

**List of activities as per Schedule VII of the Act**

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x. Rural development projects;
- xi. Slum area development; and
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

**GUIDANCE WITH RESPECT TO CSR OBLIGATIONS, SELECTION, IMPLEMENTATION AND MONITORING OF ACTIVITIES:****a. CSR Obligation:**

HUL is committed to spend 2% of its average net profits made during the 3 (three) immediately preceding financial years. The overall amount to be committed towards CSR will be approved by the Board, upon recommendation of the CSR Committee, as a part of its Annual Action Plan. Further, based on reasonable justification, the Board of the Company can alter the Annual Action Plan at any time based on the recommendation of the CSR Committee.

**b. Unspent Amount on CSR Activities:**

The Company endeavors to fulfill its CSR obligations in a timely manner. However, in the circumstances beyond the Company's control, if the required amount to be spent by the Company may not be expended in its entirety in the relevant financial year, the Company shall ensure due compliance with the necessary provisions under the Act including reclassification of the project as ongoing project.

**c. Acquisition of capital assets:**

For ensuring that the CSR projects/ initiatives of the Company, inter alia, including the rural development, environmental sustainability and the water conservation projects/ initiatives are fulfilled with a positive social and economic impact on the community at large, the capital-intensive spending for creation of assets is vital. If CSR contribution made for creation or acquisition of a capital asset in pursuance of its CSR projects/ initiatives, the same shall be held in the manner prescribed under the Act.

**d. Selection:****i. Selection of CSR project:**

Any of the following factors can be taken into consideration:

- (a) Alignment of the project with the focus area specified in this CSR Policy;
- (b) Impact on the society/community at large and the environment;
- (c) Inclusive growth;
- (d) Sustainability of the projects to ensure long term impact;
- (e) Timeframe within which the project can be completed;
- (f) Key beneficiaries of the project and the impact on them; and
- (g) Availability of an Exit option

**ii. Selection of implementing agency/ PIA:**

The CSR activities can be undertaken either directly or through implementing agency. The implementing agency shall meet the statutory eligibility criteria laid down under the Act. Additionally, the Company shall conduct appropriate due diligence before associating with them. Such due diligence may *inter alia* cover aspects of:

- (a) Financial position and credibility;
- (b) History and experience in the relevant area or similar activity;
- (c) Availability of necessary statutory registrations;
- (d) Governance and management standards of the agency;
- (e) Any political connections or dubious affiliations of the agency;

- (f) Any potential conflict of interest; and
- (g) Existing and past litigations.

**e. Implementation of CSR activities:**

The CSR activities will be undertaken by the Company either directly or implementing agency. Further, the Company may enter Memorandum of Understanding (MOU) with the implementing agencies setting out clear terms and conditions to enable completion of projects in the most efficient manner.

**f. Monitoring of CSR activities:**

The CSR activities of the Company will be duly monitored. The monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, pictures or videos of project sites, etc. Further, the monitoring process may involve (i) periodic reporting; and (ii) periodic review and assurance visits of the CSR projects:

- i. Periodic reporting: The implementing agency/ PIA will be required to submit project fund utilization statement on a periodic basis and the audited financial statement, utilization statement, etc. on a yearly basis
- ii. Periodic review and assurance visits: HUL will be permitted to undertake field visits, review calls, conduct independent assurance or evaluation visits to assess the project implementation including key milestones or key performance indicator, fund utilization and usage of capital assets, etc.

Notwithstanding the aforesaid, HUL may determine any specific review and reporting requirement including third party audits or evaluation by external agencies depending on the nature of implementing agency/ PIA and the project involved. Further, the impact assessment shall be conducted for eligible CSR projects or programs as mentioned under the Act.

**g. Annual Action Plan:**

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.

**h. Disclosure and Transparency:**

CSR Policy, composition of the CSR Committee and the projects approved by the Board are displayed on the website of the Company which can be accessed at this link <https://www.hul.co.in/investor-relations/corporate-social-responsibility/>.

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