



# Purpose-led, future-fit

Hindustan Unilever Limited  
Integrated Annual Report 2020-21



Hindustan Unilever Limited





## BASIS OF PREPARATION AND PRESENTATION

### Summary

The terms 'HUL', 'the Company', 'your Company', 'we', 'our' and 'us' refer to Hindustan Unilever Limited. Our Integrated Annual Report comprising the Statutory Reports, (page nos. 2 to 109), contains information about us, how we create value for our stakeholders and how we run our business. It includes our strategy, business model, market outlook and key performance indicators. The Report of Board of Directors and the Management Discussion and Analysis detail our performance as well as our approach to sustainability and risk management. Our Corporate Governance Report, part of the Report of Board of Directors, (page nos. 80 to 109), contains an analysis of steps taken in the area of Corporate Governance including information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Our Financial Statements and Notes are on (page nos. 112 to 269). The Integrated Annual Report, Statutory Reports and Financial Statements have been approved by the Board of Directors.

### Standards & Frameworks

The Integrated Annual Report is prepared in accordance with the guiding principles of the Integrated Reporting <IR> Framework recommended by the International Integrated Reporting Council (IIRC). Statutory Reports, including the Report of Board of Directors, the Management Discussion and Analysis (MD&A) and the Corporate Governance Report, are as per the regulatory requirements mandated by the Companies Act, 2013 (the Act),

Listing Regulations and the Standards issued by the Institute of Company Secretaries of India.

### Reporting Scope

The Integrated Annual Report including the Statutory Reports and Audited Financial Statements provides information with respect to the Company's operations for the financial year 2020-21 (unless specifically mentioned otherwise).

### Accountability Statement

The Company's Board of Directors confirm that the HUL Integrated Annual Report, taken as a whole, is fair, balanced and provides fair and necessary information to shareholders on the Company's performance, business model and strategy, together with a description of the material risks and opportunities.

### Cautionary Statement

Statements in this Integrated Annual Report, particularly those that relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations.

Although the expectations are based on reasonable assumptions, the actual results might differ.

### Assurance by Independent Auditor

The enclosed standalone and consolidated Financial Statements of your Company have been audited by

Independent Auditors M/s. B S R & Co. LLP, Chartered Accountants.

Your Company's Unilever Sustainable Living Plan (USLP) performance is a subset of the Unilever PLC's reported USLP performance. Independent assurance has been provided by PricewaterhouseCoopers LLP over the Unilever PLC aggregated USLP and Environmental and Occupational Safety performance indicators, details are indicators. Details are available at <https://www.unilever.com/planet-and-society/>.

The Company has obtained Certificate from M/s. B S R Co. & LLP, Chartered Accountants, Statutory Auditors confirming the compliance of conditions of Corporate Governance as stipulated under Listing Regulations and Certificate from M/s. S. N. Ananthasubramanian & Co., Company Secretaries confirming compliance with the Act, applicable Rules made under the Act, Listing Regulations issued by Securities and Exchange Board of India (SEBI). The Certificates form part of this Report.

### Materiality Determination

This Report provides fair and balanced information about the relevant matters that substantively affect your Company's ability to create value both positively and negatively, including risks and opportunities and favourable and unfavourable performance or prospects.

To identify material information or matters, we have taken a holistic perspective by regularly engaging with the various key stakeholders.

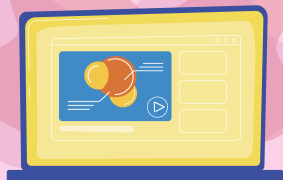
### Online

- Find more information about HUL: [www.hul.co.in](http://www.hul.co.in)
- Find more information about Unilever Compass Commitments: <https://www.hul.co.in/planet-and-society/>
- Integrated Annual Report along with other related documents can be downloaded: [www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents.html](http://www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents.html)

### Kind Attention Members:

#### Instructions to join the AGM

For detailed instructions to join the AGM through Video Conference (VC)/ Other Audio Visual Means (OAVM) and the procedure to ask questions/ seek clarifications with respect to the Integrated Annual Report refer page nos. 273 to 277 of this Report.



## Contents

### OVERVIEW

02	At a Glance
04	Chairman's Statement
06	Board of Directors
07	Management Committee
08	Our Performance
09	Financial Performance
10	India Sustainability Initiatives (Highlights)
12	Our Strategy
16	Our Business Model

### REPORTS

18	Report of Board of Directors and Management Discussion and Analysis
56	Annual Report on Corporate Social Responsibility
66	Business Responsibility Report
80	Corporate Governance Report
107	Secretarial Audit Report
110	Economic Value Added

### FINANCIAL STATEMENTS

#### Standalone Financial Statements

112	Independent Auditors' Report
124	Balance Sheet
126	Statement of Profit and Loss
128	Statement of Changes in Equity
130	Statement of Cash Flows
132	Notes

#### Consolidated Financial Statements

192	Independent Auditors' Report
202	Balance Sheet
204	Statement of Profit and Loss
206	Statement of Changes in Equity
208	Statement of Cash Flows
210	Notes
269	Form AOC-1

### OTHERS

270	Awards & Recognition
271	Corporate Information
272	Notice of Annual General Meeting
282	Profile of Directors





## At a Glance

As India's largest fast moving consumer goods Company, we are driven by our purpose to make sustainable living commonplace.

### Over 85 years of heritage

More than nine out of ten Indian households use one or more of our products on any given day

~4,500

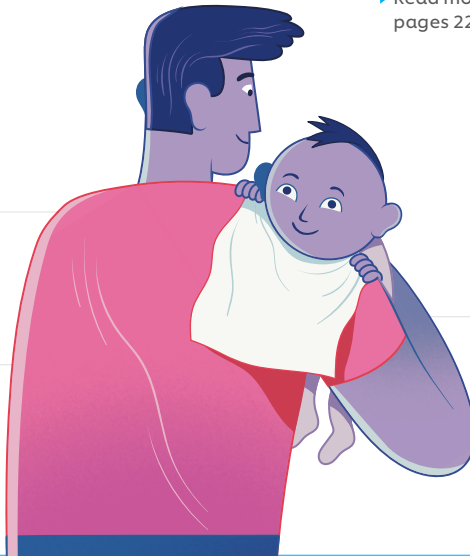
Distributors

~8mn

Stores sell our products

~1,150

Suppliers



### Strong brands with purpose

Our 50+ brands help people feel good, look good and get more out of life

➔ Read more about our brands and consumers on pages 22 to 25

14

Brands in India's Top 100 Most Trusted Brands 2020

14

Brands with turnover of over ₹1,000 crores

### Our Financial Highlights (Standalone\*)

Turnover

₹45,311cr

2019-20: ₹38,273cr

Reported  
Turnover Growth

18%

2019-20: 2%

Net Profit Growth

18%

2019-20: 12%

Earnings Per Share

₹33.85

2019-20: ₹31.13

Cash from  
Operations

₹11,000+cr

2019-20: ₹9,500+cr

Dividend Per Share

₹40.50

(Includes special dividend of ₹ 9.50)

2019-20: ₹25

\* Including impact of merger of GlaxoSmithkline Consumer Healthcare Limited (GSK CH) and acquisition of 'VWash'



### Powered by our people

Our purposeful and inclusive culture attracts the best talent

➔ Read more about our people on pages 26 to 27

42/58

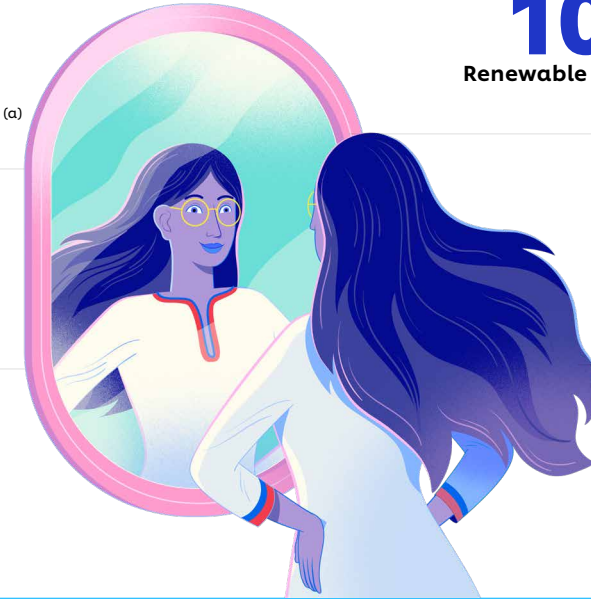
Gender balance in management (female/male) <sup>(a)</sup>

21,000

Employees

12

Years consecutive Employer of Choice



### Using our scale for good

We have an ambitious sustainability agenda which is delivering significant impact

➔ Read more about the planet & society on pages 31 to 33

100%

Renewable grid electricity

>1.3

Trillion litres of water potential created cumulatively by HUF <sup>(b)</sup>

>154mn

People reached cumulatively through our Water Sanitation and Hygiene initiatives <sup>(c)</sup>

### Our Three Divisions



Home Care

What we stand for:

To make people's homes a better world, and to make our world a better home.

Our largest categories:

Fabric Solutions, Home and Hygiene

A selection of our brands:

Surf excel, Wheel, Rin, Vim and Sunlight

Revenue – ₹ 13,959 crores

EBIT – ₹ 2,773 crores



Beauty & Personal Care

What we stand for:

We believe in beauty that cares for people, society and our planet.

Our largest categories:

Skin Cleansing, Skin Care, Hair Care

A selection of our brands:

Lifebuoy, Glow & Lovely, Dove, Pond's, Clinic Plus, Lakmé, Lux and Closeup

Revenue – ₹ 17,964 crores

EBIT – ₹ 5,127 crores



Foods & Refreshment

What we stand for:

To make brands that not only taste and feel good, but that are a force for good.

Our largest categories:

Tea, Health Food Drinks and Coffee

A selection of our brands:

Brooke Bond, Horlicks, BRU, Boost, Kissan, Knorr and Kwality Wall's

Revenue – ₹ 13,204 crores

EBIT – ₹ 2,189 crores

<sup>(a)</sup> excluding nutrition business

<sup>(b)</sup> by end of financial year 2019-20

<sup>(c)</sup> up to December 2020

## Chairman's Statement



**We have been able to bring down the curtains on the financial year 2020-21 with a robust set of numbers. We reported a turnover of ₹45,311 crores. ”**

**Mr. Sanjiv Mehta**  
Chairman and  
Managing Director

### **Dear Shareholders,**

The year 2020-21 has been challenging for each one of us. The Covid-19 pandemic has had a significant impact on lives, livelihoods, and the business. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, ensuring uninterrupted supplies of Covid relevant portfolio, meeting the demand arising out of evolving consumer needs, caring for the communities in which we operate, and finally, protecting our business model.

The relentless commitment and dedication of every member of the Hindustan Unilever family helped the business overcome many challenges in the past year. As a result, we have been able to bring down the curtains on the financial year 2020-21 with a robust set of numbers. We reported a turnover of ₹45,311 crores growing by 18% and Domestic Consumer Growth\* was 6%. Profit after tax at ₹7,954 crores was up 18%.

We managed Covid challenges well and sustained strong cash generation. The Board of Directors has proposed a final dividend of ₹17 per share, subject to approval of shareholders at the AGM. Together with interim dividend of ₹14 per share, the total dividend for the financial year ending 31st March, 2021 amounts to ₹31 per share. During the year, special dividend of ₹9.5 per share was also paid. If we add up, the total dividend payout during the year will be over ₹9,500 crores.

Last year saw significant change in what consumers buy and where they shop — from online shopping to a rising concern about health, hygiene, sanitation, and nutrition. Our brands strived to meet these changing needs by launching innovations, building awareness through communication, shifting to newer ways of reaching consumers and connecting with communities through purpose-led initiatives.

In the pandemic, the humble bar of soap became the first line of defense resulting in an unprecedented demand for Skin Cleansing and hand hygiene products. To serve the people of our country, Lifebuoy

launched 15 new product variations in the hand hygiene portfolio within just 30 days. We completed the acquisition of female intimate hygiene brand VWash that is off to a good start. This year, we launched our Positive Beauty vision, to drive positive change for people and the planet through our brands. We took a decisive step to embrace diversity and promote inclusion across our Beauty and Personal care portfolio and renamed the iconic Fair & Lovely brand to Glow & Lovely. Dove furthered this vision through its #StopTheBeautyTest campaign and Clinic Plus, on Women's Day, launched its new campaign pledging to educate 1,00,000 women across our ecosystem to stand up against domestic violence.

As people continued to stay home, our Home Care portfolio had a major role to play. We launched the Surf excel Active Hygiene and introduced the Lifebuoy Laundry Sanitiser. We saw a significant rise in dishwasher sales in the country. Vim launched a new 'matic' range for dishwasher users and also addressed the growing need for hygiene with the launch of the anti-bacterial variant in bars and liquids.

Domex launched a campaign highlighting its unique formulation with sodium hypochlorite that is proven to kill coronavirus within 60 seconds. In line with the growing consumer trend of natural hygiene solutions, we launched Nature Protect, with a neem-based portfolio comprising surface cleaners, laundry, fruit-and-veggie cleaners and on-the-go cleaner. Last September, we announced our Clean Future vision that aims to give people affordable, high-performing products that are kinder to both them and the environment.

Our Foods & Refreshment brands continued to focus on providing healthy options for the growing in-home eating trend and address the need for immunity. Our Tea business saw a significant rise in market share driven by robust growth across brands like Taaza, Brooke Bond Red Label and Taj Mahal. We expanded our fortified foods range and launched Hellmann's mayonnaise, an excellent source of good fats, nationally. We also launched Kissan Peanut Butter that is naturally a source of protein and zinc. To ensure that our consumers have access to their favourite ice-creams, we partnered with Swiggy and Zomato. Last year, we completed the merger of GSK Consumer Healthcare into HUL and welcomed the iconic brands Horlicks and Boost, virtually during the national lockdown. To address the need for building immunity, we launched the new Horlicks with added zinc and donated it to hospitals, frontline workers and even vulnerable children. The year saw Unilever launch its new Future Foods ambition to support a fairer, healthier and more sustainable global foods system. Through the new commitments, in India, we aim to create healthier and fortified foods that will address the challenges of unbalanced diet and micronutrient deficiency.

\* excluding the impact of merger of GSK CH and acquisition of 'VWash'

Across our Supply Chain and Sales, our top priority was the safety of our people and of those who work with us. We were one of the first companies to provide Covid-19 medical insurance for all those who work at the front-end. Our eB2B app, Shikhar enabled our retailer partners to place contactless orders conveniently and now, we have over 5 lakh retailers ordering through Shikhar. We have nearly 1,36,000 Shakti Entrepreneurs who played an important role and continue to do so in educating people on hand hygiene and ensuring critical supply of essential products in rural areas during the pandemic.

We made significant progress in our sustainability agenda. We reduced CO<sub>2</sub> emissions per tonne of production by 91% compared to 2008 baseline. We collected and safely disposed more than 1 lakh tonnes of post-consumer use plastic waste since 2018. Starting this year, we have committed to collect more plastic than we use in our packaging. Through interventions at the grassroots level, the Hindustan Unilever Foundation has created water potential of more than 1.3 trillion litres. Through our WASH initiatives, we have reached over 154 million people across the country till now.

The Unilever Sustainable Living Plan paved the way for the new Unilever Compass Commitments that were announced this year to address the key challenges of our time, such as plastic waste, gender equality, human rights and fair value—plus, of course, climate change and social inclusion.

I would like to assure you that we continue to stand with the nation during this challenging phase of Covid-19. We were among the first companies to commit ₹100 crores to the nation in its fight against coronavirus. Recently, we leveraged the strength of the larger Unilever

ecosystem, and have swiftly procured over 5,000 oxygen concentrators to be made available to the most impacted areas in the country. We continue to donate essential health and hygiene products such as soaps and disinfectants to the frontline and to vulnerable communities including tea growing communities in Assam, along with our partners UNDP and UNICEF.

Despite our best efforts, we lost several Hindustan Unilever colleagues to the Covid-19 pandemic. Our thoughts go out to their families and friends and indeed to all those whose lives have been impacted. The pandemic tested us in unprecedented ways. It tested the resilience of our business, character of our people, agility of our operations and the depth of our financial strength. It has made us a more resilient business that is better prepared for the vagaries of the fast-changing world.

Our five growth fundamentals – Purposeful Brands, Improved Penetration, Impactful Innovations, Design 4 Channel and Fuel for Growth, combined with a clear focus on the four priorities of People, Supply, Demand, Cash & Cost, and the technology muscle that we have built over last few years, positions us well for the future.

I would like to take this opportunity to thank all our people who have been tirelessly working to ensure that we continue to serve the people of this country through this extremely challenging year. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support, and confidence in Hindustan Unilever Limited.

Warm regards,

**Sanjiv Mehta**  
Chairman and Managing Director





## Board of Directors



**Mr. Sanjiv Mehta**  
Chairman and  
Managing Director



**Mr. Srinivas Phatak**  
Executive Director,  
Finance & IT and  
Chief Financial Officer



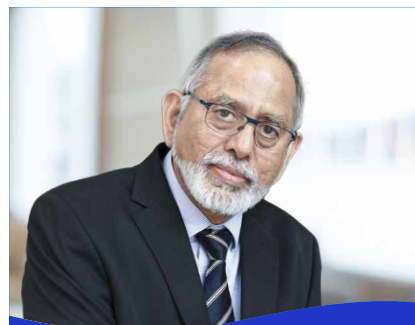
**Mr. Dev Bajpai**  
Executive Director,  
Legal & Corporate Affairs and  
Company Secretary



**Mr. Wilhelmus Uijen**  
Executive Director,  
Supply Chain



**Mr. O. P. Bhatt**  
Independent Director



**Dr. Sanjiv Misra**  
Independent Director



**Ms. Kalpana Morparia**  
Independent Director



**Mr. Leo Puri**  
Independent Director

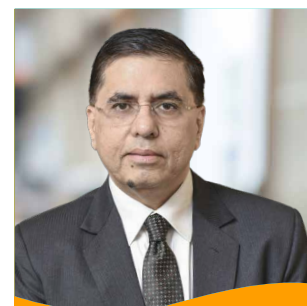


**Dr. Ashish Gupta**  
Independent Director

For detailed Profile of Directors, refer (page nos. 282 to 285) of this Report



## Management Committee



**Mr. Sanjiv Mehta**  
Chairman and  
Managing Director



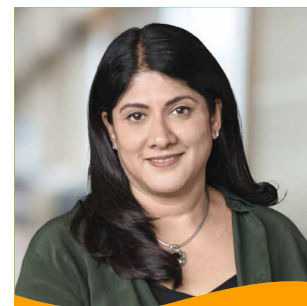
**Mr. Srinivas Phatak**  
Executive Director,  
Finance & IT and Chief  
Financial Officer



**Mr. Dev Bajpai**  
Executive Director,  
Legal & Corporate Affairs  
and Company Secretary



**Mr. Wilhelmus Uijen**  
Executive Director,  
Supply Chain



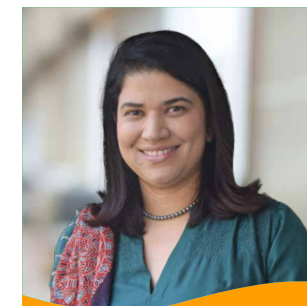
**Ms. Priya Nair**  
Executive Director,  
Beauty &  
Personal Care



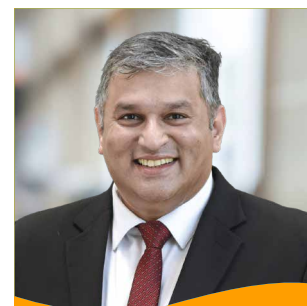
**Mr. Sudhir Sitapati**  
Executive Director,  
Foods & Refreshment



**Mr. Srinandan  
Sundaram**  
Executive Director,  
Sales and Customer  
Development



**Ms. Anuradha Razdan**  
Executive Director,  
Human Resources



**Dr. Vibhav Sanzgiri**  
Executive Director,  
Research &  
Development



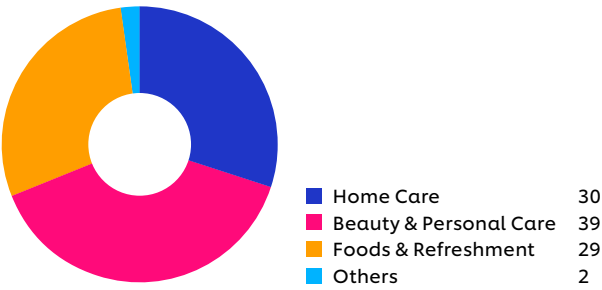
**Ms. Prabha  
Narasimhan**  
Executive Director,  
Home Care

## Our Performance

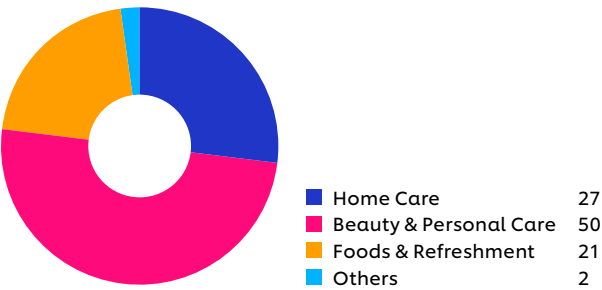
The benefits that our vision and strategy deliver, translate into growth-oriented performance for shareholders and the society at large.

### SEGMENTAL PERFORMANCE IN 2020-21

Segmental Revenue (%)



Segmental Results (%)



### FINANCIAL PERFORMANCE IN 2020-21

#### NET REVENUE

**₹45,996 crores**  
Comparable Domestic consumer business grew by 6%, underlying volume growth 3%

#### EBITDA

**₹11,324 crores**  
Earning Before Interest Tax Depreciation and Amortisation (EBITDA) increased by 18% vs last year.

#### EPS (BASIC)

**₹33.85**  
Last year's basic EPS: ₹31.13 per share

#### CASH FROM OPERATIONS

**₹11,000+ crores**  
Cash from operations was up ₹1,554 crores over the previous year

### NON-FINANCIAL PERFORMANCE\*

#### MANUFACTURING

**2020: 91%**  
2019: 85%  
Reduction in CO<sub>2</sub> emissions (kg/tonne of production) in our manufacturing operations compared to 2008 baseline

**2020: 54%**  
2019: 58%  
Reduction in water consumption (m<sup>3</sup>/tonne of production) in our manufacturing operations compared to 2008 baseline

**2020: 59%**  
2019: 63%  
Reduction in total waste (kg/tonne of production) generated from factories compared to 2008 baseline

#### BETTER LIVELIHOODS

**2020: ~1,36,000**  
2019: ~1,20,000  
Shakti Entrepreneurs empowered

#### SUSTAINABLE SOURCING

**2020: 67%**  
2019: 78%  
Tea sourced from sustainable sources for Unilever brands

#### HEALTH AND WELLBEING

**2020: >154 million**  
2019: >152 million  
People reached cumulatively through our Water, Sanitation and Hygiene (WASH) initiatives

\*Our non-financial performance is up to December 2020 (except when mentioned otherwise)

## Financial Performance

### Standalone

Statement of Profit & Loss Account	2018-19	2019-20	2020-21
Gross Sales	37,660	38,273	45,311
Other Income (includes other operating income)	1,228	1,245	1,198
Finance Cost	(28)	(106)	(108)
Profit Before Taxation <sup>®</sup>	8,749	9,289	10,717
Profit After Taxation <sup>®</sup>	6,080	6,743	7,963
Earnings Per Share of ₹1	27.89	31.13	33.85
Dividend Per Share of ₹1	22.00	25.00	40.50 <sup>§</sup>

<sup>®</sup>Before Exceptional items    <sup>§</sup>Includes Special Dividend

### Balance Sheet

	2018-19	2019-20	2020-21
Property, Plant and Equipment and Intangible Assets	4,716	5,569	51,650
Investments	2,949	1,500	2,995
Cash and Other Bank Balances	3,688	5,017	4,321
Net Assets (Current and Non-Current)	(3,694)	(4,055)	(11,532)
	<b>7,659</b>	<b>8,031</b>	<b>47,434</b>
Share Capital	216	216	235
Other Equity	7,443	7,815	47,199
	<b>7,659</b>	<b>8,031</b>	<b>47,434</b>

### Key Ratios and EVA

	2018-19	2019-20	2020-21
EBITDA (% of Gross Sales)	22.9	25.1	25.0
Fixed Asset Turnover (No. of Times)	8.0	6.9	0.9
PAT <sup>®</sup> /Gross Sales (%)	16.1	17.6	17.6
Return on Capital Employed (%)	131.2	128.5	22.9*
Return on Net Worth (%)	90.5	92.0	17.0*
Economic Value Added (EVA) (₹ crores)	5,291	6,085	3,810*

<sup>®</sup> Before Exceptional items    \*Opening balances adjusted for GSK CH merger

Return on Net Worth, Return on Capital Employed and Economic Value Added have dropped in financial year 2020-21 on account of increase in shareholders' equity pursuant to the merger of GSK CH

### Others

	2018-19	2019-20	2020-21
HUL Share Price on BSE (Per Share of ₹1)*	1,708	2,298	2,431
Market Capitalisation (₹ crores)	3,69,688	4,97,514	5,71,133

\*Based on year-end closing prices quoted on BSE Limited

Information on 10 years record of Financial Performance is available at [www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents.html](http://www.hul.co.in/investor-relations/annual-reports/hul-annual-report-related-documents.html)



# India Sustainability Initiatives (Highlights)\*

Target Performance

## Improving Health And Wellbeing

By 2020, Unilever will help more than a billion people take action to improve their health and wellbeing.

1. HEALTH AND HYGIENE
- By 2020 Unilever will help more than a billion people globally to improve their health and hygiene. This will help reduce the incidence of life-threatening diseases like diarrhoea.

>154 million people have been reached through our Water, Sanitation and Hygiene (WASH) initiatives, in India.



2. NUTRITION
- By 2020, Unilever will double the proportion of its portfolio across the globe, that meets the highest nutritional standards, based on globally recognised dietary guidelines. This will help hundreds of millions of people to achieve a healthier diet.
- 51% of HUL's Foods & Refreshment portfolio met the highest nutritional standards in 2020, based on globally recognised dietary guidelines.

\* These are highlights of HUL's USLP performance which is a subset of the Unilever PLC's reported USLP performance

## Enhancing Livelihoods

By 2020, Unilever will enhance the livelihoods of millions of people as it grows its business.

1. FAIRNESS IN THE WORKPLACE
- By 2020, Unilever will advance human rights across global operations and extended supply chain.

HUL continued to embed human rights with a focus on human rights issues identified by Unilever globally.

2. OPPORTUNITIES FOR WOMEN

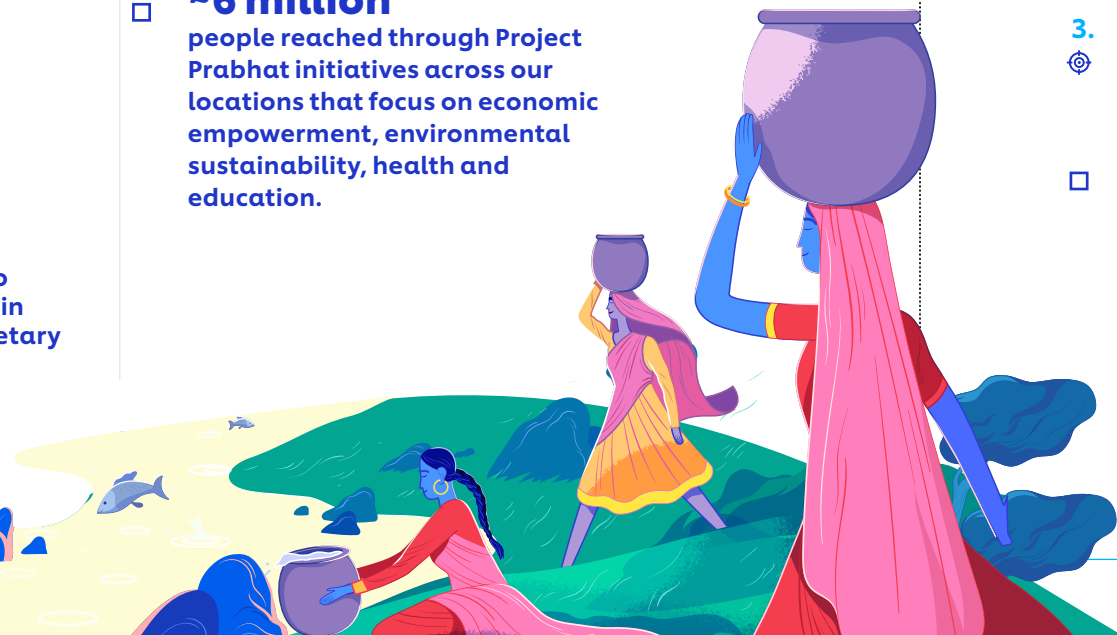
By 2020, Unilever will empower five million women.

~1,36,000 Shakti entrepreneurs empowered through the Shakti programme by end of 2020.

3. INCLUSIVE BUSINESS

By 2020, Unilever will enhance the livelihoods of millions of people.

~6 million people reached through Project Prabhat initiatives across our locations that focus on economic empowerment, environmental sustainability, health and education.



## Reducing Environmental Impact

By 2030, Unilever's goal is to halve the environmental footprint of the making and use of its products as it grows its business.

1. GREENHOUSE GASES
- Halve the greenhouse gas impact of Unilever's products across the lifecycle by 2030.

91% reduction in CO<sub>2</sub> emissions (kg/tonne of production) in HUL's manufacturing operations over 2008 baseline

2. WATER

By 2020, water abstraction by Unilever's global factory network will be at or below 2008 baseline despite significantly higher volumes.

54% reduction in water consumption (in m<sup>3</sup>/tonne of production) in HUL's manufacturing operations over 2008 baseline

>1.3 trillion litres\* of water potential created by HUF cumulatively through improved supply and demand water management

3. WASTE

By 2020, total waste sent for disposal globally, will be at or below 2008 baseline despite significantly higher volumes.

59% reduction in the total waste generated (kg/tonne of production) from HUL's factories over 2008 baseline

Our sustainability performance numbers are up to December 2020 (except when mentioned otherwise). For further details, visit the Planet and Society section on our website <https://www.hul.co.in/planet-and-society/>.

\* till financial year 2019-20

4. SUSTAINABLE SOURCING
- By 2020, Unilever will source 100% of its agricultural raw materials sustainably.

67% of Tea in India sourced for Unilever's brands is from sustainable sources

93% of tomatoes used in Kissan ketchup were from sustainable sources



Our Strategy

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







Unilever Compass Commitments–Global

Unilever has long held the belief that being a responsible, sustainable business makes a stronger, better business. Ten years ago, it was codified in the Unilever Sustainable Living Plan (USLP), which set out an ambition to decouple business growth from its environmental impact, while increasing positive social impact. As the sun set on the USLP in 2020, the business realised that stakeholders no longer see sustainability commitments as a nice-to-have – they rightly expect them as a minimum. The Unilever Compass strategy was developed to further accelerate Unilever’s commitments towards building a sustainable global business. The global

Unilever Compass puts serving its stakeholders at the heart of everything the business does. Going forward, the global Unilever Compass will guide our sustainable business strategy.

At Hindustan Unilever, we are committed to the global Unilever Compass strategy to create a movement in which

our suppliers, customers and consumers are all part of building a better future. We shall build and drive actionable programmes to tackle the most critical issues of our time, harnessing the full scale and impact of our brands and going further and faster to drive positive change.

Win with Unilever brands as a force for good, powered by purpose and innovation

IMPROVE THE HEALTH OF THE PLANET			IMPROVE PEOPLE’S HEALTH,	CONFIDENCE AND WELLBEING	CONTRIBUTE TO A FAIRER, MORE SOCIALLY INCLUSIVE WORLD		
Climate action	Protect and regenerate nature	Waste-free world	Positive nutrition	Health and wellbeing	Equity, diversity and inclusion	Raise living standards	Future of work
Net zero emissions from all Unilever products – from sourcing to point of sale – by 2039	Deforestation – free global supply chain in palm oil, paper and board, tea, soy and cocoa by 2023	50% virgin plastic reduction by 2025 globally, including an absolute reduction of 100,000 tonnes	€1 billion annual sales from plant-based meat and dairy alternatives by 2025-2027 globally	Take action through Unilever brands to improve health and wellbeing and advance equity and inclusion, reaching 1 billion people globally per year by 2030.	Achieve an equitable and inclusive culture by eliminating any bias and discrimination in Unilever practices and policies	Ensure that everyone who directly provides goods and services to Unilever will earn at least a living wage or income by 2030	Help equip 10 million young people with essential skills by 2030 globally
Halve greenhouse gas impact of products across the lifecycle by 2030 globally	Help protect and regenerate 1.5 million hectares of land, forests, and oceans globally by 2030	25% recycled plastic by 2025 globally	Double the number of products sold that deliver positive nutrition by 2025 globally	Unilever will focus on: <ul style="list-style-type: none"><li>• Gender equity</li><li>• Race and ethnicity equity</li><li>• Body confidence and self-esteem</li><li>• Mental wellbeing</li><li>• Hand hygiene</li><li>• Sanitation</li><li>• Oral health</li><li>• Skin health and healing</li></ul>	Accelerate diverse representation at all levels of leadership	Help 5 million small and medium-sized enterprises (SMEs) grow their business by 2025 globally	Pioneer new models to provide Unilever employees with flexible employment options by 2030
Zero emissions in the operations by 2030 globally	100% sustainable sourcing of key agricultural crops globally	Collect and process more plastic than we sell by 2025 globally	70% of Unilever’s portfolio to meet WHO-aligned nutritional standards by 2022		5% of Unilever’s workforce to be made up of people with disabilities by 2025		Reskill or upskill Unilever employees with future-fit skills by 2025
Communicate a carbon footprint for every product that Unilever sells globally	Empower farmers and smallholders to protect and regenerate farm environments	100% reusable, recyclable or compostable plastic packaging by 2025 globally	95% of packaged ice cream to contain no more than 22g total sugar per serving by 2025 globally		Spend €2 billion annually with diverse businesses worldwide by 2025		
Replace fossil-fuel derived carbon with renewable or recycled carbon in all Unilever cleaning and laundry product formulations by 2030	100% of Unilever’s ingredients will be biodegradable by 2030	Halve food waste in our Unilever operations by 2025	95% of packaged ice cream to contain no more than 250 kcal per serving by 2025 globally		Increase representation of diverse groups in Unilever’s advertising		
Supported by Unilever’s €1 billion Climate & Nature Fund			85% of Unilever’s Foods portfolio to help consumers reduce their salt intake to no more than 5g per day by 2022				

Respect human rights

Respect and promote human rights and the effective implementation of the UN Guiding Principles, and ensure compliance with our Responsible Sourcing Policy

Our responsible business fundamentals

Business integrity

Safety at work

Employee wellbeing

Product safety and quality

Responsible innovation

Responsible advertising and marketing

Safeguarding data

Engaging with stakeholders

Responsible taxpayer

Committed to transparency



Our Business Model

We work to create sustained value for our stakeholders through an adaptable and resilient business model.

