



Hindustan Unilever Limited



**RESILIENCE
TO
REINVENTION**



**NITIN PARANJPE
2026**

Resilience to Reinvention

was the subject of the speech
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Hindustan Unilever Limited, at the
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RESILIENCE TO REINVENTION

AGM Speech 2026

I. Disruption is the New Normal

Every generation believes it is living through extraordinary times. Every generation is right. From the Great Depression in the 1930s to the World War, rise of the internet and dotcom bubble to the more recent Covid 19 pandemic – societies and businesses have survived several disruptions over the last century. However, what we are experiencing now is qualitatively different.

Today change is no longer episodic. While earlier eras of disruption were largely sequential, today, disruptions are simultaneous and compounding. Geopolitics, technology and climate change are all reshaping the operating environment at the same time.

Consider what the world has experienced in recent times. Over the past twelve months, we have witnessed conflicts that have disrupted energy markets and global trade routes. Climate volatility—from heatwaves to erratic rainfall—has affected agriculture, water systems and livelihoods. Financial conditions have tightened as growth expectations have moderated. At the same time, consumer behaviour continues to evolve rapidly, driven by digital adoption, new

channels, and rising expectations of value and responsibility.

These are not isolated headlines. They are the texture of our operating reality. And they affect not just balance sheets and supply chains, but real lives—the farmer whose input costs rise overnight, the small retailer navigating a digital marketplace she did not design, the young professional wondering whether her skills will still be relevant in five years.

The question is no longer whether disruption will come. The question is whether we can turn these challenges into opportunities. Whether the things we do today to navigate short-term pressures can also become the foundations of long-term strength.

I believe that **the best short-term responses are those that also build the future.** Resilience and reinvention are not separate agendas. Businesses and nations that imbibe this thought will not just survive the next disruption, but they will shape what comes after it.

II. India's Moment: Strong Long-Term Fundamentals Despite Near-Term Headwinds

Like every major economy, India too is navigating a difficult external environment—volatile energy prices, disruptions in key shipping corridors, currency fluctuations, and the impact of a slowing global economy.

Against this backdrop, growth expectations have

moderated. Yet even at those moderated levels, India remains the fastest-growing major economy. The IMF's April 2026 World Economic Outlook places India at 6.5 per cent in calendar year 2026, the highest among major economies.

These are not just numbers. They reflect something deeper—a degree of structural resilience that is exemplary. If India is to sustain high growth over a long period, it will require continued reform, investment, and execution. It rests, in my view, on three drivers.

First, a young and growing population. India has a growing working-age population that is expected to peak between 2030-2040. By the time we reach the centenary of our independence in 2047, this demographic advantage, if harnessed well, will be a force multiplier for consumption, productivity, and innovation. But as recent research reminds us, this dividend is neither automatic nor permanent. Without sustained job creation, productivity gains, and greater participation of women in the workforce, a once-in-a-generation opportunity could narrow down faster than we expect.

Second, digital penetration that is without parallel. India's digital public infrastructure is not just a technology story, it is a democratisation story. UPI now processes over 18 billion transactions every month, serves 491 million individuals, and connects 675 banks on a single platform. Digital payments

represent 85 per cent of all digital transaction volume. India now accounts for nearly 50 per cent of global real-time digital payments surpassing Visa in daily transaction volume. This is infrastructure that no other large economy has built at this scale, and it creates the rails on which the next generation of commerce, credit, and inclusion will run.

Third, a positive and proactive policy environment. India's policy environment today is proactive and growth-oriented, creating a powerful tailwind for businesses and consumers alike. For instance, Goods and Services Tax reforms have sparked a broad-based consumption revival. At the same time, the government is driving a massive infrastructure push to connect markets. Government capital outlay has quadrupled from ₹2.63 lakh crore in FY18 to ₹11.21 lakh crore in FY26 and eleven industrial corridors are being built across the nation. We are also witnessing a manufacturing renaissance through Make in India and PLI schemes. The results speak for themselves—electronics production increased nearly sixfold between 2014–15 and 2024–25, mobile phone exports rose from ₹1,500 crore to ₹2 lakh crore in the same period making India the second largest mobile phone manufacturer. India is no longer just assembling, it is designing, manufacturing, and exporting. This is proof that when policy, private enterprise, and skill come together, India can become a force to reckon with.

However, governments can only lay the foundation through

infrastructure, reform, and policy. They cannot build the edifice alone. India's private sector is already a principal engine of growth, investment, and innovation. India Inc must partner the nation's growth journey by stepping up investment in technology and infrastructure, driving innovation and R&D, deepening manufacturing capabilities, and leading the green transition. These are moats that will not only help businesses navigate the present, but also build enduring competitive advantage for the future.

III. Building for the future: Short-Term Navigation to Create Long-Term Capability

The operating environment for businesses today is markedly different. Businesses cannot afford to simply be efficient, they must be agile, anticipatory, and deeply connected to the ecosystems in which they operate. To play their part in India's next phase of growth, they will need to rethink what resilience means.

Business resilience today, is about building better systems: supply chains that can shift when a route is disrupted; data that senses change before it appears in reported sales; factories that can switch faster; sourcing models that reduce dependence on any single material or geography; and organisations whose people can work alongside technology and adapt at speed.

Let me elaborate on the five moats I believe will help

businesses build this resilience.

III.i. Embedding AI across the enterprise

First, technology, and specifically Artificial Intelligence, deployed across the value chain will continue to be the key strength for future growth. Most companies today are using AI in pockets. However, only a few have embedded it across the enterprise. It is important because real value does not come from isolated use cases. It comes from reimagining processes, decision-making, and ways of working end-to-end.

What HUL is doing:

At HUL, we have been building an interconnected ecosystem that brings together our consumer, customer, and operations spaces with data, technology, and analytics.

Let me give you a few concrete examples. Our AI-powered platform **Sangam** uses market-mix modelling to optimise media campaigns, crunching terabytes of internal and external data to identify the right audience, channel, frequency, and creative, ensuring every rupee of media spending works harder. Our eB2B platform **Shikhar** enables kirana stores to place orders directly, contributing to more than a third of our total sales and giving us real-time visibility into demand patterns across millions of retail touchpoints. Our **Samadhan** model is transforming distribution in metros. HUL now directly manages warehousing and delivery logistics, reducing delivery times from three days to under 24

hours.

In our supply chain, the **Nano DC** initiative launched this year, introduces compact, channel-focused distribution units that enable high-frequency replenishment for fast-growing channels like quick commerce, using RFID tracking and GPS-enabled controls for real-time visibility.

In January this year, the World Economic Forum (WEF) designated our factories in Gandhidham, Gujarat and Puducherry as Advanced Fourth Industrial Revolution (4IR) Lighthouse sites. Earlier this month, two more of our factories were recognised by the WEF Global Lighthouse Network as Advanced 4IR Lighthouses. Haridwar, for Supply Chain resilience, and Sonapat achieved its second Lighthouse designation for Sustainability. HUL now has six WEF Lighthouse factories and eight recognitions, the highest for any Indian FMCG company.

Our Gandhidham factory, operating in the water-scarce Kutch region, was recognised as a Sustainability Lighthouse. It cut Scope 1 and 2 emissions by 90 per cent through a transition to renewable energy, reduced waste by 48 per cent, saved 6.12 billion litres of community water and reduced water consumption by 17 per cent. Our Puducherry factory was recognised for Productivity. By deploying machine learning-driven process control and AI-powered autonomous troubleshooting, it achieved 25 per cent volume

growth and reduced defects by 23 per cent.

Haridwar's recognition highlights how we are reimagining supply chains to serve emerging channels, shifting from large-scale manufacturing to niche, premium small-batch production. The site reduced response time by 72%, and sustained an on-time-in-full (OTIF) delivery rate of 99%, while supporting continued business growth.

At Sonapat, the recognition demonstrates sustainable growth in action. By leveraging AI-led energy management, IoT-enabled cleaning systems and a transition to renewable energy across its operations, the site reduced its Scope 1 and 2 emissions by 99% and raw material waste by 58%.

These factories serve millions of Indian consumers every day, proving that digital manufacturing investments improve both resilience and productivity at the same time.

III.ii. Leveraging science-led innovation in materials and formulations

Second, science-led innovation, and specifically the ability to strengthen material resilience and reformulate intelligently will fuel future growth. When a company depends heavily on a narrow set of inputs, whether palm oil, fossil-fuel-derived chemicals, or imported minerals, every price spike or supply disruption becomes a risk for both the business and the consumer. Science can help reduce that dependence.

Companies that invest in this capability today will be less

exposed to commodity cycles tomorrow. They will also be better positioned for the regulatory and consumer shifts that are clearly underway towards lower-emission and more sustainable products.

What HUL is doing:

Let me share two examples that I am particularly proud of.

First, Stratos, a breakthrough skincare technology developed over five years, is backed by more than 20 patents, and certified by the Skin Health Alliance UK and the British Skin Foundation. Stratos reduces our reliance on imported oils, and at the same time, delivers superior sensorial and skin benefits while lowering GHG emissions and enabling NDPE (No Deforestation, No Peat, and No Exploitation) compliant sourcing. This is a global first. It improves the product, makes it more sustainable, reduces dependency on imports and volatile commodity prices which in turn help us manage prices for our consumers, all at once.

Second, sustainable soda ash. Soda ash is a critical ingredient in our laundry detergents, brands like Rin, Wheel, and Surf excel. We have partnered with Tuticorin Alkali Chemicals (TFL) and Carbon Clean Solutions to capture carbon dioxide from industrial processes and convert it into soda ash. We have also piloted the production of near-zero emission soda ash using green ammonia, a world first, in collaboration with TFL and Fertigllobe. India is the first market

for Unilever to pursue virtually eliminating soda ash emissions.

These are not incremental improvements. They are structural shifts in how we source, formulate, and manufacture.

III.iii. Building resilient and flexible supply chains

Third, a flexible supply chain to navigate disruptions and ensure business continuity. For years, global supply chains were optimised for efficiency. In a world of trade wars, shipping disruptions, and climate shocks, a traditional supply chain can get compromised the moment a single link breaks.

India's push towards localisation is, in this context, a strategic imperative, not retreat. As geopolitical shifts and tariff tensions intensify, businesses are being compelled to reconfigure supply chains for resilience and proximity. Manufacturing and sourcing closer to the consumer reduces exposure to shipping disruptions, currency volatility, and geopolitical risk. It also helps build capability and strengthen the domestic industrial base. This is good for business and good for national competitiveness.

What HUL is doing:

At HUL, we are continuously building a more agile and resilient supply chain. We have been sourcing a majority of our raw materials locally over the years, a strategic choice that has held us in good stead while navigating external

disruptions. But sourcing is only one part of the equation. We are also fundamentally redesigning our network for proximity and speed.

This was the vision behind Project Nakshatra, our multi-year supply chain transformation initiative. Through Nakshatra, we have established multi-category, multi-format factories closer to demand centres, co-located suppliers and warehouses, and introduced nano factories, compact, technology-driven production units capable of manufacturing with rapid changeovers.

The goal is clear: balance efficiency with strategic flexibility—a supply chain that can absorb shocks, reroute in real time, and still deliver to the last mile.

III.iv. Understanding the fast-evolving consumer

Fourth, businesses must learn to listen to, understand, and respond to the rapidly changing Indian consumer. India's consumer landscape is undergoing a structural transformation. E-commerce is reshaping shopping habits, and quick commerce, a channel that barely existed a few years ago, has become a meaningful part of urban consumption in several categories. At the same time, Indian consumers are exhibiting what many industry leaders describe as "dual-speed behaviour", remaining value-conscious even as they experiment with new formats, flavours, and premium offerings.

For decades, distribution advantage in Indian FMCG was defined by physical reach—how many towns you could cover, how many stores you could service. In a digital world, physical presence alone is not enough. A distribution system that can also learn, sense a shift in demand in real time, adjust replenishment cycles, and serve a customer order with speed and reliability, is fundamentally more valuable than one that simply covers more territory.

What HUL is doing:

At HUL, we continue on our premiumisation journey with value offerings across categories. For example, as consumers upgraded from basic to specialised haircare regimes, TRESemmé led the shift with salon-grade offerings. The Surf excel Matic Express, that can clean clothes in just 15 minutes, was introduced this year to address evolving consumer expectations around speed and convenience. Bodywash became the fastest growing format in Skin Cleansing category, with Dove, Pears and LUX addressing the evolving needs of consumers across price segments.

We are investing in new channels with dedicated focus. In India's high-density urban areas, we are witnessing the rise of affluent, time-poor consumers moving from traditional scheduled shopping to instant gratification. To win in quick commerce, we have set up a dedicated unit to match the pace and intensity of the channel.

The growth of social commerce and D2C (Direct to Consumer) platforms means that distribution is becoming more open and interoperable. It is no longer only about how far your network extends, it is about how intelligently it responds.

For HUL, this means combining our unmatched presence across 9 million-plus retail outlets with digital intelligence, ensuring that we are present, relevant, and responsive wherever the consumer chooses to shop.

III.v. Sustainability as competitive advantage

Finally, I truly believe that embedding sustainability in the business is the strongest source of long-term competitive advantage.

Companies that build climate-resilient supply chains, invest in water stewardship, transition to renewable energy, and embed circular economy principles into their operating models are making strategic choices. They are reducing vulnerability to resource shocks, lowering operating costs, strengthening regulatory relationships, and building trust with a generation of consumers who care deeply about these issues. A CII report on climate resilience for the Indian industry underscores that extreme weather events are already causing significant human and economic losses, and the private sector urgently needs to assess and tackle these impacts across its value chain.

What HUL is doing:

At HUL, 100 per cent of our electricity is certified renewable. We have transitioned 97 per cent of our manufacturing operations to renewable energy, with 16 sites using 100 per cent renewable power. The Hindustan Unilever Foundation has created more than 4.5 trillion litres of cumulative water potential through improved water management. We are continuing to scale our commitment to regenerative agriculture, with over 61,000 hectares implementing sustainable agricultural practices. We are investing in building ecosystem capabilities to scale recycled content in packaging, particularly in flexible plastics.

Sustainability is in fact, embedded in how we innovate, how we manufacture, and how we go to market. It is, quite simply, how we future-proof the business.

IV. People: The Foundation Driving the Five Pillars

Technology, innovation, supply chains, consumer understanding and sustainability—these moats only function alongside people who know how to apply technology with judgement, creativity, and ethical grounding.

At HUL, we are embedding this thinking into our culture. Digital and AI capabilities are not siloed in a technology team but woven into every function, from marketing to manufacturing, from finance to field sales. Our approach is

to augment human capability—to make every salesperson, every supply chain manager, every marketer measurably more effective. We are investing in external immersions, partnerships with technology-first companies, cross-functional career opportunities, and deep capability development, both leadership and functional. People who feel the future is being built with them, not done to them, are the strongest source of resilience any organisation can have.

V. In Conclusion: Building for the Future While Navigating the Present

The defining challenge for businesses today is not just to navigate the present, but to build the moats that will win in the future. Because resilience and reinvention are not separate agendas.

At HUL, when we deploy AI across our value chain, we are not just optimising operations, we are building the operating system for the next decade. When we invest in science-led innovation such as Stratos or sustainable soda ash, we are reducing structural dependencies. When we advance Project Nakshatra, we are not just responding to disruption, we are building a supply chain that can absorb whatever comes next. When we deepen our understanding of a fast-evolving Indian consumer, we are not just protecting share, we are earning the right to serve the next generation. And when we embed sustainability into how we innovate and operate, we

are future-proofing the business.

Each of these choices delivers today, and compounds into tomorrow. That is the discipline we are committed to.

India stands at a defining moment. A young, aspirational population. Digital infrastructure the world is taking note of, and a policy environment thinking in decades, not cycles. The foundations are strong. But foundations alone do not build the edifice—that requires enterprise, ambition, and sustained action from the private sector.

Hindustan Unilever has long operated with a simple conviction: what is good for India is good for HUL. As the country steps into its next chapter, we will continue to partner its progress, navigating today's headwinds while investing in tomorrow's capabilities. We are not building for the next quarter. We are building for the next chapter of the India growth story.

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