



# Report of Board of Directors and Management Discussion and Analysis

Your Board of Directors is pleased to share with you the Business Performance along with the Audited Financial Statements for the financial year ended 31st March, 2024.

## ABOUT US

Hindustan Unilever Limited is India's largest FMCG Company with a 90-year heritage in the country. We are a Company of brands and people driven by our purpose of making sustainable living commonplace.

Nine out of ten Indian households use one or more of our brands to feel good and get more out of their lives. We have a wide and resilient portfolio of 50+ brands, spanning over 16 FMCG categories, which are a part of everyday life of millions of consumers across India.

In a rapidly evolving world, where digitisation and sustainability have taken centre stage, we are steadfastly progressing on our purpose-led and future-fit journey.

## ECONOMIC OVERVIEW

### Global

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

### India

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

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

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

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

The consumer confidence levels, which look at consumer perceptions, current and for one year ahead, on general economic situation, employment scenario, overall price situation, income and spending, has returned to pre-covid levels<sup>3</sup>. The future perception scores have also registered a new peak suggesting high consumer confidence on the economic outlook. Inflation, which was a primary concern in the economy last year, has softened this financial year. Inflation has

<sup>1</sup> International Monetary Fund

<sup>2</sup> Press Information Bureau

<sup>3</sup> Consumer confidence survey, RBI

significantly moderated from the highs of 2022 with CPI inflation for FY 2023-24 projected at 5.3%<sup>1</sup>.

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

### Fast Moving Consumer Goods Sector in India

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

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

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

#### Fastest growing major economy

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

### Favourable Demographics

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

### Under indexed per-capita FMCG consumption and low penetration

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

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

### Rising Affluence

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

### Digital Revolution

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

<sup>1</sup> Centre for Monitoring Indian Economy

<sup>2</sup> India Brand Equity Foundation (IBEF)

<sup>3</sup>EY:India@100; Reaping the demographic dividend

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## Trends shaping our industry

### A. Premiumisation

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

### What HUL is doing

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

When it comes to Beauty and Wellbeing, as the largest beauty company in India, HUL is in a unique position to take advantage of its deep strengths and emerge stronger through this journey. We have large masterbrands that have great equity and salience amongst consumers and can be expanded to play in new demand spaces and formats. At the same time, through our Premium Beauty Business Unit, we have the proven capability of launching digital first brands much faster. With our strong

distribution moat, scaling up these successful digital first brands is an area we have competitive advantage in. We also have a rich stable of premium & masstige brands in Unilever that we will dip into when we believe the time is right.

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

### B. Digital transformation

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

### What HUL is doing

Through our agenda of 'Re-Imagine HUL', we have been at the forefront of this digitalisation journey. Under this program, we are embedding technology across the length and breadth of our company to build distinctive capabilities. For instance, our Agile Innovation Hub that uses technology to scrub data, identify trends and new demand spaces, enables for quick digital prototyping and deployment, and has significantly helped reduce the cycle time from ideation to product launch. Similarly, our 'Supply Chain Nerve Center' that will integrate the Plan, Source, Make and Deliver pillars by building an intelligent layer, will drive faster decision-making, better visibility and automated actions. We continue to make significant strides in our digitalisation journey of demand generation,



capture and fulfilment through a variety of tools and technologies that include nano factories, machine learning, digital marketing, D2C channels and end-to-end automated warehouses. To seize the digital opportunity and to continue to win competitively with consumers, we have appointed a Chief Digital Officer who will steer the next phase of HUL's digital transformation journey focusing on enhancing consumer and customer experience through digitalisation.

### C. Sustainable living

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

#### What HUL is doing

HUL has been a pioneer in campaigning for the cause of sustainable business operations in India. Guided by our purpose of 'making sustainable living commonplace', sustainability is deeply ingrained in all our operations here at HUL. We have outlined our Environmental, Social and Governance (ESG) goals (refer page 14) against which we have made significant progress. We are a recognised industry leader with one of the best ESG ratings in the Indian FMCG industry. In our manufacturing operations, we have reduced our CO<sub>2</sub> emissions by 98% (per tonne of production), water usage by 47% (cubic meter per tonne of production) and total waste generated from our factories by 58% (per tonne of production) in FY 2023-24, compared to 2008 baseline. We are working to reach 100% sustainable sourcing of our key crops. Through focused programmes, we have achieved sustainable sourcing for 94% of our total paper and board, 81% of our total tomatoes and 79% of our total tea procured during the calendar year 2023. We are committed to responsibly sourcing palm oil and aim to be 100% No Deforestation, No Peat (NDP) compliant in India.

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

### D. Healthy living

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

#### What HUL is doing

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

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## OUR RISKS AND OPPORTUNITIES

### Our risk appetite and approach to risk management

Risk management is integral to our strategy and to the achievement of our long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities generated by our business and the markets we operate in. In doing this, we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's Agenda, which is where we believe it should be.

HUL's appetite for risk is driven by the following:

- Our actions on issues such as plastic and climate change must reflect their urgency, and not be constrained by the uncertainty of potential impacts;
- Our behaviours must be in line with our Code of Business Principles (Code) and Code Policies;
- Our ambition to continuously improve our operational efficiency and effectiveness.

Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to HUL's Senior Management and Board and Board Committees including, where appropriate, the Chief Executive Officer and Managing Director, Chief Financial Officer, Audit Committee, and Risk Management Committee.

For each of our principal risks, we have a risk management framework detailing the internal controls we have in place and who is responsible for managing both the overall risk and the individual controls mitigating that risk. Our assessment of risk considers short and long term as well as internal and external risks, including financial, operational, sectoral, sustainability (particularly Environmental, Social and Governance related risks), information, cyber security, legal and compliance, and any other risks as may be determined by the Company Leadership teams. How the identified risks are changing as well as emerging risk areas are reviewed on an ongoing basis, and formally by Risk Management Committee and the Board at least twice a year.

### Processes

We engage in a wide range of processes and activities across our operations covering strategy, planning, execution, and performance management. Risk management is integrated into every stage of the business cycle. These

procedures are formalised and documented and are increasingly being centralised and automated into transactional and other information technology systems.

### Risk and Internal Adequacy

The Board advised by the Risk Management Committee, where appropriate, regularly reviews the significant risks and decisions that could have a material impact on HUL. These reviews consider the level of risk that the Company is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal controls environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

### Principal risks

In the following pages, we have identified the risks that we currently regard as the most relevant to our business. These are the risks that we see as most material to HUL's business and performance at this time. There may be other risks that could emerge in the future.

Our principal risks have not changed this year. However climate change and increased vulnerability of systems and information have accentuated the risks in these areas. Much of our risk mitigation focus during the year has been on managing these risks.

We regularly review our risk areas and the Company's leadership retains the responsibility for determining the nature and extent of significant risks and drawing out commensurate mitigation plans. We identify the most relevant risks for our business and reflect on whether the level of risk associated with each of our principal risks is increasing or decreasing.

We set out below our principal risks, certain mitigating actions that we believe help us to manage our risks, and the increase/decrease corresponding to each of these.

Risk	Risk Description	Management of Risk	Level of Risk
<p><b>Brand Preference</b></p>	<p><b>Our success depends on the value and relevance of our brands and products to our consumers and on our ability to innovate and remain competitive.</b></p> <p>Consumer tastes, preferences, and behaviours are changing more rapidly than ever before. The increased competitive intensity due to entry of new players may fuel it further.</p> <p>We see a growing trend for consumers preferring brands which meet both their functional needs and have an explicit social or environmental purpose. Under indexation of product portfolio in segments, where substantial market is moving to, may lead to loss of market share and long-term competitive disadvantage. Our ability to create innovative products that continue meeting the needs of consumers and deploy the right communication, both in terms of messaging content and medium, are critical to the continued strength of our brands.</p>	<p>The Company monitors external market trends and collates consumer, customer, and shopper insights in order to develop category and brand strategies. We invest in markets and segments where we have built, or are confident that we can build, competitive advantage.</p> <p>Our R&amp;D function actively identifies ways to translate trends in consumer preferences into new technologies for incorporation in future products.</p> <p>Our innovation management process converts category strategies into projects which deliver new products to market. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed.</p> <p>Our brand communication strategies are designed to optimise digital communication opportunities. We develop and customise brand messaging content, specifically for each of our chosen communication channels (both traditional and digital) to ensure that our brand messages reach our target consumers. Our brand teams are driving social purpose into their brand’s proposition and communications.</p>	<p>No Change</p>
<p><b>Legal &amp; Regulatory</b></p>	<p><b>Compliance with laws and regulations is an essential part of HUL's business operations.</b></p> <p>Increase in and changes in regulations, that have applicability at both Central and State level, related to levy of direct/ indirect taxes, data privacy, corporate governance, listing and disclosure, food standards compliance, packaged commodities, labour laws, consumer communications and advertising, imports, among others, and manner of enforcement may lead to adverse impact on growth and profitability and increased exposure to civil and/or criminal actions leading to damages, fines, and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business.</p>	<p>We are committed to complying with the laws and regulations of the country. In specialist areas, the relevant teams are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws specific and relevant to their roles. Our legal and regulatory teams are involved in monitoring and reviewing our regulatory practices to provide reasonable assurance that we remain aware of and are in line with all relevant laws and legal obligations. The teams also work with the Industry and Trade Associations in making recommendations on newer and evolving regulations keeping the multistakeholder model in mind.</p>	<p>No Change</p>

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Risk	Risk Description	Management of Risk	Level of Risk
<p><b>Supply Chain</b></p>	<p><b>Our business depends on purchasing materials, efficient manufacturing and the timely distribution of products to our customers.</b></p> <p>Our supply chain network is exposed to potentially adverse events, such as physical disruptions, environmental and industrial accidents, labour unrest, trade restrictions, or disruptions at a key supplier, which could impact our ability to deliver orders to our customers.</p> <p>The cost of our products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs may negatively impact business, especially if such movements are not effectively managed.</p> <p>Geopolitical uncertainty around the world has challenged and continues to challenge the resilience and continuity of our supply chain. Maintaining manufacturing and logistics operations will continue to require ongoing focus and flexibility.</p>	<p>We have contingency plans designed to enable us to secure alternative key material supplies at short notice, to transfer or share production between manufacturing sites and to use substitute materials in our product formulations and recipes.</p> <p>Commodity price risk is actively managed through forward buying of traded commodities, other hedging mechanisms and product pricing. Trends are monitored and modelled regularly and integrated into our forecasting process.</p> <p>We have policies and procedures designed to ensure the health and safety of our employees and the products in our facilities, and to deal with major incidents including business continuity and disaster recovery.</p>	<p>No Change</p>
<p><b>Business Transformation</b></p>	<p><b>Successful execution of business transformation projects is key to delivering intended business benefits and avoiding disruption to other business activities.</b></p> <p>We are continually engaged in major change projects, including acquisitions, disposals, and organisational transformation, to drive continuous improvement in our business and to strengthen our portfolio and capabilities. We have an extensive programme of transformation projects. Ineffective execution of strategic business transformation projects could result in under-delivery of the expected benefits/synergies, inability to unlock growth opportunities, and a significant negative impact on the value of the business. Continued digitisation of our business models and processes, together with enhancing data management capabilities, is a critical part of our transformation.</p>	<p>All acquisitions, disposals, and transformation projects have steering groups in place led by senior leadership teams. Sound project discipline is followed in all transformation projects and these projects are resourced by dedicated and appropriately qualified personnel. All such projects are monitored through strong governance and reviewed by the Board of the Company for delivery of maximum synergies. The digitisation of our business is led by a dedicated specialist team together with representatives from all parts of the business to ensure an integrated and holistic approach. New ways of working and business models are constantly being explored to manage our business optimally in changing times.</p>	<p>No Change</p>



Risk	Risk Description	Management of Risk	Level of Risk
<p><b>Macro Economic Volatility</b></p>	<p><b>Uncertain macro-economic outlook coupled with geopolitical uncertainties may impact consumer demand for our products, disrupt sales operations, and/or impact the profitability of our operations.</b></p> <p>Prolonged and accentuated commodity price increases; rise in unemployment, fall in disposable incomes could lead to a demand shock.</p>	<p>Our flexible business model allows us to adapt our portfolio and respond quickly to develop new offerings that suit consumers' and customers' changing needs during economic downturns. We regularly update our forecast of business results and cash flows, and, where necessary, rebalance investment priorities. We believe that many years of exposure to challenging market conditions have given us experience of operating and developing our business successfully during periods of economic and political instability.</p>	<p>No Change</p>
<p><b>Plastic Packaging</b></p>	<p><b>We use plastic to package our products. A reduction in the amount of virgin plastic we use, the use of recycled plastic, and an increase in the recyclability of our packaging are critical to our future success.</b></p> <p>Consumer and customer responses to environmental impact of plastic waste and emerging regulations by Government to tax or ban the use of certain plastics, require us to find solutions to reduce the amount of plastic we use; increase recycling post-consumer use; and to source recycled plastic for use in our packaging. Not only is there a risk around finding appropriate replacement materials, due to high demand, but the cost of recycled plastic or other alternative packaging materials could significantly increase in the foreseeable future and this could impact our profitability. We could also be exposed to higher costs as a result of taxes or fines if we are unable to comply with plastic regulations which would again impact our profitability and reputation</p>	<p>We are working on three different streams to address the risk:</p> <p><b>Advocacy:</b> We are working with Government and Industry bodies on packing substitutes, putting in place a National Framework on Extended Producers Responsibility (EPR), harmonisation of regulations on plastic waste management between the Central &amp; State Regulations, improving recycling infrastructure for plastics.</p> <p><b>Collection and Recovery:</b> We are driving waste management pilots through tie-ups with various companies/NGOs deploying mass collection, processing and disposal models. We are also helping consumers to understand waste segregation and disposal methods. Through our partners, we collect and safely dispose more plastic than we use in packaging of our products.</p> <p><b>Design and development of alternative packaging:</b> We are committed to make 100% of our plastic packaging reusable, recyclable, or compostable by 2025 and are working on innovative solutions for accelerated development of alternative packaging and associated Supply Chain capability in order to reduce usage of virgin plastic.</p>	<p>No Change</p>

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<b>Systems &amp; Information</b>	<p><b>The Company's operations are increasingly dependent on IT systems and the management of information.</b></p> <p>The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase. Such an attack could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results. Increasing digital interactions with customers, suppliers, and consumers place greater emphasis on the need for secure and reliable IT infrastructure and careful management of the information that is in our possession to ensure data privacy. Given the changes in ways of working of all our employees as well as our customers and suppliers, with increased activities online, there has been a greater reliance on certain elements of our IT infrastructure. We are particularly reliant on third party experts in this space and thus the impact of any disruptions on their operations also pose a risk for us. Accelerated pace of digitisation of our operations also gives rise to the need to detect and mitigate risks arising from technological advancements such as deployment of AI, Robotics Process Automation, Machine Learning.</p>	<p>To reduce the impact of external cyber-attacks impacting our business we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. We also maintain a robust system for the control and reporting of access to our critical IT systems. This is supported by an annual programme of testing of access controls. We have policies covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. Our employees are trained to understand these requirements. We also have a set of IT security standards and closely monitor their operation to protect our systems and information. We have moved all systems and data to cloud this year. Robust and scalable system architecture with multi-level redundancy, is built on the cloud that allows real time data replication capability. This ensures system resilience including minimum downtime of the systems and minimum to zero data loss in case of any disaster. We have standardised ways of hosting information on our public websites and have systems in place to monitor compliance with appropriate privacy laws and regulations, and with our own policies. We are increasingly putting in place review and monitoring frameworks for new age automations to assess inherent open risks and mitigate the same.</p>	Increase
<b>Quality and Safety</b>	<p><b>The quality and safety of our products are of paramount importance for our brands and our reputation.</b></p> <p>The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure, or other factors cannot be excluded. Labelling errors can have potentially serious consequences for both consumer safety and brand reputation. Therefore, on-pack labelling needs to provide clear and accurate ingredient information so that consumers can make informed decisions regarding the products they buy.</p>	<p>Our product quality processes and controls are comprehensive, from product design to customer shelf. Our internal safety and quality norms are constantly reviewed to ensure that our products meet the most stringent norms. We have a robust quality inspection process in all manufacturing and warehousing locations to avoid and detect quality and safety issues. Also, we have a well-defined and periodic sampling and inspection process both at the distributor floor and on the market shelf ensuring quality of delivered product. Our key suppliers are externally certified, and the quality of material received is regularly monitored to ensure that it meets the rigorous quality standards that our products require. We have processes in place to ensure that the data used to generate on-pack labelling is compliant with applicable regulations and HUL labelling policies in order to provide the clarity and transparency needed for consumers.</p>	No Change

Risk	Risk Description	Management of Risk	Level of Risk
<p><b>Talent</b></p>	<p><b>Ensuring employee safety and well-being is a key priority for us. A skilled workforce and agile ways of working are essential for the continued success of our business.</b></p> <p>With the rapidly changing nature of work and skills, there is a risk that our workforce is not equipped with the skills required for the new environment. Our ability to attract, develop, and retain a diverse range of skilled people is critical if we are to compete and grow effectively. The loss of management or other key personnel or the inability to identify, attract, and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results. We now work in an interweaving ecosystem of physical and virtual work spaces and our ability to manage hybrid ways of working will be the key to operational effectiveness.</p>	<p>We have always ensured safe working conditions for our employees and are providing the necessary infrastructure and equipment across all operations to strictly adhere to the highest safety measures. We constantly invest in upskilling, reskilling, redeployment, and dynamic allocation of our talent. We regularly review our ways of working to drive speed and simplicity through our business in order to remain agile and responsive to marketplace trends. We are adopting flexible ways of working to unlock internal capacity and optimise talent deployment.</p> <p>Over the years we have developed a good equity to attract top talent. We have an integrated management development process which includes regular performance reviews, underpinned by a common set of leadership behaviours, skills, and competencies. We have development plans to upskill and reskill employees for future roles and will bring in flexible talent to access new skills. We have targeted programmes to attract and retain top and niche talent, and we actively monitor our performance in retaining a diverse talent pool.</p>	<p>No Change</p>
<p><b>Ethics</b></p>	<p><b>Our brands and reputation are valuable assets, and the way in which we operate, contribute to society, and engage with the world around us is always under scrutiny.</b></p> <p>Acting in an ethical manner, consistent with the expectations of customers, consumers, and other stakeholders, is essential for the protection of the reputation of HUL and its brands. Any significant breach to our Code by employees or extended enterprises would lead to damage to HUL's corporate reputation and business results.</p>	<p>Our Code and our Code Policies govern the behaviour of our employees, suppliers, distributors, and other third parties who work with us. Our processes for identifying and resolving breaches of our Code and our Code Policies are clearly defined and regularly communicated throughout HUL. Data relating to such breaches is reviewed by Management Committee and by relevant Board Committees that help to determine the allocation of resources for future policy development, process improvement, training, and awareness initiatives. Our Responsible Partner Policy helps us improve the lives of the people in our supply chains by ensuring human rights are protected and makes a healthy and safe workplace a mandatory requirement for our suppliers. We have detailed safety standards and monitor safety incidents at the highest level. Through our Brands with Purpose agenda, a number of our brands are taking action on societal issues such as fairness and equality.</p>	<p>No Change</p>

# Report of Board of Directors and Management Discussion and Analysis

Risk	Risk Description	Management of Risk	Level of Risk
<b>Climate Change</b>	<p><b>Climate change and governmental actions to reduce such changes may disrupt our operations and/or reduce consumer demand for our products.</b></p> <p>Climate change may impact our business in various ways through increased costs or reduced growth and profitability. Physical environment risks such as water scarcity could impact our operations, reduce demand for our products that require water during consumer use or decrease sales on account of reduced product efficacy due to water shortage. Uncertainty in timing and severity of summer, winter, and monsoon may impact the seasonal swings that we get on our mixes.</p> <p>Increased frequency of extreme weather events such as high temperatures, hurricanes, or floods could cause increased incidence of disruption to our supply chain, manufacturing, and distribution network. Market risks associated with the energy transition and rising energy prices could disrupt our operations and increase costs. Our inability to reduce our carbon footprint and meet conscious consumption agenda across consumer segments may be detrimental to our reputation and growth in the long term.</p>	<p>As part of our sustainability goals, we monitor climate change and are responding by ensuring that we reduce the environmental impact of our operations to the extent possible.</p> <ul style="list-style-type: none"> <li>Remove as much carbon from our operations and supply chain as we can</li> <li>Sustainably source all our key commodities</li> <li>Ensure deforestation-free supply chain</li> </ul> <p>In order to deal with the water scarcity and quality problems in the country, we are making water-saving formulations available for seasonal deployment across portfolios. We also have ongoing plans to de-seasonalise our product portfolios to deal with extreme unfavourable seasonal swings. We monitor governmental developments around actions to combat climate change and take proactive action to minimise the impact on our operations.</p>	Increased

## Opportunities

	Opportunities	What we are doing to respond
<b>Growing in Channels of the Future</b>	<p>With the advent of technology-enabled distribution models, there has been a hyper fragmentation of channels. Accelerated growth of e-Commerce and Modern Trade has brought about a huge opportunity to tap into these channels and drive business growth. The rapid digitisation of purchase behaviours require us to accelerate development of our e-Commerce and e-RTM (Route-to-market) capabilities. Strategically designed and flawlessly executed e-RTM, B2B solutions, and E2E Supply Chain transformation would open up a huge opportunity to tap into the new age channels and drive business growth.</p>	<p>While we continue to drive growth in the traditional trade and route to market, it is also critical to increase our footprint in emerging channels. We are working on rapid proliferation of technology-enabled distribution models to engage key customers and consumers strategically. Several new initiatives have been piloted which include digitisation of general trade through our e-B2B app Shikhar, smart demand capture, leveraging opportunities in omni channel, B2B2C, and e-Commerce including q-Commerce.</p>



	Opportunities	What we are doing to respond
<b>Future-fit Portfolio</b>	Our strategic investment choices in keeping with changing consumer demographics, aspirations, and spending power will bring about an opportunity for growth and improved margins. There is a huge headroom to grow through building our product portfolio in high-growth spaces such as masstige, health and hygiene, digital-first brands, naturals, and therapeutics.	Our strategy and our business plans are designed to ensure that resources are prioritised towards high growth segments. We have a strong pipeline of relevant innovations and are staying close to consumers by proactively spotting consumer insights and capturing potential trends to adapt to the emerging demand patterns in the short term and prepare for any structural changes in the medium term. We are also focused on making brands aspirational and driving premiumisation across the breadth of the product portfolio. We have significantly enhanced brand propositions and marketing investments to increase adoption in under-penetrated categories.
<b>Digital Transformation</b>	Digital Transformation Opportunities arising from rapidly emerging digital technologies, analytics, and big data present a chance to make meaningful interventions and develop capabilities across the value chain redefining the way we do business. The ability to keep our operations future-fit through building digital capabilities in systems, workforce, and business models will help us stay agile and respond in time to evolving stakeholder requirements.	We have been a leader in using big data and analytics as a tool to drive sustainable growth. We continue to drive organisation-wide digital transformation agenda under the umbrella of 'Re-Imagine HUL' to capture the digital opportunities. Pre-empting the imminent disruption, we have established a sharp digitalisation agenda in each function. These include those around our core Enterprise Resource Planning (ERP) platform using Cloud, Artificial Intelligence, and other digital technologies. Each day, we build new capabilities in Systems, Workforce, and Business Models with strong focus on external orientation and partnerships across large IT Companies/Industry Bodies. We are also invested to make sure that our talent is digitally enabled and future-fit to ride the digital transformation wave.
<b>ESG Focus</b>	The effects of climate change, nature loss, and social inequality are becoming ever more apparent and increasingly urgent. Our stakeholders recognise that responsible business practices are critical to generating long-term value. We are committed to operate and grow the business in a responsible way.	We are a frontrunner in sustainable business practices. We have integrated sustainability into business strategies. We aim to demonstrate that robust financial results are not contrary to sustainable business; in fact, they are complementary.  We have a strong governance mechanism in place consisting of cross-functional steering committees to action our ESG goals. We are constantly driving advocacy around sustainability and getting broader industry participation to lead the change.

# Financial Review

## Results

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

## Division Wise Turnover

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

## Summarised Profit and Loss Account

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

## Key Financial Ratios

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

Increase in Debt Equity ratio is on account of higher lease liabilities during the year

There is no significant change (i.e. change of 25% or more as compared to the FY 2022-23) in the other key financial ratios.

## Explanation to Key Financial Ratios

### (i) Return on Net Worth (%)

Return on Net Worth is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income by average shareholder's equity.

### (ii) Return on Capital Employed (%)

Return on Capital Employed indicates the ability of a Company's management to generate returns for both the debt holders and the equity holders. It measures a Company's profitability and the efficiency with which its capital is used. It is calculated by dividing profit before exceptional items, interest and tax by capital employed. Capital Employed = Tangible net worth + Total debt + Deferred tax liabilities.

### (iii) Basic EPS

Earnings Per Share (EPS) is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing Profit for the year by weighted average number of shares outstanding during the year.

### (iv) Debtors Turnover

Debtors Turnover measures the efficiency at which the Company is managing the receivables. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.

### (v) Inventory Turnover

Inventory Turnover measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between sales and average inventory held during the period. It is calculated by dividing turnover by average inventory.

### (vi) Interest Coverage Ratio

Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing earnings available for debt service by interest payments.

### (vii) Debt Service Coverage Ratio

Debt Service coverage ratio is used to analyse the firm's ability to pay-off current interest and instalments. It is calculated by dividing earnings available for debt service by debt service.

### (viii) Current Ratio

Current Ratio indicates a Company's overall liquidity position. It measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

### (ix) Debt Equity Ratio

Debt Equity ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing total debt by shareholder's equity.

### (x) Operating Profit Margin (%)

Operating Profit Margin is used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing EBIT by turnover.

### (xi) Net Profit Margin (%)

The net profit margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit by turnover.

## Economic Value Added

### What is EVA?

Traditional approaches to measuring Shareholder's Value Creation have used parameters such as earnings capitalisation, market capitalisation and present value of estimated future cash flows. Extensive equity research has established that it is not earnings per se, but VALUE that is important. A measure called 'Economic Value Added' (EVA) is increasingly being applied to understand and evaluate financial performance.

**\*EVA = Net Operating Profit after Taxes (NOPAT) - Cost of Capital Employed (COCE), where**

NOPAT = Profits after depreciation and taxes but before interest costs. NOPAT thus represents the total pool of profits available on an ungeared basis to provide a return to lenders and shareholders.

COCE = Weighted Average Cost of Capital (WACC) x Average Capital employed.

Cost of debt is taken at the effective rate of interest applicable to an 'AAA' rated Company like HUL for a short term debt, net of taxes. We have considered a pre tax rate of 7.69%.

Cost of Equity is the return expected by the investors to compensate them for the variability in returns caused by fluctuating earnings and share prices.

Cost of Equity = Risk free return equivalent to yield on long term Government Bonds + Market risk premium (x) Beta variant for the Company, where Beta is a relative measure of risk associated with the Company's shares as against the market as a whole. Thus, HUL's cost of equity = 10.70%.

### What does EVA show?

EVA is residual income after charging the Company for the cost of capital provided by lenders and Shareholders. It represents the value added to the Shareholders by generating operating profits in excess of the cost of capital employed in the business.

## Financial Review

### When will EVA increase?

EVA will increase if:

- a Operating profits can be made to grow without employing more capital, i.e. greater efficiency.
- b Additional capital invested in projects that return more than the cost of obtaining new capital, i.e. profitable growth.
- c Capital is curtailed in activities that do not cover the cost of capital, i.e. liquidate unproductive capital.

### EVA in practice at Hindustan Unilever Limited

At Hindustan Unilever Limited, the goal of sustainable long term value creation for our Shareholders is well understood by all the business groups. Measures to evaluate business performance and to set targets take into account this concept of value creation.

(₹ crores)

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

### Other Financial Disclosures

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this Integrated Annual Report.

During the Financial Year, there was no amount proposed to be transferred to Reserves.

Capital Expenditure (including Intangible Assets) during the financial year was at ₹1,318 crores (₹1,042 crores in the previous financial year).

During the Financial Year, the Company did not accept any public deposits as defined under Chapter V of the Companies Act, 2013 (the Act).

The Company manages cash and cash flow processes assiduously, involving all parts of the business. There was cash and bank balance of ₹7,216 crores (FY 2022-23: ₹4,422 crores), as on 31st March, 2024. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Foreign Exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end in line with the requirements of Ind AS 21.

### Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo as required under Section 134 of the Act and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

(₹ crores)

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

Includes all Indian subsidiaries, except Unilever Nepal Limited

### Performance of Subsidiaries

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

#### Unilever India Exports Limited

Unilever India Exports Limited (UIEL) is a wholly owned subsidiary of the Company and is engaged in Fast Moving Consumer Goods (FMCG) exports business. The focus of the FMCG exports operation is two-fold: to expand global presence of brands, such as Vaseline, Dove, Pears, Bru, Lakmē, Sunsilk, Horlicks and Boost and to effectively provide cross-border sourcing of FMCG products to other Unilever companies across the world.



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

### Lakme Lever Private Limited

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

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

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

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

### Hindustan Unilever Foundation

Hindustan Unilever Foundation (HUF) is a not-for-profit company that anchors water management related community development and sustainability initiatives of the Company.

HUF operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. It aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, communities, experts and mission-based organisations.

HUF partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation and regenerative agricultural practices amongst farmers. The initiative has delivered a cumulative and collective water potential of over 3.2 trillion litres through improved supply and demand water management, over 2.1 million tonnes of

additional agricultural and biomass production, and over 114 million person-days of employment due to project interventions\*. Till now, HUF's programmes have reached more than 15,000 villages across India.

\*Assured by an independent external firm.

### Unilever Nepal Limited

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

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

### Unilever India Limited

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

The state-of-the-art spray dried detergent factory manufactures Home Care products for Company. It is designed to make the best use of digital 4th industrial revolution, guaranteeing world class performance in people safety, product quality, innovation lead times and environmental performance. The site's integrated design allows for an ecosystem of material suppliers, logistic operators and manufacturing partners to be located at the site for optimal supply chain integration.

This unit is firmly on its path to be Unilever's first gender balanced factory in South Asia and currently has 170+ female employees. It is an inspiring example of the path breaking work being done to increase female representation in our shop floors through Project Samavesh.

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

### Zywie Ventures Private Limited

Zywie Ventures Private Limited (ZVPL) is a subsidiary of the Company engaged in the business of Health and Well-being products under the brand name of 'OZiva'. The Company acquired 53.34% stake (51.00% on a fully diluted basis) in ZVPL on 10th January, 2023.

OZiva is a plant-based and clean label consumer wellness brand focused on need spaces such as Lifestyle Protein, Hair & Beauty Supplements and Women's Health. OZiva is a digital-first brand with an omnichannel approach, available on its D2C website, digital marketplaces and a growing offline presence. ZVPL has a strong inhouse R&D team comprising Ph.D.s, Phyto-chemists and Biotechnologists.

## Financial Review

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

### Other Subsidiaries

**Daverashola Estates Private Limited** is a subsidiary of the Company which currently has no business activity. There is an ongoing litigation on the property owned by the company in Tamil Nadu.

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

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

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

### Audit & Auditors

#### Statutory Auditors

In terms of provisions of Section 139 of the Act, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) were re-appointed as Statutory Auditors of the Company at the 86th Annual General Meeting (AGM) held on 29th June, 2019, to hold office till the conclusion of 91st AGM of the Company. The Report given by M/s. BSR & Co. LLP, on the financial statements of the Company for the FY 2023-24 is part of this Integrated Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. During the year under review, M/s. BSR & Co. LLP has filed a report under Section 143(12) of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. However, they have not reported any instances of frauds committed in the Company by its officers or employees involving an amount of less than ₹1 crores to the Audit Committee or Board under Section 143(12) of the Act. Therefore, no detail is required to be disclosed in the Director's Report under Section 134(3)(ca) of the Act.

As the term of M/s. B S R & Co. LLP as the Statutory Auditors of the Company expires at the conclusion of 91st AGM, the Board of Directors of the Company at their meeting held on 24th April, 2024, based on the recommendation of the Audit Committee, has recommended to the Members the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company, for a term of 5 (five) consecutive years from the

conclusion of 91st AGM till the conclusion of the 96th AGM. Accordingly, an Ordinary Resolution, proposing appointment of M/s. Walker Chandiook & Co. LLP, as the Statutory Auditors of the Company for a term of five consecutive years pursuant to Section 139 of the Act, forms part of the Notice of the 91st AGM of the Company. The Company has received the written consent and a certificate that M/s. Walker Chandiook & Co. LLP satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

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

#### Secretarial Auditors

The Board, at its meeting held on 27th April, 2023 had appointed M/s. S. N. Ananthasubramanian & Co., (ICSI Unique Code: P1991MH040400) Company Secretaries to conduct Secretarial Audit for the FY 2023-24. The Secretarial Audit Report forms part of this Integrated Annual Report and does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act.

In line with the best governance practices codified under our Corporate Governance Code, the Secretarial Auditor must be rotated every ten years and a cooling off period of three years must have elapsed to be re-appointed by the Company. Accordingly, in terms of provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 19th January, 2024 had appointed M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) to conduct Secretarial Audit for the FY 2024-25.

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

#### Cost Records and Cost Audit

In terms of provisions of Section 148 of the Act read with the Companies (Accounts) Rules, 2014, Cost Audit is applicable for following businesses such as Coffee, Drugs and Pharmaceuticals, Insecticides, Milk Powder, Organic Chemicals, Other Machinery, Petroleum Products, Tea, etc. The accounts and records for the above applicable businesses are made and maintained by the Company as

specified by the Central Government under Section 148 (1) of the Act.

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

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

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

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

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

**Internal Financial Controls**

The Company has a robust Internal Financial Control framework which is established in accordance with the Committee of Sponsoring Organisation (COSO) framework. The details of Internal Financial Control framework, form a part of the Corporate Governance Report of this Integrated Annual Report.

**Material Developments In Human Resource Front**

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

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

the preferred employer of women title. For further details please refer page 84.

**Employee Stock Option Plan (ESOP)**

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

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

The Senior Management are eligible to receive a conditional grant of Unilever shares under the Performance Share Plan (PSP) on an annual basis. The actual share grant is determined by the line manager basis the employees’ sustained impact, leadership and future-fit talent profile. These shares vest after a 3-year period with vesting being determined by Company performance against metrics. The performance measures for PSP for grants being made effective 2024 are Underlying Sale Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and Sustainability Progress Index. The awards under PSP plans will vest after 3 years between 0% and 200% of grant level, depending on the achievement against the performance metrics.

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

Further, under the SHARES Plan, eligible employees can invest in the shares of Unilever PLC (holding company) up to a specified amount and after three years, one share is granted to the employees for every three shares invested, subject to the fulfilment of conditions of the plan. The holding company charges the Company for the grant of shares to the Company’s employees based on the market value of the shares on the exercise date.

<sup>1</sup>As on the date of adoption of the Report by the Board there are no stock options that are either outstanding or exercisable.

## Financial Review

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

### Particulars of Employees and Related Disclosures

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules) have been appended as an Annexure to this Integrated Annual Report.

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules are available on the Company's website at [www.hul.co.in](http://www.hul.co.in).

### Dividend

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

The Final Dividend, subject to the approval of Members at the Annual General Meeting on Friday, 21st June, 2024, will be paid on or after 25th June, 2024, to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e. from Saturday, 15th June, 2024 to Friday, 21st June, 2024 (both days inclusive). The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹42/- per equity share and will absorb ₹9,868 crores. In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

### Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹13.77 crores of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund.

### Mergers, Acquisitions & Divestments

During the year under review, the Company has entered into a strategic partnership with Brookfield to set up a solar energy park with 45 MW capacity in Rajasthan. This will help the Company in its journey towards Net zero commitment. The project is being developed at the site of Brookfield's solar park, being undertaken as a part of Brookfield Global Transition Fund (Brookfield). The Board, at its meeting held on 1st December, 2023, approved an equity investment of up to 27.73% in Transition Sustainable Energy Services One Private Limited, a Special Purpose Vehicle (SPV) incorporated by Brookfield, a leading global alternative asset manager with one of the world's largest renewable power platforms. The SPV is formed under the

Government's Group Captive Open Access Renewable Energy Scheme. This is seen as a transformative partnership that aligns with environmental and economic sustainability and will help stakeholders across the value chain. As on the date of this Integrated Annual Report, the Company has completed the acquisition of 22.33% of equity share capital of the SPV.

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to the downstream investment made in the SPV.

### Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Act, during FY 2023-24 are appended as an Annexure to this Integrated Annual Report.

### Governance, Compliance and Business Integrity

The Legal function of the Company continues to be a valued business partner that provides solutions to protect the Company and enable it to win in the brittle, anxious, non-linear and incomprehensible environment. Through its focus on creating 'Value with Values', the function provides strategic business partnership in the areas including product claims, mergers and acquisitions, legislative changes, combatting unfair competition, business integrity and governance. The function works with the growth enabler mindset.

As the markets continue to be disrupted with newer technologies and ever-evolving consumer preferences, the need to have a framework around data security and privacy is paramount. The Company continues to ensure it has appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards. The legal function of the Company continues to embrace newer technologies to make the function future ready to support the growth agenda of the business.

The Company is of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow. We continued to engage with various stakeholders including e-Commerce Channel Partners, Industry Bodies and Regulators to curb the menace of counterfeiting across channels and markets, including through the import route to the country.

The Legal function of the Company works with leading Industry Associations, National and Regional Regulators and Key Opinion Formers to develop a progressive regulatory environment in the best interest of all stakeholders.

### Business Integrity

Our principles and values apply to all our employees through our Code of Business Principles (CoBP) and Code Policies. Our employees undertake mandatory annual training on these Policies via online learning modules and sign an annual Business Integrity Pledge. Our Business Integrity governance framework includes clear processes for dealing with CoBP breaches.



During the year under review, 87 incidents were reported across all areas of our CoBP and Code Policies, with 41 confirmed breaches. During the year, we terminated employment of 16 employees and issued 20 warning letters as a consequence of such breaches.

The CoBP and Code Policies reflect our desire to fight corruption in all its forms. We are committed to eradicating any practices or behaviours through our zero-tolerance approach to such practices. The CoBP is periodically refreshed and updated so that it provides a current reflection of the way we do business at Unilever. The Code Policies have also been reviewed to align them with the changes in the internal and the external environment.

Our Responsible Partner Policy helps to give us visibility of our third parties to ensure their business principles are consistent with our own.

### Corporate Governance

Maintaining high standards of Corporate Governance has been fundamental to the business of the Company since its inception. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, *inter-alia*, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

### Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act) and Rules made thereunder, the Company has constituted Internal Committees (IC). Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders including employees who identify themselves with LGBTQI+ community.

During the year, 7 (seven) complaints with allegations of sexual harassment were received by the Company, all of which were investigated and resolved as per the provisions of the POSH Act. To build awareness in this area, the Company has been conducting induction/ refresher programmes on a continuous basis. During the year, the Company organised offline training sessions on the topics of Gender Sensitisation and Code Policies including POSH for all office and factory based employees.

### Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transaction (RPT) & Dealing with Related Party Transactions which is also available on the Company's website at [www.hul.co.in](http://www.hul.co.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for RPT on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions are subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Act, and Listing Regulations.

All RPTs entered during the year were in ordinary course of the business and at arm's length basis. No Material RPTs were entered during the year by the Company. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2023-24, is available on the Company's website at [www.hul.co.in](http://www.hul.co.in).

### Board of Directors and Key Managerial Personnel

#### Change in Directorate

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

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

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

- (a) the appointment of Ms. Neelam Dhawan (DIN: 00871445) as an Additional Director - Independent Director of the Company for a term of 5 (five) consecutive years with effect from 1st August, 2023.
- (b) the re-appointment of Mr. Leo Puri (DIN: 01764813) as an Independent Director of the Company for a further term of 5 (five) consecutive years with effect from 12th October, 2023.
- (c) the appointment of Mr. Tarun Bajaj (DIN: 02026219) as an Additional Director - Independent Director of the Company for a term of 5 (five) consecutive years with effect from 1st December, 2023.

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

## Financial Review

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

### Retirement by rotation and subsequent re-appointment

Mr. Nitin Paranjpe (DIN: 00045204), Mr. Ritesh Tiwari (DIN: 05349994) and Mr. Dev Bajpai (DIN: 00050516), are liable to retire by rotation at the ensuing AGM and being eligible have offered their candidature for re-appointment.

As per the provisions of the Act, the Independent Directors are not liable to retire by rotation.

Brief resume, nature of expertise, disclosure of relationship between directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed / re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

### Key Managerial Personnel

Mr. Rohit Jawa (DIN: 10063590), Chief Executive Officer and Managing Director (CEO & MD), Mr. Ritesh Tiwari, Chief Financial Officer and Mr. Dev Bajpai, Company Secretary are the Key Managerial Personnel of the Company as on 31st March, 2024. During the year, Mr. Rohit Jawa succeeded Mr. Sanjiv Mehta (DIN: 06699923) as the CEO & MD and as the head of the Management Committee of the Company with effect from 27th June, 2023.

### Management Committee

The day-to-day management of the Company is vested with the Management Committee, which is subjected to the overall superintendence and control of the Board. The Management Committee is headed by the CEO & MD and has Functional and Business Heads as its members.

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

- (a) the appointment of Mr. Arun Neelakantan as the Chief Digital Officer with effect from 1st January, 2024.
- (b) the appointment of Ms. Harman Dhillon as the Executive Director, Beauty & Well-being, in succession to Mr. Madhusudhan Rao, with effect from 1st April, 2024.
- (c) the appointment Mr. Srinandan Sundaram as the Executive Director, Home Care in succession to Mr. Deepak Subramanian with effect from 1st April, 2024.
- (d) the appointment of Mr. Shiva Krishnamurthy as the Executive Director, Foods and Refreshment in succession to Mr. Srinandan Sundaram with effect from 1st April, 2024.

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

### Declaration from Independent Directors

The Company has, inter alia, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with the Rules made thereunder, and the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. List of key skills, expertise and core competencies of the Board, including the Independent Directors, forms a part of the Corporate Governance Report of this Integrated Annual Report.

### Meetings of the Board, Board Evaluation, Training and Familiarisation Programme & Vigil Mechanism

During the year, seven meetings of the Board of Directors were held.

The details of meetings held and Director's attendance, training and familiarisation programme and Annual Board Evaluation process for Directors, policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, composition of Audit Committee, establishment of Vigil Mechanism for Directors and employees, form a part of the Corporate Governance Report of this Integrated Annual Report.

### Technology Absorption

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

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

& processing technologies from the work done across the global R&D centres.

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

HUL derives exceptional benefits and advantage of scale from Unilever R&D's extensive global ecosystem of academia, technology experts and long-term collaborations with large suppliers for material and technologies. Through these partners HUL is working on developing next generation sustainable materials and products with lower Carbon Footprint that will enable us to achieve our Net zero goal by 2039.

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

The above flow of benefits to HUL have been enabled through a Technical Collaboration Agreement (TCA) and a Trademark License Agreement (TMLA) between HUL & Unilever since 2013. The TCA provides for payment of royalty on net sales of specific products manufactured by the Company, with technical know-how provided by Unilever. The TMLA provides for the payment of trademark royalty as a percentage of net sales on specific brands where Unilever owns the trademark in India including use of 'Unilever Corporate logo'. With the aid of these agreements HUL business has been able to bring in bigger, better, and faster innovations to Indian consumers from the global R&D teams.

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

and personal care products that provide skin benefits like better hygiene, naturally glowing skin, etc.

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

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

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

We also receive continuous support and guidance from Unilever to drive functional excellence in marketing, supply management, media buying and IT, among others, which helps us build capabilities, remain competitive and further step-up our overall business performance. Unilever is committed to ensuring that the support in terms of new products, innovations, technologies, and services is commensurate with the needs of HUL and enables us to win in the marketplace.

### Conservation of Energy

For details on the steps taken by the Company on conservation of energy, water and reduction of waste, please refer to the Business Responsibility and Sustainability Report, which forms part of this Integrated Annual Report.

### Compliance with Secretarial Standards

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by Institute of Company Secretaries of India.

### Stakeholder Engagement

Our multi-stakeholder model aims to respect the interests of and be responsive towards all stakeholders. Stakeholder engagement and partnership are essential to grow the Company's business and to reach the ambitious targets set out in the ESG Goals. The CoBP, which is the statement of values and represents the standard of conduct for everyone associated with the Company, and the Code Policies guide how we interact with our partners, suppliers, customers, employees, shareholders, Government, Non-Governmental Organisations (NGOs), trade associations and industry bodies. Through the underlying standards set in CoBP and Code policies, the Company is committed to transparency, honesty, integrity and openness in all its engagements with the various stakeholders.

# Financial Review

## Outlook

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

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

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

## Responsibility Statement

Pursuant to Section 134 of the Act, the Board of Directors confirms that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs and of the profits of the Company for that period;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts on a going concern basis;
- They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## Other Disclosures

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and or its operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;
- no shares with differential voting rights and sweat equity shares have been issued;
- no public deposits as defined under Chapter V of the Act have been accepted by the Company;
- there has been no change in the nature of business of the Company.

## Appreciations and Acknowledgment

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

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

Your Board places on record its appreciation for the support and co-operation your Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

Your Directors also take this opportunity to thank all Shareholders, Business Partners, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

On behalf of the Board

**Nitin Paranjpe**  
Chairman  
(DIN: 00045204)

Mumbai, 24th April, 2024

## Annexure to the Report of Board of Directors

### Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the FY 2023-24, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director(s) and Company Secretary during the FY 2023-24.

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

- ii. The percentage increase in the median remuneration of employees for the financial year was 7.38%.
- iii. The Company has 7,215 permanent employees on the rolls of Company as on 31st March, 2024.
- iv. Average increase made in the salaries of employees other than the managerial personnel in the financial year was 4.4%.
- v. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

#### Note:

- a) The Non-Executive Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Members. The remuneration of Non-Executive Directors, details of which are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the FY 2023-24.
- c) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

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

On behalf of the Board

**Nitin Paranjpe**

Chairman

(DIN: 00045204)

Mumbai, 24th April, 2024



# Annexure to the Report of Board of Directors

## Particulars of Loans, Guarantees or Investments

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

### Amount outstanding as at 31st March, 2024

Particulars	(₹ crores) Amount
Loans given	302
Guarantee given	-
Investments made	5,493

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

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

<sup>1</sup> Investment in 22,330 equity shares of ₹10 each

<sup>2</sup> For details refer to Note 6 of Notes to the financial statements

On behalf of the Board

**Nitin Paranjpe**  
Chairman  
(DIN: 00045204)

Mumbai, 24th April, 2024

# Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to the Companies (Corporate Social Responsibility) Rules, 2014)

## 1) Brief outline on CSR Policy of the Company, including overview of projects/ programmes undertaken:

A belief that sustainable business drives superior performance lies at the heart of Hindustan Unilever Limited (HUL / the Company). We seek to deliver long-term sustainable growth while driving change for People and the Planet. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

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

Our sustainability strategy is in line with India's development agenda and the United Nations Sustainable Development Goals (SDGs). For more details visit <https://www.hul.co.in/planet-and-society/>.

Our Company's CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. It aims to provide a dedicated approach to community development in the areas of water conservation, health and hygiene, waste management, regenerative agriculture, skill development, education, social advancement, gender equality, women empowerment and rural development.

The CSR Policy of the Company, as approved by the Board of Directors, is available on the Company's website at <https://www.hul.co.in/investor-relations/corporate-social-responsibility/>.

A brief overview of the Company's CSR projects is given below.

This report is divided into two parts – Section A provides details of the initiatives that are covered under the Schedule VII of the Companies Act, 2013 (the Act) and are considered for the purpose of computing prescribed CSR spends.

Section B of this report deals with initiatives that are for societal good but are not included for the purpose of computing CSR spends.

## SECTION A:

### i. Water Conservation Programme



Hindustan Unilever Foundation (HUF) is a not-for-profit company that was set up in 2010 to support and amplify scalable solutions that can help address India's water challenges. Since 80% of water is used in agriculture, HUF's work focuses on helping rural communities, especially those that depend on agriculture for their core livelihood. HUF established its 'Water for Public Good' programme anchored in the belief that water is a common asset and must be governed by citizen communities. The Foundation aims to catalyse effective solutions to improve water security through a partnership approach involving the Government, communities, experts, and mission-based organisations.

HUF partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation and encourage regenerative agricultural practices amongst farmers.

The initiative, along with its partners, has delivered a cumulative and collective water potential of over 3.2 trillion litres through improved supply and demand water management, over 2 million tonnes of additional agricultural and biomass production, and over 114 million person-days of employment due to project interventions<sup>1</sup>. To underscore the importance of the water potential created by HUF, 3.2 trillion litres of water can meet the drinking water needs of the total population of India for nearly 2 years.

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

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

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

<sup>1</sup> Assured by an external independent firm

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

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

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

## ii. Suvidha – Community Hygiene Centres



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

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

The Company also announced a strategic partnership with JSW to build 10 more Suvidha centres.

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

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

The Company is implementing an extensive behaviour change programme around its Suvidha centres to encourage people to adopt 4 simple yet important habits: washing hands with soap; eating nutrition-rich meals; drinking safe water; and using clean toilets to reduce the scope of illness and create good health outcomes for families. Through door-to-door interventions, the programme has reached over 7 lakh people across Mumbai.

## iii. Project Shakti



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

The Company has always believed that:

- For the country to grow, people living in its villages must be empowered with livelihood skills and opportunities
- Women in villages must be empowered if households in villages have to progress

<sup>2</sup> Calculations based on 16 Suvidha centres built till date

<sup>3</sup> As per the impact assessment conducted by Deloitte Touche Tohmatsu India LLP

Keeping this in mind, the Company launched the Shakti programme. Shakti Entrepreneurs are given training for familiarisation with the Company’s products and basic tenets of distribution management. In addition, the Company has a team of Rural Sales Promoters (RSPs) who coach and help Shakti Entrepreneurs in managing their business. Across 22 States, Project Shakti has over 2 lakh Shakti Entrepreneurs whom we call ‘Shakti Ammas’. This programme has helped them become self-confident, improve their self-esteem and learn communication skills. Most importantly, our interventions have helped in building and fostering an entrepreneurial mindset amongst Shakti Entrepreneurs.

The RSPs train Shakti Entrepreneurs in sales and administrative skills, including order taking, book-keeping and digital order placement and payments. With the imparted training, Shakti Entrepreneurs are using the Company’s eB2B app Shikhar, to place orders regularly. The training imparted to the Shakti Ammas results in the promotion of education and employment, enhancing livelihoods and vocational skills and women empowerment. These training activities are permitted under Schedule VII of the Act and are treated as part of CSR spends by the Company.

The Company is working towards empowering Shakti Entrepreneurs with information on health and nutrition. Through this initiative, RSPs conduct sessions on nutrition awareness and enable Shakti Entrepreneurs to take the message further to beneficiaries in the villages. The initiative has achieved substantial progress reaching over 8 lakh households. These training sessions will help Shakti Entrepreneurs drive social change at a grassroot level in their communities and continue to make a positive impact on the health and nutrition of their communities.

**iv. Prabhat**



Prabhat is the community development initiative of the Company that aims to create sustainable and inclusive communities. It contributes to a fairer, more socially and environmentally inclusive world while using HUL’s scale for good. In the past decade, Prabhat has positively benefitted nearly 10 million lives across 21 States and 2 Union Territories. A third-party impact evaluation ranked the overall impact of all programmes combined as ‘high’ and rated Social Return On Investment (SROI) as 7X<sup>4</sup>.

The key pillars of Prabhat include:

**Livelihoods**

Through Prabhat’s 18 livelihood centres, women and youth are trained in vocational skills and

entrepreneurship development. In order to make them future-fit, training is provided in areas like data entry operator, Information Technology, electrical, plumbing, tailoring, beauty, mechanics and more. Inclusivity is built by involving Persons with Disabilities (PwDs), transgenders and other vulnerable communities. Nearly 1,30,000 people have been imparted skill development and training through Prabhat’s livelihood centres and over 75,000 people have secured employment.

Through farm-based value chain initiatives, Prabhat works with rural women and small and marginal farmers to help improve their income. Farmers are organised into Self Help Groups (SHGs), Farmer Interest Groups (FIGs) or Farmer Producer Organisations (FPOs), so that their produce is linked to markets easily. Farmers are also provided with relevant skills to help them continue sustainable agricultural practices. More than 24,000 farmers have positively benefitted through Prabhat’s farm-based value chain initiatives.

**Health and nutrition**

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

Prabhat’s Healthcare Service runs a mobile medical unit across villages. The mobile medical unit provides routine health check-ups with qualified doctors for on-site consultation and diagnosis, internet-enabled video conferencing for consultation with specialised doctors, free medicines, routine health check-ups, follow-up consultations and bi-monthly health camps. The programme is live in 3 locations and over 1,40,000 people have been treated under this programme.

**Environmental sustainability**

Through Prabhat, the Company is making a positive impact on the environment and building resilience in communities. Village level door-to-door waste collection mechanisms are implemented to help households segregate wet and dry waste. Collected waste is then processed and recycled or upcycled into value-added products such as handwashing stations and benches. Wet waste collected is converted into biogas as a source of renewable energy for the community. Till now over 7 lakh kilograms of

<sup>4</sup>An impact assessment by EY showed a social return on investment (SROI) of ₹7.76 (for every ₹1 invested).

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

An integrated watershed management approach helps farmers and communities work on water sufficiency and efficiency with a focus on the demand and supply of water. The programme focuses on ensuring water security and governance at a community level. Prabhat is working towards becoming Alliance for Water Stewardship (AWS) compliant.

## v. Asha Daan



Asha Daan is a home for sick and destitute people in Mumbai. It is run by the Missionaries of Charities (MoC) which was founded by Mother Teresa. Since the inception of Asha Daan in 1976, the Company has been looking after the maintenance and upkeep of the premises. At any time, there are around 350 inmates at Asha Daan.

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

## vi. Health and Nutrition



### Swasthya Ki Baat

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

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

## Swasthya Curriculum

The Company created the Swasthya Curriculum that teaches children in classes 1-5 the importance of adopting 4 key habits: eating nutrition-rich meals; washing hands with soap; drinking safe water; and using clean toilets, over a 24-day period.

Over the years, the textbook version of the curriculum has been rolled out in Government schools in Bihar, Gujarat, Madhya Pradesh and Uttar Pradesh. Previously, in the absence of in-school learning during the COVID-19 pandemic, the Company launched a digital curriculum that was piloted in Chhattisgarh, Maharashtra and Delhi, teaching primary school students the importance of hygiene in a fun and interesting manner. Since 2018, 5 million children have been educated through the curriculum.

## vii. Waste-Free World



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

### Decentralised Waste Management Eco-System

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

### Driving Behaviour Change

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

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



**Improving Lives of Waste Workers (Safai Saathis)**

Through Project Utthaan, the Company aims to improve the lives of waste workers (Safai Saathis) by enabling their access to government social protection schemes covering food, health, safety, security and financial inclusion. Through partnerships, the Company has successfully linked over 5,000 Safai Saathis and their families to Government schemes, including Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, E-SHRAM card, and Jan Dhan account.

YuWaah’s Passport 2 Earning (P2E) programme, Sarthak Educational Trust and Cheshire Disability Trust.

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

**viii. Empowering Women Cricketers**



The Company has partnered with leading cricket academy, Coaching Beyond to help reduce barriers that come in the way of budding women cricketers and support them to excel in the game.

In the pilot phase, following a robust selection process, women cricketers across 20 districts in Andhra Pradesh, Tamil Nadu and Telangana will be chosen and inducted into Coaching Beyond’s Junior Athlete Development Program. They will be given access to world-class infrastructure and multi-year holistic cricket coaching to unleash their full potential under the guidance of renowned cricket professionals. The selected young women cricketers will be hosted to play a tournament in Chennai and Hyderabad respectively. After the tournament, 50 young women cricketers will be shortlisted for the HUL scholarship programme. In the last phase, training will begin as a part of the HUL scholarship, spanning 3 years.

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

**x. Regenerative Agriculture**



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

**xi. The Centre for Sustainability Leadership**



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

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

**ix. SAFAL**



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

**xii. Ankur**



Ankur was set up in 1993 as a centre for special education for children with disabilities at Doom Dooma in Assam. Ankur has provided free special

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educational, vocational and rehabilitative training to over 350 physically and mentally challenged children from underprivileged backgrounds.

## xiii. Sanjeevani



The Company runs a free mobile medical service facility 'Sanjeevani' for the local community near its Doom Dooma factory in Assam. There are 2 mobile vans dedicated to the project. Each vehicle has a male and female doctor, a nurse, a medical attendant and a driver. The vans are equipped with basic kits such as a diagnostic kit, blood pressure measuring unit, medicines and a mobile stretcher. Over 7,000 camps have been organised in villages so far. More than 3.8 lakh patients have been treated through these service camps since its inception.

## xiv. Suprabhat Industrial Training Institute



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

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

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

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

## SECTION B:

### i. Climate Action and Sustainable Sourcing



The Company has taken several actions in the areas of energy consumption, Greenhouse Gas (GHG) emissions, reduction in waste and water from manufacturing, as well as in sustainable sourcing. The details of these initiatives are covered under Business Responsibility Sustainable Reporting, that forms a part of this Integrated Annual Report.

### ii. Well-being and Nutrition Initiatives



The Company's 'Positive Nutrition' ambition demonstrates our commitment to being a force for good. Our Company is continuously working

### iii. Handwashing Behaviour Change Programme



The Company's Lifebuoy handwashing behaviour change initiative helps in promoting the benefits of handwashing with soap at key times during the day and encouraging people to adopt and sustain good handwashing behaviour.

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

From 2010 to 2022, the Company has reached out to over 75 million people in India through its handwashing behaviour change initiatives. The Company has been driving handwashing behaviour change programmes in partnership with Global Alliance for Vaccine Initiative (GAVI) and NGO partners. Through the programmes, the practice of using soap at critical occasions and awareness and knowledge of ‘how visibly clean is not clean’ is spread across communities, thereby protecting people from infections.

**iv. Dove Self-Esteem Programme**



Globally 8 out of 10 girls<sup>5</sup> opt out of key life activities when they do not feel good about the way they look. In India, 6 out of 10 girls<sup>5</sup> say they do not have high body esteem. Dove’s mission is to ensure that, the next generation grows up to enjoy a positive relationship with the way they look to reach their full potential. We are helping young people build positive body confidence and self-esteem. Being the largest provider of self-esteem education, this project strives to create a world where young people grow up feeling confident and empowered to love themselves, no matter what. For more than 15 years, Dove has been helping young people with self-esteem education, reaching over 69 million lives globally in 150 countries.

The partnership funding is being directed to UNICEF<sup>6</sup> India’s Life Skills Education programming and their contributions to the Government of India’s Samagra Shiksha Abhiyan (SMSA) programme. Under the SMSA programme, the Ministry of Education has a clear mandate to deliver a comprehensive life skills education curriculum. Our partnership is supporting teachers with specific training on self-esteem and body confidence through educational material, under the agreement with the Government of India. The programme has reached 7.2 million lives.

**v. Glow & Lovely Careers**



Glow & Lovely Careers is a programme designed to help women create an identity for themselves by providing them with career guidance, skill-based courses and information on job opportunities. The platform addresses multiple skilling barriers that girls and women in India face including limited access to transportation, lack of parental permission, high cost of courses and very few quality local institutes. The Glow & Lovely Careers website offers skill-based courses in partnership with well-known EdTech

companies like edX, English Edge, Hello English, start-ups such as [www.testbook.com](http://www.testbook.com) and [www.idreamcareer.com](http://www.idreamcareer.com), and internship opportunities through online training partner Internshala. In 2023, Glow & Lovely Careers partnered with TimesJobs, a top job provider in India to help women get access to job opportunities across various fields. The Glow & Lovely Careers community on the ‘Sheroes’ application provides the opportunity to share and learn from like-minded women, interact with experts and discover career growth opportunities. Over 1.9 million users have registered under the programme till the end of 2023. Till now, the programme has facilitated over 5 lakh course enrollments and supported over 4.3 lakh users in accessing relevant career guidance.

**vi. Kwaliti Wall’s Vending Operations**



The Company’s Kwaliti Wall’s mobile vending initiative, ‘I am Wall’s’, has provided entrepreneurship opportunities to nearly 12,600 people and 250 differently-abled persons across India. This programme has helped vendors become self-sufficient micro-entrepreneurs selling ice cream on the move, helping the Company reach more consumers on the street. It equips people with skills such as sales, customer service and problem-solving, and provides many young people with work experience as they step into the job market.

**vii. TRANSFORM**



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

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

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

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

<sup>6</sup> UNICEF does not endorse any company, brand, product or service

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

where they have run education, awareness and referral campaigns for Horlicks and Lifebuoy.

The Company's work over the last several years has touched a large number of people in India. To scale up the Company's initiatives, partnerships are crucial. The Company is working in partnership with Government(s), NGOs, suppliers and others to help forge alliances and address big societal challenges.

## 2) Composition of CSR Committee:

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

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

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

## 3) The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

The web-link is as follows: <https://www.hul.co.in/investor-relations/corporate-social-responsibility/>

## 4) The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Reports pertaining to Impact Assessment carried out for the below mentioned projects are available on the website at <https://www.hul.co.in/investor-relations/corporate-social-responsibility/>

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

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

### 1. Project Water Conservation

#### Overview of the Project

HUF's mission is to make water security commonplace in India by catalysing and amplifying effective solutions to India's water

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

#### Key Objectives

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

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

#### Methodology used:

The comprehensive impact review was conducted based on a robust framework provided by **OECD DAC6<sup>1</sup>** criteria, focusing on

relevance, effectiveness, efficiency, impact, and sustainability.

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

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

#### Outcome

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

## 2. Project Suvidha

### Overview of the Project

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

### Key Objectives

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

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

### Methodology Used

The data for the impact assessment was collected by using customised data collection tools through

document/reports review, and key stakeholder and beneficiary interactions. The primary data collection was conducted with 52 key stakeholders and 502 Suvidha users (through semi-structured sample surveys and focused group discussions).

### Outcome

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

## 3. Project Shakti

### Overview of the Project

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

### Key Objectives

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

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

### Methodology Used

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

<sup>1</sup> OECD (The Organisation for Economic Co-operation and Development) DAC (Development Assistance Committee)



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## Outcome

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

## 4. Project Prabhat:

### Overview of the Project

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

### Key Objectives

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

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

### Methodology Used

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

- Meticulous inspection of program-related documents to understand the stated interventions and compile the toolkits for the impact surveys.
- Deployment of the toolkits for field-based data collection with direct and indirect beneficiaries as well as on call / in-person discussions with other senior project

stakeholders to understand their perspective and suggestions for their program.

- A comprehensive data analysis exercise was undertaken, followed by a detailed report highlighting the findings, conclusion and recommendations.

## Outcome

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

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

### Overview of the Project

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

### Key Objectives

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

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

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

### Methodology Used

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

### Outcome

Driving Behaviour Change by impacting practices in Uttar Pradesh and Gujarat

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

## 6. Swasthya Curriculum

### Overview of the Project

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

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

### Key Objectives

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

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

### Methodology Used

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

### Outcome

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

## 7. Waste Free World

### Overview of the Project

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

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

## Key Objectives

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

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

## Methodology Used

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

## Outcome

- The MRFs have processed 4,477 metric tonnes of dry waste with 2,417 metric tonnes of plastics being segregated and processed responsibly in Mumbai and Aurangabad.
- 3,300 Safai Saathis have gotten access to Government documents and social protection schemes covering food, health, safety, security, and financial inclusion.
- 16,907 households were reached in Mumbai through the behaviour change campaign.

- The 'Waste No More' curriculum digitally reached 100,000 students to educate them on source segregation and recycling importance.

## 8. Suprabhat Industrial Training Institute

### Overview of the Project

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

### Key Objectives

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

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

### Methodology Used

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

### Outcome

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

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

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

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

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

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

Total Amount Spent for the FY (in crores.)	Amount Unspent (₹ in crores)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso of Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
216.13	17.60	3rd April, 2024	NIL		

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

Sr. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	230.62
(ii)	Total amount spent for the Financial Year	233.73
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Refer Note

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

The total CSR spend during the FY 2023-24 amounts to ₹233.73 crores against an obligation of ₹230.62 crores. Hence, there is an excess spend of ₹3.11 crores for which set-off is not being claimed by the Company.

**7) Details of Unspent CSR amount for the preceding three financial years:**

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2022-23	7,00,00,000	-	7,00,00,000	N.A.		-	-
2	FY 2021-22	28,14,87,646	10,286	28,14,77,360	N.A.		-	-
3	FY 2020-21	-	-	-	-		-	-

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

**8) Whether any capital assets have been created or acquired through CSR amount spent in the financial year:** No

**9) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable

On behalf of the CSR Committee

**O . P. Bhatt**  
Chairman, CSR Committee  
(DIN: 00548091)

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

Mumbai, 24th April, 2024