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, 2025.

About HUL

Hindustan Unilever Limited (HUL) is India's largest Fast-Moving Consumer Goods (FMCG) Company. With a legacy spanning over 90 years, we have remained committed to our ethos of 'Doing well by doing good'.

With a robust portfolio of over 50 brands across 15 FMCG categories and a total distribution reach (direct and indirect) panning over 9 million stores, one or more of our brands reach 9 out of 10 Indian households. This deep reach allows us to deliver significant value and positively impact millions of lives in India.

Through our extensive range of brands and committed workforce we have continued to build categories of the future to empower India while fostering sustainable community development and improved livelihoods, guided by the mantra of 'What is good for India is good for HUL'.

Amidst growing affluence, heightened global trend awareness, and shifting consumer preferences, we are building future-facing categories while democratising trends, thereby unlocking the aspirations of diverse populations.

Global Economic Overview

In 2024, the global economy navigated moderate growth amidst persistent inflationary pressures and geopolitical instability. A year marked by significant global elections, the immediate impact of which is evident, while long-term effects remain to be seen, added another layer of complexity. Monetary policy, particularly interest rate adjustments in major economies, remained a central focus. Emerging markets exhibited diverse performance, influenced by commodity markets and debt vulnerabilities. Trade tensions and supply chain disruptions continued to strain global commerce and investment, while geopolitical volatility persisted. Concurrently, technological advancements, especially in AI and renewable energy, presented both, significant opportunities for productivity gains and challenges related to workforce adaptation. This confluence of factors created a dynamic and uncertain economic landscape for businesses and policymakers worldwide.

Looking ahead, the global economy in 2025 is projected to grow at a low but steady rate of 2.8%[1]. Global inflation is expected to continue its downward trend, but the pace of decline may vary. Geopolitical tensions and trade uncertainties remain significant risks to the global economy. A balanced policy approach is essential to manage these risks, enhancing medium-term growth prospects through structural reforms and stronger multilateral cooperation.

Indian Economic Overview

India's real GDP is projected to grow at 6.5%[2] in financial year 2024-25, following a steady recovery to pre-COVID levels. While this growth was slower than expected, it continues to be one of the fastest growing major economies. Retail headline inflation has softened in line with global deflation trends, decreasing from 5.4% in financial year 2023-24 to 4.6% in financial year 2024-25, exhibiting increased deceleration towards the latter part of the year. However, food inflation that has remained a significant contributor to total inflation continued to remain high, albeit decelerating in the last quarter of the fiscal. With early indications of softening of food inflation, we will continue to monitor the trends. The Government allocated over ₹11 lakh crores to capital expenditure during the fiscal, contributing to 3.4% of the GDP. The agriculture sector received a boost through several schemes and incentives, driving a gradual recovery in financial year 2024-25. Increased grassroots-level structural reforms and a focus on deregulation are expected to bolster medium-term growth and competitiveness.

FMCG consumption remained subdued during the year. While rural demand recuperated, urban consumption continued to moderate. However, upper-end consumption continued to drive growth, with a growing preference for premium products and amplified consumer demand in the digital commerce space. Looking forward, the pace of recovery of consumption will depend on real wage growth, employment and food inflation levels. Higher agricultural output combined with government initiatives towards boosting consumption should benefit well for the FMCG industry in the near term.

India is at the forefront of digital infrastructure developments. In the year, India not only expanded its digital infrastructure but also focussed on ensuring its accessibility, security, and impact on various sectors of the economy. This should set the stage for continued digital transformation and economic growth.

Looking ahead, India is expected to maintain its position as one of the fastest-growing major economies. The momentum is anticipated to be driven by sustained government investments in infrastructure, a growing middle class, and increasing digital adoption. The Government's reforms aimed at boosting manufacturing, enhancing productivity and improving ease of doing business will play a crucial role in ensuring long-term sustainable growth. Within this, private consumption will play an important role. The ability to navigate global factors such as geopolitical developments, market sentiment shifts, and currency fluctuations will be crucial for maintaining growth momentum.

[1] World Economic Outlook, Jan 2025, International Monetary Fund

[2] Ministry of Statistics and Programme Implementation, Government of India

FMCG Sector Overview:

The FMCG sector is a cornerstone of the Indian economy, ranking as the fourth-largest sector in the country. Providing employment to a large population, it also significantly contributes to the nation's GDP. The FMCG market in India is projected to grow at a double-digit CAGR over the next decade, fuelled by multiple factors[3]. The sector is characterised by a diverse range of products, including food and beverages, personal care, and household care items, catering to both urban and rural populations. Demand for FMCG products in India is primarily led by non-food categories, with household and personal care products contributing to approximately 50% of the sales. Even amidst turbulent economic periods, the FMCG industry has shown incredible resilience, consistently generating demand by adapting to changing consumer preferences, creating value through innovations and establishing robust end-to-end distribution systems.

Financial year 2024-25 was marked by subdued demand trends led by gradual recovery of rural demand and moderation in urban demand. Notably, rural growth outpaced urban growth. The trend of premiumisation remained persistent across consumer segments. Commodity prices displayed divergent trends. While Tea, Coffee and Palm Oil were inflationary, Crude Oil, Soda Ash and Skimmed Milk Powder were deflationary. Thus, the potential for growth driven by price increases remained limited. Looking forward, monetary stimulus, tax relief, lower food inflation and higher agricultural output, should augur well for the FMCG industry in the near-to-mid term.

The Indian FMCG industry's mid-to-long term outlook remains highly optimistic, underpinned by various favourable factors:

- Fast-growing Indian economy will foster urbanisation and improved infrastructure. Rapid urbanisation will drive demand for packaged goods and convenience products in cities. Simultaneously, improved infrastructure and digital connectivity expansion will unlock significant rural growth potential.
- India's burgeoning affluent households represent a pivotal growth frontier for the FMCG sector. With higher disposable incomes, both per-capita FMCG consumption as well as premiumisation will continue to drive growth.
- The growing prevalence of digital media and platforms will accelerate the transformation of the FMCG landscape, significantly broadening consumer reach, fostering innovation, and catalysing category expansion.
- India's demographic profile represents a massive consumer base and will support sustained demand for FMCG products across various categories.

Key Trends driving the Indian FMCG Sector and HUL's Response to the same

Trend: Rising affluence

India's growing affluent households present a significant expansion opportunity in the FMCG sector. These consumers are increasingly selective, seeking premium, high-quality, sustainable, and personalised products. The beauty category is at the forefront of this trend, followed by foods and beverages, and home care. Preferences are shifting from traditional product formats to premium offerings. This rise in affluence, propelled by higher incomes has fostered a consumer landscape where aspirations for quality and exclusivity are increasingly rising.

HUL's Response: HUL's strategy of 'Unlocking a billion aspirations' has been crafted recognising this trend. As affluence and demand for higher-quality premium products increase, HUL intends to be at the forefront of this change by providing an accessible product portfolio that meets the aspirations of consumers. With a portfolio that straddles the price-benefit pyramid, we believe we can capitalise on this trend. We have stepped up our pace of innovation, specifically in high demand segments like premium Skin Care, premium Hair Care, Bodywash, Home Care liquids, Condiments and Mini-meals and Prestige & Wellbeing with offerings like TRESemmé's Silk Press, Lakmē's Rouge bloom, Dove's Serum Shower collection, Vim UltraPro floor cleaner, introduction of Liquid I.V., expansion of Hellman's Mayonnaise and Knorr's Korean range, and the acquisition of the Minimalist brand. Our focus on brand superiority, extensive presence in channels of the future, and innovative brand-building strategies, including influencer collaborations and social-first campaigns, are driving significant value. With WiMI 2.0, we are also accelerating our focus on key agglomerations across the country that are at the juncture of rapid premiumisation. Our strategic actions this year have successfully reshaped our portfolio, increasing the contribution of future-facing and premium segments, thus strengthening the resilience of our business.

Trend: Rapidly increasing digital access

The rapidly increasing digital access in India, with over 900 million internet users and around 450 million social media users, is enabling FMCG companies to reach a broader audience through targeted online marketing and e-commerce platforms. The extensive use of social media enables brands to engage directly with consumers, gather real-time feedback, and build stronger customer relationships. Additionally, the convenience of online shopping has led to a surge in demand for FMCG products.

[3] India Brand Equity Foundation (IBEF)

HUL's Response: To specifically address increasing digital proliferation amongst consumers, our media spending has been revamped with a greater emphasis on digital spending. 40% of the Company's total media spends is now digital. We have built an in-house media planning tool to build effective reach. This tool uses category specific data to customise media spends across platforms for different brands and consumer cohorts while also significantly reducing deployment time. We also continued to strengthen our AI based technology to enhance consumer experience and deliver superior value. We are leading the influencer ecosystem by partnering with well-known voices of authority.

Trend: Accelerating technological advancements, including AI

The increasing prevalence of digital technologies and the rapid advancements in artificial intelligence are fundamentally reshaping the interactions between different stakeholders. This digital transformation unlocks substantial opportunities for businesses, notably in achieving significant cost reductions, minimising waste across operations, and driving substantial improvements in overall efficiency.

HUL's Response: We are proactively driving digital transformation across our entire value chain. This includes leveraging AI-powered demand forecasting for more accurate planning, implementing cutting-edge Industry 4.0 technologies within our supply chain for enhanced agility and efficiency, and deploying comprehensive digital solutions within our sales and marketing functions to optimise customer engagement and drive growth. These integrated digital interventions are designed to create a more responsive, efficient, and future-ready organisation. Through AI-led customised ads and influencer campaigns, we are also driving product awareness through advanced technology.

We are extensively investing in our e-commerce and quick commerce platforms, utilising data-driven insights to ensure the right assortment, product placement, and advertising reach.

Trend: Increased consumption through organised retail and specialised channels

The rise of organised retail and specialised channels is significantly changing the way consumers discover products and purchasing behaviours. Consumers are embracing integrated shopping experiences, seamlessly transitioning between online and physical channels, and concurrently pursuing specialised outlets for tailored solutions.

HUL's Response: HUL has invested ahead of the curve when it comes to organised trade, the results of which are now evident. With higher market shares and strong leadership positions across categories, growing demand in modern trade will serve as a tailwind in driving sales. We are also investing in e-commerce capabilities to build a strong digital moat. Dedicated efforts in this direction have led us to gain market shares in this highly fragmented space. Under the WiMI 2.0 mandate, HUL is also building specialised new route-to-markets (RTMs) for emerging segments, such as health and wellness, premium beauty, and gourmet food. These channels will help HUL reach more than 70% of the premium beauty and foods markets, while also driving assortment growth. We have further strengthened our presence in the D2C space through acquisition of Minimalist during the year. Through these proactive measures, we are significantly enhancing our distribution moat, solidifying our current advantages and simultaneously forging new strategic strengths to future-proof our market position.

Trend: Enhanced focus on individual and planet health and wellbeing

Growing emphasis on individual health and wellbeing is re-shaping FMCG demand. Consumers are increasingly scrutinising product labels, seeking transparency about ingredients and nutritional content. This heightened awareness is driving a surge in demand for products perceived as healthier, including those with reduced sugar, salt and fat, as well as those fortified with vitamins and minerals. Companies are responding by investing in research and development to create innovative products that cater to these evolving preferences, while also focussing on sustainable sourcing and packaging to align with consumer values. Consumer demand for sustainable products is rapidly transforming the market, fuelling a worldwide drive for change. In response to heightened public consciousness, businesses must prioritise sustainable practices as a core operational imperative to safeguard our planet. The economic and environmental repercussions of inaction significantly outweigh the strategic investments needed for sustainable transformation.

HUL's Response: HUL has always put consumer wellbeing and sustainability at the core of its operations. By leveraging technology-led product superiority, HUL is redesigning its products to be healthier than ever, an example of this being the Diabetes Plus Horlicks that is clinically proven to address diabetes concerns. HUL has continued to scale up investment in its Health and Wellbeing portfolio through our strategic partnerships with OZiva and Wellbeing Nutrition which are clean, plant based, organic nutritive supplements. Capitalising on the trend of shift towards healthier hydration options, we have launched Liquid I.V. to cater to this growing demand. We continued to expand our paraben-free dishwash formulations for an enhanced Home Care experience. Sustainability is deeply ingrained in all our operations here at HUL. We have resized sachets across our Hair and Home Care portfolio and developed a new slim cap design for our Glow & Lovely tubes to reduce the use of virgin plastic. Today, more than 97% of our operations are fuelled by renewable energy[1] and we have reduced 99% of our Scope 1 & 2 emissions in our operations[1,2]. We are also a recognised industry leader with best-in-class ESG ratings in the Indian FMCG industry.

[1] HUL and subsidiaries

[2] Against 2008 baseline

Ensuring Resilient Growth Through Robust Risk Management

Risk management is not merely about safeguarding against uncertainties; it is a strategic enabler that fortifies our long-term vision of unlocking a billion aspirations. Our ability to anticipate, assess, and mitigate risks ensures business continuity, operational excellence, and sustainable growth in an ever-evolving global landscape.

Our Risk Governance Framework

Our risk management approach is deeply embedded within our corporate governance framework, ensuring a structured and proactive response to emerging challenges. We have set Business Risk Assessment procedures for self-assessment of business risks, operating controls and compliance with Corporate Policies. It is a proactive and value-adding review process that enables operating management to maintain a risk profile associated with transactional controls at an acceptable level. This continuous process tracks the evolution of risks and the delivery of mitigating action plans. The Board has overall responsibility for managing risks and reviewing the effectiveness of the internal control system and risk management approach.

We uphold a balanced risk appetite, enabling us to pursue growth while maintaining strong risk controls. Our approach is driven by a commitment to environmental and social responsibility, ethical governance, regulatory compliance, agility in innovation, operational resilience and financial prudence.

Our Risk Governance Structure

Board of Directors	The highest governing body oversees all aspects of risk management.
Risk Management Committee	This Committee assists the Board in monitoring and reviewing the Risk Management Policy and carries out formal bi-annual risk reviews.
Audit Committee	Responsible for Risk Identification, Minimisation and Mitigation as part of the Risk Management Framework (jointly with the Board and Risk Management Committee).
Management Committee	Escalates any new or enhanced risks to the Risk Management Committee as soon as they are perceived in the business.

Senior Leadership Members provide an annual Positive Assurance confirming their understanding and adherence to risk management processes.

The Internal Auditor assures the Board that all significant risks affecting the achievement of the Company's objectives are adequately understood and managed.

Risk Management Process

Identification
Identify risks that threaten the achievement of our business objectives

Measure
Assess the potential impact and likelihood of each risk

Respond
Agree with an approach for addressing principal risks

Control
Execute the risk management strategy and continually evaluate the approach

Report
Regular risk reporting to the Management and Board Committees

A Dynamic Risk Management Approach

The risk landscape continuously changes, influenced by global economic shifts, regulatory changes, and technological advancement. We proactively refine our risk mitigation strategies through periodic risk reviews and internal audits to assess and update our principal risks. We invest in future-ready business models, focusing on sustainable innovations, resilient supply chains and digital-first consumer brands to navigate uncertainties effectively. Our robust crisis management and business continuity planning ensure swift response mechanisms to safeguard our people, operations, and financial stability. By embedding risk management at the core of our decision-making, we enhance our agility, maintain a forward-focussed approach, and strengthen resilience, enabling us to unlock aspirations and create enduring value for our stakeholders.

Principal Risks and Mitigation Strategies

Brand Preference	Category of Risk: Market Risk	Level of Change: Increased

Consumer preferences are changing unprecedentedly, driven by various factors, including digital engagement, sustainability consciousness, health awareness, and the growing demand for personalised experiences. As new market entrants intensify competition, staying ahead requires more than innovation—it demands a deep understanding of consumer aspirations and the ability to translate them into purpose-driven brand propositions.

Our brands are not just products but enablers of aspirations, shaping lifestyles and enhancing livelihoods. We continuously strive to strengthen brand preference in an era of limitless choices. Failure to adapt, innovate, and resonate with evolving consumer expectations can lead to a loss of brand equity, erosion of market share, and a diminished competitive advantage.

Capitals Impacted

- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital

SDGs Impacted

3 GOOD HEALTH AND WELL-BEING
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

"A brand is more than just a product—it is an experience, a belief, and a promise. At HUL, we craft brands that inspire trust, build meaningful connections, and evolve with the aspirations of a billion consumers."

To unlock a billion aspirations, we integrate consumer insights, innovation, and purpose-led strategies into our brand-building approach:

1. **Insight-Led Brand Evolution:** We leverage analytics to track external market trends and shifting consumer behaviour and craft relevant brand experiences. Our R&D function actively identifies ways to translate trends in consumer preferences into new technologies that can be incorporated into future products.
2. **Innovation & Sustainability at the Core:** Developing functional and sustainable products that align with emerging consumer values.
3. **Purpose-Driven Storytelling:** Embedding inclusivity and purpose into brand narratives to forge deeper emotional connections.
4. **Omnichannel Consumer Engagement:** Creating personalised, digital-first interactions that seamlessly integrate across online and offline platforms.
5. **Agility & Future-Ready Brand Positioning:** Continuously adapting packaging, messaging, and innovation pipelines to stay ahead of market trends.

Legal and Regulatory Risk | **Category of Risk: Compliance & Regulatory Risk** | **Level of Change: No Change**

India's regulatory landscape is undergoing rapid changes, encompassing taxation, labour laws, consumer protection, cyber security, data protection and privacy, advertising, environmental regulations, and corporate governance. These changes can impact business continuity, financial performance, and corporate reputation if not managed effectively. Additionally, heightened enforcement measures and the global shift towards sustainability and responsible business practices add complexity to compliance.

We regard compliance as a critical enabler of trust, resilience, and enduring value, transcending mere obligation to ensure our growth is responsibly governed. By staying updated with regulatory changes and embedding governance excellence into our operations, we ensure that we continue to unlock a billion aspirations with integrity and accountability.

Capitals Impacted

Financial Capital

Social and Relationship Capital

SDGs Impacted

"As we unlock a billion aspirations, trust remains our strongest foundation. At HUL, regulatory excellence is about compliance and setting the benchmark for responsible business leadership."

We adopt a proactive, structured, and technology-driven approach to regulatory compliance, providing agility, risk mitigation, and operational resilience:

1. **Real-Time Regulatory Monitoring and Compliance:** team tracks evolving laws and integrates changes into our business operations.
2. **Governance & Risk Management:** Periodic audits and compliance reviews ensure that the highest statutory and corporate governance standards are followed.
3. **Regulatory Advocacy & Industry Collaboration:** Engaging with policymakers and industry associations to recommend new and changing regulations while keeping the multistakeholder model at the centre.
4. **Embedding Compliance Culture Across the Organisation:** Regular training programmes and leadership engagement reinforce a culture of accountability and adherence at all levels.

Supply Chain | **Category of Risk: Operational Risk** | **Level of Change: No Change**

A robust, agile, and sustainable supply chain is the backbone of HUL's ability to serve millions of consumers efficiently. However, geopolitical uncertainties, climate-related disruptions, raw material volatility, and logistics constraints pose significant challenges to business continuity, cost efficiency, and service reliability. The global trade landscape is evolving, bringing new regulations, inflationary pressures, and increased risks associated with supplier dependencies and transportation networks.

To unlock a billion aspirations, we are transforming our supply chain into a future-ready, technology-driven, and sustainable ecosystem, ensuring that we deliver trusted products with speed, efficiency, and environmental responsibility.

Capitals Impacted

Financial Capital

Manufactured Capital

SDGs Impacted

"Unlocking a billion aspirations requires a supply chain built on agility, technology, and sustainability —ensuring that we deliver trusted products responsibly, efficiently, and resiliently."

We focus on building resilience and agility across our supply chain through:

1. **Diversified & Sustainable Sourcing:** Strengthening multi-geography supplier partnerships to reduce dependencies while enhancing local procurement and sustainability efforts.
2. **Agility in Manufacturing & Logistics:** Deploying technology-driven demand forecasting, automated production systems, and digital supply chain tracking to optimise efficiency and minimise lead times.
3. **Cost Hedging & Commodity Price Management:** Proactively managing commodity price fluctuations through forward buying, hedging mechanisms, and diversified sourcing to stabilise costs.
4. **Business Continuity & Risk Preparedness:** Implementing contingency planning, alternative material sourcing, and flexible production capabilities to ensure seamless supply chain operations.

Business Transformation | **Category of Risk: Strategic & Operational Risk** | **Level of Change: Increased**

The successful execution of transformation projects is key to maintaining a competitive advantage, driving synergies, and future-proofing our business. As consumer expectations shift, regulatory landscapes evolve, and digital innovations accelerate, our ability to adapt, innovate, and execute transformation with precision and agility is critical to delivering long-term business success.

At HUL, transformation is more than change—it is about unlocking new possibilities, shaping the future of business, and empowering a billion aspirations.

Capitals Impacted

Manufactured Capital

Intellectual Capital

Human Capital

Financial Capital

SDGs Impacted

8 Decent Work and Economic Growth

9 Industry, Innovation and Infrastructure

17 Partnerships for the Goals

"At HUL, transformation is not just about adapting to change—it is about unlocking a billion aspirations by building a future-ready, consumer-centric, and innovation-driven business."

To ensure the success of our transformation journey, we follow a structured, disciplined, and technology-driven approach with a focus on:

1. **Strategic Portfolio Expansion & Business Optimisation:** Continuously evaluating acquisitions, disposals, and new business models to align with our long-term growth vision and consumer aspirations.
2. **Strong Governance & Leadership Oversight:** Dedicated steering committees and leadership teams drive transformation initiatives with rigorous governance frameworks and execution excellence.
3. **Digital Transformation & Process Innovation:** Our business's digitalisation is led by a dedicated specialist team and representatives from all parts of the Company to ensure an integrated and holistic approach. This enhances efficiency and data-driven decision-making.
4. **Agile Workforce & Capability Building:** Investing in upskilling, reskilling, and leadership development to empower employees and build a workforce ready for the future.
5. **New Ways of Working & Business Model Evolution:** Exploring innovative go-to-market strategies, direct-to-consumer (D2C) models, and sustainability-driven business practices to stay ahead of industry shifts.

Macro-Economic Volatility | **Category of Risk: Market & Economic Risk** | **Level of Change: No Change**

Rising inflation, currency fluctuations, shifts in disposable income, and global supply chain disruptions can affect product demand and profitability.

Additionally, geopolitical instability and regulatory changes across global trade policies introduce further complexities in maintaining cost efficiencies and stable operations.

Capitals Impacted

Financial Capital

Manufactured Capital

SDGs Impacted

8 Decent Work and Economic Growth

"By embedding agility and innovation in our operations, we turn economic challenges into growth opportunities—ensuring that we continue to serve and inspire a billion aspirations."

To navigate economic volatility and sustain long-term growth, we employ a flexible and responsive business model that allows us to:

1. **Portfolio Diversification & Adaptive Pricing Strategies:** A well-balanced product portfolio ensures that we cater to premium and value-conscious consumers, adjusting pricing strategies based on market conditions.
2. **Agility in Market Response & Consumer Insights:** Real-time data analytics and predictive modelling help us anticipate demand fluctuations and swiftly adapt marketing and product strategies.
3. **Cost Optimisation & Financial Planning:** To safeguard profitability, we continuously reassess investment priorities, optimise costs, and implement supply chain efficiencies.
4. **Strengthening Local Sourcing & Supply Chain Resilience:** By diversifying supplier networks, localising raw material procurement, and enhancing distribution networks, we mitigate risks arising from global trade disruptions.
5. **Leveraging Digital & e-commerce Growth:** The rise of digital commerce and direct-to-consumer channels helps us remain resilient against traditional retail slowdowns and expand access to our brands.

Plastic Packaging | **Category of Risk: Environmental & Regulatory Risk** | **Level of Change: No Change**

Plastic packaging ensures product safety and convenience, but its environmental impact and evolving regulations necessitate a strategic shift towards circular economy principles.

With increasing consumer demand for sustainable products, government regulations, and rising costs of alternative materials, the challenge lies in reducing our dependence on virgin plastic, increasing recyclability, and innovating packaging solutions that do not compromise quality and affordability while continuously striving to achieve this goal.

Capitals Impacted

Natural Capital

Social and Relationship Capital

SDGs Impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

"By investing in packaging innovation today, we are building a waste-free world for tomorrow that aligns with consumer aspirations and regulatory commitments."

We have embedded sustainability at the core of our packaging strategy, focusing on three key pillars:

1. **Regulatory Advocacy & Industry Collaboration:** We work closely with government bodies, industry leaders, and policymakers to develop harmonised plastic waste management regulations, Extended Producer Responsibility (EPR) frameworks, and improved recycling infrastructure.
2. **Plastic Collection and Recovery Initiatives:** Through partnerships with NGOs, waste management firms, and circular economy innovators, we drive initiatives for waste collection, segregation, and safe disposal. These efforts ensure that we recover, which boosts recycling.
3. **Innovation in Sustainable Packaging:** Our R&D teams are actively working on plastics, focusing on principles that reduce plastic, eliminate plastic, and develop better plastics while exploring alternative materials to reduce dependence on virgin plastic without compromising product integrity and quality.

Systems & Information | **Category of Risk: Operational Risk** | **Level of Change: Increased**

As we deepen our digital engagement with consumers, suppliers, and partners, the threat landscape continues to evolve with an increasing risk of cyberattacks, data breaches, and system disruptions. Unauthorised access, misuse of sensitive data, and disruptions in IT infrastructure could impact business operations, hinder sales, disrupt supply chains, and compromise consumer trust.

Moreover, the growing reliance on third-party technology providers and cloud-based solutions introduces additional complexities in managing IT security. As we continue to unlock a billion aspirations through digital transformation, safeguarding our IT ecosystem remains a top strategic priority.

We have embedded advanced cybersecurity measures and risk monitoring into its digital infrastructure to protect systems, data, and business continuity. Our key focus areas include:

1. **Advanced Cybersecurity Infrastructure & Threat Monitoring:** We have deployed multi-layered security protocols, including firewalls, threat detection systems, and authentication mechanisms to prevent unauthorised access and mitigate cyber risks in real-time.

Capitals Impacted

Financial Capital

Intellectual Capital

SDGs Impacted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

"By fortifying our digital system with advanced cybersecurity and resilient IT architecture, we safeguard stakeholder data, ensure seamless operations, & reinforce the trust that underpins sustainable and long-term growth."

2. **Cloud-Based Resilience & Data Protection:** Embracing a cloud-first strategy, all critical systems and data are hosted on our earmarked estate for Unilever. This setup features real-time data replication, multi-level redundancy, and disaster recovery mechanisms, ensuring business continuity with minimal downtime and data loss.
3. **Enterprise Architecture and Financial Information Safeguards:** Our enterprise architecture is developed in line with a robust technology roadmap, ensuring vendor stability and long-term scalability. Systems handling financially sensitive information are governed by differentiated access protocols and reinforced controls.
4. **Access Control & Regulatory Compliance:** We implement stringent access controls, encryption mechanisms, monitoring systems and follow CERT-in requirements to ensure compliance with evolving data privacy laws and protection of business and personal information.
5. **Employee Awareness & Cybersecurity Training:** We conduct periodic IT security trainings, phishing simulations, and awareness programmes to keep employees vigilant and prepared against cyber threats.
6. **Automation & AI Risk Management:** By integrating AI, machine learning, and robotics process automation, we are enhancing our risk detection and mitigation frameworks to identify and address vulnerabilities in automated systems.
7. **Regular BCP/DR Drills:** A structured calendar of Business Continuity Planning (BCP) and Disaster Recovery (DR) drills is in place across all systems to validate readiness and response effectiveness.

Quality and Safety | **Category of Risk: Operational Risk** | **Level of Change: No Change**

Ensuring product integrity, safety, and transparency is a top priority for us. The risks associated with raw material contamination, product defects, human errors, equipment malfunctions, or labelling inaccuracies can have far-reaching consequences—impacting consumer health, brand reputation, and regulatory compliance.

Any failure to maintain high safety standards could erode consumer trust, disrupt operations, and lead to potential liabilities. In an era of heightened consumer awareness, delivering safe, high-quality products is essential to unlocking a billion aspirations.

Capitals Impacted

Manufactured Capital

Social and Relationship Capital

SDGs Impacted

"The highest standards of safety and quality are not just goals; they are our promise to consumers—ensuring trust, excellence, and wellbeing in every product we produce."

To ensure best-in-class product safety, we have embedded stringent quality control protocols, risk management frameworks, and supplier compliance mechanisms across its value chain:

1. **End-to-End Quality Control & Risk Mitigation:** Comprehensive quality assurance measures, from product design to the retail shelf, ensure that any safety risks are identified and mitigated early.
2. **Manufacturing and Supply Chain Safety Standards:** Conducting regular inspections, sampling, and monitoring across production facilities, warehouses, and market shelves to maintain the highest safety benchmarks.
3. **Supplier Quality & Certification Protocols:** All key suppliers are externally certified, and continuous quality assessments ensure that raw materials meet our rigorous safety and regulatory standards.
4. **Transparent and Accurate Product Labelling:** Strict data compliance mechanisms, in accordance with applicable regulations and our labelling policies, ensure that on-pack ingredient labelling provides consumers with clear, accurate, and compliant information to make informed choices.
5. **Regulatory Compliance and Continuous Improvement:** We adhere to rigorous safety protocols and industry and regulatory standards. We also have ongoing audits and updates to quality frameworks to stay ahead of emerging safety risks.

Talent | **Category of Risk: Operational Risk** | **Level of Change: No Change**

We understand that employee wellbeing, equipping our workforce with future-ready skills, and adopting an agile and inclusive culture are essential for sustained growth. With rapid digitalisation and shifting consumer demands, the risk of talent shortages and skill gaps poses significant challenges. Attracting, developing, and retaining top talent ensures that we remain competitive, innovative, and adaptable in a dynamic global market.

Our commitment to building a purpose-driven, skilled, and diverse workforce in an interweaving ecosystem of physical and virtual workspaces and hybrid working methods remains stronger as we unlock a billion aspirations.

Capitals Impacted

Human Capital

Social and Relationship Capital

SDGs Impacted

"Unlocking a billion aspirations begins with unlocking the full potential of our people—ensuring that every employee at HUL is equipped, engaged, and inspired to shape the future of our business."

To enhance workforce capabilities, attract top talent, and strengthen leadership development, we focus on:

1. **Employee Safety & Wellbeing:** Ensuring the highest safety standards, mental wellbeing programmes, and hybrid work infrastructure to support employees across all operations.
2. **Upskilling and Reskilling for Future-Ready Talent:** We invest in continuous learning, leadership development, and digital skills enhancement to equip our workforce for evolving business needs.
3. **Agile & Flexible Ways of Working:** Implementing dynamic talent allocation, cross-functional mobility, and flexible work arrangements to drive speed, simplicity, and efficiency.
4. **Attracting & Retaining Top Talent:** Leveraging our strong employer brand, leadership training programmes, and structured career growth plans to engage, develop, and retain high-performing professionals.
5. **Diversity, Equity, and Inclusion (DEI):** Committed to building an inclusive and diverse workforce, fostering gender parity, equal opportunities, and leadership representation from diverse backgrounds.
6. **Targeted Development & Talent Initiatives:** Our integrated management development process involves regular performance reviews guided by standard leadership competencies. We upskill and reskill employees for future roles, adopt flexible talent strategies, and deploy targeted programmes to attract and retain top and niche talent, actively monitoring diversity in our talent pool.

Ethics | **Category of Risk: Governance Risk** | **Level of Change: No Change**

Ethics are the foundation of our reputation, stakeholder trust, and long-term success. As a market leader, how we function, engage with society, and contribute to sustainable growth is constantly under scrutiny. Ensuring we act with integrity, fairness, and transparency is critical to maintaining consumer trust, regulatory compliance, and corporate responsibility.

A breach of ethical conduct—within our organisation or by extended enterprises—can have far-reaching consequences, impacting our reputation, business performance, and stakeholder confidence. This highlights the importance of integrating ethical decision-making throughout our operations, encompassing all employees, suppliers, distributors, and partners. As we unlock a billion aspirations, we remain committed to responsible business practices that create positive social and environmental impacts.

Capitals Impacted

- Human Capital
- Social and Relationship Capital

SDGs Impacted

5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 16 Peace, Justice and Strong Institutions

"Unlocking a billion aspirations starts with doing the right thing—always. At HUL, we uphold ethical excellence in every action, every decision, and every partnership."

To maintain ethical leadership, prevent misconduct, and ensure compliance, we have implemented a robust governance framework that focusses on:

1. **The HUL Code of Business Principles & Policies:** Governing ethical conduct for employees, suppliers, distributors, and third-party partners, ensuring alignment with legal, regulatory, and corporate responsibility standards.
2. **Proactive Compliance & Ethical Risk Monitoring:** Regular audits, whistleblower mechanisms, and compliance reporting help identify, address, and prevent breaches before they escalate. We also have detailed safety standards and monitor safety incidents at the highest level.
3. **Strong Board & Leadership Oversight:** The Management Committee and relevant Board Committees review ethical risk management, ensuring continuous improvement in policies, training, and compliance initiatives.
4. **The Responsible Partner Policy:** Strengthening ethical standards across the supply chain by enforcing human rights protection and mandatory workplace health and safety requirements for suppliers.
5. **Ethics Training & Awareness programmes:** Continuous employee education, leadership training, and third-party compliance workshops reinforce ethical decision-making across all business functions.
6. **Brands with Purpose:** Many of our brands are actively driving social equity, fairness, and sustainability initiatives, ensuring that our ethical commitments extend beyond corporate policies to tangible impact.

Climate Change | **Category of Risk: Environmental & Regulatory Risk** | **Level of Change: No Change**

Climate change influences everything from raw material sourcing and supply chain operations to consumer behaviour. Extreme weather events, water scarcity and shifting seasonal patterns pose direct challenges to our operations.

Additionally, we have a conscious consumption agenda across consumer segments and evolving government policies on carbon emissions. Failing to address these challenges could disrupt operations, impact profitability, weaken brand trust and be detrimental to our reputation and growth in the long term.

However, we view sustainability as a core driver of our long-term vision, embedding climate resilience and environmental stewardship throughout every facet of our operations in keeping with our commitment to unlock a billion aspirations responsibly.

Capitals Impacted

- Manufactured Capital
- Natural Capital

SDGs Impacted

2 Zero Hunger; 7 Affordable and Clean Energy; 11 Sustainable Cities and Communities; 13 Climate Action; 14 Life Below Water; 15 Life on Land

"By embedding sustainability into our business model, we are not just mitigating risks—we are pioneering solutions that drive resilience, innovation, and long-term growth."

To mitigate risks and drive long-term value creation, we have embedded climate action into its core business strategy with a focus on:

1. **Decarbonising Operations & Supply Chains:** We are committed to reducing carbon emissions across our value chain, optimising energy efficiency, and integrating renewable energy solutions in our manufacturing and logistics.
2. **Sustainable Sourcing & Circular Economy Practices:** Ensuring deforestation-friendly supply chains, responsibly sourced raw materials, and waste reduction initiatives to minimise environmental impact. We are working with farmers to help them adopt more regenerative agricultural practices that reduce environmental impact.
3. **Water Stewardship & Product Innovation:** Addressing water scarcity challenges by developing water-efficient formulations and improving sustainable water management across operations.
4. **Weather-Adaptive Portfolio & Seasonal Resilience:** We adjust our product portfolios to counter extreme seasonal swings, ensuring our offerings remain relevant across unpredictable climate patterns.
5. **Regulatory Readiness & Policy Advocacy:** We monitor governmental developments around actions to combat climate change and balance sustainability with economic growth.

Opportunities

Growing in Channels of the Future

As technology-enabled distribution models evolve, channels are becoming increasingly fragmented and dynamic. The accelerated rise of e-commerce, quick-Commerce, modern trade, and digital platforms presents a significant opportunity to expand reach, personalise consumer engagement, and drive sustainable business growth.

The rapid digitisation of consumer purchase behaviours also calls for robust e-RTM (route-to-market) strategies to stay ahead of market trends. Supply Chain transformation would open up a huge opportunity to tap into new-age channels and drive business growth.

Capitals Impacted

- Financial Capital
- Intellectual Capital
- Social and Relationship Capital

SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

"By strategically embracing technology-enabled channels and innovative digital models, we are unlocking new pathways to reach consumers—accelerating growth, enhancing convenience, and shaping the future of retail in India."

Strategic Response

1. **Digitally Strengthen Traditional Trade:** We continue to scale our e-B2B Shikhar platform to digitise trade and keep it relevant for the retailers by providing them with anytime demand capture and demand generation capabilities.
2. **Smart Demand Capture & Customised Route-to-Market:** Leverage real-time online and offline data to optimise distribution and inventory, customised RTM to cater to growing specialised channels. We are implementing superior fulfilment capabilities with "Samadhan" for our key metros. We are also leveraging opportunities in omnichannel, B2B2C, and e-commerce, including q-Commerce.
3. **Omnichannel & New-Age Partnerships:** Collaborating with online retailers, modern trade outlets, and next-gen commerce platforms for greater brand visibility. Aligning with last-mile delivery startups and tech partners to expand reach and improve consumer convenience.
4. **Future-Fit Supply Chain:** Transform end-to-end logistics to manage high-velocity demands, aligning warehouse networks with digital-first strategies and forming strategic alliances with technology partners.

Future-Fit Portfolio

Our strategic investment choices, in keeping with changing consumer demographics, aspirations, and spending power, present a substantial opportunity for growth and improved margins. There is significant headroom to expand our product portfolio in high-growth spaces such as masstige, health and hygiene, digital-first brands, naturals, and therapeutics.

By positioning our brands at the sweet spot of high desirability and performance, we tap into a growing consumer appetite for premium offerings—unlocking new avenues for sustained growth, aspirational appeal, and brand equity.

Capitals Impacted

- Financial Capital
- Intellectual Capital
- Social and Relationship Capital

SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

"By aligning our portfolio with fast-evolving consumer needs and amplifying premium and aspirational brand propositions, we unlock opportunities for sustained growth while inspiring a billion aspirations."

Strategic Response

1. **Proactive Innovation and Consumer Aspiration:** We maintain an innovation pipeline and proactively track consumer insights, enabling us to swiftly respond to short-term market shifts, foster brand aspirations, and prepare for medium-term structural changes.
2. **Investing in Superior Brand Experiences:** Enhance packaging, communication, and service touchpoints to create holistic, aspirational consumer journeys.
3. **Driving Scalable Premium Plays:** Focus on sizeable segments where premiumisation can expand market share and revenue potential.
4. **Cultivating High-Performance Brands:** We focus on brands that connect deeply with evolving consumer aspirations—driving scalable growth, elevated margins, and enduring brand equity. Our strategic plans also prioritise resources toward high-growth segments underpinned by a robust innovation pipeline and proactive consumer insight gathering.
5. **Strengthening Underpenetrated Segments:** We have substantially elevated brand propositions and amplified marketing efforts to boost adoption in under-penetrated categories.

Digital Transformation

Rapid advances in digital technologies, data and AI are redefining how businesses operate, presenting unprecedented opportunities to deliver value across the entire value chain.

By future-proofing our operations—building robust digital capabilities in systems, workforce, and business models—we can stay agile, respond effectively to evolving consumer needs, and unlock a billion aspirations.

Capitals Impacted

Financial Capital

Intellectual Capital

Human Capital

SDGs Impacted

9 Industry, Innovation and Infrastructure

12 Responsible Consumption and Production

"By embedding digital transformation at the core of our strategy, we ensure that HUL remains resilient, consumer-centric, and prepared to seize tomorrow's opportunities today."

Strategic Response

1. **Leading with Data & Analytics:** Building on the legacy of leveraging data, predictive insights, and AI-led analytics to drive sustainable growth and informed decision-making.
2. **Integrating Cloud & AI Technologies:** Modernise ERP platforms and operations with cloud computing and AI-driven solutions, enhancing agility and efficiency.
3. **Enterprise-Wide Digitisation & Partnerships:** Establishing clear digital priorities across functions while collaborating with technology firms, industry bodies, and startups to accelerate the adoption of technology.
4. **Future-Fit Workforce & Talent Enablement:** Equipping employees with digital skills through targeted upskilling and promoting a culture of innovation, experimentation, and continuous learning.
5. **Scaling Digital Commerce and New Business Models:** Enhancing consumer reach through e-commerce, B2B solutions, and direct-to-consumer strategies while engaging ecosystem partners to design innovative tech solutions for emerging consumer needs.

ESG Focus

The impacts of climate change, ecological degradation, and social inequalities are becoming increasingly urgent, and stakeholders expect responsible business practices that contribute to long-term value creation.

We can deliver financially robust and sustainability-led growth by integrating Environmental, Social, and Governance (ESG) principles into our core strategies. This approach underlines our commitment to responsibly unlocking a billion aspirations.

Capitals Impacted

Financial Capital

Natural Capital

Social and Relationship Capital

SDGs Impacted

6 Clean Water and Sanitation

7 Affordable and Clean Energy

8 Decent Work and Economic Growth

10 Reduced Inequalities

11 Sustainable Cities and Communities

13 Climate Action

15 Life on Land

"At HUL, we believe that robust financial performance and responsible business practices go hand in hand —demonstrating that actual growth is sustainable, inclusive, and transformative for both people and the planet."

Strategic Response

1. **Integrating ESG with Financial Goals:** Proving that robust financial performance and sustainable practices can mutually reinforce long-term value.
2. **Governance & Collaborative Advocacy:** Our cross-functional steering committees implement our ESG goals. We consistently promote advocacy for sustainability and encourage broader industry participation to drive change.
3. **Innovations in Green Solutions:** Developing low-carbon products, eco-friendly packaging, and nature-positive practices supported by clear metrics that build stakeholder trust.
4. **Fostering Social Equity:** Addressing social inequalities by implementing initiatives that promote livelihoods, inclusivity, and equal opportunities in local communities.
5. **Purpose-Led Culture & Employee Engagement:** Cultivating a workforce committed to responsible business behaviours and purpose-driven strategies, ensuring ethical operations and societal benefit.

Financial Review

Results

(₹ in crores)

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Turnover	60,680	59,579
EBITDA	14,289	14,190
Profit before exceptional items and tax	13,878	13,764
Profit after tax	10,644	10,114

Segment Wise Turnover

(₹ in crores)

	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	Turnover	Other Operating Revenue	Turnover	Other Operating Revenue
Home Care	22,808	164	21,767	133
Beauty & Wellbeing	12,821	252	12,554	199
Personal Care	9,039	129	9,310	102
Foods	15,098	196	15,153	139
Others (including exports, consignment sales)	914	48	795	317
Total	**60,680**	**789**	**59,579**	**890**

Summarised Profit and Loss Account

(₹ in crores)

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Turnover	60,680	59,579
Other operating revenue	789	890
Total Revenue from operations	**61,469**	**60,469**
Operating Costs	47,180	46,279
EBITDA	**14,289**	**14,190**
Depreciation and amortisation	1,224	1,097
Earnings Before Interest & Tax (EBIT)	**13,065**	**13,093**
Other Income (net)	813	671
Profit before exceptional items	**13,878**	**13,764**
Exceptional items	422	(89)
Profit Before Tax (PBT)	**14,300**	**13,675**
Taxation	3,656	3,561
Profit after Tax	**10,644**	**10,114**
Basic EPS (₹)	**45.30**	**43.05**

Key Financial Ratios

Particulars	2024-25	2023-24
Return on Net Worth (%)	21.2	20.0
Return on Capital Employed (%)	108.2	96.3
Basic EPS (after exceptional items) (₹)	45.30	43.05
Debtors Turnover (no. of times)	19.8	22.0
Inventory Turnover (no. of times)	15.2	15.2
Interest coverage ratio	100.5	118.3
Debt Service Coverage Ratio	20.5	23.6
Current ratio	1.3	1.6
Debt Equity ratio	0.0	0.0
Operating profit margin (%)	22	22
Net profit margin (%)	17.5	17.0

There is no significant change (i.e., change of 25% or more as compared to financial year 2023-24) in the 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 7.34%.

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 = 11.30%.

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.

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

In 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.

(₹ in crores)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Cost of Capital Employed (COCE)										
1 Average Debt	0	0	0	0	0	0	0	0	0	0
2 Average Equity	5,664	5,831	6,181	6,668	7,227	46,890	47,156	48,486	49,508	48,983
3 Average Capital Employed: (1)+(2)	**5,664**	**5,831**	**6,181**	**6,668**	**7,227**	**46,890**	**47,156**	**48,486**	**49,508**	**48,983**
4 Cost of Debt, post-tax %	5.43	4.90	5.21	5.77	5.25	4.70	4.81	5.87	5.75	5.49
5 Cost of Equity %	11.98	12.85	14.19	11.84	9.11	8.86	9.09	10.90	10.70	11.30
6 Weighted Average Cost of Capital % (WACC)	11.98	12.85	14.19	11.84	9.11	8.86	9.09	10.90	10.70	11.30
7 COCE: (3)x(6)	**679**	**749**	**877**	**789**	**658**	**4,153**	**4,289**	**5,285**	**5,297**	**5,535**
Economic Value Added (EVA)										
8 Profit after tax, before exceptional items	4,116	4,247	5,135	6,080	6,743	7,963	8,724	9,720	10,105	10,221
9 Add: Interest, after taxes	0	0	0	0	0	0	0	0	0	0
10 Net Operating Profits After Taxes (NOPAT)	4,117	4,247	5,135	6,080	6,743	7,963	8,724	9,720	10,105	10,221
11 COCE, as per (7) above	679	749	877	789	658	4,153	4,289	5,285	5,297	5,535
12 EVA: (10)-(11)	**3,438**	**3,498**	**4,258**	**5,291**	**6,085**	**3,810**	**4,435**	**4,435**	**4,808**	**4,686**

Other Financial Disclosures

There were no revisions of financial statements and the Board's Report of the Company during the year under review. Further, there were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year and the date of this Integrated Annual Report.

During the financial year, there was no amount proposed to be transferred to the Reserves.

Capital Expenditure (including Intangible Assets) during the financial year was at ₹1,149 crores (financial year 2023-24: ₹1,318 crores).

The Company manages cash and cash flow processes assiduously, involving all parts of the business. There was cash and bank balance of ₹7,293 crores as on 31st March, 2025 (financial year 2023-24: ₹7,216 crores). 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.

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

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:

(₹ in crores)

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Foreign Exchange earnings	1,485	1,497
Foreign Exchange outgo	6,281	4,463

Includes all Indian subsidiaries, excludes Unilever Nepal Limited.

Performance of Subsidiaries

As on the date of this Integrated Annual Report, the Company has 12 subsidiaries and 1 (one) joint venture company. A list of the companies that were considered in the Consolidated Financial Statements (CFS) for the year ended 31st March, 2025 is included in the notes to the CFS. The CFS, prepared in accordance with Section 129(3) of the Act, and the applicable Accounting Standards, forms part of this Integrated Annual Report. Additionally, a separate statement containing the salient features of the financial statements of all subsidiaries and joint venture, in prescribed Form AOC-1, is also included. This statement provides details of the performance and financial position of each subsidiary and the performance of the joint venture. The audited financial statements, together with related information and other reports of each of the subsidiary companies are available on the Company's website at https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/ .

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 business of export of Fast Moving Consumer Goods (FMCG) products. 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, Lifestyle Nutrition, Hair Care and Personal Wash. Brands like Dove, Horlicks, Vaseline, Pears, Bru, Sunsilk, Glow and Lovely, Pond's, Lakmē, Lifebuoy have contributed in the focussed 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 has 459 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 91%. Innovations like Vita C+ & Nature's Nurture Facials, Candy Crush Hands & Feet Ritual, Zero Amm Hair Color added excitement to Lakmē Salon's comprehensive Runway Secrets portfolio. Thematic campaigns – 'Good Hair Day', 'Skin Investment Plan' 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.

LLPL delivered topline growth of 2%. 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' topline declined due to reduction in Personal Care volumes procured by HUL and restructuring of the Home Care line.

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 3.9 trillion litres through improved supply and demand water management, over 2.4 million metric tonnes of additional agricultural and biomass production, and over 118 million person-days of employment due to project interventions. Till now, HUF's programmes have reached more than 15,500 villages across India.

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 led out of inefficient government spending and strict central bank guidelines for credit disbursement, slowdown in overall consumption, currency devaluation 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 and has also invested in capacity expansion projects to support future growth and demand.

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 196+ 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. The unit has also added 40 new positions during the year.

In the current financial year, UIL has ramped up its operations and has delivered robust volume led turnover growth.

Zywie Ventures Private Limited

Zywie Ventures Private Limited (ZVPL) is a subsidiary of the Company engaged in the business of Health and Wellbeing 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 focussed 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, Phytochemists and Biotechnologists. This investment is in line with the Company's strategy to enter fast evolving growth space of Health and Wellbeing.

In the current financial year, ZVPL witnessed growth of 149% on account of innovations and higher return on marketing spends resulting in higher revenues.

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.

During the year, the Company also incorporated a wholly owned subsidiary under the name of Kwality Wall's (India) Limited (KWIL) for the purpose of proposed demerger of the Ice Cream business. The Company has received a certificate from the Statutory Auditors confirming compliance with FEMA Regulations for the downstream investment in KWIL.

At its meeting on 22nd January, 2025, the Board approved the acquisition of 90.5% stake in Uprising Science Private Limited (Minimalist), and an eventual acquisition of the remaining 9.5% stake in the company. For further details of the acquisition, please refer to page 127 of this Integrated Annual Report. This has no impact on the results for year and as at 31st March, 2025.

C. Other Statutory Information

Audit Committee & Auditors

Audit Committee

The Board has constituted an Audit Committee that performs the roles and functions mandated under the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and other matters as prescribed by the Board from time to time. During the year under review, the Board has accepted the recommendations of the Audit Committee on various matters, with no instances where such recommendations have not been accepted.

For further details on the composition of the Audit Committee, its terms of reference and attendance at its meetings, please refer to the Corporate Governance Report at pages 234 and 235.

Statutory Auditors

In terms of provisions of Section 139 of the Act, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), were appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years from the conclusion of 91st Annual General Meeting (AGM) till the conclusion of the 96th AGM.

M/s. Walker Chandiok & Co. LLP have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company and satisfy the prescribed eligibility criteria.

The Report given by the Statutory Auditors on the financial statements of the Company is part of this Integrated Annual Report. The said Report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

Secretarial Auditors

In line with the best governance practices codified under the HUL Corporate Governance Code, the Secretarial Auditors were required to be rotated every 10 (ten) years even prior to the recent amendment to the Listing Regulations. Accordingly, in terms of provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the the Board of Directors (the Board), at its meeting held on 19th January, 2024, had appointed M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800) to conduct the Secretarial Audit for the financial year 2024-25, as M/s. S. N. Ananthasubramanian & Co. (ICSI Unique Code: P1991MH040400), the erstwhile Secretarial Auditors of the Company, had completed their two consecutive terms of 5 (five) years each.

Since the Secretarial Auditors were already rotated prior to the amendment to the Listing Regulations, the Board, at its meeting held on 24th April, 2025, based on the recommendation of the Audit Committee, has considered, approved, and recommended to the Members of the Company the appointment of M/s. Parikh & Associates as Secretarial Auditors of the Company. The proposed appointment is for a term of 5 (five) consecutive years from the financial year 2025-26 to the financial year 2029-30, on payment of such remuneration as may be mutually agreed upon between the Board and the Secretarial Auditors from time to time.

M/s. Parikh & Associates have confirmed they are not disqualified from being appointed as the Secretarial Auditors of the Company and satisfy the prescribed eligibility criteria.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2024-25, does not contain any qualification, reservation, or adverse remark. During the year under review, the Secretarial Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

For further details on the proposed appointment of Secretarial Auditors, please refer to the Notice of the 92nd AGM at pages 454 and 455.

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 and tea. 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, based on the recommendation of the Audit Committee, has appointed M/s. R Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010) as Cost Auditors for the financial year 2025-26. M/s. R Nanabhoy & Co., being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2025-26.

The remuneration of ₹16.20 lakhs (Rupees Sixteen Lakhs and Twenty Thousand only) exclusive of taxes and out-of-pocket expenses incurred in connection with the aforesaid audit, is proposed to be paid to the Cost Auditors, subject to ratification by the Members of the Company at the ensuing AGM.

M/s. R Nanabhoy & Co have confirmed that they are not disqualified from being appointed as the Cost Auditors of the Company and satisfy the prescribed eligibility criteria.

The Cost Audit Report issued during the financial year 2024-25, does not contain any qualification, reservation, or adverse remark. During the year under review, the Cost Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

For further details on the proposed ratification of remuneration payable to the Cost Auditors, please refer to the Notice of the 92nd AGM at page 456.

Related Party Transactions

The Company has a robust process for approval of Related Party Transactions (RPT) and dealing with the Related Parties. In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transaction & Dealing with Related Party Transactions (RPT Policy) which is also available on the Company's website at https://www.hul.co.in/investors/corporate-governance/policies/. The RPT Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its related parties. During the year, the Board approved amendment to the RPT Policy at its meeting on 22nd January, 2025, based on the Audit Committee's recommendation. These changes were made to incorporate the amendments to the Listing Regulations.

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

All RPT entered during the year were in ordinary course of the business and at arm's length basis. At the 91st AGM, the Shareholders had approved entering into and/or continuing with Material Related Party Transactions/ contracts/arrangements/ agreements with PT. Unilever Oleochemical Indonesia (UOI), a Related Party within the meaning of Section 2(76) of the Act, and Regulation 2(1)(zb) of the Listing Regulations for purchase of raw material/semifinished goods, for a period of 3 (three) years commencing from financial year 2024-25 to financial year 2026-27, individually and/ or in the aggregate up to an amount not exceeding ₹3,000 crores in a financial year. For details of such transactions entered into with UOI, in prescribed Form AOC-2, please refer page 133.

Internal Financial Controls

The Company has a comprehensive Internal Audit and Enterprise Risk Assessment and mitigation system, supported by an independent Internal Audit Department and outsourced audit teams. The Audit Committee annually approves the Internal Audit plan, which focusses on reviewing internal controls and risks across factories, sales offices, warehouses, and centrally controlled businesses and functions. Each quarter, the Audit Committee receives summaries of significant audit observations and follow-up remediation actions. Business Risk Assessment procedures enable self-assessment of business risks, operating controls, and compliance with Corporate Policies, with an ongoing process to track risk evolution and mitigation actions.

The Company has established an internal financial control framework in accordance with the Committee of Sponsoring Organisations (COSO) framework, which is suitable for the size and operations of the business and complies with the requirements of the Act. This framework is based on the 'three lines of defense model'. The Company has implemented Standard Operating Procedures and Policies to guide business operations. Unit heads are responsible for ensuring compliance with these policies and procedures as laid down by the Management. Robust and continuous internal monitoring mechanisms are in place to ensure timely identification of risks and issues. The Management, along with Statutory and Internal Auditors, conducts rigorous testing of the Company's control environment.

Assurance on compliance with the Code of Business Principles (Code) and our Code Policies is obtained annually from the Management via a formal Code declaration. Specialist awareness and training programmes are run throughout the year, varying based on business priorities. An integrated assurance map is maintained across the principal risks to confirm mitigation through the three lines of defense. The Internal Audit function plays a vital role in providing both Management and the Board with an objective and independent review of the effectiveness of risk management and internal control systems throughout the Company.

The use of data and analytics continues to enhance the efficiency and coverage of the internal audit team's work. In 2024, the Internal Audit team laid the pathway for a system-based anomaly detection tool that functions around the Company's Enterprise Resource Planning tool and critical data sources. Further, fraud risk assessments on a pilot basis to detect control misalignments in key functions were carried out by the Internal Audit function. The Audit Committee reviews quarterly and year-end summary reports, including the results of audit activities and the status of agreed actions.

The Board, based on the recommendation of the Audit Committee, at its meeting held on 23rd July, 2024 appointed Mr. Prem Kumar as Internal Auditor of the Company with effect from 24th July, 2024, succeeding Ms. Surabhi Mehrotra.

Corporate Social Responsibility Policy and Initiatives

A belief that sustainable business drives superior performance lies at the heart of HUL. 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.

Our approach to Corporate Social Responsibility (CSR) goes beyond philanthropy. It encompasses comprehensive community development, institution-building, and sustainability initiatives. We focus on water conservation, health and hygiene, waste management, regenerative agriculture, skill development, education, social advancement, gender equality, women empowerment, and rural development. Through these efforts, we aim to foster holistic community development and drive meaningful change.

The CSR Policy of the Company, as approved by the Board, is available on the Company's website at https://www.hul.co.in/investors/corporate-governance/policies/.

For details on our CSR Initiatives please refer to our Annual Report on Corporate Social Responsibility at page 136.

Material Developments in Human Resource Front

The Company recognises that fostering a culture prioritising wellbeing and empowering employees to learn and develop is crucial for long-term success. This year, we invested over 1,00,000 hours in learning and development sessions. Our well-defined policies promote a positive work environment, enabling employees to perform at their highest potential and consistently deliver results. We continue to lead in inclusion through pioneering programmes and policies. As a result, the Company has retained its position as the #1 Employer of Choice across sectors in top business schools and the preferred employer for women.

For further details on the material developments in Human Resource front, please refer to the Stakeholder Engagement and Review section at page 90.

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.

Junior and middle management talent are covered by the ASP. For 2025, grants under ASP are made based on the Personal Differentiation Factor awarded for the impact, leadership and future fitness of an individual with a range of 0% – 200%. These shares vest after a 3 (three) year period 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.

Senior management talent is covered under the PSP scheme. For 2025, grants under PSP are made based on the Personal Differentiation Factor awarded for the impact, leadership and future fitness of an individual with a range of 0% – 200%. These shares vest after a 3 (three) year period with vesting being determined by Company's performance against metrics. The performance measures for PSP at the time of vest of grants are Underlying Sale Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and Sustainability Progress Index. The awards under PSP scheme will vest after 3 (three) years between 0% and 200% of grant level, depending on the achievement against the performance metrics. The Target PSP share award is equivalent to 100% of the Target Bonus.

In 2024, based on the approval of the Shareholders vide resolution dated 5th March, 2024, the Company introduced the Hindustan Unilever Limited Performance Share Plan Scheme 2024 (HUL PSP Scheme 2024 / the Scheme). The Scheme aims to attract and retain talented employees, motivate them with incentives and rewards, achieve sustained growth and shareholder value by aligning employee interests with long-term wealth creation, and foster a sense of ownership and participation among employees. Pursuant to the HUL PSP Scheme 2024, eligible employees would receive 38% of their ASP / PSP Award denominated in HUL Shares. All grants under the Scheme are considered and approved by the Nomination and Remuneration Committee of the Company. The balance 62% of their ASP / PSP Award would continue to be denominated in Unilever PLC 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 ASP / PSP Scheme. All other employees under the Unilever ASP/PSP plan are eligible for 100% Unilever PLC shares.

The HUL PSP Scheme 2024, instituted by the Company, in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). Disclosures in compliance with SBEB Regulations, are uploaded on the website of the Company at https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/. The certificate from the Secretarial Auditor on the implementation of the 2021 Plan in accordance with Regulation 13 of the SBEB Regulations, has been uploaded on the Company's website at https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/. Furthermore, the Company has adhered to the applicable accounting standards in this regard.

Further, under the SHARES Plan, eligible employees can invest in the shares of Unilever PLC up to a specified amount and after 3 (three) years, one share is granted to the employees for every 3 (three) shares invested, subject to the fulfilment of conditions of the plan. Unilever PLC 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.

During the year under review, the Company did not provide any loans to its employees for the purchase of Company shares.

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, forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Shareholders, excluding the aforesaid statement. The statement is open for inspection upon request by the Shareholders, and any Shareholder desirous of obtaining the same may write to the Company at levercare.shareholder@unilever.com.

Dividend

In accordance with the requirements of Regulation 43A of the Listing Regulations, the Board has adopted Dividend Distribution Policy (DDP). The DDP ensures that excess cash from operations, beyond immediate and foreseeable needs, is returned to shareholders over the long term. The DDP is available on the website of the Company at https://www.hul.co.in/investors/corporate-governance/policies/.

Based on the principles set forth in the DDP, the 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, 2025. Additionally, during the year, an Interim Dividend of ₹29/- per equity share (inclusive of a Special Dividend of ₹10/- per equity share) was paid on Thursday, 21st November, 2024.

The Final Dividend, subject to the approval of Members at the AGM on Monday, 30th June, 2025, will be paid on or after Friday, 4th July, 2025, to the Members whose names appear in the Register of Members, as on 23rd June, 2025, being the cut-off date, i.e. one day prior to the commencement of the Book Closure dates, i.e. Tuesday, 24th June, 2025 to Monday, 30th June, 2025 (both days inclusive). The total dividend for the financial year, including the proposed Final Dividend, amounts to ₹53/- per equity share, leading to a total dividend payout of ₹12,453 crores for the year.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends 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 (TDS).

For further details related to TDS on dividend, please refer to the Notes to Notice of the 92nd AGM at pages 452 and 453.

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, ₹21.09 crores of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund (IEPF).

For details of unclaimed dividends and equity shares liable to be transferred to the IEPF, please refer the Corporate Governance Report at page 260.

Demerger, Acquisitions & Divestment

Divestment of Water Purification Business

At its meeting on 15th July, 2024, the Board approved the divestment of the Company's Water Purification business carried under the brand 'Pureit' to A.O. Smith India Water Products Private Limited, a leading global water technology company, based on the Audit Committee's recommendation. The transaction involved sale of the Water Purification business including the trademarks, copyrights and other intellectual properties and identified assets and contracts associated with the business, as a going concern on slump sale basis. The divestment aligns with the Company's strategic intent to focus sharply on its core categories and was completed on 1st November, 2024.

Demerger of Ice Cream Business

Following the announcement by the parent entity, Unilever PLC, of its intention to separate its Ice Cream Business globally, the Board of the Company undertook a comprehensive review of the Ice Cream Business in India.

- Towards this end, on 6th September, 2024, the Board constituted an Independent Committee (IDC) of the Company.
- At its meeting held on 23rd October, 2024, the Board, after an in depth analysis of the options available and based on the recommendation of the IDC, decided to separate the Ice Cream business, in view of its different operating model, including differentiated infrastructure for supply and distribution, capital allocation needs, distinct channel landscape and go-to-market strategy.
- Following a detailed evaluation of the different modes of separation and with a view to maximise value for all the shareholders, the Board, at its meeting held on 25th November, 2024, accorded its in-principle approval to demerge the Ice Cream business. For the purpose of the proposed demerger, the Board also approved incorporation of a wholly owned subsidiary of the Company.
- Accordingly, on 10th January, 2025, a wholly owned subsidiary under the name of Kwality Wall's (India) Limited ('KWIL') was incorporated.
- At its meeting held on 22nd January, 2025, based on the recommendation of IDC and the Audit Committee, the Board accorded its approval to the Scheme of Arrangement amongst the Company and KWIL and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Act (Scheme).

To ensure utmost transparency and information symmetry, necessary intimations on any Board decision in the matter were submitted to the exchanges periodically.

Salient features of the Scheme

- The said Scheme involves the demerger of the Ice Cream Business Undertaking (as defined in the Scheme) of the Company into KWIL on a going concern basis.
- Based on the Share Entitlement Ratio Report and the Fairness Opinion issued thereon, the Scheme involves issuance of equity shares by KWIL to all the shareholders of the Company in accordance with the Share Entitlement Ratio of 1:1 i.e. for every 1 (one) equity share of face value of Re.1/- fully paid up held in the Company, 1 (one) equity share of face value of Re. 1/- credited as fully paid up in the KWIL.

The Board of the Company firmly believes that the Demerger would be in the best interest of the Company and KWIL, and their respective shareholders, creditors, employees and other stakeholders on account of the following reasons:

- it will result in the separation of the Ice Cream Business Undertaking from the Remaining Business (as defined in the Scheme), which will enable the companies to sharpen focus on their respective businesses and strategies in pursuit of their respective growth and value creation models;
- the Ice Cream Business Undertaking operates in an attractive high-growth category and has built iconic brands such as 'Kwality Wall's', 'Cornetto' and 'Magnum' and the Demerger would create a leading listed ice cream company in India, which will have a focussed management with greater flexibility to deploy strategies suited to its distinctive operating model and market dynamics, to realise its full potential;
- KWIL will have ability to benefit from the portfolio, brand and innovation resources and technical expertise from the largest global ice cream business enabling it to keep winning in the market space;
- it will enable the Company to drive sharper focus in the business as it further accelerates its play in high-growth demand spaces, strengthening its future fit portfolio;
- it would unlock value for all shareholders of the Company and give them the flexibility to stay invested in the growth journey of the Ice Cream Business Undertaking; and
- it will facilitate a smoother transition for the Ice Cream Business Undertaking and its people.

The Scheme is subject to the receipt of approval of shareholders and creditors, approvals from the jurisdictional Hon'ble National Company Law Tribunal, the Securities and Exchange Board of India, BSE Limited and the National Stock Exchange of India Limited (BSE and NSE are collectively referred to as the 'Exchanges') and such other approvals, permissions, and sanctions of regulatory and other authorities as may be necessary.

As on the date of this Integrated Annual Report, in accordance with the requirements of Regulation 37 of the Listing Regulations, the Scheme has been filed with the Exchanges for obtaining the required No-Objection letter.

Acquisition of Stake in Uprising Science Private Limited

At its meeting on 22nd January, 2025, the Board, based on the Audit Committee's recommendation, approved the acquisition of 90.5% stake in Uprising Science Private Limited (Minimalist), and an eventual acquisition of the remaining 9.5% stake in the company. This move is another step in the transformation journey of Company's Beauty & Wellbeing portfolio towards evolving and higher growth demand spaces.

Founded in 2020, Minimalist is one of the fastest growing digital-first brands that sits at the intersection of beauty and actives-led science. The brand is committed to delivering highly effective skincare and haircare solutions to its consumers, driven by its mission to #HideNothing. The business has scaled rapidly to cross an annual turnover of ₹500 crores in financial year 2024-25, within a short span of 4 (four) years. Minimalist will join the strong portfolio of brands in the Beauty & Wellbeing division of the Company.

The Competition Commission of India, vide its Order dated 17th March, 2025, has approved the proposed acquisition. On 21st April, 2025, the Company completed the acquisition of 90.5% stake in Minimalist.

Acquisition of Palm Undertaking

At its meeting on 22nd January, 2025, the Board, approved the acquisition of palm undertaking of Vishwatej Oil Industries Private Limited, as a part of Company's palm localisation strategy. The palm undertaking is based in the Kamareddy district of Telangana.

Palm and its derivatives are a key feedstock to manufacture a variety of Company's Personal Care, Beauty and Home Care products and are largely imported from Indonesia and Malaysia. The Company's palm localisation strategy aims to build supply chain resilience for palm derivatives through backward integration. With the acquisition of palm undertaking, the Company has taken a big step forward to build infrastructure for palm under the aegis of India's 'National Mission on Edible Oils'. The acquisition is also in alignment with the Company's firm belief of 'What is good for India, is good for HUL'.

Investment in Lucro Plastecycle Private Limited

At its meeting held on 20th March, 2025, the Board approved the acquisition of 14.3%* stake in Lucro Plastecycle Private Limited (Lucro), a leading player in recycled flexible plastics. Lucro is a well-integrated waste management, recycling and product manufacturing company, working to create a circular plastics economy for a better tomorrow.

On 23rd April, 2025, the Company completed the acquisition of 14.3%* stake in Lucro. The Company's investment is a step towards its sustainability goals to scale up the use of recycled flexibles content in packaging. The investment aims to strengthen plastic circularity by increasing the availability of recycled content for flexibles, providing a roadmap for businesses to move towards sustainable plastic packaging and address the challenge of hard-to-recycle flexible plastic.

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Act, during financial year 2024-25 are appended as an Annexure to this Integrated Annual Report.

* On a fully diluted basis.

Governance, Compliance and Business Integrity

The Legal function of the Company remains a crucial business partner, offering solutions to safeguard the Company and help it thrive in a complex and unpredictable environment. By emphasising 'Value with Values,' the function provides strategic business support in areas such as product claims, mergers and acquisitions, legislative changes, combating unfair competition, business integrity, and governance. Utilising advanced technology and promoting a proactive risk management culture, the function plays a vital role in advancing the Company's growth agenda and facilitating digital transformation.

As markets are continually disrupted by new technologies and shifting consumer preferences, the function ensures that the Company's data security and privacy frameworks are robust, adaptable, and in line with global best practices. The Company believes that the issue of counterfeits can be effectively tackled by combining enforcement actions with consumer awareness initiatives. We have engaged with various stakeholders, including e-commerce partners, industry bodies, and consumers, to combat counterfeiting across channels and markets, including imports into the country. Additionally, the Legal function collaborates with leading industry associations, national and regional regulators, and key opinion leaders to foster a progressive regulatory environment that benefits all stakeholders, positioning the Company to navigate regulatory complexities while driving innovation.

Corporate Governance

Conducting our business with integrity and highest level of governance has been core to our corporate behaviour. Our Corporate Governance framework has evolved over the years underpinned by our core values of Integrity, Responsibility, Respect, and Pioneering. 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 from 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.

Compliance

The Company leverages a robust compliance management tool which is designed to streamline and manage compliance tracking and reporting across all functions. The tool has been systematically rolled out to record and track compliance across factories, depots, and offices of the Company. Customised compliance checklists are developed for each operating unit based on discussions with the respective teams, and a centralised compliance repository is available for user reference. Compliance based tasks are mapped to respective users, who in turn ensure to complete the same within stipulated timelines and update the necessary systems to facilitate monitoring. Any changes in the regulatory landscape are suitably built into the system from time to time. This has fostered a system driven, steady compliance culture in the Company over time. In accordance with best governance practices, the Compliance Officer provides quarterly reports to the Audit Committee and the Board regarding the status of compliance with applicable laws.

Business Integrity

Our principles and values are upheld by all employees through our Code of Business Principles (Code) and Code Policies. Employees are required to complete 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 addressing Code breaches.

During the year under review, 92 incidents were reported across all areas of our Code and Code Policies, with 50 confirmed breaches. As a result, we terminated the employment of 37 employees and issued 30 warning letters. The Code and Code Policies reflect our commitment to combating corruption in all its forms, and we maintain a zero-tolerance approach to such practices.

The Code is periodically updated to reflect current business practices at the Company. The Code Policies are also reviewed to ensure alignment with changes in both the internal and 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.

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 the ones 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. The Company organised offline training sessions on the topics of Gender Sensitisation and Code Policies including POSH for all office and factory-based employees.

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 financial year 2024-25, is available on the Company's website at https://www.hul.co.in/investors/annual-reports-and-performance-highlights/.

Board of Directors and Key Managerial Personnel

The Board is unwavering in its commitment to the highest principles of Corporate Governance within the Company. It consistently sets standards that not only adhere to applicable legislation but also surpass expectations across various facets of our operations. The Board holds ultimate responsibility for the development of strategy, material acquisitions and divestments, capital expenditure, capital structure, financing matters, policy oversight, internal controls, and the promotion of ethical behaviour.

As on the date of this Integrated Annual Report, the Board comprises a diverse mix of Executive and Non-Executive Directors with majority of Independent Directors.

Change in Directorate

- At the 91st AGM of the Company held on 21st June, 2024, the Shareholders approved the appointment of Mr. Biddappa Bittianda Ponnappa (DIN: 06586886) as a Whole-time Director of the Company for a term of 5 (five) consecutive years with effect from 1st June, 2024.
- During the year, Dr. Sanjiv Misra (DIN: 03075797), Mr. O.P. Bhatt (DIN: 00548091) and Ms. Kalpana Morparia (DIN: 00046081) completed their second consecutive term as Independent Directors of the Company and consequently ceased to be Directors of the Company effective close of business hours on 29th June, 2024 and 8th October, 2024, respectively.
- Further, during the year, Mr. Dev Bajpai (DIN: 00050516), (former) Executive Director, Legal, Corporate Affairs & Company Secretary demitted his office pursuant to early retirement from the services of the Company effective close of business hours on 31st December, 2024.
- Mr. Leo Puri (DIN: 01764813) resigned as the Independent Director of the Company, due to an increase in his board commitments including his proposed appointment on the board of a global entity and the over boarding criteria for Independent Directors as prescribed under the European Corporate Governance requirements. The resignation will take effect from close of business hours on 30th June, 2025.

The Board expresses its heartfelt appreciation for the leadership, guidance, and invaluable contributions made by the Directors during their respective tenures. Their unwavering commitment to exemplary governance and their pivotal role in steering the Company towards sustained growth and success have been commendable. The Directors' efforts in upholding the Company's values and ensuring compliance with corporate policies have been instrumental in achieving strategic objectives and have played a significant role in the Company's transformation journey.

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 of the Act read with the Rules made thereunder and the Articles of Association of the Company, Mr. Nitin Paranjpe (DIN: 00045204), Mr. Ritesh Tiwari (DIN: 05349994) and Mr. Biddappa Bittianda Ponnappa (DIN: 06586886), are liable to retire by rotation at the ensuing AGM and being eligible have offered their candidature for re-appointment.

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 92nd AGM.

Key Managerial Personnel

Mr. Rohit Jawa (DIN: 10063590), Managing Director & Chief Executive Officer, Mr. Ritesh Tiwari (DIN: 05349994), Chief Financial Officer and Ms. Radhika Shah (Membership No. A19308), Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company as on 31st March, 2025. During the year, Ms. Radhika Shah succeeded Mr. Dev Bajpai as the Company Secretary and Compliance Officer with effect from 1st January, 2025.

Management Committee

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

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

- the appointment of Mr. Vipul Mathur as the Executive Director, Personal Care, in succession to Mr. Madhusudhan Rao, with effect from 1st June, 2024.
- the appointment Mr. Arun Neelakantan as the Executive Director, Customer Development in succession to Mr. Kedar Lele with effect from 1st July, 2024.
- the appointment of Mr. Vivek Mittal as the Executive Director, Legal & Corporate Affairs in succession to Mr. Dev Bajpai.
- the appointment of Mr. Rajneet Kohli as the Executive Director, Foods in succession to Mr. Shiva Krishnamurthy with effect from 7th April, 2025.

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 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.

The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board has taken on record the declarations and confirmations submitted by the Independent Directors after undertaking due assessment of the veracity of the same. 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, 10 meetings of the Board 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, Policy on Director's Remuneration, form a part of the Corporate Governance Report of this Integrated Annual Report.

Technology Absorption

Details of technology absorption as prescribed under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, have been appended as an Annexure to this Integrated Annual Report.

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 your Company's business and to reach the ambitious targets set out in the Compass sustainability commitments. The Code, 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 Code and Code policies, the Company is committed to transparency, honesty, integrity and openness in all its engagements with the various stakeholders.

Outlook

In financial year 2024-25, we delivered a competitive and profitable performance, marked by a step up in our portfolio transformation with increased innovation in high-growth spaces, amplified investments in channels of the future, acquisition of Minimalist, divestment of Pureit, and the decision to demerge Ice Cream business. Looking ahead, we expect demand conditions to improve gradually over the next fiscal year. Macro conditions will benefit from monetary stimulus, lower food and crude inflation and higher agricultural output. In this context, our focus remains on driving competitive volume led growth across our business. In this backdrop, we will step up investments behind our multi-year market making platforms, channels of the future and strategic capabilities to successfully land our portfolio transformation. We maintain a strong conviction in the significant mid to long-term potential of the Indian FMCG sector, fueled by increasing affluence across the population, currently low per capita FMCG consumption indicating substantial headroom for growth, and a rapidly developing digital infrastructure that enhances market access and consumer engagement. We are confident that our commitment to the strategic objective of unlocking a billion aspirations, supported by our robust business fundamentals, will enable us to continue winning competitively.

Director's Responsibility Statement

Pursuant to Section 134 of the Act, the Board confirms having:

- followed the applicable Accounting Standards in the preparation of the Annual Accounts, and there are no material departures from the same;
- 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;
- 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;
- prepared the Annual Accounts on a going concern basis;
- laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- 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;
- the requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable;
- 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 Acknowledgments

The Directors express their deep appreciation to all employees for their hard work, dedication, and commitment. The enthusiasm and unwavering efforts of the employees have enabled the Company to maintain its position as an industry leader.

The Directors also acknowledge Unilever's excellent contributions to the Company, providing the latest innovations, technological advancements, and marketing inputs across nearly all categories in which it operates. This support has allowed the Company to enhance consumer satisfaction through continuous improvements in existing products and the introduction of new ones.

The Board appreciates the support and cooperation the Company has received from its suppliers, distributors, retailers, business partners, and others involved as trading partners. The Company views them as partners in its progress and has shared the rewards of growth with them. The Company is committed to building and nurturing strong relationships with the trade based on mutual benefits, respect, and cooperation, consistent with consumer interests.

The 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, 2025

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 Director to the median remuneration of the Employees of the Company for the financial year 2024-25, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Director(s) and Company Secretary during the financial year 2024-25.

Sr. No.	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1.	Nitin Paranjpe@	Chairman	N.A.	N.A.
2.	Rohit Jawa	Chief Executive Officer and Managing Director	146.47	3.75
3.	Ritesh Tiwari	Executive Director, Finance, IT and CFO	59.18	9.70
4.	BP Biddappa*	Executive Director and Chief People, Transformation and Sustainability Officer	66.32	Not comparable**
5.	Dev Bajpai#	Executive Director, Legal and Corporate Affairs and Company Secretary	83.65	Not comparable**
6.	Leo Puri	Independent Director	3.58	142.70^
7.	Ashu Suyash	Independent Director	3.51	122.66^
8.	Ranjay Gulati	Independent Director	2.71	109^
9.	Neelam Dhawan	Independent Director	3.66	Not comparable**
10.	Tarun Bajaj	Independent Director	3.55	Not comparable**
11.	O.P. Bhatt	Independent Director	1.49	Not comparable**
12.	Sanjiv Misra	Independent Director	1.35	Not comparable**
13.	Kalpana Morparia	Independent Director	2.41	Not comparable**
14.	Radhika Shah	Company Secretary & Compliance Officer	-	Not comparable**

ii. The percentage increase in the median remuneration of Employees for the financial year was 8.39%.

iii. The Company has 6,604 permanent employees on the rolls of Company as on 31st March, 2025.

iv. Average increase made in the salaries of employees other than the managerial personnel in the financial year was 4.62% and does not include increase on account of promotions. Increase every year is an outcome of Company's market competitiveness as against its peer group companies as well as financial performance. In keeping with our reward philosophy and benchmarking results, the increase this year reflects the market practice and sound financial management. The increase in managerial remuneration aligns with the recommendations of the Nomination and Remuneration Committee and has been duly approved by the Board.

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 Independent Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders. 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.

b) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

@ During the financial year 2024-25, the Non-Executive Chairman of the Company did not receive any sitting fees, commission or stock options from the Company.

* Mr. Biddappa Ponnappa Bittianda was appointed as the Executive Director and Chief People, Transformation and Sustainability Officer of the Company with effect from 1st June, 2024.

Mr. Dev Bajpai ceased to be the Executive Director, Legal & Corporate Affairs and Company Secretary of the Company with effect from close of business hours on 31st December, 2024.

^ The increase in remuneration of Non-Executive Independent Directors is in accordance with the amendment to the Differential Remuneration Policy of the Company effective 1st April, 2024.

** Percentage increase/decrease in remuneration is not reported as they were holding directorship / office for part of the financial year 2023-24 / 2024-25 and/or they were appointed during the financial year 2024-25.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 24th April, 2025

Particulars of Loans, Guarantees or Investments

Amount outstanding as on 31st March, 2025

(₹ in crores)

Particulars	
Loans given	256
Guarantee given	-
Investments made	4,602

Loan, Guarantee and Investments made during the financial year 2024-25

Name of Entity	Relation	Amount (₹ in 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	10	Loan	Business purpose
Unilever India Exports Limited	Subsidiary	352	Loan	Business purpose
Unilever Industries Private Limited	Fellow subsidiary	10	Loan	Business purpose
Kwality Wall's (India) Limited[1]	Subsidiary	5	Investments	Business purpose
Mutual Funds + T-Bills + Certificate of Deposits [2]	-	20,943	Investments	Cash Management

[1] Investment in 5,00,00,000 equity shares of ₹1 each

[2] For details refer to Note 6 of Notes to the financial statements

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**

   Not applicable. During the financial year 2024-25, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship:	PT. Unilever Oleochemical Indonesia (Fellow Subsidiary)
b)	Nature of contracts/arrangements/transactions:	Purchase of raw materials/ semi-finished goods
c)	Duration of the contracts / arrangements/ transactions:	Recurring Transactions for a duration of 3 (three) financial years commencing from financial year 2024-25 to financial year 2026-27
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	The Company sources raw materials/semi-finished goods primarily Palm Oil and its derivatives from its fellow subsidiary PT. Unilever Oleochemical Indonesia. The value of transaction shall not exceed ₹3,000 crores in a financial year.
e)	Date(s) of approval by the Board, if any:	24th April, 2024
f)	Amount paid as advances, if any:	-

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Technology Absorption

The Company has a long tradition of being a responsible and pioneering business. Innovations for our great brands are powered by deep consumer understanding combined with science & technology expertise.

Unilever R&D is known for innovating boldly for people and planet. It has 6 global R&D innovation centers. The India R&D team is spread across 2 world-class sites: Mumbai and Bengaluru hosting global and regional R&D teams. Through these, the HUL business has access to more than 20,000 international patents, and more than 5,000 scientists and technology experts working across all business groups and critical R&D capabilities such as Regulatory, Clinicals & Digital R&D. HUL business benefits from collaboration, co-creation and constant knowledge flow of new products designs, novel products & formats and processing technologies between the global R&D centers.

The Company 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. 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 the Company 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, the Company's 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.

Below is a representative list of technologies imported over the last financial year:

Sr. No.	Technology absorbed	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
1.	Incorporation of eco-design weight-efficient materials allowing for superior stain removal in laundry detergents.	2024	Yes	NA
2.	Incorporation of probiotics in Vim Ultra Pro floor cleaners allowing for superior clean and streak-free floors.	2024	Yes	NA
3.	Inclusion of responsibly sourced plant-based materials via Stratos technology for superior skin care benefits & germ protection.	2024	Yes	NA
4.	GAP technology in skin care for a light sensory, all-season moisturiser adapted for face and body lotions.	2024	Yes	NA
5.	Dynoxidil – combination of Niacinamide and Zinc Peptides for strengthening hair root anchorage and delivering scalp barrier repair benefits.	2024	Yes	NA
6.	Micro Sheet technology in TRESemmé Lamellar Gloss range seals hair uniformly to provide superior shine. This makes hair smoother and manageable.	2024	Yes	NA
7.	Adoption of Core Formulation Design and Process for Flavoured Mayonnaise range.	2024	Yes	NA
8.	Localisation of Magnum ice cream in India and associated product and packaging technology knowledge absorption.	2024	Yes	NA
9.	Anti-redeposition technology in laundry detergents.	2023	Yes	NA
10.	Dynazinc technology for dove scalp serum.	2023	Yes	NA
11.	Synergistic technology of 3 potent actives – niacinamide, hexyl resorcinol and Retinyl Propionate helps reduce hyper pigmentation for Novology.	2023	Yes	NA
12.	Adoption of Core Formulation design and process for Flavoured Mayonnaise range.	2023	Yes	NA
13.	Smart foam technology for better wash experience in laundry detergents.	2022	Yes	NA
14.	Sulphate and silicone free shampoo technology for Love Beauty & Planet curly hair shampoo.	2022	Yes	NA
15.	Dove Body Love Proage lotion for Mature skin with NutriDUO technology infused with AHA, Olive oil & Vitamin B3.	2022	Yes	NA

Sustainability

R&D is committed to anchor initiatives that drive progress in HUL's sustainability commitments. These, spread across climate, nature, plastics and livelihoods are stretching our ambitious targets, requiring disruptive and innovative thinking to succeed. Absorption of technologies that reduce our environmental impact helps in developing products that deliver on both superiority and sustainability. For instance, the Stratos technology in our personal care soap bars delivers a superior product with skin care benefits in a wash-off product while reducing our Greenhouse gas emissions.

Digital Transformation for Productivity & Speed

AI-led digital transformation is central to our strategy in R&D. We are building bespoke, industry-first R&D capabilities powered by cutting-edge digital technologies such as artificial intelligence, robotics and automation to improve our research productivity, and speed of innovation. Some recent examples include:

- The Agile Innovation Hub – an innovation accelerator has capabilities that identify new consumer trends, demand spaces, and builds prototypes for products at speed.
- The Bars Advanced Manufacturing Center houses a physical and digital twin of our soap & detergent bar factories across the world, permitting our R&D teams to take trials in a single location and greatly expediting the scaleup process. New-age models and simulations of process assets are cutting down the innovation lead times and helping us reduce number of factory trials needed for a full product rollout.
- Our R&D processes run on a backbone of digital data capture – from idea to final product in the factory, data platforms capture structured and unstructured data at each stage, allowing for complete traceability of raw materials, products and packaging.
- Unilever's Datalab platform provides access to digital models and simulations which help in running in-silico virtual experiments and cutting down the need for physical experimentation.

Benefits Derived

The absorption of these technologies delivers significant benefits to the business:

- Development of superior products with consumer-perceivable benefits
- Making HUL products more sustainable and reducing our environmental impact
- Delivering smart product savings for accreting margin
- Introducing efficiencies through adoption of digital technologies
- Holistic and always-on understanding of new consumer insights and trends
- Reducing lead time for new product launches

R&D will continue to deliver superior, sustainable and value-optimised products for the business. Some key focus areas include:

- Premiumisation of product portfolio with step-up in packaging and sensory
- Strengthening and contemporising the core portfolio
- Designing market-making and future-core innovations
- Making progress on our sustainability commitments
- Stepping up collaborative partnerships with government, academic and industry ecosystem
- Elevating the impact of AI and digital transformation through disruptive capabilities and digital tools

Expenditure on R&D

(₹ in crores)

	For the year ended 31st March, 2025
Capital	18.61
Recurring	137.96
Total	**156.57**

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)