



Hindustan Unilever Limited

ESG RISK MATERIALITY MATRIX

FY 2024-25

Issues and Topics

DOUBLE MATERIALITY

Our sustainability materiality process helps us report on the issues that matter most to our business and stakeholders. A sustainability issue is material to HUL if it meets two conditions:

1. Considered a principal risk which could impact our business
2. Deemed as important to our key stakeholders

DOUBLE MATERIALITY MATRIX



While the matrix offers a comparative visualisation, all 13 topics are considered material and inform our disclosures, risk oversight, and programme design.

CLIMATE CHANGE

Material impact, risk or opportunity

GHG Emissions - Own Operations and Value Chain	Negative Impact	Own Operations; Value Chain
Energy Transition (Regulatory and Cost Challenges)	Risk	Own Operations
Land-use Pressure and Regulations	Risk	Own Operations; Value Chain
Extreme weather events	Risk; Negative Impact	Own Operations
Product Composition Regulations related to Climate Change	Risk	Own Operations
Shift in Consumer Patterns	Opportunity	Own Operations
Energy Transition and Renewable Fuel Adoption	Opportunity	Own Operations

POLLUTION

Material impact, risk or opportunity

Pollution of Air, Water, and Soil (excluding plastics)	Negative Impact	Own Operations
Pollution due to logistics/Value Chain Activities	Negative Impact	Value Chain

WATER SECURITY AND MANAGEMENT

Material impact, risk or opportunity

Shifting Consumer Pattern due to water shortages and downstream water use due to water-intensive products	Risk	Own Operations
Water Withdrawal and Wastewater Discharge from Operations	Negative Impact	Own Operations
Innovation in Low-Water Use Product	Opportunity	Own Operations

BIODIVERSITY AND ECOSYSTEM HEALTH

Material impact, risk or opportunity

Biodiversity and Ecosystem Harm from Sourcing and Downstream use	Negative Impact; Risk	Own Operations; Value Chain
Regenerative Agriculture and Ecosystem Restoration	Positive Impact; Opportunity	Own Operations; Value Chain

RESOURCE USE AND CIRCULARITY**Material impact, risk or opportunity**

Plastic and Packaging	Negative Impact	Own Operations; Value Chain
Plastics and related regulations including Extended Producer Responsibility	Risk	Own Operations

HUMAN RIGHTS, FAIR WORK AND RESPONSIBLE SOURCING ACROSS VALUE CHAIN**Material impact, risk or opportunity**

Health & Safety in Own Operations and Value Chain	Negative Impact	Own Operations; Value Chain
Fair Working Conditions and Labour Rights	Negative Impact	Own Operations; Value Chain
Responsible Supply Chain Practices & Capability Building	Opportunity	Own Operations; Value Chain

DIVERSITY, EQUITY AND INCLUSION**Material impact, risk or opportunity**

Diversity, Equity and Inclusion	Positive Impact; Opportunity	Own Operations
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TALENT RETENTION**Material impact, risk or opportunity**

Talent Retention & Organizational Stability	Risk	Own Operations
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COMMUNITY IMPACT AND SOCIAL DEVELOPMENT**Material impact, risk or opportunity**

Natural Resource Depletion and Community Impact	Negative Impact	Own Operations; Value Chain
Community Development and Rural Livelihood Enhancement	Positive Impact	Own Operations; Value Chain

BUSINESS ETHICS AND CONDUCT**Material impact, risk or opportunity**

Ethical Conduct and Anti-Competitive Practices	Risk	Own Operations; Value Chain
Non-Compliance with Regulations and Emerging Regulatory Requirements	Risk	Own Operations
Cybersecurity Breaches and Data Privacy Risks	Risk	Own Operations; Value Chain
Policy Advocacy and Strategic Public Engagement	Positive Impact; Opportunity	Own Operations; Value Chain

INCLUSIVE ACCESS TO ESSENTIAL PRODUCTS

Material impact, risk or opportunity

Inclusive Access to Essential Products	Positive Impact; Opportunity	Own Operations; Value Chain
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RESPONSIBLE MARKETING

Material impact, risk or opportunity

Responsible Marketing and Advertising Practices	Negative Impact; Risk	Own Operations; Value Chain
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PRODUCT QUALITY AND SAFETY

Material impact, risk or opportunity

Product Safety and Nutrition Standards	Negative Impact; Risk	Own Operations; Value Chain
Product Labelling and Claims Compliance	Risk	Own Operations
Innovation for Evolving Consumer Preferences	Opportunity	Own Operations