

**HINDUSTAN UNILEVER LIMITED**

**MINUTES OF THE 87TH ANNUAL GENERAL MEETING OF THE MEMBERS OF  
HINDUSTAN UNILEVER LIMITED HELD THROUGH VIDEO CONFERENCE  
/ OTHER AUDIO VISUAL MEANS, ON TUESDAY, 30TH JUNE, 2020 AT 3.00 P.M.**

**Present through Video Conference / Other Audio Visual Means:**

**Members of the Board of Directors:**

**Mr. Sanjiv Mehta**

**Chairman and Managing Director and as  
a member of the Company**

Also, as an Authorised Representative of Unilever PLC, Brooke Bond Group Limited, Brooke Bond Assam Estates Limited, Brooke Bond South India Estates Limited, Unilever Overseas Holdings AG, Unilever Overseas Holdings B.V. and Unilever UK & CN Holdings Limited

Also as the Chairman of the Risk Management Committee and a member of the Company

**Mr. O. P. Bhatt**

**Independent Director**

Also, as the Chairman of the Corporate Social Responsibility Committee and Stakeholders' Relationship Committee of the Company and as a member of the Company

**Dr. Sanjiv Misra**

**Independent Director**

Also, as the Chairman of the Nomination and Remuneration Committee of the Company and as a member of the Company

**Ms. Kalpana Morparia**

**Independent Director**

**Mr. Leo Puri**

**Independent Director**

Also, as the Chairman of the Audit Committee of the Company

**Dr. Ashish Gupta**

**Independent Director**

**Mr. Srinivas Phatak**

**Executive Director, Finance & IT and  
Chief Financial Officer and as a member  
of the Company**

<b>Mr. Dev Bajpai</b>	<b>Executive Director, Legal &amp; Corporate Affairs and Company Secretary and as a member of the Company</b>
<b>Mr. Wilhelmus Uijen</b>	<b>Executive Director, Supply Chain</b>

**Members of the Management Committee:**

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

1. Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., the Solicitors of the Company, Mr. Akeel Master, Audit Partner of M/s. BSR & Co., LLP, Chartered Accountants, Statutory Auditors of the Company and Mr. S. N. Ananthasubramanian of M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors of the Company had joined through Video Conferencing by invitation. Mr. Aditya Narayan had joined the meeting as an Invitee through VC / OAVM.
2. In aggregate, 328 Members were joined through Video Conferencing and 7 Members were represented by their authorised representatives.
3. In accordance with Article 112 of the Articles of Association of the Company, Mr. Sanjiv Mehta, Chairman and Managing Director of the Board took the Chair.
4. The following documents and Registers were placed on the website of National Securities Depository Limited (NSDL) for inspection by the members:
  - (i) Notice convening the 87th Annual General Meeting;
  - (ii) Report of Board of Directors along with Annexures thereto for the financial year ended 31st March, 2020;
  - (iii) The Audited Financial Statements and Auditors' Report thereon for the financial year ended 31st March, 2020;

- (iv) The Register of Directors' and Key Managerial Personnel and their shareholdings (remained open for inspection during the meeting);
  - (v) The Register of Contracts or arrangements in which the Directors were interested (remained open for inspection during the meeting);
  - (vi) Auditors' Certificate in respect of Employees' Stock Option Plan of the Company (remained open for inspection during the meeting).
5. At 3.00 p.m., the Chairman commenced the meeting by welcoming the Members to the 87th Annual General Meeting (AGM). He also extended a special welcome to the Shareholders of erstwhile GlaxoSmithKline Consumer Healthcare Limited (GSK CH), who had joined the Hindustan Unilever family post completion of the merger of GSK CH business with the Company effective 1st April, 2020. Then Chairman announced that the requisite quorum being present, the meeting was called to order.
  6. The Chairman informed that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms, the AGM was conducted through the Audio Video means. The AGM was convened and conducted in accordance with the circulars issued by Ministry of Corporate Affairs (MCA), i.e. General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other relevant circulars issued by MCA and Securities and Exchange Board of India (SEBI), which allowed the companies to conduct their AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020.
  7. The Chairman further informed that the Company had taken all steps to ensure that the Shareholders were able to attend and vote at this AGM in a seamless manner. He also stated that the Company had tied up with NSDL to provide facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM.
  8. The Chairman informed the Members that the Company had provided the facility of Live Webcast of proceedings of the AGM which would enable to the members to view the AGM live from remote locations by logging on the e-voting website of NSDL. He also stated that he had joined the meeting from Mumbai through Audio Video means.
  9. The Chairman informed the members that Mr. Aditya Narayan, Independent Director and Chairman of the Audit Committee had ceased to be an Independent Director of the Company after his term of appointment had come to an end effective 29th June, 2020, after serving 19 years on the Board of the Company. On behalf of the Board and the Shareholders, the Chairman thanked Mr. Narayan for his immense contribution and guidance to the Company as Independent Director and Chairperson of the Audit Committee over the years. He also informed that Mr. Narayan had joined the AGM as an invitee and the Chairman invited him to share a few words. Mr. Narayan thanked the Company and the Board for the support that he had received during his tenure as an Independent

Director and as Chairman of the Audit Committee and as member of other Board Committees. He thanked the Chairman for inviting him to the AGM and wished the Company well in the future.

10. The Chairman requested the members of the Board who had joined the meeting through Video Conference to introduce themselves. Mr. Leo Puri, Mr. O. P. Bhatt, Dr. Sanjiv Misra, Ms. Kalpana Morparia, Dr. Ashish Gupta, Mr. Srinivas Phatak, Mr. Dev Bajpai and Mr. Wilhelmus Uijen introduced themselves to the members and stated that they had joined the meeting from Singapore, Mumbai, Noida (U.P.), Mumbai, USA, Mumbai, Mumbai and Mumbai respectively.
11. The Chairman welcomed Dr. Ashish Gupta who was appointed as an Independent Director w.e.f. 31st January, 2020, and Mr. Wilhelmus Uijen who was appointed as an Executive Director, Supply Chain and member of the Management Committee w.e.f. 1st January, 2020, succeeding Mr. Pradeep Banerjee. The Chairman placed on record the appreciation for Mr. Pradeep Banerjee, Executive Director, Supply Chain who stepped down from the Board with effect from 31st December, 2019. On behalf of the Board, he thanked Mr. Pradeep Banerjee for his invaluable contribution to Unilever over the years and wished him success for his future.
12. The Chairman further, welcomed Mr. Akeel Master, Audit Partner of M/s. BSR & Co. LLP, who had signed this year's Auditors' Report and Annual Accounts, Mr. S. N. Ananthasubramanian of M/s. S. N. Ananthasubramanian & Co., Company Secretaries, Secretarial Auditors of the Company, and Mr. Sanjay Buch, Partner of M/s. Crawford Bayley & Co., Solicitors of the Company, who had joined the meeting through Video Conferencing.
13. The Chairman also, welcomed members of the Management Committee of the Company, Ms. Priya Nair, Executive Director, Beauty & Personal Care, Mr. Sudhir Sitapati, Executive Director, Foods and Refreshment, Mr. Srinandan Sundaram, Executive Director, Sales and Customer Development, Ms. Anuradha Razdan, Executive Director, Human Resources, Dr. Vibhav Sanzgiri, Executive Director, Research & Development, Ms. Prabha Narasimhan, Executive Director, Home Care, who had joined the meeting through Video Conferencing. He also welcomed Ms. Prabha Narasimhan, to her first AGM as a member of the Management Committee. Ms. Prabha was appointed as Executive Director, Home Care and member of Management Committee w.e.f. 1st February, 2020.
14. The Chairman placed on record the appreciation for the contribution made by Mr. Sandeep Kohli in his capacity as an Executive Director, Beauty & Personal Care and Member of the Management Committee of the Company. Mr. Kohli was appointed as Vice President, Beauty & Personal Care for the Unilever Business in North Africa, Middle East, Turkey and Russia markets, during the year and has consequently ceased to be a member of the Management Committee of the Company.



15. Thereafter, the Chairman commenced the formal agenda of the AGM and with the consent of the Members present, the Notice convening the meeting, the Report of Board of Directors along with annexures thereto and the Financial Statements for the financial year ended 31st March, 2020 as circulated to all the members in compliance with the relevant circulars of MCA were taken as read.
16. The Chairman informed that as the AGM was conducted through Audio Visual Means, the requirement for appointment of proxy and its related compliances were not applicable. He further announced that 7 (Seven) representations under Section 113 of the Companies Act, 2013 from Unilever PLC and its Affiliates, covering total of 145,44,12,858 (One Hundred and Forty Five Crore Forty Four Lac Twelve Thousand Eight Hundred and Fifty Eight) shares of Re.1/- each, had been received.
17. The Chairman further stated that as required under the Companies Act, 2013, the Register of Authorised Representatives, the Register of Directors and Key Managerial Personnel and their shareholding along with the Register of Contracts or Arrangements in which the Directors are interested, a Certificate from the Auditors of the Company confirming that the Employees Stock Option Plan had been implemented in accordance with SEBI Guidelines and the resolutions passed by Members of the Company in General Meetings, were open for inspection on the website of NSDL.
18. The Chairman informed the shareholders that the Auditor's Report on the Annual Financial Statements of the Company for the financial year ended 31st March, 2020 did not contain any qualifications, observations or comments on financial transactions or matters, which had adverse effect on the functioning of the Company. He stated that in the terms of Section 145 of the Companies Act, 2013, only the qualifications, observations or comments, mentioned in the Auditor's Report, which had any adverse effect on the functioning of the Company, were required to be read at the Meeting. Since there were no such qualifications, observations or comments, the Auditors Report was not required to be read.
19. The Chairman informed that the Company had provided the facility of e-voting to its Shareholders to exercise their right to vote on the Resolutions proposed to be passed at the AGM. The Chairman then requested Mr. Dev Bajpai to brief the Members about the e-voting procedure at the Meeting.
20. Mr. Dev Bajpai informed the members that as per the provisions of the Companies Act, 2013 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ('Listing Regulations') the Company had provided the facility of remote e-voting to the members through NSDL e-voting system, to enable them to cast their vote electronically. The remote e-voting was open from 9.00 a.m. on Thursday, 25th June, 2020 till 5.00 p.m. on Monday, 29th June, 2020. The members were also informed that who had not cast their vote through remote e-voting process, had been provided with facility to cast vote during the AGM using the e- voting website of NSDL.

21. Mr. Dev Bajpai further informed that Mr. S. N. Ananthasubramanian, Practicing Company Secretary was appointed as the Scrutiniser for the e-voting process.
22. Mr. Dev Bajpai further stated that all Shareholders who had joined the meeting were placed on mute mode by default to ensure smooth functioning and transmission of the meeting's proceedings. During the Question & Answer session, the Chairman would announce the names of the Shareholders who had registered themselves as Speakers for the meeting, in sequence. The lines of the respective Shareholder would be unmuted by the moderator when their name would be called out by the Chairman. Shareholder while asking questions or seeking clarifications can put their video on. In case any Shareholder facing any technical problem can contact the helpline numbers mentioned in the notice of the meeting.
23. The Chairman then took over the proceedings and informed the members about the flow of events at the AGM and stated that after his speech, he would move all the resolutions as set out in the Notice of AGM and then would move to the discussion and Questions & Answers (Q&A) session. On the conclusion of the discussion and Q&A session, the members could cast their vote on the resolutions through e-voting. The Chairman further informed that combined results of remote e-voting and e-voting at the venue of the meeting would be announced and made available on the website of the Company, on the website of NSDL and also on the website of the Stock Exchanges.
24. The members gave their consent to the said flow of AGM proceedings and the Chairman then shared his views on a subject that was relevant in the current environment for the Company and read excerpts from his speech titled 'Chartering the Unchartered, Normalising the Abnormal'. A copy of excerpts from the speech is attached as Annexure 1.
25. The Chairman then took up the official business of the meeting by requesting Mr. Dev Bajpai to give a brief of the Resolutions forming part of the Notice.
26. Mr. Dev Bajpai informed the members that there were in total 8 (Eight) Resolutions proposed to be passed in the AGM and same were forming part of the **Notice of the AGM at Page No. 218** of the Annual Report. Since the Notice had already been circulated to the Members and the Resolution had been put to vote through remote e-voting, the resolutions were taken as read. For the benefit of members attending the meeting, he further provided a brief of the resolutions.
27. Following agenda and resolutions as mentioned in the Notice of the AGM were deemed to be approved by the members:

**Item No. 1****ANNUAL FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

28. Mr. Dev Bajpai informed that the Ordinary Resolution for Item No. 1 of the Notice was pertaining to adoption of the audited Financial Statements including audited Consolidated Financial Statements for the financial year ended 31st March, 2020 and the Report of Board of Directors and Auditors' Report thereon. The Resolution for Item No. 1 of the Notice read as follows:

"RESOLVED THAT the Audited Statement of Balance Sheet, Profit and Loss, Statement of Cash Flows and Audited Consolidated Financial Statements for the financial year ended 31st March, 2020, the Report of Board of Directors and the Auditors' Report, as circulated to the Members and laid before the meeting, be received, considered and adopted."

**Item No. 2****CONFIRMATION OF INTERIM DIVIDEND AND DECLARATION OF FINAL DIVIDEND**

29. Mr. Dev Bajpai further informed that the Ordinary Resolution for Item No. 2 of the Notice was with respect to the Declaration of Dividend. The Board of Directors at their meeting held on 14th October, 2019 had declared an Interim Dividend of Rs. 11/- for every Equity Share of Re. 1/- each. Further, the Board of Directors at their meeting held on 30th April, 2020 had proposed Final Dividend of Rs. 14/- for every Equity Share of Re. 1/- each for the financial year ended 31st March, 2020. The Resolution for Item No. 2 of the Notice read as follows:

"RESOLVED THAT the interim dividend of Rs. 11/- for every Equity Share of face value of Re. 1/- each, paid to the Shareholders for the financial year ended 31st March, 2020, as per the Resolution passed by the Board of Directors at their meeting held on 14th October, 2019, be and is hereby noted and confirmed.

RESOLVED FURTHER THAT the final dividend of Rs. 14/- for every Equity Share of face value of Re. 1/- each for the financial year ended 31st March, 2020 as recommended by the Board of Directors at their meeting held on 30th April, 2020 be and is hereby declared."

**Item No. 3 to Item No. 5****RE-APPOINTMENT OF DIRECTORS**

30. Mr. Dev Bajpai also informed that the Ordinary Resolution(s) for Item Nos. 3 to 5 of the Notice were with respect to Re-appointment of Executive Directors. As per the Articles of Association of the Company and the statutory requirement of the Companies Act, 2013, all Directors, other than the Managing Director and Independent Directors, retire at the Annual General Meeting each year.

31. The Resolution set at Item No. 3 of the Notice read as follows:

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

32. The Resolution set at Item No. 4 of the Notice read as follows:

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

33. The Resolution set at Item No. 5 of the Notice read as follows:

“RESOLVED THAT Mr. Wilhemus Uijen (DIN: 08614686), be and is hereby re-appointed as Director of the Company.”

**Item No. 6****APPOINTMENT OF DR. ASHISH GUPTA AS AN INDEPENDENT DIRECTOR FOR A TERM UPTO FIVE YEARS**

34. Mr. Dev Bajpai informed the members that Ordinary Resolution for Item No. 6 of the Notice was with respect to the appointment of Dr. Ashish Gupta as an Independent Director of the Company for a period of five consecutive years. Dr. Ashish Gupta was appointed as an Additional Director on 31st January, 2020 and shall hold office upto the date of Eighty-Seventh Annual General Meeting. Mr. Dev Bajpai requested approval from the members for an appointment for five consecutive years.

35. The Resolution set at Item No. 6 of the Notice was as follows:

“RESOLVED THAT in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory

modification(s) or re-enactment thereof for the time being in force), Dr. Ashish Sharad Gupta (DIN : 00521511), who was appointed as an Additional Director of the Company with effect from 31st January, 2020, pursuant to Section 161 of the Act and Article 145 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from 31st January, 2020 to 30th January, 2025.”

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

#### **EXTENSION OF TERM OF REMUNERATION OF NON – EXECUTIVE DIRECTOR(S)**

36. Mr. Dev Bajpai informed that the Ordinary Resolution for Item No. 7 of the Notice was with respect to extension of term of remuneration of Non – Executive Director(s) of the Company.
37. Mr. Dev Bajpai further informed that the Members of the Company, at the Annual General Meeting 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 five years. It was proposed to extend the time period for the aforesaid limits of remuneration without any change in the overall limits of ₹300 lakhs of remuneration payable to Non-Executive Directors from 1st April, 2020 for a period of three years i.e. till 31st March, 2023. Further None of the Directors or Key Managerial Personnel and their relatives (except Independent Directors), was concerned or interested (financially or otherwise) in the Resolution.
38. The Resolution set at Item No. 7 of the Notice read as follows:
 

“RESOLVED THAT in supersession of the resolution passed by the Members at the Annual General Meeting held on 29th June, 2015 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (‘the Act’) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 148 of the Articles of Association, 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 three years commencing from 1st April, 2020 to 31st March, 2023, such sum by way of commission 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 in any financial year as may be specified under the Act, from time to

time and computed in the manner provided under Section 198 of the Act, or ₹ 300 lakhs in aggregate, whichever is lower.”

#### **Item No. 8**

#### **RATIFICATION OF THE REMUNERATION OF M/S. RA & CO., COST ACCOUNTANTS FOR THE FINANCIAL YEAR ENDING 31ST MARCH, 2021.**

39. Mr. Dev Bajpai further informed that the Ordinary Resolution for Item No. 8 was with respect to ratification of the remuneration payable to M/s. RA & Co., Cost Accountants, who were appointed to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021.
40. The Resolution set at Item No. 8 of the Notice read as follows:
- “RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, amounting to ₹ 12 lakhs (Rupees Twelve Lakhs only) as also the payment of taxes, as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”
41. After the above resolutions were being briefed and deemed to be read, the Chairman then took over the proceedings and invited members who would like to make comments, make observations and seek clarifications.
42. The following Members had registered themselves as speakers and spoke or their questions were taken up by the Chairman on various Items of the Reports and Financial Statements for the year and sought clarifications.

<b>Sr. No.</b>	<b>Names</b>	<b>Sr. No.</b>	<b>Names</b>
1	Mr. Abhijeet Srivastav	7	Mr. Gautam Kedarprasad Tiwari
2	Mr. Mehul Shah	8	Mr. Rajendraprasad Devprasad Joshi
3	Mr. Jaydip Bakshi	9	Ms. Hutokshi Sam Patel
4	Mr. Manish Harish Shah	10	Mr. Deep Janak
5	Mr. Balasundaram R	11	Mr. Harshad Laxmidas Savani
6	Mr. T G Ramakrishnan	12	Mr. Arun Kumar Boppana

Sr. No.	Names	Sr. No.	Names
13	Mr. Beruz Feramroz Pouredahi	24	Ms. Lekha Shah
14	Ms. Homayun Beruz Pouredahi	25	Mr. Dinesh Gopaldas Bhatia
15	Mr. Sridhar Jayaraman	26	Mr. Sharadkumar Jivraj Shah
16	Ms. Smita Bharat Shah	27	Mr. Anil S Gabria
17	Mr. B S Srimal	28	Mr. Adil Polad Irani
18	Ms. Vasudha Vikas Dakwe	29	Mr. Yusuf Yunus Rangwala
19	Mr. Nand Sardana	30	Ms. Meenabai Santosh Bora
20	Mr. K Raja Venkatasubramaniam	31	Mr. Ashish Shankar Bansal
21	Mr. Santosh Kumar Saraf	32	Ms. Usha M Kanvinde
22	Mr. Vinay Bhide	33	Mr. Suresh Khanolkar
23	Mr. Anis Ahmed Khan	-	-

43. The following were some of the comments from the Members:
- Appreciated the financial results achieved by the Company;
  - Appreciated the contribution made by the Company for Covid 19;
  - Appreciated various awards and recognitions received by the Company;
  - Appreciated the amount of dividend payout.
44. The feedback/suggestion from members were also heard at the meeting. Several suggestions were made by more than one member and they related to:
- Issue bonus shares and
  - Gave suggestions related to product promotions.
45. Some of the queries from Members were as follows:
- What is the adverse effect on the business of our Company from March onward due to lockdown?
  - What are all the effective actions taken in the manufacturing plants for mitigating the current covid-19 situation apart from general safety precautions?
  - What are company's future plans to overcome this pandemic?
  - Packaging: Company has been laying emphasis on reduced use of plastics, use of recycled plastics. What efforts are being made for use of alternative packaging materials in the future?
  - All assets of GSK CH taken over. What is the future of OTC brands like crocin, ENO?

46. The Chairman thanked the Members for the kind words and appreciation and stated that their suggestions and feedback would be evaluated. The Chairman responded to the queries raised by Members present at the Meeting.
47. The Chairman stated that the impact of COVID for MQ 2020 was ~ 12% and for FY 2019-2020 was ~ 3%. He further informed that normative growth level of 2-3% without COVID but ended with negative 9%. ~ 50% impact from reduced stock levels at distributor locations and balance from lower stocks at retailers and loss of consumer demand. ~ 2% from loss in Ice creams and OOH business. The incremental operating costs due to COVID lead to impact on profitability in short term.
48. The Chairman informed that the Company worked closely with the Government, to set the standard so that the Company could open up a factory with the right protocol. The Company had significantly removed the planning cycle so that it could be much more agile and much more speedier with minimal number of workers in the factory with longer shift lines. The Company had significantly removed complexity, the number of SKUs were reduced, because of fewer people, fewer factories running. The other measures was in terms of bringing in new processes, new suppliers so that wherever the issues with respect to raw material suppliers the Company could quickly switch over to new formulations or to new suppliers.
49. The Chairman informed that the Company had 5 priorities to support multiple stakeholders: People, Supply, Demand, Society, Cash-Cost with positive volume share, penetration, WiMI play, portfolio straddling pyramid. The Chairman informed that that the initial focus was on essentials and now moving beyond that. The Company had worked with the Government with shorter planning cycles and longer shifts. The Company had extensive groundwork with innovating and bringing new processes, alternate suppliers, focusing on key SKUs, new formulations.
50. The Chairman informed that for plastic packaging the commitments are very clear that all our packaging to be 100% reusable, recyclable or compostable by 2025. In the next couple of years, the Company will become a plastic neutral Company, i.e. the plastic consumed in our packaging, will be collected and safely disposed off.
51. The Chairman informed that all assets of GSK CH have been taken. All the assets and liabilities of GSK have been taken over at the fair value. Assets acquired include property, plant and equipment, intangible assets like brand, customer relationships and working capital. Now, the Company would distribute their OTC and Oral Health Products under a consignment selling agreement for a period of five years, which can be extended on a mutual agreement.



52. After responding to all the queries of Members, the Chairman handed over the e-voting process to the Scrutiniser. The e-voting facility was open at the NSDL e-voting website after completion of the proceedings of AGM for 15 minutes to enable the shareholders to cast their votes.
53. The Chairman further informed that combined results of remote e-voting and e-voting during the meeting would be announced and made available on the website of the Company, on the website of NSDL and also on the website of the Stock Exchanges.
54. The Chairman thanked the Shareholders for their co-operation in conducting the meeting through the Audio Video means for the first time.
55. The Chairman also thanked all Directors and Members of the Management Committee who had joined the meeting. Further he stated that the meeting would stand concluded at the end of 15 minutes.
56. The meeting concluded at 7.25 p.m.
57. The results of the e-voting (attached as Annexure II) was declared on 1st July, 2020 based on the report of the scrutinisers dated 30th June, 2020.

Entered in the Minutes Book on 24th day of July, 2020 at Mumbai

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

**Annexure 1****Chartering the Unchartered, Normalising the Abnormal****Section I: COVID-19 - A Black Swan or an Omnipresent Reality**

Epidemics and pandemics have ravaged humanity since its very existence, often changing the course of history and at times, signalling the end of entire civilisations. Ironically, the evidence of the first epidemic dates to Circa 3000 BC; it was in '*Hamin Mangha*', one of the best-preserved archaeological sites in North Asia. Subsequently, we have seen waves of plagues, flus and viruses affecting humankind. From the Black Death to the plagues across America, London, Marseille, and Russia to the Spanish and Asian Flus, all have ravaged civilisation for centuries. In fact, in the last two decades we have seen more such quandary, Swine Flu, Ebola, AIDS and Zika virus to name a few, than what we have seen in over a century.

Many may refer to COVID-19 as a Black Swan event, however, the truth is that the risk of a pandemic was always there. Years of abuse and non-sustainable consumption has ravaged nature. The effects of climate change and loss of biodiversity have spurred a rise in zoonotic diseases, infections that come from animals. In fact, UN environment Chief, Inger Anderson had warned, "Never before have so many opportunities existed for pathogens to pass from wild and domestic animals to people," and had explained that 75% of all emerging infectious diseases come from wildlife.

The COVID-19 crisis is a societal crisis threatening lives and the well-being of our society with a potential to fundamentally reshape the world. It has so far affected nearly 10 million people and the number of people who have died is approaching the half a million mark. In India, we have crossed the half a million mark in number of cases and more than fifteen thousand people have already died. The economic fallout of this crisis is inevitable. With more than 90% of the World's GDP in lockdown at some time or the other in the last few months, this is having a far-reaching impact on world economy. The International Monetary Fund pegs the cumulative output loss over 2020 and 2021 from the pandemic crisis at around \$ 9 trillion.

The world must come together to protect lives and health of our people, manage the immediate term implications of its effect on the economies and livelihoods and search for lasting solutions.

**Section II: Protecting Lives****II. i. The virus**

The Novel Coronavirus responsible for the current pandemic (originally referred to as nCoV) is a new strain that had not been previously identified in humans. On 11 February 2020, WHO announced an official name for the Novel Coronavirus disease: coronavirus disease 2019 (COVID-19) and the virus was renamed SARS-CoV-2. This epidemic is different in the sense that there is very little natural immunity to this virus and there is no certain cure and vaccine at present. It is also highly infectious, and the

virus has jumped from animal to human and then adapted itself for human to human transmission.

## **II. ii. The lockdown and public health**

As a part of its containment strategy, the government instituted a nation-wide lockdown, which was then extended on multiple occasions till the end of May and now continues as a vertical lockdown in different parts of the country where the cases are severe. The lockdown did slow down significantly the spike in the number of cases and succeeded in reducing the  $R_0$  (reproduction rate) from the earlier 3 to close to 1.7. This needs to come down to  $<1$  for the infection to be controlled. The national lockdown was essential to prevent an overload on the country's fragile health care system given that the number of ICUs and ventilators would have been insufficient had there been a surge of cases. This also gave time to the government to boost the healthcare infrastructure.

As the economy opens, the risk of getting infected will also rise. The best way to contain this pandemic will be the time-tested public health principles of contact tracing followed by testing and treatment, quarantine of suspect cases and sound public health hygiene practices i.e. cough etiquette and use of masks, frequent handwashing with soap and water or use of sanitizer and physical distancing .

India has significant challenges in healthcare infrastructure. The number of hospital beds at 8.5 per 10,000 citizens are one fourth and even less than developed countries on per capita basis. The rural healthcare system in India is neither adequate nor prepared to contain COVID-19 transmission, especially in the densely populated states.

The country should convert the challenges emanating from the current crisis into a massive opportunity. Money should be diverted towards building healthcare infrastructure, the spend on healthcare should be ramped up and investment in healthcare systems should be provided an infrastructure tag with attendant benefits. India has a massive opportunity to become an 'affordable and quality' healthcare capital of the world.

## **II. iii. The humble soap**

Soap contains fat-like substances known as 'amphiphiles', some of which are structurally very similar to the lipids (fats) in the virus membrane. These compete with the lipids in the virus membrane. Soap not only loosens the binding between the virus and the skin and helps dislodge and wash away the virus from the hands, but also disrupts and 'dissolves' this lipid membrane and disrupts the 'velcro-like' interactions that hold the proteins, lipids and RNA in the virus together – thereby inactivating the virus.

The biggest benefit of bar soaps is that they are the most democratized personal care product and generally affordable even by the poorest segments of our society. When you think about it, a 30 gm soap like Lifebuoy typically sells at Rs 5 in India and can last at least 50-60 handwashes and this is what stands between COVID-19 and us. It is 10 paise per wash! There is simply nothing more effective and cheaper, and till a vaccine/cure is found, a humble soap is humankind's best hope.

If for any reason you do not have access to soap and water, then choose a hand sanitizer with at least 60% alcohol. Avoid DIY sanitizer recipes as using any fatty, protein-based material will inactivate the alcohol and it will not be available to kill the virus. For the same reason, hand sanitizers may not be as effective if hands are visibly dirty or greasy. Hence use them only when soap and water is not available and when your hands are visibly clean.

#### **II. iv. Protecting our people**

This has, is and will remain our foremost priority. As a global business that runs on empowerment, trust and accountability, many of our people are used to working in an agile manner, and hence we were able to transition to 100% remote working of all our office-based employees from 17 March, a week before the national lockdown.

We set up and implemented, based on our global best practices, the WHO guidelines and the government requirements, tiered SOPs for health & safety in our operations accompanied with training and readiness drills to ensure that we minimise the risk of transmission across our value chain from suppliers to customers. We set up 'contact-less' operations at the interfaces where risk of virus ingress is highest. We also set up a supply chain to deliver more than five million PPE items within our ecosystem to support 100% compliance to our world class health and safety standards. We have widely circulated our Standard Operating Procedures to several industries across the country.

We are also ensuring that our distribution partners have access to PPEs and practice the necessary safety and hygiene standards. We have trained our sales representatives who in turn have cascaded key safety practices like disinfecting the stores at regular intervals, establishing physical distancing markers, and getting the stores to download the Arogya Setu app to hundreds of thousands of stores. We also used our online platform to disseminate training and information materials about hygiene practices to the retail stores.

We are ensuring that our medically vulnerable frontline employees have a clear mandate for them to stay at home. We are leveraging digital technology to repeatedly communicate with our frontline employees and their families through a mobile phone app to spread awareness about COVID-19 and to share safety and well-being modules for the entire family. In our factories, front line leaders have adopted families of employees to help them through this journey, making them aware of safety standards to be followed at home and in public, and ensuring they are always just a phone call away in case of an emergency. This has helped boost confidence among our people and reassured them about the safety protocols, and the health and hygiene measures that we have adopted in our factories.

Hindustan Unilever has a strong and very competent in-house Medical & Occupational Health team who provide unwavering support and expert advice to any employee or dependents who develop symptoms or feel stressed physically or mentally, and this has meant timely medical support to our people. We have also extended a COVID-19 medical insurance to thousands of people who work for our distributors in the frontline.

## **Section III. Economy and Business**

### **III. i. Economic impact**

The immediate impact of the national lockdown was severe supply chain constraints. As businesses pulled down shutters it manifested in empty shelves and shrinking pipelines. From a demand perspective the fear of loss of job, dwindling earnings and eroding investments have made people circumspect with their spends. The slowdown in the wheels of the economy could lead to a financial crisis in several parts of the world. While some will be able to raise funding or latch on to the lifeline sent by the governments, many businesses will stare at ruin. Investors will hesitate and look for robust Balance Sheets, resilient leadership, and hardy institutions. The impact will vary from country to country and from sector to sector with some seeing a relatively quick rebound whereas many others will feel a sustained loss of output.

Whether economies can avoid the recession or not, the path back to growth will depend on a range of drivers, such as the trajectory of virus, the effectiveness of containment efforts, the economic steps taken by the governments, the reaction and behaviour of the firms and consumers, the degree to which demand will be delayed or lost, whether the shock is truly a spike or lasts, or whether there is a structural damage to the economy. The risk of recession remains real, but we must not take it as a foregone conclusion.

### **III. ii. The stimulus**

The Indian government took series of steps to provide relief to the most vulnerable sections of the population by providing food grains, support in terms of increased allocation under MNREGA (Mahatma Gandhi National Rural Employment Guarantee Scheme), direct transfer of cash and increasing the Minimum Support Price at which the government acquires the food grains from the farmers. Providing collateral free automatic loans to MSMEs (Micro Small and Medium Enterprises) along with setting up liquidity facilities and providing partial credit guarantees for NBFCs (Non-Banking Financial Company) have been steps in the right direction and are aimed at reducing the risk aversion in the system. The government has also used the current crisis as an opportunity to introduce the long awaited structural reforms in the agricultural sector, steps towards privatisation of PSEs, opening up the mining industry to the private sector, and increased FDI limits in Defence among other steps.

The above steps were necessary, and they will have a trickle-down effect on demand, but the debate remains whether these are sufficient to kick start a virtuous spiral of growth or would it require a substantive demand side stimulus. Given the limited fiscal space it is not easy for the government to have a large demand-led stimulus and it must be concerning the government that if they go down this route a large part of the stimulus could end up as savings rather than being spent to generate demand. Having said that the government should keep a close watch on the demand situation and step in unhesitatingly if it does not pick up in the next few months.

### **III. iii. Speed and agility in operations**

Extreme speed and agility were paramount to overcome the operational challenges during the hard lockdown so that we could continue to serve the people of India with the essential products. Precipitous drop in operational manufacturing capacity and distribution centre throughput were restored with alacrity. We drove the fast recovery

of operations for HUL through some fundamental changes in our ways of working, ultra sharp focus on business priorities and exemplary teamwork.

We shortened the entire planning to execution cycle to a daily horizon and ensured a dynamic response to an everyday changing environment. Over hundred instances of critical material supply disruptions were handled with speed by onboarding dozens of new suppliers. HUL trucking capacity was restored at twice the rate of national trucking recovery, thereby eliminating key logistics bottlenecks from our operational loss tree. Several innovative disaggregation models of distribution were tested and launched to ensure that supplies reach the farthest corners of the country.

We responded with agility to major shifts in consumer demand and as an illustration the production of sanitizers was ramped up by a factor of 100X. The Golden Triangle of Procurement, Quality and R&D enabled us to qualify/adapt scores of new pack designs, new materials, new formulations & prototypes. We launched over 50 new product and pack innovations to cater to the rapid changes in demand in hygiene and sanitisation products and navigated through the myriad of statutory directives from local to central level as authorities dynamically responded to the crisis. We worked with government and industry bodies to shape the policy response for safe revival of industrial activity using our own operations to model the way ahead.

### **III. iv. Changing consumer behaviours**

We have seen India as a nation metamorphose from a positive, optimistic, vibrant populace to an anxious one which is physically distanced yet emotionally connected. We are passing through times that are unprecedented; marred with uncertainties and fear.

A few trends and behaviours are becoming increasingly discernible e.g. home cocooning, digital transformation of consumers' lives, value-based volume shopping, reinvention of hygiene, contactless culture, heightened focus on well-being, an innate fear of getting infected or losing wealth, or losing livelihoods. Our social structure is changing as we see major system reboot happening in Indian families, with family and the individual trumping over traditional social accoutrements. All of these have a far-reaching impact in redefining roles, behaviours, and leading to a new level of consumer and social tensions and frictions.

Being close to consumers has never been as important as now. We are using digital collaboration mediums to ensure that we remain connected to our consumers and understand their pain points and emotional state. We are leveraging our in-house capabilities like '*TrendsWatch*' and '*People Data Centre*' to quickly pick up and decipher trends. This has enabled us to understand the shift in demands, rejig our innovation plans and adjust to channel shifts. Our focus is on brilliant basics of superior products, winning communication, competing with our multi-tier portfolio, re-prioritising resources, identifying gaps and acting on them with speed.

### **III. v. Innovating with the times**

During the last couple of months, we have launched several formats of Lifebuoy alcohol-based sanitizer (gels, liquids, sprays) in various packs and sizes to ensure availability and affordability to all – as well as an alcohol-based multi-surface spray.

We have also launched Domex sodium hypochlorite-based spray for use in home and offices, Lifebuoy laundry sanitizer and Surf excel laundry powders with enhanced germ kill – all to provide the best hygiene solutions for our consumers. We were also the world's first to show that our Lifebuoy soap, handwash and hand sanitizer are 99.9% effective against the actual SARS-CoV-2 (COVID causing) virus based on extensive studies done in the US.

Studies have shown that the Indian population is highly Zinc deficient and deficiency of Zinc leads to a weakening of the immune system. Zinc is a key potentiator of the body's immune system to protect against infections and recent *in-vitro* studies have shown that free Zinc itself may possess potent antiviral effects against Coronavirus replication. Multiple clinicals are being conducted to prove this benefit, including by CSIR (Council of Scientific and Industrial Research) in India. Horlicks historically had 4.3 mg Zinc/100g which we boosted to 8.3 mg/100 g based on a clinical study which demonstrated very positive immunity outcomes in children with respect to both respiratory and gastrointestinal infections with this higher level of Zinc.

Our innovation was not just restricted to products. In a period where new communication could not be produced, we leveraged our large influencer network and broadcast partnerships to produce consumer relevant content. One such intervention on Lifebuoy led to over 99,000 pieces of user-generated content and a record 55 billion views on a social media platform. Brooke Bond Red Label tea used influencers to take the message of 'Dooriyan Banakar Bhi Apnapan Dikha Sakte Hain', Surf excel worked with its brand influencers to deliver the powerful 'Daag Acche Hain' at home with kids learning new skills and hobbies and Hamam told consumers to #StaySafeInside. Kissan Tiffin Timetable helped millions of mothers make interesting dishes for their children at home using Kissan products.

### **III. vi. Technology as a saviour**

This epidemic has accelerated the nation's digital journey, much in the same way demonetisation did for adoption of digital payments. Many of our fellow citizens moved to online for the first time, whether to get news or to source essentials. City children had the first taste of online schooling and office-goers adapted to working from home leveraging remote collaboration tools. It moved us from a state of theoretical debate on whether it will work or not, to real hands-on experience. Can we leverage this momentum to make a fundamental shift in education, healthcare, in creating jobs and easing the pressure on big cities while bringing development across the country?

The education system has been under stress due to lack of trained teachers and high-quality content, especially in rural areas. Online learning technology should be leveraged to support the existing in-person mode of learning to create a hybrid model that makes learning more democratised and accessible. This is key to broad based development of human capital across the cities and villages of India.

Healthcare is another area that is ready to be reimaged through technology. There is a pressing need to make quality healthcare affordable and accessible. During lockdown, the spurt of tele-medicine consulting (for non-serious ailments) shows that it is workable. The opportunity is to combine this with AI based remote screening (e.g.

screening for diabetic retinopathy) to make the expertise of trained doctors available in every part of the country.

The current crisis could also end up being remembered as resulting in an inflection point for many business models. The broader e-commerce including marketplace and grocery.com have had brisk business and have now got the impetus to scale up their grocery business. The large modern trade stores inside malls remained closed forcing many retailers to dial up their omni channel initiatives. However, what stood out has been the 'renaissance of the humble grocer'. People have realised the benefit of the store in their proximity. The survival of groceries in India is also important from social perspective as over 100 million lives depend on these stores. HUL has long and deep relationship with millions of these stores. In the last few years, our 'connected stores' programme has worked to bring digital connectivity and modern science of retailing to thousands of these stores. The current crisis will make adoption of technology much easier.

We need a digital backbone connecting every part of our country. Maybe it is time to digitally connect every village with the same tenacity as we did the electrification drive. There is no doubt that the above shifts will take concerted public-private effort and the rewards are big. It would create a human capital base that can be a competitive edge for decades to come.

The experience of recent months has indicated that enterprises that had adopted digital technologies in the core of their business have been less impacted than others. Many SMEs in India are at low level of digitisation and there is growing awareness of the handicap it creates. This is potentially a big opportunity for the IT industry. The bigger impact is the collective productivity gain that comes from widespread digitisation in India both from the transactional efficiencies and from the innovation multiplier that comes on top of a digitised process.

Hindustan Unilever has been using technology in a big way for quite some time now. A few years back we embarked on an ambitious digital transformation programme known as '*Reimagine HUL*'. This programme is about leveraging data, harnessing latest technologies and emerging business models to redefine how we engage with consumers & customers and the way we operate. The objective is not only to stay abreast of the changing needs of a digitally connected ecosystem, but also about creating structural capabilities that enable us to provide superior value to our consumers and customers.

In the last AGM, I talked about how we are using *Data and AI* to engage with our consumers (now > 100 million digital connections) and customers in a more personalised and effective manner. Our *connected store programme* has evolved further and now includes app-based ordering and digital payments for stores and is live in more than one lakh stores enabling a frictionless experience. Post a successful pilot, we are now scaling up the fully automated fulfilment centre – a robotics and guided vehicles powered warehouse. Combined with *Machine Learning* powered demand management and IoT enabled digital factories, this is creating increased agility across the fulfilment value chain. We have also developed an app for our factory



operations which has temperature measurement access control, an alarm if physical distancing is not maintained and facilitates contact tracing.

The power of these capabilities became apparent during the COVID-19 lockdown. In some areas our salesman could not physically reach the stores to take order for essential categories. The app-based ordering capability was quickly rolled out to these stores to restore our ability to capture orders and meet consumer demands. Similarly, extensive data about the stores and market they operate in helped us to almost overnight redesign the service model and create new optimised routes for delivery – avoiding containment zones and other restrictions. Here also the power of automated warehouse kicked in and enabled us to deliver to stores even in situations where the distributor was not operational. There is no doubt that such capabilities allow us to be more responsive to the volatile and uncertain environment and we remain committed to our 'Reimagine HUL' agenda.

### **III. vii. Cash and costs**

COVID related uncertainties have impacted supply, demand and liquidity. At HUL this has meant business unusual on both growth and costs i.e. we build plans to maximise all growth opportunities but manage costs assuming a worst-case scenario of muted growths and even a potential recession.

We have looked at all our costs with intense magnification with an intent to make costs as much variable (i.e. linked to sales) as possible and remove costs which under the current circumstances will not add value. This approach provides us with the necessary optionality and enables us to protect our business model. Our complexity reductions plan across the value chain are helping us maximise production while realising the benefits of lower costs and cash unlock.

With respect to cash, we start from a position of strength given our strong Balance Sheet. With overall liquidity constraints across the value chain, we are supporting our partners (suppliers and vendors) to maximise growth while keeping a laser like focus on receivables. Shorter and dynamic planning cycles help us manage inventory better and reduce business waste. In the short-term, we will also re-phase our capital expenditure considering growth opportunities and execution timelines. We are also taking various steps to maintain safety and liquidity of our investments. In this environment, both 'Return of Capital' and 'Return on Capital' are equally important. In summary, we are driving cost agility, judiciously reviewing cash flows and reallocating resources with rigorous discipline. Our Balance Sheet and Business Model will remain a source of competitive advantage.

### **III. viii. A match made in heaven**

Our acquisition of the iconic brands of Horlicks and Boost through the merger of GSK Consumer Health's (GSKCH) nutrition business with HUL has brought great brands, built on proven scientific credentials, with great purpose into the fold of a company that can take it to the width and breadth of India and truly make a difference. The acquisition is also deeply in sync with our purpose-led growth agenda and are aligned to both the UN Sustainable Development Goals and the Government of India's thrust on 'Poshan Abhiyan'. The capabilities that we acquired, be it in clinical research, product development or in terms of a stronger portfolio at the pharmacy channel and direct

connect with doctors and experts – give us muscle to address malnutrition and the hidden hunger brought about by widespread micronutrient deficiency.

At HUL, we believe that a country can move forward only if its people are healthy and play to their full potential. India faces an increased disease burden from nutrition-led causes. One in three children in India is too short for their age, one in 4 adolescents is too thin. There are high levels of deficiency of key micronutrients – like Zinc and Vitamin D – which are important for immunity and growth. Our ambition for India is to unleash the country's potential by nourishing a billion lives. Horlicks and Boost today are the market leaders in health drinks category but only 1 in 4 households buy this category even once a year. Combining these brands and capabilities with our reach, scale, and competencies in market development, gives us an opportunity to drive access to these brands and provide the benefit of good nutrition across multiple life-stages.

A merger of this scale requires sharp focus. To drive a smooth integration and a vertical take-off, we had a dedicated team of high performing managers entrusted with the task of smooth landing. Despite the lockdown, we were able to successfully close and consummate the merger on the appointed date of 1 April, with all activities including the legal transfers and IT systems transition, orchestrated virtually, and flowing seamlessly. We welcomed into our fold 3,600 employees of erstwhile GSKCH with our customary warmth.

This merger provides us significant synergistic benefits, impacting both revenue and costs. These include increased scale in advertising and media, complementary capabilities in the chemist channel, increased scale in material procurement and a wider logistics footprint, among others. We are now one of the leading players in Foods & Refreshments in India, to complement our leadership in Home Care and Beauty & Personal Care.

## **Section IV: A new world order**

### **IV. i. Geo-political rebalancing**

The crisis of this magnitude has the potential to reshape the world order. In recent years we have seen a trend away from globalisation with countries becoming more parochial. This trend could get accentuated with many countries wanting to create their own cocoon and alienating themselves from global externalities. This health crisis is a critical test for many countries; global and regional partnerships are also being put to test. We have seen the multilateral organisations being marginalised e.g. WHO. Unfortunately, no country or leader has been willing or able to assume a global leadership role during this crisis.

While there remains the risk of anti-globalisation sentiments to rise further, the reality is that this crisis is neither a one country problem, and nor can one country solve it – it will require the collective efforts of the world community. Collective action within communities and, where necessary, internationally, will enable more rapid and peaceful exit from the crisis. In fact, if we cannot globally contain the spread of the pandemic, we may see a resurgence later. Hence, despite the divisiveness, the case for winning as one world is more important than ever before. Globalisation has also

lifted millions out of poverty. Our country's rapid economic progress was linked to opening of the economy in 1991.

It is important that the world moves forward on globalisation and does not go backwards. We also need to move to a more collaborative world. No one is stronger than all of us collectively.

#### **IV. ii. Compassionate capitalism and sustainable development**

It has rightly been said, "The inherent vice of capitalism is the unequal sharing of blessings; the inherent virtue of socialism is the equal sharing of miseries". The virus has been a leveller when it comes to sharing of miseries. It does not differentiate between the rich and poor; between the urban and rural; between the developed and the developing world. However, the aftermath is much more severe on the poor who risk losing their livelihoods and the developing nations who will struggle with their meagre resources. Today as we stand, the rich and the developed should not shirk away from the responsibility towards the poor and the developing. As Mahatma Gandhi said, "The rich must live simply so that the poor can simply live." We must share the blessings of capitalism to take away the miseries of the society and collectively win.

The world needs to change in many ways to ensure much more equitable distribution of wealth and resources. The current model of capitalism with its one-dimensional focus on short-term shareholder value creation and winner takes all needs to change. Unilever has been at the forefront of propagating and living with the multi-stakeholder and the long-term compounding model. We have demonstrated that when we focus on consumers, customers & suppliers, employees, planet, and our society, then shareholder wealth does get created.

Businesses need to build leaders who can redefine the changing role of business and who understand the importance of having a true north – an internal compass with non-negotiables. It is also about being clear what those non-negotiables are, and most importantly, it is about sticking to them in good times and in adversity.

At Hindustan Unilever we have intense focus on meeting our consumers' needs; we partner collaboratively to promote mutual interests with our customers and suppliers; we attract, develop and nurture our employees; we work extensively on reducing greenhouse gases, conserve water and in keeping plastics out of the environment; use our resources to create source of livelihood for thousands and work to promote social equity & justice. In the process we also create immense shareholder value. In the last five years alone, we have created more shareholder wealth than the market capitalisation of any but three companies in our country.

#### **IV. iii. Why the old model of capitalism will no longer work**

The pandemic has demonstrated how fragile and unsustainable the world has become. The current crisis while being an improbable event was in many ways predictable and predicted. Yet, the world was not prepared for it. This is the wake-up call for nations and businesses to step back and re-evaluate their current models. In the future, there could be many such viruses that may find a way into humans through animals or birds. With a steady erosion of biodiversity, many diseases will come from animals to people. Though the world had unprecedented growth over the last few decades, in the current

crisis we have seen the limitations of our healthcare infrastructure, lack of cohesive global strategy to combat this crisis with an economic crisis looming in the horizon.

Similarly, social, economic, and environmental issues that existed prior to the pandemic have been pushed into stark focus. The world's richest 1% own 44% of the world's wealth and at the same time more than 700 million people live in extreme poverty around the globe. The World Bank estimates that an extra 40 million to 60 million people will fall into extreme poverty in 2020, because of COVID-19. The environment continues to deteriorate and if we do not cut down greenhouse gas emissions by 7.6 per cent every year from now until 2030, the global temperature will rise by more than 3°C by the end of the century. Even today, 1 in 3 people across the world, do not have access to safe drinking water.

The COVID-19 pandemic has shown us that the world is vastly interconnected, and we need to rely on each other greatly to address some of the challenges facing the world, effectively. This is no longer about fixing the sail before the voyage. The crisis has shown how businesses need to fix what is broken while sailing through uncertainties and challenges. Businesses need to create foundations strong enough to weather future storms. As we fight this crisis, we should look beyond just recovery. We must reinvent our society and economy to tackle the challenges of our time.

#### **IV. iv. The climate and environmental challenges**

According to the National Oceanic and Atmospheric Administration's 2019 Global Climate Summary, the combined land and ocean temperature has increased at an average rate of 0.07°C (0.13°F) per decade since 1880; and the rate has more than doubled since 1981 (0.18°C / 0.32°F). The 10 warmest years on record have all occurred since 1998, and 9 of the 10 have occurred since 2005. Climate change and environmental challenges have led to loss of lives, livelihoods, large-scale displacements, and loss of biodiversity across the world.

In a country like India, the impact is even more pronounced. A large part of the Indian population depends on agriculture as their source of income, a sector most vulnerable to climate change. Between 1998-2017, 10 major floods hit India causing economic damage of approximately US\$ 45 billion, killing over 27,000 people and affecting more than 370 million people. The Kerala floods in 2018 resulted into an estimated loss of 1% of the state's GDP. Over 800,000 people were displaced and over 400 lives lost in the Kerala floods. In 2018-19 nearly 2500 Indians lost their lives to extreme weather events such as floods and cyclones according to the environment ministry.

According to the 2017-18 Economic Survey, extreme temperatures and droughts can shrink farmer incomes up to 14% for key crops. According to a World Bank report, rising temperatures and changing monsoon rainfall patterns from climate change could cost India 2.8% of GDP and depress the living standards of nearly half the country's population by 2050. If India does not change the management of its water resources, we will have half the water we need by 2030. This flashpoint is only ten years away.

#### **IV. v. The climate crisis and Unilever's position**

Climate change needs to be tackled at the necessary scale and speed through wider transformational changes to the systems in which we operate. And businesses have an important role to play.

Unilever is working towards accelerating climate actions within the company's operations and the wider value chain. Globally, a new set of actions and commitments designed to improve the health of the planet have been announced. Its actions include the commitment to net zero emissions from all its products by 2039 – from the sourcing of the materials that are used, up to the point of sale of its products. This is 11 years ahead of the Paris Agreement deadline. It is also challenging itself to even higher standards to protect high carbon ecosystems like forests, peatlands, and tropical rainforests, and it will have a deforestation-free supply chain by 2023. It will empower a new generation of farmers and smallholders to protect and regenerate their environment and will introduce a new Regenerative Agriculture Code for all its suppliers, which builds on its existing Sustainable Agriculture Code. It will implement water stewardship programmes in 100 water stressed locations and its brands will collectively invest €1 billion in a new Climate & Nature Fund, which will be used over the next ten years to take meaningful and decisive action.

Last year, Unilever announced a plan to tackle the most visible environmental issue in the consumer goods industry: plastic packaging. It set bold targets globally that included halving its use of virgin plastic and helping to collect and process more plastic packaging than it sells. These commitments on plastics are over and above its commitment made in 2018 to make 100% of its plastic packaging reusable, recyclable or compostable by 2025. Further, 25% of all the plastic it uses is expected to come from recycled sources by 2025.

#### **IV. vi. How is HUL living with the tag of 'responsible capitalist'**

Today at Hindustan Unilever, we are anchored by much the same values that were espoused by our founding fathers, the common objectives that we work towards are larger than the Company itself. We believe that 'Brands with Purpose Grow', 'Companies with Purpose Last' and 'People with Purpose Thrive'.

Through our brands and our operations, we are constantly striving to make a positive difference to the society and to the planet. We have reduced CO2 emissions in manufacturing by 85% per tonne of production since 2008; have increased our share of renewable energy in manufacturing to 71% in 2019; and now have 112,826 environment-friendly freezers across our ice cream fleet in India. The water usage in our manufacturing has reduced by 58% since 2008; the total waste generated in our manufacturing has been reduced by 63% compared to 2008. 76% of tomatoes used in our Kissan ketchup and 78% of the tea for our brands have been sourced sustainably. In 2019, we arranged environment-friendly disposal of over 39,000 tonnes of plastic.

One of the most significant challenges faced by the country right now is that of water. Agriculture accounts for 80% of our freshwater use. As a country, we grow water intensive crops (rice, wheat, sugarcane, and cotton) on 54% of our cultivated land and use at least twice the amount of water to grow one unit of food versus many other countries. Despite large dams and canals, India's farmers are heavily dependent on

groundwater for irrigation. With over 30 million estimated borewells, India draws nearly 25 percent of the world's groundwater. This is more than China and the United States combined! Over-extraction of ground water has led to sixty percent of India's districts being declared critical on ground water. It is therefore not surprising that summers and cropping seasons are marked by stories of distress. Excessive extraction has also caused contamination. As a result, India is ranked 120 out of 122 countries in the global water quality index. A NITI Aayog report suggests that severe water scarcity will eventually lead to a 6 percent loss in the country's GDP.

HUL set up the Hindustan Unilever Foundation (HUF) to support scalable solutions that can help address India's water challenges. It established the 'Water for Public Good' programme with the belief that water (like air) is a 'common' shared resource and must be managed by communities. To date, our programmes working with our partners have created a cumulative potential of 1.2 trillion litres of water – a quantum equivalent to the drinking water needs of all adults in the country for a whole year. The tools, methods and innovations developed in HUF's programmes have been shared and adopted widely in state level government programmes. The programme takes a community approach to water management and aims to not only help farmers across cropping seasons, but also address the basic human need of easy access to safe and clean water.

To enhance the livelihoods of rural women, we had launched the Shakti programme at the beginning of this millennium. This programme enables rural women in villages across India to nurture an entrepreneurial mindset and become financially independent. We believe that empowering a woman is empowering a family. To enable them to earn regular income, these women entrepreneurs (called Shakti Ammas) are trained on basic principles of distribution management and familiarisation with the company's products. We now have 120,000 Shakti entrepreneurs in India who together generate sales of a few thousand crores.

With 9 out of 10 Indian households using our products, our brands can have a sizeable impact in creating positive social change. Our purpose driven brands stand up for social causes such as inclusivity, equality, women's safety and more. For example, Brooke Bond Red Label through its campaigns aims to make India more inclusive, Surf excel encourages mothers to push their children to learn through experiences, Dove promotes Real Beauty and helps raise self-esteem in girls. Our brands also undertake on-ground activities to drive positive social change. For instance, to address the threat of child mortality due to diarrhoeal and respiratory diseases that still looms large over India, Lifebuoy drives handwashing behaviour change initiatives. Till 2019, we have reached out to over 72 million people in India to encourage and sustain good handwashing behaviour. And despite the robust data and technology behind our own products, during the COVID-19 crisis, we were the first to selflessly promote the right habits and advocate the use of any soap/alcohol based sanitizer (including competitors) to ensure people first protected themselves – putting people's lives ahead of just our own profits.

When COVID-19 hit India, HUL immediately earmarked Rs 100 crores to help the country fight this crisis. Our approach has been very focused. We are helping augment the capacity of health infrastructure by donating several ventilators and about 75,000

RT-PCR test kits to hospitals. The pandemic has highlighted the critical role of frontline workers in our society – nurses, doctors, sanitation workers, and the police. We have been very proactive in doing our best to protect our protectors – through donation of PPEs, soaps, sanitizers, and nutrition products. The first 150,000 packs of Horlicks with higher Zinc was donated to COVID hospitals across the nation for the benefit of the medical care professionals taking care of the COVID patients. We have also partnered with Apollo Hospitals to set up isolation facilities. We have reached out to thousands of people in the marginal sections of our population in urban slums and rural villages and provided them with food and hygiene kits. We reduced the price of liquid soaps and disinfectants to make them more accessible to people. We also used our marketing prowess and partnered with UNICEF to come out with mass communication on behaviours required during this period. The campaign also featured memorable and positive messages that were the need of the hour, reaching over 100 million households in our country.

## **Section V. Leadership**

The Coronavirus pandemic has been a test of character for millions around the world. To successfully navigate crisis, leaders must get comfortable with ambiguity and chaos, recognising that there is no crisis playbook to guide them. Instead, they should commit themselves to navigating through the turbulence, adjusting, improvising, and re-directing as the situation changes and new information emerges. Adaptability is essential to constantly evolve the strategy, resilience to drive it forward and courage to seize opportunities. Courageous leaders also understand they will make mistakes along the way and they will have to pivot quickly as this happens, learning as they go and not being deterred by failures.

The job of the leader is to provide brutal optimism - a clear account of the challenges ahead, but credible hope that collectively they have the strategy and the resources to overcome the crisis. A good leader must look beyond the immediate crisis and plan for the longer-term even as they put out the fires raging around them. They should not let the financial market gyrations cloud judgement about the business they lead. Leadership during these moments has potential to create a virtuous cycle of raising morale and growth in the society – by lifting mood and spirits of people within the organisation, thereby channelising their energies towards better performance, which in turn spurs the economy and thus saves jobs and lifts the society.

I am extremely proud of the way our leaders in Hindustan Unilever have responded to this crisis: calm but determined; delegating to the extreme yet not abdicating their accountability; evoking trust and living their purpose; using microscope with intense magnification to look at the immediate term issues but peering at the telescope to hunt for medium term opportunities; cognizant of the dangers but confident of our abilities to weather the storm and above all demonstrating humanity, kindness and compassion. We hail our own frontline heroes in factories and in sales who have worked with a higher purpose of ensuring that essentials like soaps and sanitizers, cleaning products and disinfectants, and immunity boosting products which are so vital to fight this crisis are made available to the citizens of our country even during the hard lockdowns while most of us remained ensconced in the safety of our homes.

We — all of us — will be remembered for how we manage ourselves and others through this crisis. How well we, our teams, our organisation, our nation, our world connect, persevere, and progress. How well we emerge from this experience collectively stronger.

## **Conclusion**

All of us need all of us, not some of us. This has been a historical truth forever and now it is even more important as the world recuperates from the grasp of the pandemic. We will need to push the reset button on our world to ensure a just transition to a better future. That transition needs to address all the convergent crises and it can only be done with international cooperation, based on the real needs of people for health, economic security, and respect for their human rights.

For the world, this means a new 'social contract' where profit, people and planet are central to shared prosperity. Against the background of the world wars in the last century, the leaders created the vision for a new world order. It is now time to revisit and recreate a new vision. In the last global crisis, we reacted swiftly to stabilise the financial markets but neglected the social dimension, thus deepening the inequality in the world. We cannot afford, or allow, that mistake of a decade ago to be repeated now. COVID-19 has been a great leveller to make us realise that. We need to build the new social contract on responsible and equitable growth, inclusion, and social justice.

It is unto us how we scribe the future and what world we leave behind for the next generation. We should strive and make sure that we create a fair world that propagates a social floor of equity and justice. An inclusive world that builds a global economic model that shuns inequality and does not constrain development of millions of less fortunate. We should get away from procrastination and half measures and work together to flatten the climate curve, take concrete steps to better manage the water resources and keep plastic away from the environment. The Excalibur is now in our hands, it is on us how we establish the righteous that creates a harmonious and ecologically balanced world.



**Annexure II****87TH ANNUAL GENERAL MEETING HELD ON 30TH JUNE, 2020****Declaration of Results of Remote e-voting and e-voting at the Meeting**

As per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant Circulars issued by the Ministry of Corporate Affairs, the Company had provided the facility of remote e-voting to enable the Shareholders to cast their vote electronically on the resolutions proposed in the Notice of the 87th Annual General Meeting (AGM). The remote e-voting was open from 9.00 a.m. on Thursday, 25th June, 2020 till 5.00 p.m. on Monday, 29th June, 2020.

The Board of Directors had appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary as the Scrutiniser for remote e-voting. The Scrutiniser had carried out the scrutiny of all the electronic votes received up to the close of remote e-voting period on 29th June, 2020 and votes cast through e-voting facility during the AGM and had submitted his Report on 30th June, 2020.

The Consolidated Results as per the Scrutinisers' Report dated 30th June, 2020 are as follows:

<b>Resolution No.</b>	<b>Particulars</b>	<b>% Votes in Favour</b>	<b>% Votes Against</b>
1	Adoption of Financial Statements together with the Reports of Board of Directors' and Auditors' thereon for the financial year ended 31st March, 2020.	99.9997	0.0003
2	Confirmation of interim dividend and declaration of final dividend.	99.9998	0.0002
3	Re-appointment of Mr. Dev Bajpai as Director.	99.8901	0.1099
4	Re-appointment of Mr. Srinivas Phatak as Director.	99.8482	0.1518
5	Re-appointment of Mr. Wilhelmus Uijen as Director.	99.8586	0.1414
6	Appointment of Dr. Ashish Gupta as an Independent Director for a term upto five consecutive years.	99.9404	0.0596
7	Extension of term of Remuneration of Non – Executive Director(s).	99.7495	0.2505

<b>Resolution No.</b>	<b>Particulars</b>	<b>% Votes in Favour</b>	<b>% Votes Against</b>
8	Ratification of the Remuneration of M/s. RA & Co., Cost Accountants for the financial year ending 31st March, 2021.	99.9984	0.0016

Based on the Report of the Scrutiniser, all Resolutions as set out in the Notice of 87th Annual General Meeting have been duly approved by the Shareholders with requisite majority.

Date: 1st July, 2020