the rollout of various relief measures and economic stimulus packages.

As Economic Affairs Secretary, Mr. Bajaj chaired the National Investment and Infrastructure Fund. He has also served as the Director on the Central Board of the Reserve Bank of India and on the board of SEBI. He has served as Governor of India for International Fund for Agriculture Development and as Alternate Governor of India for the World Bank (for the constituency of India, Bangladesh, Bhutan and Sri Lanka), Asian Development Bank, Asian Infrastructure Investment Bank and New Development Bank. He has earlier served on the Boards of SIDBI, Bank of Maharashtra, Bank of India, General Insurance Corporation Limited, New India Assurance Company Limited and United India Insurance Company Limited.

Mr. Bajaj has a Bachelor's Degree in Commerce from Shri Ram College of Commerce, Delhi University, Post Graduate Diploma in Management (MBA) from IIM Ahmedabad and Post Graduate (M.Sc.) from London School of Economics and Political Science. He is also CFA from Institute of Chartered Financial Analysts of India, Hyderabad.

Mr. Bajaj was appointed as an - Independent Director on the Board of the Company with effect from 1st December, 2023 and is a Member of Audit Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and Risk Management Committee.

Directorship in other companies:

Name of the Company	Designation
Unlisted:	
PhonePe Private Limited	Independent Director

Membership/Chairmanship of Board Committees in other companies:

Name of the Company	Designation
Unlisted:	
PhonePe Private Limited	
Risk Management Committee	Chairperson

13. MR. BITTIANDA PONAPPA BIDDAPPA[1]

(DIN: 06586886)

Mr. Biddappa (57) is currently the Chief HR Officer for Global Home Care and Head, Global Employee Relations for Unilever. He started his professional career as a financial consultant in AF Ferguson & Co. and started his over three-decade-long career in Unilever with a factory stint in the Company and then moved on to undertake a variety of roles, from leadership development to business partnering, across several Unilever businesses and led HR for Unilever in Maghreb, Bangladesh, and India.

During his last stint in HUL, he was instrumental in setting up the Winning in Many Indias approach, creating a more agile and focused business unit framework in South Asia and launching the Prabhat community development program. He also built a strong performance culture which meant HUL people function led Unilever on almost all key metrics, with HUL being #1 Employer of Choice (EoC) for 5 of the 6 years and all South Asia businesses achieved #1 rank on EoC for all years including Unilever Nepal which also turned to #1. Over the last 5 years, he has led two critical expertise functions for Unilever globally – Organisation Development & People Analytics and Global Employee Relations. He also helped set up and build the Health and Well-being business for Unilever as well as the Unilever Professionals business.

Mr. Biddappa has a Bachelor's Degree in Economics from Delhi University and an MBA from XLRI, Jamshedpur.

Mr. Biddappa does not hold any Directorship or Membership/Chairmanship of the Board Committees in other companies.

[1] Mr. B. P. Biddappa has been appointed as the Additional Director - Whole-time Director of the Company with effect from 1st June, 2024

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
Citibank	ICICI Bank	Union Bank of India
HDFC Bank	Punjab National Bank	State Bank of India
JP Morgan		Axis Bank

PLANT LOCATIONS

Branch	Address
Central	**Chhindwara** 5/6, KM Stone, Narsinghpur Road, Village Lehgadua, Post Sarna, 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 Nabha-147 201, District Patiala, Punjab
	Nalagarh Hudbust No. 143, Khasra No. 182/183/187/1, Village Kirpalpur, Near Nalagarh Fire Station, Tehsil Nalagarh, District Solan-174101 Himachal Pradesh
	Rajpura A-5, Phase 2-B, Focal Point, Rajpura-140 401, Punjab
	Sonepat 14 KM Stone, Sonepat-Meerut Road, Village Khewra, P. O. Bahalgarh, District Sonepat, Haryana-131 021

Branch	Address
South	**Cochin** Ernakulam North PO, 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
West	**Chiplun** B-7/17,Lote Parshuram MIDC Post Box Lote khed taluka , Dist-Ratanagiri, Chiplun 415722
	Khamgaon C-9, MIDC, Khamgaon 444303, Maharashtra
	Amli HPC factory- PP AMIL Survey No-907, Kilwani Road Amil village, Near Gandhigram bus stop, Silvassa 396230
	Dadra & Nagar Haveli Silvassa Detergents factory, Survey No 151/1/1, Dapada Village, Khanvel Road, Silvassa – 396 230
	Nashik ICECREAM factory, Plot No-A-8/9, MIDC,Malegaon, Sinnar 422103 , Nasik

Notes

Concept, content and design at stirrup | whatsup@stirrup.works

Hindustan Unilever Limited

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Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai-400 099

CIN: L15140MH1933PLC002030

Website: www.hul.co.in